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8-30-05

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Employee Relations
For reading: July 12, 2005

ANCHORAGE, ALASKA
No. AO 2005- 88

1 AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 3.30.127,
2 LENGTH OF SERVICE, REGARDING SERVICE RECOGNITION PAY.

3
4 THE ANCHORAGE ASSEMBLY ORDAINS:

5
6 **Section 1.** Anchorage Municipal Code section 3.30.127 is hereby amended to read as follows
7 *(the remainder of the section is not affected and therefore not set out):*

8
9 **3.30.127 Length of Service.**

10
11 * * * * * * * * *

12 E. *Service recognition.*

- 13
14 1. Service recognition pay is for length of continuous service for certain
15 employees hired or rehired on or before December 31, 2005, as described in
16 this section.
- 17
18 2. Regular employees, except executive employees, [HIRED ON OR AFTER
19 JANUARY 1, 1981], and represented employees with service recognition pay
20 provisions under a collective bargaining agreement, shall be eligible to receive
21 service recognition pay and shall continue to be eligible to receive service
22 recognition pay unless they resign, are laid off for longer than one year without
23 re-employment, or are discharged for cause if each of the following conditions
24 are met:
- 25
26 a. The employee was hired or rehired on or after January 1, 1981 and on
27 or before December 31, 2005; and
- 28
29 b. The employee was on the payroll as of December 31, 2005; and
- 30
31 c. The employee was receiving service recognition pay in the pay period
32 including December 31, 2005.
- 33
34 3. Increases to service recognition pay for advancing service thresholds shall
35 terminate on December 31, 2005. Eligible employees receiving service pay
36 recognition shall remain at the level attained in the pay period including
37 December 31, 2005.
- 38

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2
3 4. Service recognition pay shall be implemented as follows:
4

5 a [1]. Effective January 1, 2003--103.5 percent of base pay after 15 years'
6 continuous service.

7
8 b [2]. Effective January 1, 2004--103.5 percent of base pay after 10 years'
9 continuous service and 107 percent of base pay after 15 years'
10 continuous service.

11
12 c [3]. Effective January 1, 2005--103.5 percent of base pay after 10 years'
13 continuous service, 107 percent of base pay after 15 years' continuous
14 service and 110.5 percent of base pay after 20 years' continuous
15 service.

16
17 (AO No. 79-195; AO No. 86-207(S-1); AO No. 2003-43, § 1, 1-1-03)

18
19 **Section 2.** The amendments to section 3.30.127 shall become effective immediately upon
20 passage and approval by the Assembly.

21
22 **Section 3.** Termination of eligibility for service recognition pay, as set forth in section 3.30.127,
23 shall be implemented on January 1, 2006.

24
25 PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2005.
26
27
28

29
30 _____
31 Chair of the Assembly

32 ATTEST:

33
34
35 _____
36 Municipal Clerk
37
38

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2005-

Title: An Ordinance Amending Anchorage Municipal Code Section 3.30.127,
 Length of Service, Regarding Service Recognition Pay.

Sponsor: Employee Relations

Preparing Agency: Employee Relations

Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:	(In Thousands of Dollars)				
	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
Operating Expenditures					
1000 Personal Services	\$ (47)	\$ (32)	\$ (230)	\$ (324)	\$ (428)
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
TOTAL DIRECT COSTS:	\$ (47)	\$ (32)	\$ (230)	\$ (324)	\$ (428)
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	\$ (47)	\$ (32)	\$ (230)	\$ (324)	\$ (428)
REVENUES:					
CAPITAL:					
POSITIONS: FT/PT and Temp					

PUBLIC SECTOR ECONOMIC EFFECTS:

The figures above reflect the projected savings of rescinding Length of Service. The computation is based on the formula set forth in the ordinance that stops Service Recognition effective 12-31-2005, allowing no new entrants into the program and freezing participants at their current step. Total cumulative savings through 2010 is \$1.06 Million for General Government. Grants are estimated to be 5% of the total savings.

