

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Personnel Director

RESOLUTION 25-030

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE CITY OF HOMER PERSONNEL REGULATIONS,
CHAPTER 5, SECTION 5.8.1, SWING SHIFT; SECTION 5.8.2,
GRAVEYARD SHIFT; AND SECTION 5.14, ON-CALL PAY.

WHEREAS, Pursuant to Regulation 1.6, Revisions and Amendments, the City Manager may recommend revisions to the Personnel Regulations at any time with the revisions effective upon the approval of the City Council; and

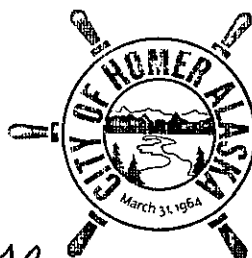
WHEREAS, The City Manager recommends amending Chapter 5, Section 5.8.1 Swing Shift to increasing the shift differential from 2% to 3%; and

WHEREAS, The City Manager recommends amending Chapter 5, Section 5.8.2 Graveyard Shift to increasing the shift differential from 4% to 6%; and

WHEREAS, The City Manager recommends amending Chapter 5, Section 5.14 On-Call Pay to increasing the on-call pay from \$3.00 per hour to \$5.00 per hour.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby amends the City of Homer Personnel Regulations, Chapter 5, Section 5.8.1 Swing Shift, Section 5.8.2 Graveyard Shift, and Section 5.14 On-Call Pay, as outlined above.

PASSED AND ADOPTED by the Homer City Council this 9th day of June, 2025.



CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

Renee Krause

RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: \$0 to budget; \$23,800 Shift Differential / \$56,178 On-Call Pay actual cost



MEMORANDUM

Resolution 25-030, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Personnel Regulations, Chapter 5, Section 5.8.1 Swing Shift, Section 5.8.2 Graveyard Shift, and Section 5.14 On-Call Pay. City Manager/Personnel Director

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: April 7, 2025
From: Andrea Browning, Personnel Director
Through: Melissa Jacobsen, City Manager

Overview

The Personnel Regs are periodically reviewed in order to determine if revision and/or clarifications are necessary.

The following proposed changes take into consideration recommendations by:

- The Employee Committee (after receiving input from their respective departments)
- Department Heads
- Administration

Suggestions were compiled by HR, and discussed with the Employee Committee, Department Heads, and the City Manager. After a careful vetting process and much consideration given to best practices and fiscal impacts, Administration recommends the following revisions.

Recommended Changes

Human Resources Director Browning has worked with the Employee Committee to review other comparable Alaska municipalities current Shift Differential and On-Call rates relative to the City of Homer.

When comparing both Shift Differential rates as well as On-Call rates of pay, it is evident that the City has fallen behind our surrounding municipalities. City Manager Jacobsen has reviewed the data and agrees that an adjustment to both rates is due in order to maintain parity.

The data gathered, as well as recommendations of Administration, are included for your consideration.

Shift Differential

A "shift differential" is extra pay given to employees who work outside of standard business hours, swing or grave shifts (nights). Shift differential essentially compensates them for working less desirable shifts that may disrupt their regular schedule; it is additional pay on top of their regular hourly rate and is paid as a percentage of their base pay to incentivize employees to take on these shifts. As you can see by the table below, the City has fallen behind other municipalities.

Administration's recommendation: Increase the Swing Shift differential to 3%, and Graveyard Shift differential to 6%. The Employee Committee supports this recommendation.

