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CLERK'S OFFICE
AMENDED AND APPROVED
Date: 1-29-02

Submitted by:

Prepared by:

For reading:

Chairman of the Assembly
At the Request of the Mayor
Employee Relations
January 8, 2002

Typographical errors:

Page 2, Line 41

Page 6, Lines 34-35

ANCHORAGE, ALASKA

AO NO. 200 ~~22~~4

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTIONS 3.30.152, 3.30.153, 3.30.154 AND 3.30.156 REGARDING LEAVE ACCUMULATION AND USAGE RULES, AND DISCONTINUING THE TIER III EMPLOYEES' LEAVE BUYBACK PROGRAM

THE ANCHORAGE ASSEMBLY ORDAINS

Section 1. Anchorage Municipal Code section 3.30.152 is hereby amended to read as follows
(The remainder of this section is not affected by this ordinance and is therefore not set out.)

3.30.152 **Annual leave accrual.**

A **Rate.** The rates of accrual outlined in this subsection will be pro rated based on actual hours paid each pay period exclusive of overtime.

1 **Regular, full-time non-represented and executive employees hired [EMPLOYED]**
prior to August 6, 1991 shall accrue cashable annual leave at the following rates
(Tier I):

9 hours a pay period for employees with 0 to 5 years of service

10 hours a pay period for employees with 6 to 10 years of service

12.5 hours a pay period for employees with 1 or more years of service

2. Effective January 14, 2002, regular, non-represented and executive [REGULAR]
full-time employees hired after August 5, 1991 shall accrue cashable annual leave
at the following rates (Tier II):

6.15 hours a pay period for employees with 0 to 2 [3] years of service

6.77 hours a pay period for employees with 3 [4] to 5 [7] years of service

7.38 hours a pay period for employees with 6 [8] to 10 years of service

[8.00 HOURS A PAY PERIOD FOR EMPLOYEES WITH TO 14
YEARS OF SERVICE]

9.23 hours a pay period for employees with 1 [15] or more years of service

- [3] REGULAR FULL-TIME EXECUTIVE EMPLOYEES HIRED AFTER DECEMBER 31, 1994 SHALL ACCRUE PAID TIME OFF (PTO) ANNUAL LEAVE AT THE FOLLOWING RATES (TIER III):

6.15 HOURS A PAY PERIOD (20 DAYS PER YEAR)
EMPLOYEES WITH 0 TO 3 YEARS' SERVICE

6.77 HOURS A PAY PERIOD (22 DAYS PER YEAR)
EMPLOYEES WITH 4 TO 7 YEARS' SERVICE

7.38 HOURS A PAY PERIOD (24 DAYS PER YEAR)
EMPLOYEES WITH 8 TO 10 YEARS' SERVICE

8.00 HOURS A PAY PERIOD (26 DAYS PER YEAR)
EMPLOYEES WITH 11 TO 14 YEARS' SERVICE

9.23 HOURS A PAY PERIOD (30 DAYS PER YEAR)
EMPLOYEES WITH 15 OR MORE YEARS' SERVICE

4. REGULAR FULL-TIME EMPLOYEES HIRED AFTER MAY 7, 1996 SHALL ACCRUE PAID TIME OFF (PTO) ANNUAL LEAVE AT THE FOLLOWING RATES (TIER III):

6.15 HOURS A PAY PERIOD (20 DAYS PER YEAR FOR EMPLOYEES WITH 0 -- 3 YEARS' SERVICE

6.77 HOURS A PAY PERIOD (22 DAYS PER YEAR) FOR EMPLOYEES WITH 4 -- 7 YEARS' SERVICE

7.38 HOURS A PAY PERIOD (24 DAYS PER YEAR) FOR EMPLOYEES WITH 8 -- 10 YEARS' SERVICE

8.00 HOURS A PAY PERIOD (26 DAYS PER YEAR) FOR EMPLOYEES WITH 11 -- 14 YEARS' SERVICE

9.23 HOURS A PAY PERIOD (30 DAYS PER YEAR) FOR EMPLOYEES WITH 15 OR MORE YEARS' SERVICE]

3. Effective January 14, 2002, regular, full-time non-represented and executive employees hired after August 5, 1991 shall accrue non-cashable annual leave at the following rates (Tier II):

