

Introduced by: Arness
Date: September 3, 1974
Hearing: October 8, 1974
Action: Enacted Oct. 8, 1974
Vote: 117.5 Yes, 10 No

KENAI PENINSULA BOROUGH

ORDINANCE 74-59

AN ORDINANCE ESTABLISHING COMPENSATION OF THE BOROUGH MAYOR.

WHEREAS, AS 29.23.530 provides that the assembly may fix by ordinance the salaries of elected officers before they are elected but that salaries may not be changed during a term of office; and

WHEREAS, the intent of this provision is laudable in that it prevents an assembly from unduly raising their own salaries or from controlling other elected officials by the use, or threat of use, of the power to raise or lower salaries, but rampant inflation has made setting of a flat monetary amount of salary inequitable in that the assembly must either set such an extraordinarily high salary prior to election of a mayor to allow for such inflationary trend that a salary may result in a great overpayment for the position, or the assembly must make a conservative estimate which over a period of more than three years may result in a vast underpayment of salary for the responsibilities of the position; and

WHEREAS, the present salary set for the Borough Mayor is not commensurate with the duties and responsibilities of the office, is far below salaries paid other employees of the borough and school district, and is not conducive to securing the filing of competent candidates for the duties and responsibilities of the office of mayor; and

WHEREAS, in an inflationary spiral the purchasing power of a fixed salary can fall rapidly and excessively over a three year period; and

WHEREAS, the intent of the above cited Alaska statute would be fulfilled if the salary of the Borough Mayor were established to be annually adjusted in accordance with changes in the Consumer Price Index for the United States published by the Bureau of Labor Statistics, U. S. Department of Labor, to reflect inflationary changes but would be beyond the control of the assembly to alter or change during a term of office of the Borough Mayor; and

WHEREAS, any change of salary for the Mayor could not be effective until after a mayor is elected in October of 1975 and with present inflationary tendencies it is not possible to set a salary that would be reasonable for the period of October, 1975, through October, 1978, but it is possible to set a salary that would have been reasonable in July of 1974 and tie future salaries into that base with inflationary adjustments; and

WHEREAS, because of the time lapse before publication of the Consumer Price Index for any month and the necessity for the administration to start budget preparation early in the calendar year for the next fiscal year, the Consumer Price Index for the month of December should be used for adjustment purposes, and the base for such adjustment should be the Consumer Price Index for December, 1973, which was 138.5 based on 1967 price index taken as 100; Now Therefore,

BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. Sec. 9.05.015(a) of the Kenai Peninsula Borough Code of Ordinances is amended to read:

(a) Salary. The Borough Mayor shall receive **as compensation for each fiscal year** (payable in monthly installments) an annual salary equal to \$33,000 adjusted proportionately to reflect the change in the Consumer Price Index (CPI) (published by the Bureau of Labor Statistics, U. S. Department of Labor) for the month of December immediately preceding said fiscal year from the CPI for December, 1973, which on the base of 100 for the year 1967 amounted to 138.5. In the event of change of base period for reporting of the CPI, the base figure for December, 1973, will be adjusted so that published figures will accurately reflect changes in the CPI from that month.

Section 2. This ordinance shall become effective on November 1, 1975, and since only a portion of the fiscal year will then be remaining, only two-thirds of the change under the above formula will be effective for the 1975-1976 fiscal year.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH this 8 day of October, 1974.

ATTEST:

Francis Bremer
Borough Clerk

Amos V. O'Connell
Assembly President

Kenai Peninsula Borough
Ordinance 74-59
Page 2 of 2 Pages