<i>Current Rates</i>	Swing/Graveyard
City of Homer	2% swing / 4% grave
City of Cordova	4% for most *Some CBA's are 3% swing/ 6% grave (8 hours or less) *CBA's are 4 ½ % grave (shifts longer than 8 hours)
City of Kenai	3% swing / 6% grave
City of Palmer	3% / 6% grave (Police & Dispatch only)
City of Seward	3% swing/ 6% grave
City of Soldotna	7% (6pm-6am)
City of Wasilla	2 ½ % swing / 5% grave + CBA's that vary
Kenai Peninsula Borough	3.75% / 7.5% Police Dispatch/ Custodians/ IT Others are lower, per CBA's

Current Personnel Regulations read:

Chapter 5 - Salary Administration

- 5.8 Shift Pay.** Additional pay is provided to employees that are assigned to work in a swing or graveyard shift. An employee must work at least half of their scheduled work day in a swing or graveyard shift to be entitled to shift pay. Any continuous shift with at least half of the hours in a higher shift rate shall have the entire shift paid at the appropriate higher shift rate. Shift differential shall be calculated as part of an employee's hourly rate of pay for overtime compensation purposes. All shifts should be scheduled so that each employee works 80 hours within each pay period. Shift differential shall not be paid for any non "working" hours. Fire Department Emergency Services personnel on a fourteen-day work schedule will not receive shift differential.
- 5.8.1 Swing Shift.** Employees assigned to work between the hours of 4:00 p.m. and midnight will receive two percent additional pay to their hourly rate of pay for hours worked during a swing shift.

5.8.2 Graveyard Shift. Employees assigned to work between the hours of midnight and 8:00 a.m. will receive **four** percent additional pay to their hourly rate of pay for hours worked during a graveyard shift.

Change: Increase Swing Shift differential to 3% and Graveyard Shift differential to 6%.

Fiscal impact: The estimated cost citywide would be roughly \$23,800. This value is determined by increasing FY24 actuals by the proposed rate. This is not precise, as the employee demographics can change between the fiscal years.

On-Call Pay

On-call pay is compensation for employees who are available to work outside of their regular hours, even if they aren't actively working. On-call pay compensates employees for being ready to respond to work-related needs and emergencies.

Background: In FY24 there were 22,600.75 hours of On-Call pay, which totaled \$67,803. In FY26 we will be adding the IT department to the on-call schedule. At the current rate of \$3.00/hour, the IT department will cost \$12,189 annually, which accounts for most of the increase from FY24 to FY26 shown below.

FY26: Current \$3.00/ hour, the estimated On-Call cost for all departments in FY26 would be \$84,267 (\$38,361 General Fund, \$30,474 Utility Fund, \$15,432 Enterprise Fund).

Increasing the On-Call rate

\$4.25/hour; increases the total estimated cost for FY26 to \$119,378 annually. This is a \$51,575 increase over FY24.

\$5.00/hour; increases the total estimated cost for FY26 to \$140,445 annually. This is a \$72,642 increase over FY24.

On Call Pay	Estimated			
	FY26 Hours	Current \$3.00	\$4.25/hour	\$5.00/hour
IT	4063	\$12,189	\$17,268	\$20,315
Fire	500	\$1,500	\$2,125	\$2,500
Ice Plant	5144	\$15,432	\$21,862	\$25,720
Equipment Oper.	3133	\$9,399	\$13,315	\$15,665
W/WW	8983	\$26,949	\$38,177	\$44,915
Building Maint.	6266	\$18,798	\$26,631	\$31,330
		\$84,267	\$119,378	\$140,445

As you can see by the table below, the City has fallen behind other municipalities.

Administration's recommendation: Increase the On-Call Pay to \$5.00 per hour

The Employee Committee supports this recommendation.

<i>Current Rates</i>	<i>On-Call pay per hour</i>
City of Homer	\$3.00/ hour; 2-hr minimum call-out
City of Cordova	\$5.00/hour Police & Fire ; \$2/hour all others
City of Kenai	5% rate computed against Step-A
City of Palmer	2 hours at OT rate per day/period
City of Seward	2 hours at OT rate per day/period
City of Soldotna	\$4.25 hour
City of Wasilla	2 hours at OT rate per day/period
Kenai Peninsula Borough	2-hour minimum call-out

Current Personnel Regs read:

Chapter 5; Salary Administration

5.14 On-Call Pay. All full-time employees that are required to be on call shall be compensated at the rate of **\$3.00** per hour for all on-call hours outside of work hours. On-call compensation received shall be calculated as part of the employee's hourly rate of pay for overtime compensation purposes. On-call employees that are called back for unscheduled work after completing their work day shall be paid a minimum of two hours pay at their hourly overtime rate. On-call employees scheduled to work weekend hours outside their normal work week will be paid overtime regardless of the number of hours worked during the workweek. On-call employees should not be on leave or take leave during scheduled on-call periods and should not consume alcohol or drugs while on-call. The on-call duty definition does not pertain to Fire Department personnel when they are not required to be accessible for work assignment.