PRIVATE SECTOR ECONOMIC EFFECTS:

Prepared by: Karen Moore, Deputy Director Employee Relations Telephone: 343-4514

Validated by OMB: _____ Date: _____

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2005-

Title: An Ordinance Amending Anchorage Municipal Code Section 3.30.127,
 Length of Service, Regarding Service Recognition Pay.

Sponsor: Employee Relations
 Preparing Agency: Employee Relations
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:

(In Thousands of Dollars)

	FY06	FY07	FY08	FY09	FY10
Operating Expenditures					
1000 Personal Services	\$ (12)	\$ (7)	\$ (61)	\$ (75)	\$ (97)
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
TOTAL DIRECT COSTS:	\$ (12)	\$ (7)	\$ (61)	\$ (75)	\$ (97)
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	\$ (12)	\$ (7)	\$ (61)	\$ (75)	\$ (97)

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

The figures above reflect the projected savings of rescinding Length of Service. The computation is based on the formula set forth in the ordinance that stops Service Recognition effective 12-31-2005, allowing no new entrants into the program and freezing participants at their current step. Total cumulative savings through 2010 is \$252,000 for the Utilities.

PRIVATE SECTOR ECONOMIC EFFECTS:

Prepared by: Karen Moore, Deputy Director Employee Relations

Telephone: 343-4514

Validated by OMB: _____

Date: _____



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 481 -2005

Meeting Date: July 12, 2005

1 **FROM:** Mayor

2
3 **SUBJECT:** AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE
4 SECTION 3.30.127 LENGTH OF SERVICE, REGARDING SERVICE
5 RECOGNITION PAY.
6

7 The Municipality Personnel Rules establishes Length of Service benefits for long term municipal
8 employees at Anchorage Municipal Code section 3.30.127. Employee Relations seeks an amendment to
9 this section to terminate future eligibility, but retains current service recognition pay levels, in keeping
10 with the Administration's opinion that longevity has not benefited the Municipality by improving
11 retention or recruitment, nor does the fiscal impact warrant keeping the program in place. Terminating
12 service recognition pay eligibility will begin with Non-Represented employees hired or rehired on or
13 after January 1, 2006. and will be expanded to include negotiating this language out of collective
14 bargaining agreements with the same or similar language.
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18 Prepared by: David K. F Otto, Director Employee Relations
19 Concur: Denis C. LeBlanc, Municipal Manager
20 Respectfully submitted: Mark P. Begich, Mayor

Content Information

Content ID : 002871

Type: Ordinance - AO

Title: An Ordinance Amending AMC Section 3.30.127, Length of Service Regarding Recognition Pay

Author: mooreka

Initiating Dept: ER

Date Prepared: 5/6/05 2:59 PM

Assembly Meeting Date
MM/DD/YY: 7/12/05

Public Hearing Date
MM/DD/YY: 7/26/05

M.O.A.
 2005 JUL -5 PM 12:34
 CLERKS OFFICE

Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllOrdinanceWorkflow	5/6/05 3:01 PM	Checkin	mooreka	Public	002871
ER_SubWorkflow	5/6/05 3:30 PM	Approve	ottodk	Public	002871
AllOrdinanceWorkflow	5/10/05 10:52 AM	Reject	mitsonjl	Public	002871
AllOrdinanceWorkflow	5/16/05 10:21 AM	Checkin	mooreka	Public	002871
ER_SubWorkflow	5/16/05 10:22 AM	Approve	mooreka	Public	002871
OMB_SubWorkflow	5/17/05 8:14 AM	Approve	mitsonjl	Public	002871
Legal_SubWorkflow	5/17/05 10:42 AM	Approve	fehlenrl	Public	002871
MuniManager_SubWorkflow	5/20/05 9:29 AM	Approve	leblancdc	Public	002871
MuniMgrCoord_SubWorkflow	7/1/05 3:58 PM	Approve	curtiscr2	Public	002871