1.86 hours a pay period for employees with 6 to 10 years of service

2.62 hours a pay period for employees with 11 to 19 years of service

3.27 hours a pay period for employees with 20 or more years of service

C. *Accrual limits.*

- 1 Accrued and unused annual leave may be carried over from one year to the next for the purpose of accumulating an annual leave account or reserve; however, at the end of the last pay period of any year an employee may not have more than 480 hours of unused cashable annual leave [TO HIS CREDIT]. Treatment of excess cashable annual leave is addressed in 3.30.153[A. and B]. For regular, full-time executive employees hired after December 31, 1994 and regular, full-time non-represented employees hired after May 7, 1996, hours in excess of 480 in their combined paid time off [(PTO)] annual leave and cashable annual leave balances at the end of the last pay period of any year shall be forfeited.

[D. *LEAVE BUYBACK PROGRAM.*

- 1 REGULAR FULL-TIME AND REGULAR PART-TIME EMPLOYEES ELIGIBLE TO PARTICIPATE IN THE LEAVE ACCRUAL PLANS DESCRIBED IN 3.30.152(A) 3 AND (A) 4 MAY ELECT TO REDUCE THEIR BIWEEKLY PAY RATE BY FIVE PERCENT AND RECEIVE AN EQUIVALENT OF FIVE PERCENT ANNUAL LEAVE ACCRUAL PER PAY PERIOD, WHICH FOR FULL-TIME EMPLOYEES EQUALS HOURS OF LEAVE PER 80 HOUR PAY PERIOD. PART-TIME ACCRUAL WILL BE COMPUTED ON A PRO-RATA BASIS PER PAY PERIOD.
- 2 STARTING 30 DAYS BEFORE THE END OF THE CALENDAR YEAR THERE SHALL BE AN OPEN ENROLLMENT PERIOD ESTABLISHED BY THE DIRECTOR DURING WHICH INTERESTED ELIGIBLE NON-REPRESENTED AND EXECUTIVE EMPLOYEES MAY ELECT TO PARTICIPATE BY COMPLETING AN ELECTION FORM ACKNOWLEDGING THE LEAVE BUYBACK OPTION. THE ELECTION IS IRREVOCABLE UNTIL A SUBSEQUENT OPEN ENROLLMENT PERIOD OR CESSATION OF THE LEAVE BUYBACK PROGRAM.
- 3 EMPLOYEES WHO PROMOTE, TRANSFER OR DEMOTE TO ANOTHER NON-REPRESENTED OR EXECUTIVE POSITION WILL RETAIN THEIR ELECTION IN THE NEW POSITION. EMPLOYEES WHO ACCEPT A POSITION IN A BARGAINING UNIT WILL BE GOVERNED BY THE TERMS OF THE COLLECTIVE BARGAINING

AGREEMENT REGARDING THEIR SALARY AND LEAVE
ACCRUAL RATES.]

(AO No. 79-195; AO No. 91-95; AO No. 94-117, § 28, 7-26-94; AO No. 94-229(S), § 1, 12-13-94; AO No. 96-70, § 4, 5-7-96; AO No. 99-48, § 1, 3-16-99; AO No. 2000-166(S), § 1, 12-18-00)

Section 2. Anchorage Municipal Code section 3.30.153 is hereby amended to read as follows:
(The remainder of this section is not affected by this ordinance and is therefore not set out.)

3.30.153 [ANNUAL] L[I]leave conversion and cash in.