Change: Increase On-Call Pay to \$5.00 per hour

Fiscal impact: **\$56,178** (Addition of IT is \$20,315 of that total)

Estimated FY26 \$140,445 cost at \$5.00/hour on-call pay

Less estimated FY26 \$84,267 cost at \$3.00/hour on-call pay = \$56,178

* Roughly 36% of the on-call hours are charged to the Utility Fund and 18% are charged to the Enterprise Fund.



MEMORANDUM

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Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: April 2, 2025
From: Michael Swoboda, Vice Chair Employee Committee
Through: Melissa Jacobsen, City Manager

Summary:

Propose a cost of living adjustment (COLA) to the on-call pay rates for the On-call employees of the City of Homer. This adjustment aims to ensure that compensation remains fair and competitive, reflecting the increasing living costs in our region. This would keep us in line with other municipalities and help account for wage compression of on-call duties.

Background:

The On-call position plays a crucial role in maintaining the city's infrastructure, ensuring public safety, and providing essential services. Employees assigned to on-call duties are expected to be available beyond regular working hours and within an immediate response range of their location of work, often responding to emergencies that require immediate attention. Currently, the on-call compensation structure is as follows:

Weekdays: \$3/Hour & 1.5x pay for call outs
Weekends: \$3/Hour & 1.5x pay for call outs
Holidays: \$3/Hour & double pay for call outs

These rates have remained unchanged since at least 2005, with no adjustments made during the tenure of any current employee, despite a significant rise in the cost of living in Homer and addition of job duties and infrastructure expansion.

Rationale for Adjustment:

Increased Living Costs: According to recent data, the cost of living in Alaska has risen significantly, impacting housing, utilities, and other essential expenses. The U.S. Bureau of Labor Statistics reports

a cumulative inflation rate of approximately 64% over the past 20 years, reflecting significant increases in the cost of goods and services. This has resulted in wage compression for employees who have the responsibility to be On-call for after-hours emergencies, with increased job responsibilities due to the growth of Homer and addition of services.

Employee Retention and Morale:

Competitive compensation is vital for retaining skilled personnel. Adjusting on-call pay to align with current living costs demonstrates the city's commitment to its employees' well-being, potentially reducing turnover and enhancing job satisfaction. This also ensures alignment with industry standards in comparable regions and municipalities.

Recommendation:

The Employee Committee recommends implementing a COLA to the current on-call pay rates, effective 07/01/2025. The proposed rates are:

Proposed adjusted pay:

Weekdays: \$5/Hour & 1.5x pay for call outs

Weekends: \$5/Hour & 1.5x pay for call outs

Holidays: \$5/Hour & double pay for call outs

These adjustments are calculated based on the percentage increase in the cost of living since the last pay adjustment, ensuring that compensation remains aligned with current economic conditions. That same \$3 would be equivalent to \$5.61 as of December 2024. The proposed \$5 hourly rate for on-call pay is designed to reflect inflationary trends and ensures alignment with industry standards in comparable regions and municipalities.

Financial Impact:

This adjustment will be funded through a combination of the general fund and the enterprise funds of the city. FY 2026 is expecting 28,089 of on-call worked. This was broken up between 6 departments. Fire, W/WW, ice plant, equipment operators, building maintenance, and IT. This would result in a total financial need of \$140,445.00 this would be an increase of \$56,178. \$28,254 of this would be paid for through enterprise funds of the W/WW and harbor and \$27,924 would be allocated through the general fund.

