

CITY OF HOMER  
HOMER, ALASKA

Failed  
8/13/18

Lord

ORDINANCE 18-35

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA  
AMENDING HOMER CITY CODE 3.05.005, BUDGET ASSUMPTIONS,  
BY ADDING A REQUIREMENT THE CITY MANAGER PRESENT THE  
COUNCIL WITH INFORMATION ON INFLATIONARY PRESSURES ON  
THE CITY BUDGET

WHEREAS, The City of Homer has a stated policy of using external parity as a non-binding guide for salary administration; and

WHEREAS, The forces of inflation increase the cost of living across Alaska over time; and

WHEREAS, The Anchorage Consumer Price Index (CPI) is a measure of inflation, established by the US Bureau of Labor Statistics in 1960 and is one of 27 cities in the country where changes in consumer prices are tracked; and

WHEREAS, The Anchorage CPI is the only consumer price index in Alaska and is treated as the de facto statewide measure of inflation by the public and private sectors; and

WHEREAS, The City of Homer recently completed a Salary Parity Study, finding that our wage scale is mostly on par with other municipalities; and

WHEREAS, It is in the City of Homer's best interest to implement periodic cost of living adjustments (COLA) to its wage scale, in order to adjust for inflation, offer competitive wages, to attract and retain qualified employees, and ultimately maintain external parity; and

WHEREAS, Providing timely and accurate external information to the City Council on the Anchorage CPI and actions by surrounding municipalities related to inflation aids the Council in evaluating the City Manager's budget assumptions in terms of regional inflation.

NOW, THEREFORE, The City of Homer Ordains:

Section 1. Homer City Code Section 3.05.005 is amended to read as follows:

~~By the third Friday in September the City Manager shall present to the Council an overview of preliminary budget assumptions for the next fiscal year of the City. These preliminary assumptions will address, by fund, revenue projections, tax and utility~~

42 rates, ~~program additions or deletions, wages and benefits, or other issues with~~  
43 ~~potential impact on the City's overall financial condition.~~

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45 **By the third Friday in September the City Manager shall present to the Council an**  
46 **overview of preliminary budget assumptions for the next fiscal year of the City.**  
47 **These preliminary assumptions will address, by fund, revenue projections, tax and**  
48 **utility rates, program additions or deletions, wages and benefits, inflationary**  
49 **pressure on the city budget or other issues with potential impact on the City's**  
50 **overall financial condition. The City Manager will include an overview of the**  
51 **previous year Anchorage Consumer Price Index (CPI) as a measure of overall**  
52 **inflation, the Cost of Living Adjustment made by no less than three nearby**  
53 **municipalities in their most recent budget year, and the cost of a Cost of Living**  
54 **Adjustment based on the Anchorage CPI for City of Homer employees, exclusive of**  
55 **the medical portion.**

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57 Section 2. This ordinance shall take effect upon its adoption by the Homer City Council.

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59 Section 3. This ordinance is of a permanent and general character and shall be included  
60 in the City Code.

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62 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this \_\_ day of \_\_\_\_\_, 2018.

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65 CITY OF HOMER

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68 \_\_\_\_\_  
69 BRYAN ZAK, MAYOR

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71 ATTEST:

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74 \_\_\_\_\_  
75 MELISSA JACOBSEN, MMC, CITY CLERK

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78 YES:

79 NO:

80 ABSTAIN:

81 ABSENT:

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83 Introduction:

84 Public Hearing:

85 Second Reading:

86 Effective Date:

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89 Reviewed and approved as to form:

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92 \_\_\_\_\_  
Katie Koester, City Manager

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\_\_\_\_\_

Holly Wells, Attorney

94 Date: \_\_\_\_\_

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Date: \_\_\_\_\_

