City of Blaine
Charter Commission

October 13, 2025 | 6:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

The Charter Commission reviews the City Charter and recommends charter amendments in keeping with the state law. Commissioners are citizen volunteers recommended for appointment by the City Council to the Tenth Judicial District Chief Judge. The Charter Commission meets annually as required by statute, but may convene more often as needed. Those interested in having direct input into City government are encouraged to consider serving on the Commission. Appointments are 4-year terms and Commissioners are no longer limited to two 4-year terms per Minnesota Statute. The Charter Commission must consist of a minimum of seven commissioners and no more than 15 commissioners.

AGENDA

1. Call to Order

2. Roll Call

3. Approval of Minutes

3.1. 2025-550 Approval of Minutes
Sponsors:

4. Open Forum for Citizen Input

5. New Business

6. Old Business

6.1. ORD 25-2590 Re-Initiate Process for Recommendation of an Ordinance Amending Sec. 2.07. Salaries of the Blaine City Charter
Sponsors: Cathy Sorensen, City Clerk

7. Adjournment

City of Blaine
Charter Commission

September 23, 2025 | 6:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

1. Call to Order

Chair Lester called the meeting to order at 6:03PM.

2. Roll Call

PRESENT: Chair Jeffrey Lester, Commissioners Ayman Ali Khan, Ken Anderson, Tom Doran, Al Goracke, Jason Halpern, Jason Hartmann, Terri Homan, Trace Ludewig, and Arman Tagarro.

ABSENT: Commissioners Jasen Howard, Abdi Hussein, Ashton Ramsammy, and Nyle Zikmund

ALSO PRESENT: City Clerk Cathy Sorensen

3. Approval of Minutes

3.1. 2025-489 Approval of Minutes
Sponsors:

Motion by Commissioner Homan, second by Commissioner Goracke, to approve the minutes of the August 12, 2025, meeting as presented.

Motion adopted unanimously.

4. Open Forum for Citizen Input

No one appeared.

5. New Business

6. Old Business

6.1. 2025-168 Discussion of Other Sections of Charter for Possible Review - Sec. 6.05 - Purchases and Contracts
Sponsors: Cathy Sorensen, City Clerk

Ms. Sorensen shared a background report stating staff was recommending that the commission consider additional language to clarify that only contracts submitted to the council for approval would require signatures from both the city manager and the mayor. In addition, as part of the August 12 meeting, the commission had discussed possibly increasing the contract limit for the city manager from the current level of $50,000 to something higher. She shared a survey of other charter cities' contract limits then noted that Blaine's charter had been amended in 2015 from $10,000 to $20,000 and then again in 2019 to the current level of $50,000.

Commissioner Goracke said after reviewing the survey he supported an increase as the amount has changed incrementally over time but still provides accountability and controls, including council's regular review of bills paid.

Commissioner Tagarro confirmed there were corrections put in place after the fraud incident last year, adding these situations are always a moving landscape and this proposed change wouldn't have affected that outcome anyway.

Commissioner Homan supported increasing the level to $100,000 and could support it being higher based on other cities' amounts.

Commissioner Hartmann said he could see the efficiencies for contractors and the city by this change as well and asked that staff provide data on how many contracts come before the city between $50,000 and $100,000, adding this change could allow for the city to respond more quickly in a competitive market.

Commissioner Halpern said while Bloomington is a larger city with larger projects he could support $175,000 as well.

Commissioner Ludewig said he liked Minnetonka's language regarding the ability to make emergency purchases and agreed with the $100,000 limit. Ms. Sorensen said she would confirm about purchasing abilities as part of a mayoral emergency declaration.

Commissioner Anderson spoke about internal controls and asked how many signatures are required for outgoing checks as another control and said he could support matching statute at $175,000.

Commissioner Goracke agreed but felt it was important to get a higher amount agreed upon, especially with a new city manager in place, and that the amount could be reviewed again in the future.

Commissioner Doran agreed moving to $175,000 may be considered too large of an increase.

Motion by Commissioner Goracke, second by Commissioner Homan, to increase the city manager's purchase and contract amount to $100,000 and accept staff's recommendation to add "submitted to the council for approval."

After discussion the commission requested that staff explore bringing this discussion to a council workshop to obtain their feedback on increasing the amount to $175,000, consistent with statute. Ms. Sorensen said she would work to include this topic on an upcoming workshop and inform the commission.

7. Adjournment

Motion by Commissioner Homan, second by Commissioner Goracke, to adjourn the meeting at 6:44PM.

Motion adopted unanimously.

City of Blaine
Staff Report

File Number:

Agenda Date	Status
October 13, 2025	
In Control	**File Type**
Charter Commission	Ordinance

Old Business - Cathy Sorensen, City Clerk

Agenda Item # 6.1

Re-Initiate Process for Recommendation of an Ordinance Amending Sec. 2.07. Salaries of the Blaine City Charter

Background

The council held first reading and the public hearing on September 15 of the charter commission's proposed ordinance amendment regarding the process to review council salaries. Second reading and adoption was scheduled for October 6, but with two councilmembers absent, staff suggested the process begin again as statute outlines a specific timeline for charter amendment adoption. The commission is asked to make the recommendation again by motion, second, and vote, after which the amendment will be brought forward for first reading and another public hearing on November 3 with second reading and consideration of adoption on November 17.

Staff Recommendation

The commission is asked to recommend the proposed salary amendment by motion, second, and vote.

Questions for Council

- Does council support the charter amendment as proposed?