- A. Yearly payment for annual leave. All hours of cashable annual leave in excess of 480 accrued as of the last pay period of any calendar year, unless committed for use before the following January 31, converted to cashable sick leave under subsection B. of this section or committed as otherwise provided for in this chapter, shall be paid in cash to the employee. [THIS PROVISION DOES NOT APPLY TO EXECUTIVE EMPLOYEES HIRED AFTER DECEMBER 31, 1994 OR TO EMPLOYEES HIRED AFTER MAY 7, 1996.]
- B. *Conversion to sick leave.* Upon the written request of the employee during the month of December, up to 80 hours of excess cashable annual leave may be committed each year into a separate cashable sick leave account which shall be paid to the employee at the time of separation. [THIS PROVISION DOES NOT APPLY TO EMPLOYEES HIRED AFTER DECEMBER 31, 1994 OR TO EMPLOYEES HIRED AFTER MAY 7, 1996.]
- C. [EMERGENCY CASH] Cash in lieu of cashable annual leave. Subject to the availability of cash and normal budgetary limitations, cash in lieu of accrued cashable annual leave may be obtained [UNDER EMERGENCY CONDITIONS OUTLINED IN WRITING AND APPROVED BY THE DIRECTOR] twice each calendar year by submitting a written request to the director, provided the employee retains at least 80 [(40 IN THE CASE OF EXECUTIVE EMPLOYEES HIRED AFTER DECEMBER 31, 1994 OR EMPLOYEES HIRED AFTER MAY 7, 1996)] hours of cashable annual leave in [HIS] the employee's cashable annual leave account following cash payment. [EMERGENCY IS A CRITICAL SITUATION OVER WHICH THE EMPLOYEE HAS NO CONTROL. PAYMENT FOR PAID TIME OFF (PTO) ANNUAL LEAVE CASHED IN UNDER THIS SECTION BY EXECUTIVE EMPLOYEES HIRED AFTER DECEMBER 31, 1994 OR REGULAR NON-REPRESENTED EMPLOYEES HIRED AFTER MAY 7, 1996 SHALL BE MADE AT THE RATE 100 PERCENT OF THE THEN CURRENT VALUE OF THE EMPLOYEE'S PAID TIME OFF (PTO) ANNUAL LEAVE BALANCE BASED UPON THE FACTORED HOURLY RATE AT THE TIME OF CASH IN.]
- D. *Donation of cashable annual leave.* Requests for permission to donate cashable annual leave to a fellow employee shall be approved only in the most serious cases such as probable death, lingering or incurable illness, or some truly exceptional

emergency as might result from a disaster such as loss of a house and all belongings due to a fire. Employees may donate cashable annual leave in accordance with this policy with the prior approval of the director. Leave may be donated by represented employees for the conduct of union business as specified in respective agreements.

F. *Payment for leave at termination.*

Except as provided in 3.30.152F.2. [F(2)], upon termination for any reason employees shall be entitled to payment for their unused cashable annual leave and cashable sick leave balances. Such payment shall be made at the rate of one hundred percent of the then current value of the employee's cashable annual leave and cashable sick leave balances, based upon the [HIS] factored hourly rate at the time of termination.

- 2 Upon termination for any reason, employees who have accrued [ACCRUING] paid time off (PTO) annual leave [UNDER AMC 3.30.152 A (3) OR (4) AFTER THE EFFECTIVE DATE OF THIS ORDINANCE] shall be entitled to payment for such unused paid time off (PTO) annual leave balance. Such payment shall be made at the rate of 50 percent of the then current value of the employee's paid time off (PTO) annual leave balance based upon the factored hourly rate at the time of termination.

(AO No. 79-195; AO No. 86-207(S-1); AO No. 91-95; AO No. 94-229(S), § 2, 12-13-94; AO No. 96-70, § 5, 5-7-96; AO No. 2000-166(S), § 2, 12-19-00)

Section 3. Anchorage Municipal Code section 3.30.154 is hereby amended to read as follows:
(The remainder of this section is not affected by this ordinance and is therefore not set out.)

3.30.154 **Regular use of annual leave.**

- B. At least 80 hours of leave shall be taken each year by the end of the last pay period of the year, with the exception that this limitation shall not apply to new employees until the last pay period of the second December 31 following their date of hire. Except for the initial year of employment, employees who fail to take 80 hours of cashable annual leave, non-cashable annual leave, or paid time off (PTO) annual leave each year pursuant to this paragraph shall forfeit those hours as if they had been taken, and the difference between the amount actually taken and 80 hours shall be subtracted from the employees' cashable annual leave or paid time off (PTO) annual leave balance at the end of the year. For part-time employees, the minimum annual leave usage will be prorated based on the percent of full-time for which their position is budgeted. It is the responsibility of the agency head to ensure that work is conducted and leaves scheduled so that employees shall have opportunity to use their leave at a time that most nearly meets their desires.