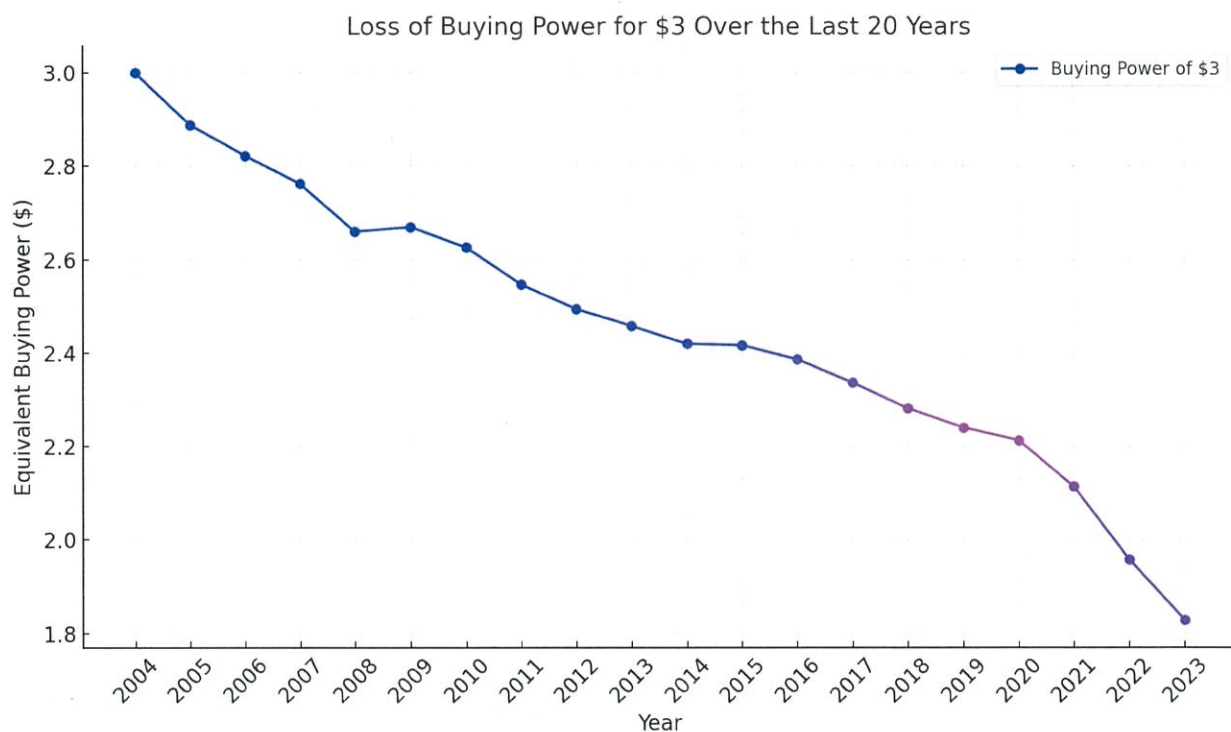
Precedent for Change:

The creation of a separate wage scale for exempt employees was created due to wage compression for exempt employees resulting in an increase in wages of 9% in FY24 and an additional 2% in FY25.

The estimated fiscal impact for FY24 is \$72,697 and \$17,609.50 in FY25 resulting in a total impact of \$90,306.50 this was passed unanimously through council on 2/12/2024.

Conclusion:

Implementing this cost of living adjustment will not only support our dedicated On-Call employees but also enhance the efficiency and responsiveness by fostering a motivated and stable workforce. This proposal is consistent with the City of Homer's commitment to equitable compensation and the well-being of its workforce, ensuring we continue to attract and retain skilled personnel essential to maintaining our city's infrastructure.



Source Reference:

U.S. Bureau of Labor Statistics. (2024). Consumer Price Index Historical Tables for U.S. City Averages. Retrieved from <https://www.bls.gov/cpi/tables/home.htm>