Attachment List

1. 07-07-25 Council Workshop Minutes
2. 8-12-25 Charter Commission Minutes - Draft
3. Commissioner Anderson - Memo

City of Blaine
City Council Workshop

July 7, 2025 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

NOTICE OF WORKSHOP MEETING
In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

1. Call to Order

The meeting was called to order by Mayor Pro Tem Robertson at 5:30PM.

2. Roll Call

PRESENT: Mayor Tim Sanders (arrived at 5:35PM), Councilmembers Terra Fleming, Chris Ford, Leslie Larson, Chris Massoglia, Tom Newland, and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: Interim City Manager/Community Development Director Erik Thorvig; Assistant Community Development Director Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Administrative Services Scott Johnson; Deputy Public Works Director Jason Grode; Public Works Supervisor - Water Kristian Gaasland; Director of Engineering Dan Schluender; Community Development Specialist Elizabeth Showalter; City Attorney Eric Larson; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3. New Business

3.1. 2025-145 Charter Amendment - Councilmember Salary Review
Sponsors: Cathy Sorensen, City Clerk

City Clerk Sorensen stated City Charter Sec. 2-07. – Salaries states that the monthly salary of each of the councilmembers and mayor shall be established by ordinance. Council had directed the charter commission to annually review surveys of council salaries from comparable/surrounding cities for recommendations on possible adjustments for consideration and any adjustments recommended would be presented to council and, if concurred with, an ordinance amendment would be processed. Pursuant to MN Statute 415.11, no change in salary shall take effect until after the next succeeding municipal election. The last increase to salaries occurred in 2025; prior to that changes last occurred in 2015. The current salary ordinance, adopted February 2024 and effective January 2025, is listed below:

> Sec. 2-31. Salaries of mayor and councilmembers.
> Salaries of mayor and councilmembers.
> Pursuant to the City Charter, section 2.07, and Minn. Stat. § 415.11, as amended, the salary of the mayor shall be increased to $1,526.25 per month; and the salary of the councilmembers shall be increased to $1,121.80 per month, effective January 1, 2025.

Ms. Sorensen explained the charter commission had presented a charter amendment last year that outlined a mechanism for regular review and recommendation of future salary changes that would be consistent with any cost of living salary increases afforded to city staff as outlined below:

> Sec. 2.07. Salaries.
> The monthly salary of each of the councilmembers and the mayor shall be established by ordinance. <u>Review of salaries shall be conducted in June of every odd numbered year and recommendations for adjustments, if any, be based on the annual cost of living adjustments consistent with staff.</u> The mayor and councilmembers, in addition to the above salaries, shall be paid a reasonable sum for each day and their reasonable expenses incurred while traveling outside the city on the city's business.

Ms. Sorensen reported with the amendment failing 6-1 last year because it did not receive a unanimous vote by the council, the commission met on May 20, 2025, and reviewed the amendment language again, and after discussion, is proposing the following amendment instead:

> Sec. 2.07. Salaries.
> The monthly salary of each of the councilmembers and the mayor shall be established by ordinance<u>. The council will review salaries of mayor and councilmembers in June of every odd numbered year and any adjustments should be based on the prior two years of cost of living adjustments consistent with those provided to staff and established by the Bureau of Labor and Statistics and the US Department of Labor.</u> The mayor and councilmembers, in addition to the above salaries, shall be paid a reasonable sum for each day and their reasonable expenses incurred while traveling outside the city on the city's business.

Ms. Sorensen commented that the intent of this revised amendment is to ensure when reviews occur and that those reviews are based on data provided by the Bureau of Labor and Statistics and the US Department of Labor. As this language was different to what was presented last year, the commission wanted to receive council feedback prior to the required public hearing.

Councilmember Newland asked how the language differed this year from last year. Ms. Sorensen commented the difference was in who would establish the numbers, which would now be the Bureau of Labor Statistics and the US Department of Labor.

Councilmember Newland indicated he supported the language as presented by staff.

Councilmember Robertson reported the majority of the council wanted to move forward with the previous amendment and she supported leaving this in the hands of the charter commission. In addition, she supported more regular reviews of the council pay, versus being done once every ten years. Ms. Sorensen clarified the review would be at staff's directive and not the charter commission's directive and would occur in June of every odd-numbered year.

Councilmember Fleming indicated she supported the proposed language change as it would recognize the council's efforts on behalf of the community.

Councilmember Massoglia shared his preference for last year's draft language and suggested, rather than the council review salaries, that a review occur instead, as it doesn't seem right to have the council review their own salaries.

Council provided feedback that supported the proposed language.

Ms. Sorensen noted the charter commission would be finalizing this language at their August meeting and staff would likely bring the item forward to the council in September.

3.2. 2025-146 Concept Plan for Flowerfield Road

Sponsors: Sheila Sellman, Assistant Community Development Director

Assistant Community Development Director Sellman stated the applicant is requesting concept plan review for a 32 lot single family subdivision at the northeast corner of Lexington Avenue and Flowerfield Road. Since the project is consistent with the comprehensive plan and has fewer than 50 lots, concept plan review is not required, however, the applicant is requesting this review prior to development of the more detailed plans necessary for a formal application. Stonegate Builders is proposed to construct both product types. Stonegate is a local builder who has not previously built in Blaine and offers a wide range of home designs and materials. Staff reviewed example elevations and floor plans for a villa and a two-story homes. If a formal application is made, staff would craft conditions for consideration to be included in the required CUP to ensure that the homes built are consistent with the examples.