- D. Regular, full-time executive employees hired after December 31, 1994 and regular, full-time non-represented employees hired after May 7, 1996 who have an accrued [ANNUAL] leave balance as of January 14, 2002 [ON THE EFFECTIVE DATE OF THIS ORDINANCE] will have three [TWO] annual leave accounts: a Tier II [III] cashable annual leave [ANNUAL] balance; a non-cashable annual leave balance; cashable sick leave balance; and a paid time off (PTO) annual leave balance. Employees may elect, at their discretion, which leave account or accounts [balance] to use except as other-wise provided for in this chapter. [THESE EMPLOYEES WILL HAVE NO OBLIGATION TO USE THEIR TIER III LEAVE BALANCE BEFORE USING THEIR PAID TIME OFF (PTO) ANNUAL LEAVE [BALANCE.]

Section 4. Anchorage Municipal Code section 3.30.156 is hereby amended to read as follows
(The remainder of this section is not affected by this ordinance and is therefore not set out.)

3.30.156 Sick Leave.

B. Accumulation.

1. Cashable Sick leave does not accrue separately, like annual leave, on a regular basis; it accumulates only through conversion of excess hours of cashable annual leave to cashable sick leave as of the end of the last pay period of each year as provided in 3.30.153B.

C. Use.

- 1 An employee eligible for sick leave with pay may use such sick leave for absence due to illness, injury, exposure to contagious disease ~~or due to illness, injury, exposure to contagious disease~~ or due to illness or death in the employee's immediate family requiring the employee's personal attendance. Doctor and [TO] dental appointments shall be included as cause for sick leave. Sick leave used for a serious health condition of the employee or for the serious health condition of the employee's spouse, son, daughter or parent shall be considered family leave in accordance with section 3.30.1515. An employee who is absent shall inform his immediate supervisor of the fact and reason therefor as soon as possible, and failure to do so within a reasonable time may be cause for disciplinary action. Compensation for sick leave shall be made when leave is used. Advance compensation for sick leave shall not be made unless approved in advance by the director.

D. *Cash value of sick leave.*

- 2.
- The non-cashable sick leave accrued by regular, full-time executive employees hired after December 31, 1994 and regular, full-time non-represented and executive employees hired after May 7, 1996, has no cash value, except when used.

(AO No. 79-195; AO No. 94-224(S), §4, 12-13-94; AO No. 96-70, §8, 5-7-96; AO No. 2000-166, §1, 12-18-00)

Section 5. This ordinance shall become effective January 14, 2002, the first day of the first full pay period in 2002, and shall apply only prospectively from that date forward and not retroactively.

PASSED AND APPROVED by the Anchorage Assembly this 29th day of January, 2002


Chair of the Assembly

ATTEST:


Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 21-2002

Meeting Date: January 8, 2002


1 FROM: Mayor

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3 SUBJECT: An Ordinance Amending Municipal Code Sections 3.30.152, 3.30.153,
4 3.30.154, and 3.30.156 Regarding Leave Accumulation and Usage Rules,
5 and Discontinuing the Tier III Employees' Leave Buyback Program
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8 Anchorage Municipal Code Sections 3.30.152, 3.30.153, 3.30.154, and 3.30.156 of the Personnel
9 Rules establish the leave accumulation and usage rules for non-represented and executive
10 employees. Employee Relations is seeking to amend these sections of the Code to incorporate
11 changes similar to those changes that were recently made to the AMEA leave accumulation and
12 usage rules. This would include applying higher cashable leave rates after fewer years of
13 service for Tier II and III employees, adding a non-cashable annual leave program for Tier II
14 and III employees, and discontinuing the Tier III employees' leave buyback program
15

16 Traditionally, wages and benefits for non-represented employees and AMEA employees have
17 been closely aligned. Amending the Municipal Code sections noted above will bring leave
18 benefits for non-represented employees in line with those recently approved by Assembly action
19 for AMEA employees.
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21
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23 Concurrence:

24 
25
26 Harry Kieling
27 Municipal Manager
28
29

Prepared by:

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31
32 David Otto, Director
33 Employee Relations
34
35

