



MEMORANDUM

Employee Wage COLA 2025

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: May 12, 2025
From: Aaron Glidden, Chair, Employee Committee
Through: Melissa Jacobsen, City Manager

Summary:

The Employee Committee respectfully requests a 2.2% COLA for upcoming fiscal year.

Background:

The Employee Committee met on March 5, 2025, and several more times since, to discuss the upcoming budget and the feasibility of a COLA. After gathering feedback from all departments, the EC overwhelmingly supports the addition of a 2.2% COLA, to keep pace with inflation.

The Employee Committee recognizes the budgetary hardship caused by the shortfall of sales tax revenue for the upcoming fiscal year, and does not envy the hard decisions that Council will have to make to come up with a balanced budget. We hope that Council understands that not implementing a COLA is essentially a pay cut, as our wages do not have the same buying power that they did a year ago.

We believe that wages that keep up with the Cost of Living go a long way to help with employee morale and retention.

Recommendation:

The Employee Committee recommends that the Council secure the funds to implement a 2.2% COLA for the upcoming year.

Attachments:

AK Department of Labor CPI Tables (2019-present)
COLA comparison across municipalities



Department of Labor and Workforce Development

RESEARCH AND ANALYSIS

[Home](#)
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CPI TABLES (2019 - PRESENT)

Urban Alaska

(Index value and 12-month percent change)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	ANNUAL	HALF 1	HALF 2
2019		227.183 2.5%		228.553 2.7%		234.179 2.5%		230.406 0.7%		227.552 -0.3%		226.527 0.0%	228.676 1.4%	228.858 2.6%	228.495 0.2%
2020		226.51 -0.3%		222.909 -2.5%		225.245 -3.8%		226.984 -1.5%		228.343 0.3%		227.259 0.3%	226.153 -1.1%	225.049 -1.7%	227.258 -0.5%
2021		229.478 1.3%		233.519 4.8%		239.296 6.2%		239.899 5.7%		242.708 6.3%		243.568 7.2%	237.188 4.9%	232.679 3.4%	241.698 6.4%
2022		246.369 7.4%		251.041 7.5%		268.916 12.4%		258.149 7.6%		261.093 7.6%		256.634 5.4%	256.423 8.1%	252.271 8.4%	260.576 7.8%
2023		256.856 4.3%		258.866 3.1%		259.93 -3.3%		263.407 2.0%		263.984 1.1%		261.178 1.8%	260.372 1.5%	257.938 2.2%	262.806 0.9%
2024		261.34 1.7%		267.046 3.2%		267.559 2.9%		267.313 1.5%		269.404 2.1%		267.312 2.3%	266.208 2.2%	264.376 2.5%	268.039 2.0%
2025		269.022 2.9%													

U.S. City Average

(Index value and 12-month percent change)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	ANNUAL	HALF 1	HALF 2
2019	251.712 1.6%	252.776 1.5%	254.202 1.9%	255.548 2.0%	256.092 1.8%	256.143 1.6%	256.571 1.8%	256.558 1.7%	256.759 1.7%	257.346 1.8%	257.208 2.1%	256.974 2.3%	255.657 1.8%	254.412 1.7%	256.903 1.9%
2020	257.971 2.5%	258.678 2.3%	258.115 1.5%	256.389 0.3%	256.394 0.1%	257.797 0.6%	259.101 1.0%	259.918 1.3%	260.28 1.4%	260.388 1.2%	260.229 1.2%	260.474 1.4%	258.811 1.2%	257.557 1.2%	260.065 1.2%
2021	261.582 1.4%	263.014 1.7%	264.877 2.6%	267.054 4.2%	269.195 5.0%	271.696 5.4%	273.003 5.4%	273.567 5.3%	274.31 5.4%	276.589 6.2%	277.948 6.8%	278.802 7.0%	270.97 4.7%	266.236 3.4%	275.703 6.0%
2022	281.148 7.5%	283.716 7.9%	287.504 8.5%	289.109 8.3%	292.296 8.6%	296.311 9.1%	296.276 8.5%	296.171 8.3%	296.808 8.2%	298.012 7.7%	297.711 7.1%	296.797 6.5%	292.655 8.0%	288.347 8.3%	296.963 7.7%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Homer	0%	0%	0%	0.0%	2.0%	0.0%	0.0%	1.5%	0.5%	0.5%	3.0%	1.0%	7.0%	1.5%	
Cordova	2%	2%	3%	2.25%	3.10%	3%	1.50%	1.50%	0%	2%	2%	2%	0		3.5%
Kenai	1.10%	1.10%	0.90%	3.60%	2%	3.50%	0	0	0.80%	0.20%	2%	0.22%	4.35%		
Palmer	0	0	0	0	0	3%	0	0	0	0	0	0	0		
Seward	0	1%	1.80%	2.50%	3%	3%	0	0	2.10%	0	0	0	0		
Wasilla	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%		
Kenai Penit	3.00%	2%	4.60%	2.50%	3.50%	2.50%	1%	0.50%	0.50%	0.50%	2.00%	2.00%	1.50%		
Average	1.16%	1.19%	1.76%	1.84%	2.23%	2.43%	0.64%	0.79%	0.84%	0.74%	1.57%	1.03%	2.12%		
CPI	1.80%	3.20%	2.2%	3.1%	1.6%	0.5%	0.4%	0.5%	3.0%	1.4%	-1.1%	4.9%	8.1%	1.5%	2.2%