Mark Anther, Fenway Land Group, introduced himself and discussed the Flowerfield Road concept plan in further detail with the council. He explained the site was 30 acres in size with a great deal of wetland along with a regional sewer line. He indicated this created challenges in finding the right product mix that worked with the land. He stated he would be partnering with Stonegate Builders on this project and they have been around for many years. He commented further on the open space and trees that were located on the parcel. He reviewed examples of the products he was proposing to build within this development and noted he was available for comments or questions.

Councilmember Newland stated he had no problems with the proposed development. He indicated his only concern was with how increased traffic would impact Flowerfield Road, because this was a narrow, rural roadway. He asked if the city had any plans to improve Flowerfield Road given the concerns that have been raised by the neighbors. Director of Engineering Schluender discussed the development that occurred along Flowerfield Road in 2014. He noted Flowerfield Road was a rural roadway section with three foot shoulders.

Councilmember Newland questioned if any improvements were planned for Flowerfield Road in the near future. Mr. Schluender discussed the complexities with upgrading and improving Flowerfield Road noting this would require filling in and purchasing wetland credits.

Councilmember Ford commented he supported the proposed development, but he agreed that the traffic along Flowerfield Road should be considered because this was a narrow roadway. He recommended a pedestrian trail be considered for safety purposes. Mr. Schluender stated staff has requested the developer look at connecting the Ghia Street cul de sac to Lexington Avenue with a trail.

Councilmember Robertson thanked the developer for bringing this development forward for council consideration. She explained she appreciated the elevated design elements. She asked that staff address the overgrown ditch grass and shoulders along Flowerfield Road for safety purposes. She stated this was a unique pocket in Blaine because this project was close to both Circle Pines and Lexington. She asked if it was possible to do a right-in/right-out to Lexington Avenue instead of pouring traffic from this development onto Flowerfield Road. Mr. Schluender said he did not anticipate that Anoka County would approve a right-in/right-out but the developer could make that request.

Councilmember Robertson recommended the developer consider a pedestrian plan in order to keep pedestrians off Flowerfield Road for safety purposes.

Councilmember Larson agreed with Councilmember Robertson's comments. She indicated she appreciated the proposed housing mix and that these units would be Villas, which would be geared towards seniors and empty-nesters.

Councilmember Newland supported the Public Works Department visiting Flowerfield Road in order to cut back the foliage along this roadway because it was so narrow.

Councilmember Ford explained he liked this project but indicated there was no space for pedestrians to walk along this roadway. He agreed the developer would have to consider pedestrian safety within the development plans.

Further discussion ensued regarding the trail segments that were located adjacent to the proposed development.

Councilmember Fleming stated she supported the proposed development and appreciated the unique housing designs being proposed by the developer. She thanked the developer for wanting to invest in Blaine.

Councilmember Larson spoke to a number of property owners already in this area and stated she was uncertain how 30 more housing units would adversely impact traffic, especially given how the new units would be marketed towards seniors.

Councilmember Robertson stated it appears the developer has support for the development from the council and the only concerns were with pedestrian safety along Flowerfield Road and how more trails can be incorporated. She asked that staff visit Flowerfield Road and work to improve driver safety by cutting back the existing overgrown foliage.

Council stressed the need for some type of trail/pedestrian traffic plan should this go forward, as well as potential road improvements to address increased vehicle traffic as Flowerfield Road was already very narrow.

3.3. 2025-147 SBM Fire Department - Quarterly Update

Sponsors: Daniel Retka, Fire Chief

Fire Chief Retka provided the city council with a quarterly update from the SBM Fire Department. He discussed how the staffing changes over the past two years were improving response times for the community. He reported the department had 50 overlapping calls per month and noted this number was rising. He reviewed the upcoming activities the department would be involved in, which included USA Cup and the PGA golf event. He then commented on the need for another station in the northeast corner of Blaine.

Lieutenant Jake Feffer provided a breakdown on Station 1 and commented on the total response area for this station, which included portions of Mounds View. He explained Station 1 was in a great location with great access to highways. He discussed the location of Station 3 and reviewed the response area for this station. He indicated Station 4 was built in 1974 and noted this station was in a decent location. The response zone for Station 4 was further discussed.

Fire Chief Retka commented on the administrative contract that was entered into with Centennial Fire District and discussed the benefits of this contract. He stated his goal would be to bring on Circle Pines and Centerville on a contract basis in the future. Further discussion ensued regarding how gaps would be eliminated if these cities were brought on.

Interim City Manager/Community Development Director Thorvig reported he met with the administrators from Mounds View and Spring Lake Park last week to discuss the future fire station. He indicated the first thing to understand was if this was the preferred location and what the potential costs would be for a new fire station. He commented the cost could be anywhere from $15 to $30 million.

Councilmember Newland questioned if Station 4 was still being used. Fire Chief Retka reported two firefighters were on call back to Fire Station 4. He indicated a staff vehicle was at Station 4 for these two individuals.

Councilmember Newland requested further information regarding how the stations were being staffed. Fire Chief Retka discussed how the fire stations were being staffed, noting only Stations 1 and 3 were being staffed overnight. He explained Station 4 did not have any room for expansion, but noted Centennial Station 1 could fill this gap along with a new station in the northeast corner of Blaine.

Councilmember Robertson thanked Fire Chief Retka for providing the council with further information on the mutual aid agreements that were in place. She appreciated the information that was shared on the department's response times, and she understood why there was a need for a fire station in the northeast corner of Blaine. She thanked Fire Chief Retka for being budget conscious.

Councilmember Ford stated he understood the city needed a fire station on the east side of Blaine, but noted he was not convinced the best place for the fire station was at the corner of 125th and Lexington. He reported fire stations were not necessarily built due to the growth in residential housing, rather he recommended the fire department consider call volumes. He indicated there would be fewer fire calls in newer housing developments than older housing developments.