36 Respectfully submitted,
37 
George Wuerch
Mayor

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: AO 2002-4 Title: An Ordinance Amending AMC 3.30.152, 3.30.153, 3.30.154, 3.30.156
regarding leave accumulation and usage rules, and discontinuing the Tier III
employees' leave buyback program

Sponsor: Employee Relations
Preparing Agency: Employee Relations
Others Impacted: none

CHANGES IN EXPENDITURES AND REVENUES:

(In Thousands of Dollars)

| | <u>FY01</u> | <u>FY02</u> | <u>FY03</u> | <u>FY04</u> | <u>FY05</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| Operating Expenditures | | | | | |
| 1000 Personal Services | | | | | |
| 2000 Non-Labor | | | | | |
| 3900 Contributions | | | | | |
| 4000 Debt Service | | | | | |
| TOTAL DIRECT COSTS: | \$ - | \$ - | \$ - | \$ - | \$ - |
| Add: 6000 Charges from Others | | | | | |
| Less: 7000 Charges to Others | | | | | |
| FUNCTION COST: | \$ - | \$ - | \$ - | \$ - | \$ - |
| REVENUES: | | | | | |

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

No additional direct costs are anticipated at this time. The ordinance changes how Tier III non-represented and executive employees accrue and use leave as they continue employment with the Municipality. It is anticipated that whatever additional leave accrual costs may accumulate in later years of employment will be offset by the retention of existing employees and the potential recruitment incentive for new employees.

PRIVATE SECTOR ECONOMIC EFFECTS:

None

Prepared by: Karen Moore, Employee Relations

Telephone: 343-4514

Validated by OMB: *Tracie M.*

Date: 12-20-01

Approved by: *Daniel K. [Signature]*
(Director Preparing Agency)

Date: 12/19/01

Concurred by: _____
(Director, Impacted Agency)

Date: _____

Approved by: *[Signature] for H&K*
(Municipal Manager)

Date: 12.24.01

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

AO 2002-4

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

| | | |
|-------------------------------------|--|---|
| 1 | SUBJECT OF AGENDA DOCUMENT An Ordinance amending Anchorage Municipal Code Sections 3.30.152, 3.30.53, and 3.30.156 regarding leave accumulation and usage rules | DATE PREPARED November 29, 2001 |
| | | Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> AM AIM |
| 2 | DEPARTMENT NAME Employee Relations | DIRECTOR'S NAME David Otto |
| 3 | THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY Karen Moore, Records and Benefits Manager | HIS/HER PHONE NUMBER 343-4514 |
| 4 | COORDINATED WITH AND REVIEWED BY | INITIALS |
| <input checked="" type="checkbox"/> | Mayor | <i>W</i> |
| | Heritage Land Bank | |
| | Merrill Field Airport | |
| | Municipal Light & Power | |
| | Port of Anchorage | |
| | Solid Waste Services | |
| | Water & Wastewater Utility | |
| <input checked="" type="checkbox"/> | Municipal Manager | <i>[Signature]</i> |
| | Cultural & Recreational Services | <i>12.24.01</i> |
| <input checked="" type="checkbox"/> | Employee Relations | <i>DKO</i> |
| | Finance, Chief Fiscal Officer | <i>12/19/01</i> |
| | Fire | |
| | Health & Human Services | |
| <input checked="" type="checkbox"/> | Office of Management and Budget | <i>MB</i> |
| | Management Information Services | <i>12-20-01</i> |
| | Police | |
| | Planning, Development & Public Works | |
| | Development Services | |
| | Facility Management | |
| | Planning | |
| | Project Management & Engineering | |
| | Street Maintenance | |
| | Traffic | |
| | Public Transportation Department | |
| | Purchasing | |
| <input checked="" type="checkbox"/> | Municipal Attorney | <i>[Signature]</i> |
| <input checked="" type="checkbox"/> | Municipal Clerk | <i>12-19-01</i> |
| | Other | |
| 5 | Special Instructions/Comments | |
| | <i>P.F. introduction</i> | |
| 6 | ASSEMBLY HEARING DATE REQUESTED January 8, 2002 | 7 PUBLIC HEARING DATE REQUESTED <i>1/29/02</i> |

2001 DEC 26 AM 8:10
 CLERK'S OFFICE
 M.O.A.

