

TRANSMITTAL MEMORANDUM

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TO:	The Honorable Mayor & City Council	Initials:	
FROM:	Lacey G. Simpson, Acting City Manager	File #:	MGR25-312
DATE:	May 30, 2025	Mtg. #:	06/05/25 CAe
RE:	<b>Authorizing 2.5% Cost of Living Adjustment for Non-Represented General Government And Ketchikan Public Utilities Employees For 2025</b>		

At the City Council meeting of February 6, 2025, the City Council approved the 2025-2027 Collective Bargaining Agreement between the City of Ketchikan and the International Brotherhood of Electrical Workers, Local 1547. As presented to the City Council during consideration of the collective bargaining agreement, the City has traditionally afforded cost of living adjustments (COLAs) to the non-represented employees of General Government and KPU comparable to those that the City has negotiated with the represented employees. At the May 15, 2025, meeting, the City Council approved Resolution No. 25-2966, Approving Additional Step Increases to the Non-Represented Wage Tables, which extended the wage grade scale to end at Step X, where it had previously ended at Step U. This extension was negotiated with IBEW during the bargaining process and is reflected in the new agreement. Consequently, staff is recommending implementation of the negotiated 2.5% cost of living adjustment effective January 1, 2025, for non-represented General Government and Ketchikan Public Utilities Employees.

As the City Council will recall, during the adoption of the General Government and Ketchikan Public Utilities operating budgets, a 3% cost of living adjustment was incorporated into the budget for all employees except those that fell under active collective bargaining agreements in which COLAs had already been negotiated and contractually agreed to. The cost of the 2.5% COLAs for the non-represented employees for 2025 will result in a savings or decrease to the personnel services and benefits accounts, and the savings will be returned to the reserves of the respective funding sources unless the City Council approves a requested budget transfer for an alternate use. No rate or tax increases are being recommended at this time to support the 2.5% COLA for IBEW represented and non-represented employees, given its incorporation into the adopted budgets; however, revenue adjustments will need to be made effective 2026 and in subsequent years to fulfill these contractual obligations and any corresponding adjustments extended to non-represented employees.

A motion has been prepared for City Council consideration.

**Recommended Motion:**

I move that the City Council authorize a 2.5% cost of living adjustment for General Government and Ketchikan Public Utilities non-represented employees effective January 1, 2025.