Councilmember Massoglia explained he greatly appreciated SBM's approach when it came to providing fire services. He stated he was frustrated by how it appears SBM's partners were not paying their afire share. He asked if the contract with Centennial was calculated as if they were part of the JPA and would this be done with Circle Pines and Centerville. Fire Chief Retka described how fees were calculated for Circle Pines and Centerville, noting both of these communities were smaller than Spring Lake Park. He noted fees for these two cities would increase incrementally each year.

Councilmember Massoglia questioned what would be done with Fire Stations 2 and 4. Fire Chief Retka explained Fire Station 2 was still being used to store a command vehicle and for storage for the police department. He indicated there were discussions about selling Fire Station 2 over the next year. He indicated his recommendation would be to sell Fire Station 4 and noted the Centennial School District was interested in purchasing this property. He discussed how the sale of both of these properties would assist with reducing capital and equipment costs for the fire department.

3.4. 2025-148 City Manager Transition Topics

Sponsors: Erik Thorvig, Interim City Manager/Community Development Director

Interim City Manager/Community Development Director Thorvig discussed several key topics regarding his transition into the role of interim city manager with the city council. He explained he appreciated all of the work City Manager Wolfe has done over the past month in order to get him up to speed. He commented on how busy the city was at this time and noted nothing would be put on the back burner, except major policy decisions. He reported the budget would be moving forward in full force along with the well interference project. He asked how the council wanted to move forward with emails from the public.

Councilmember Robertson stated each email response differed on a case-by-case basis.

Councilmember Larson indicated she liked responding to emails and noted she reached out to staff when she needed assistance.

Mayor Sanders stated he responded in a similar manner noting he liked to acknowledge residents that emailed him, but also reached out to staff for assistance.

Councilmember Newland explained he does not always have the answers for the emails he receives and he simply forwards them onto the city manager for a response.

Mr. Thorvig said he would be holding one-on-one meetings with councilmembers sometime in August.

4. Other Business

Councilmember Massoglia explained he would like start seeing credit card statements and employee reimbursements provided to council on a quarterly basis for transparency purposes and noted he would be making a motion to that effect at the council meeting.

5. Adjournment

The workshop was adjourned at 6:58PM.

Signed by ______________________
Tim Sanders, Mayor

Signed by ______________________
Catherine M. Sorensen, City Clerk

City Clerk Sorensen recapped the discussion held at the July council workshop regarding the proposed amendment regarding council salaries. She noted that some council preferred the original amendment presented by the commission but there still seemed to be general consensus with the updated language. She said council did suggest one change to include "A review of salaries..." instead of "Council will review salaries...".

Commissioner Anderson outlined a memo he had drafted for council regarding additional changes to the amendment that he felt better clarified the metric used for cost of living adjustments, which the commission discussed at length.

Motion by Commissioner Goracke, seconded by Commissioner Hartmann, to recommend the proposed charter amendment as presented:

> Sec. 2.07. Salaries.
>
> The monthly salary of each of the councilmembers and the mayor shall be established by ordinance. <u>A review of salaries of mayor and councilmembers will occur in June of every odd numbered year and any adjustments should be based on the prior two years of cost of living adjustments consistent with those provided to staff and established by the U.S. Bureau of Labor Statistics and found in annual data of percent changes in Consumer Price Index for All Urban Consumers (CPI-U), unadjusted 12 months ending in April of each respective year.</u> The mayor and councilmembers, in addition to the above salaries, shall be paid a reasonable sum for each day and their reasonable expenses incurred while traveling outside the city on the city's business.

The motion was adopted unanimously.

Ms. Sorensen said she would bring forward the proposed amendment to a public hearing as outlined in statute and inform the commission as to those meeting dates.

DATE: June 7, 2025

TO: Honorable Mayor and City Council Members and Cathy Sorenson, City Clerk

FROM: Kenneth R. Anderson, Charter Commission member

RE: **Revised proposed Charter Amendment for City Council Work Session.**

The language proposed by the Charter Commission for City Council consideration and input is provided below as prepared by the City Clerk. I am offering a suggestion for revision to clarify the source for data referenced to establish cost-of-living adjustments. I did not have an opportunity to comment to the City Clerk and other Charter Commission members prior to this language being forwarded for your consideration; therefore, I am doing so now. Specifically, the U.S. Department of Labor, U. S. Bureau of Labor Statistics prepares Consumer Price Index (CPI) data that is often used for purposes of negotiating and setting salaries in collective bargaining agreements. The Charter Commission agreed to use this metric in the proposed language below. Because the language covers a period extending over two years, annual cost-of-living data should be compounded to reflect actual increased costs to the consumer, i.e., in this case, elected official costs of living. Additionally, the reference data should be more specific to avoid confusion as there are many different indices for economic measure.

The appropriate measure I intended and discussed in our Charter Commission discussions is the CPI for All Urban Consumers (CPI-U). The CPI-U "measures the change in prices paid for consumers for goods and services" and essentially covers "over 90% of the total U.S. population" living in metropolitan areas, but excludes people living in rural, nonmetropolitan areas (see attached section titled *Technical Note* for detail). Furthermore, unadjusted data is preferred as it reflects the change in prices that consumers actually pay for goods and services.

For reference and illustration purposes, attached are the data that the U.S. Bureau of Labor Statistics published on January 15, 2025 for calendar year 2024 CPI-U data, and secondly, information published January 11, 2024 for calendar year 2023 CPI-U data. You will see highlighted in yellow, the percent change in CPI for 2024 was 2.9% and 3.4% for 2023. For example only, using these percent change numbers, the process for calculating changes in the Mayor and Council salaries would be to apply the existing, annual salary figures for both positions by 3.4% to arrive at a total annual salary figure. Using that new figure, you would then multiply that total amount by the second year 2.9% increase to reach a compounded, total salary figure that would be applied to an upcoming odd-year salary increase when due.

SUGGESTED LANGUAGE REVISION AND CLARIFICATION

Based upon the above discussion, I would propose the language be revised and change as follows to clarify the source of CPI changes:

Where the language reads ". . . established by the Bureau of Labor and Statistics and the US Department of Labor." I would revise to ". . . established by the U.S. Bureau of Labor Statistics and found in annual data of Percent changes in CPI for All Urban Consumers (CPI-U), Un-adjusted 12-mos. ended December of each respective year."

Economic News Release

Consumer Price Index News Release

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Transmission of material in this release is embargoed until
8:30 a.m. (ET) Wednesday, January 15, 2025         USDL-25-0021

Technical information: (202) 691-7000  *  cpi_info@bls.gov  *  www.bls.gov/cpi
Media contact:         (202) 691-5902  *  PressOffice@bls.gov
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CONSUMER PRICE INDEX - DECEMBER 2024

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.4 percent on a seasonally adjusted basis in December, after rising 0.3 percent in November, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 2.9 percent before seasonal adjustment.

The index for energy rose 2.6 percent in December, accounting for over forty percent of the monthly all items increase. The gasoline index increased 4.4 percent over the month. The index for food also increased in December, rising 0.3 percent as both the index for food at home and the index for food away from home increased 0.3 percent each.

The index for all items less food and energy rose 0.2 percent in December, after increasing 0.3 percent in each of the previous 4 months. Indexes that increased in December include shelter, airline fares, used cars and trucks, new vehicles, motor vehicle insurance, and medical care. The indexes for personal care, communication, and alcoholic beverages were among the few major indexes that decreased over the month.

The all items index rose 2.9 percent for the 12 months ending December, after rising 2.7 percent over the 12 months ending November. The all items less food and energy index rose 3.2 percent over the last 12 months. The energy index decreased 0.5 percent for the 12 months ending December. The food index increased 2.5 percent over the last year.

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Dec. 2024
	Jun. 2024	Jul. 2024	Aug. 2024	Sep. 2024	Oct. 2024	Nov. 2024	Dec. 2024	
All items	-0.1	0.2	0.2	0.2	0.2	0.3	0.4	2.9
Food	0.2	0.2	0.1	0.4	0.2	0.4	0.3	2.5
Food at home	0.1	0.1	0.0	0.4	0.1	0.5	0.3	1.8
Food away from home(1)	0.4	0.2	0.3	0.3	0.2	0.3	0.3	3.6
Energy	-2.0	0.0	-0.8	-1.9	0.0	0.2	2.6	-0.5
Energy commodities	-3.7	0.1	-0.6	-4.0	-1.0	0.5	4.3	-3.9
Gasoline (all types)	-3.8	0.0	-0.6	-4.1	-0.9	0.6	4.4	-3.4
Fuel oil	-2.4	0.9	-1.9	-6.0	-4.6	0.6	4.4	-13.1
Energy services	-0.1	-0.1	-0.9	0.7	1.0	-0.1	0.8	3.3
Electricity	-0.7	0.1	-0.7	0.7	1.2	-0.4	0.3	2.8
Utility (piped) gas service	2.4	-0.7	-1.9	0.7	0.3	1.0	2.4	4.9
All items less food and energy	0.1	0.2	0.3	0.3	0.3	0.3	0.2	3.2
Commodities less food and energy commodities	-0.1	-0.3	-0.2	0.2	0.0	0.3	0.1	-0.5
New vehicles	-0.2	-0.2	0.0	0.2	0.0	0.6	0.5	-0.4
Used cars and trucks	-1.5	-2.3	-1.0	0.3	2.7	2.0	1.2	-3.3
Apparel	0.1	-0.4	0.3	1.1	-1.5	0.2	0.1	1.2
Medical care commodities(1)	0.2	0.2	-0.2	-0.7	-0.2	-0.1	0.0	0.5
Services less energy services	0.1	0.3	0.4	0.4	0.3	0.3	0.3	4.4
Shelter	0.2	0.4	0.5	0.2	0.4	0.3	0.3	4.6
Transportation services	-0.5	0.4	0.9	1.4	0.4	0.0	0.5	7.3
Medical care services	0.2	-0.3	-0.1	0.7	0.4	0.4	0.2	3.4

Footnotes
(1) Not seasonally adjusted.

Food

The index for food increased 0.3 percent in December, after rising 0.4 percent in November. The food at home index also rose 0.3 percent over the month. Four of the six major grocery store food group indexes increased in

December. The index for cereals and bakery products rose 1.2 percent over the month, after falling 1.1 percent in November. The meats, poultry, fish, and eggs index increased 0.6 percent in December, as the eggs index rose 3.2 percent. The index for other food at home rose 0.3 percent over the month and the index for dairy and related products increased 0.2 percent.

The nonalcoholic beverages index fell 0.4 percent in December, after rising 1.5 percent the previous month. The index for fruits and vegetables declined 0.1 percent over the month, after rising 0.2 percent in November.

The food away from home index rose 0.3 percent in December, as it did in November. The index for limited service meals rose 0.4 percent over the month and the index for full service meals rose 0.2 percent.

The index for food at home rose 1.8 percent over the last 12 months. The meats, poultry, fish, and eggs index rose 4.2 percent over the last 12 months and the nonalcoholic beverages index increased 2.3 percent. Over the same period, the index for other food at home rose 0.8 percent and the index for fruits and vegetables increased 1.0 percent. The dairy and related products index increased 1.3 percent over the year and the cereals and bakery products index rose 0.8 percent over the same period.

The food away from home index rose 3.6 percent over the last year. The index for limited service meals increased 3.7 percent over the last 12 months and the index for full service meals rose 3.6 percent over the same period.

Energy

The energy index increased 2.6 percent in December, after rising 0.2 percent in November. The gasoline index increased 4.4 percent over the month. (Before seasonal adjustment, gasoline prices decreased 1.1 percent in December.) The natural gas index rose 2.4 percent over the month and the index for electricity rose 0.3 percent in December.

The energy index decreased 0.5 percent over the past 12 months. The gasoline index fell 3.4 percent over this 12-month span and the fuel oil index fell 13.1 percent over that period. In contrast, the index for electricity increased 2.8 percent over the last 12 months and the index for natural gas rose 4.9 percent.

All items less food and energy

The index for all items less food and energy rose 0.2 percent in December, after rising 0.3 percent in each of the 4 preceding months. The shelter index increased 0.3 percent in December, as it did in November. The index for owners' equivalent rent also rose 0.3 percent over the month, as did the index for rent. The lodging away from home index fell 1.0 percent in December, after rising 3.2 percent in November.

The medical care index increased 0.1 percent over the month, after rising 0.3 percent in October and November. The index for physicians' services increased 0.1 percent in December and the index for hospital services rose 0.2 percent over the month. The prescription drugs index was unchanged in December.

The airline fares index rose 3.9 percent in December, after rising 0.4 percent in the previous month. The index for used cars and trucks rose 1.2 percent over the month and the index for new vehicles increased 0.5 percent. Other indexes that increased in December include motor vehicle insurance, recreation, apparel, and education. In contrast, the index for personal care fell 0.2 percent in December after rising 0.4 percent in November. The indexes for communication and alcoholic beverages also declined over the month. The household furnishings and operations index was unchanged in December.

The index for all items less food and energy rose 3.2 percent over the past 12 months. The shelter index increased 4.6 percent over the last year, the smallest 12-month increase since January 2022. Other indexes with notable increases over the last year include motor vehicle insurance (+11.3 percent), medical care (+2.8 percent), education (+4.0 percent), and recreation (+1.1 percent).

Not seasonally adjusted CPI measures

The Consumer Price Index for All Urban Consumers (CPI-U) increased 2.9 percent over the last 12 months to an index level of 315.605 (1982-84=100). For the month, the index was unchanged prior to seasonal adjustment.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased 2.8 percent over the last 12 months to an index level of 309.067 (1982-84=100). For the month, the index was unchanged prior to seasonal adjustment.

The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 2.7 percent over the last 12 months. For the month, the index was unchanged on a not seasonally adjusted basis. Please note that the indexes for the past 10 to 12 months are subject to revision.

The Consumer Price Index for January 2025 is scheduled to be released on Wednesday, February 12, 2025, at 8:30 a.m. (ET).

Consumer Price Index End of Year Supplemental Files and Revised Seasonal Adjustment Factors to be Available on February 12, 2025

Each year with the release of CPI data for January, relative importance weights are updated and seasonal adjustment factors are recalculated to reflect price movements from the just-completed calendar year. This routine annual recalculation may result in revisions to seasonally adjusted indexes for the previous 5 years.

Revised seasonal adjustment factors and additional end of year files will be released on February 12, 2025, at 8:30 AM eastern time, in conjunction with the release of CPI data for January 2025. The following files will be available on the CPI supplemental files page, www.bls.gov/web/cpi.supp.toc.htm:

* Consumer Price Index Seasonal Adjustment Factors (XLSX)
* Consumer Price Index Relative Importance (XLSX)
* Consumer Price Index Revised Seasonally Adjusted Indexes and Factors (XLSX)
* CPI-U Median Price Change and Median Price Change Standard Errors (XLSX)
* CPI-U Response Rates (XLSX)
* Consumer Price Index Components for Seasonal Aggregation to All items (XLSX)
* Consumer Price Index Series Subject to Intervention Analysis Seasonal Adjustment (XLSX)
* CPI-U Historical Cost Weights (XLSX)

* CPI-W Historical Cost Weights (XLSX)

With the release of these files, the seasonal factors and selected end of year materials will be available in the API and FTP files. These files will be available for all U.S. city average CPI-U data and a subset of U.S. city average CPI-W data.

In preparation for the upcoming end of year supplemental files and revised seasonal adjustment factors, last year's end of year supplemental files and revised seasonal adjustment factors are now available on the CPI supplemental files page.

BLS will also post last year's seasonal factors and other end of year materials in the API and FTP files in mid- to late-November.

For additional information, contact the CPI Information and Analysis section at cpi_info@bls.gov or (202) 691-7000.

Consumer Price Index Publication Changes to be Implemented on February 12, 2025

With the publication of January 2025 data in February 2025, several indexes and average price series will be discontinued, and one index title will change.

The following CPI indexes will continue to be published at the national level, but will be discontinued for all metropolitan areas, census divisions, and regional size classes:

* Electricity
* Utility (piped) gas (often referred to as natural gas)
* Energy services
* Fuels and utilities
* Household energy

The following CPI average price series will continue to be published at the national level, but will be discontinued for all metropolitan areas, census divisions, and regional size classes:

* Electricity per KWH
* Utility (piped) gas per therm

The following CPI index will have a title change:

* Pet food will be changed to pet food and treats

Technical Note

Brief Explanation of the CPI

The Consumer Price Index (CPI) measures the change in prices paid by consumers for goods and services. The CPI reflects spending patterns for each of two population groups: all urban consumers and urban wage earners and clerical workers. The all urban consumer group represents over 90 percent of the total U.S. population. It is based on the expenditures of almost all residents of urban or metropolitan areas, including professionals, the self-employed, the poor, the unemployed, and retired people, as well as urban wage earners and clerical workers. Not included in the CPI are the spending patterns of people living in rural nonmetropolitan areas, farming families, people in the Armed Forces, and those in institutions, such as prisons and mental hospitals. Consumer inflation for all urban consumers is measured by two indexes, namely, the Consumer Price Index for All Urban Consumers (CPI-U) and the Chained Consumer Price Index for All Urban Consumers (C-CPI-U). The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is based on the expenditures of households included in the CPI-U definition that meet two requirements: more than one-half of the household's income must come from clerical or wage occupations, and at least one of the household's earners must have been employed for at least 37 weeks during the previous 12 months. The CPI-W population represents approximately 30 percent of the total U.S. population and is a subset of the CPI-U population.

The CPIs are based on prices of food, clothing, shelter, fuels, transportation, doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. Prices are collected each month in 75 urban areas across the country from about 6,000 housing units and approximately 22,000 retail establishments (department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments). All taxes directly associated with the purchase and use of items are included in the index. Prices of fuels and a few other items are obtained every month in all 75 locations. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visit, telephone call, web, or app collection by the Bureau's trained representatives.

In calculating the index, price changes for the various items in each location are aggregated using weights, which represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. For the CPI-U and CPI-W, separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 23 selected local areas. Area indexes do not measure differences in the level of prices among cities; they only measure the average change in prices for each area since the base period. For the C-CPI-U, data are issued only at the national level. The CPI-U and CPI-W are considered final when released, but the C-CPI-U is issued in preliminary form and subject to three subsequent quarterly revisions.

The index measures price change from a designed reference date. For most of the CPI-U and the CPI-W, the reference base is 1982-84 equals 100. The reference base for the C-CPI-U is December 1999 equals 100. An increase of 7 percent from the reference base, for example, is shown as 107.000. Alternatively, that relationship can also be expressed as the price of a base period market basket of goods and services rising from $100 to $107.

Sampling Error in the CPI

The CPI is a statistical estimate that is subject to sampling error because it is based upon a sample of retail prices and not the complete universe of all prices. BLS calculates and publishes estimates of the 1-month, 2-month, 6-month, and 12-month percent change standard errors annually for the CPI-U. These standard error estimates can be used to construct confidence intervals for hypothesis testing. For example, the estimated standard error of the 1-month percent change is 0.03 percent for the U.S. all items CPI. This means that if we repeatedly sample from the universe of all retail prices using the same methodology, and estimate a percentage change for each sample, then 95 percent of these estimates will be within 0.06 percent of the 1-month percentage change based on all retail prices. For example, for a 1-month change of 0.2 percent in the all items CPI-U, we are 95 percent confident that the actual percent change based on all retail prices would fall between 0.14 and 0.26 percent. For the latest data, including information on how to use the estimates of standard error, see www.bls.gov/cpi/tables/variance-estimates/home.htm.

Calculating Index Changes

Movements of the indexes from 1 month to another are usually expressed as percent changes rather than changes in index points, because index point changes are affected by the level of the index in relation to its base period, while percent changes are not. The following table shows an example of using index values to calculate percent changes:

	Item A	Item B	Item C
Year I	112.500	225.000	110.000
Year II	121.500	243.000	128.000
Change in index points	9.000	18.000	18.000
Percent change	9.0/112.500 x 100 = 8.0	18.0/225.000 x 100 = 8.0	18.0/110.000 x 100 = 16.4

Use of Seasonally Adjusted and Unadjusted Data

The Consumer Price Index (CPI) program produces both unadjusted and seasonally adjusted data. Seasonally adjusted data are computed using seasonal factors derived by the X-13ARIMA-SEATS seasonal adjustment method. These factors are updated each February, and the new factors are used to revise the previous 5 years of seasonally adjusted data. The factors are available at www.bls.gov/cpi/tables/seasonal-adjustment/seasonal-factors-2024.xlsx. For more information on data revision scheduling, please see the Factsheet on Seasonal Adjustment at www.bls.gov/cpi/seasonal-adjustment/questions-and-answers.htm and the Timeline of Seasonal Adjustment Methodological Changes at www.bls.gov/cpi/seasonal-adjustment/timeline-seasonal-adjustment-methodology-changes.htm.

How to Use Seasonally Adjusted and Unadjusted Data

For analyzing short-term price trends in the economy, seasonally adjusted changes are usually preferred since they eliminate the effect of changes that normally occur at the same time and in about the same magnitude every year-such as price movements resulting from weather events, production cycles, model changeovers, holidays, and sales. This allows data users to focus on changes that are not typical for the time of year.

The unadjusted data are of primary interest to consumers concerned about the prices they actually pay. Unadjusted data are also used extensively for escalation purposes. Many collective bargaining contract agreements and pension plans, for example, tie compensation changes to the Consumer Price Index before adjustment for seasonal variation. BLS advises against the use of seasonally adjusted data in escalation agreements because seasonally adjusted series are revised annually for five years.

Intervention Analysis

The Bureau of Labor Statistics uses intervention analysis seasonal adjustment (IASA) for some CPI series. Sometimes extreme values or sharp movements can distort the underlying seasonal pattern of price change. Intervention analysis seasonal adjustment is a process by which the distortions caused by such unusual events are estimated and removed from the data prior to calculation of seasonal factors. The resulting seasonal factors, which more accurately represent the seasonal pattern, are then applied to the unadjusted data.

For example, this procedure was used for the motor fuel series to offset the effects of the 2009 return to normal pricing after the worldwide economic downturn in 2008. Retaining this outlier data during seasonal factor calculation would distort the computation of the seasonal portion of the time series data for motor fuel, so it was estimated and removed from the data prior to seasonal adjustment. Following that, seasonal factors were calculated based on this "prior adjusted" data. These seasonal factors represent a clearer picture of the seasonal pattern in the data. The last step is for motor fuel seasonal factors to be applied to the unadjusted data.

For the seasonal factors introduced for January 2024, BLS adjusted 46 series using intervention analysis seasonal adjustment, including selected food and beverage items, motor fuels and vehicles.

Revision of Seasonally Adjusted Indexes

Seasonally adjusted data, including the U.S. city average all items index levels, are subject to revision for up to 5 years after their original release. Every year, economists in the CPI calculate new seasonal factors for seasonally adjusted series and apply them to the last 5 years of data. Seasonally adjusted indexes beyond the last 5 years of data are considered to be final and not subject to revision. For January 2024, revised seasonal factors and seasonally adjusted indexes for 2019 to 2023 were calculated and published. For series which are directly adjusted using the Census X-13ARIMA-SEATS seasonal adjustment software, the seasonal factors for 2023 will be applied to data for 2024 to produce the seasonally adjusted 2024 indexes. Series which are indirectly seasonally adjusted by summing seasonally adjusted component series have seasonal factors which are derived and are therefore not available in advance.

Determining Seasonal Status

Each year the seasonal status of every series is reevaluated based upon certain statistical criteria.

Economic News Release

Consumer Price Index News Release

Transmission of material in this release is embargoed until
8:30 a.m. (ET) Thursday, January 11, 2024   USDL-24-0019

Technical information: (202) 691-7000 * cpi_info@bls.gov * www.bls.gov/cpi
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CONSUMER PRICE INDEX - DECEMBER 2023

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3 percent in December on a seasonally adjusted basis, after rising 0.1 percent in November, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 3.4 percent before seasonal adjustment.

The index for shelter continued to rise in December, contributing over half of the monthly all items increase. The energy index rose 0.4 percent over the month as increases in the electricity index and the gasoline index more than offset a decrease in the natural gas index. The food index increased 0.2 percent in December, as it did in November. The index for food at home increased 0.1 percent over the month and the index for food away from home rose 0.3 percent.

The index for all items less food and energy rose 0.3 percent in December, the same monthly increase as in November. Indexes which increased in December include shelter, motor vehicle insurance, and medical care. The index for household furnishings and operations and the index for personal care were among those that decreased over the month.

The all items index rose 3.4 percent for the 12 months ending December, a larger increase than the 3.1-percent increase for the 12 months ending November. The all items less food and energy index rose 3.9 percent over the last 12 months, after rising 4.0 percent over the 12 months ending November. The energy index decreased 2.0 percent for the 12 months ending December, while the food index increased 2.7 percent over the last year.

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Dec. 2023
	Jun. 2023	Jul. 2023	Aug. 2023	Sep. 2023	Oct. 2023	Nov. 2023	Dec. 2023	
All items	0.2	0.2	0.6	0.4	0.0	0.1	0.3	3.4
Food	0.1	0.2	0.2	0.2	0.3	0.2	0.2	2.7
Food at home	0.0	0.3	0.2	0.1	0.3	0.1	0.1	1.3
Food away from home(1)	0.4	0.2	0.3	0.4	0.4	0.4	0.3	5.2
Energy	0.6	0.1	5.6	1.5	-2.5	-2.3	0.4	-2.0
Energy commodities	0.8	0.3	10.5	2.3	-4.9	-5.8	-0.1	-2.9
Gasoline (all types)	1.0	0.2	10.6	2.1	-5.0	-6.0	0.2	-1.9
Fuel oil(1)	-0.4	3.0	9.1	8.5	-0.8	-2.7	-5.5	-14.7
Energy services	0.4	-0.1	0.2	0.6	0.5	1.7	0.9	-1.1
Electricity	0.9	-0.7	0.2	1.3	0.3	1.4	1.3	3.3
Utility (piped) gas service	-1.7	2.0	0.1	-1.9	1.2	2.8	-0.4	-13.8
All items less food and energy	0.2	0.2	0.3	0.3	0.2	0.3	0.3	3.9
Commodities less food and energy commodities	-0.1	-0.3	-0.1	-0.4	-0.1	-0.3	0.0	0.2
New vehicles	0.0	-0.1	0.3	0.3	-0.1	-0.1	0.3	1.0
Used cars and trucks	-0.5	-1.3	-1.2	-2.5	-0.8	1.6	0.5	-1.3
Apparel	0.3	0.0	0.2	-0.8	0.1	-1.3	0.1	1.0
Medical care commodities(1)	0.2	0.5	0.6	-0.3	0.4	0.5	-0.1	4.7
Services less energy services	0.3	0.4	0.4	0.6	0.3	0.5	0.4	5.3
Shelter	0.4	0.4	0.3	0.6	0.3	0.4	0.5	6.2
Transportation services	0.1	0.3	2.0	0.7	0.8	1.1	0.1	9.7
Medical care services	0.0	-0.4	0.1	0.3	0.3	0.6	0.7	-0.5

Footnotes
(1) Not seasonally adjusted.