

Failed
8-30-05

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Employee Relations
For reading: August 9, 2005

ANCHORAGE, ALASKA
No. AO 2005-88(S)

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. Regular **non-**
15 **represented** employees, except executive employees, hired on or after January
16 1, 1981 **who were continuously employed by the Municipality, and who**
17 **established their eligibility and began receiving service recognition pay on**
18 **or before December 31, 2005 shall remain eligible to receive this benefit.**

19
20 [SHALL BE ELIGIBLE TO RECEIVE SERVICE RECOGNITION PAY
21 AND SHALL CONTINUE TO BE ELIGIBLE UNLESS THEY RESIGN,
22 ARE LAID OFF FOR LONGER THAN ONE YEAR WITHOUT RE-
23 EMPLOYMENT, OR ARE DISCHARGED FOR CAUSE. SERVICE
24 RECOGNITION PAY SHALL BE IMPLEMENTED AS FOLLOWS:

- 25 1. EFFECTIVE JANUARY 1, 2003--103.5 PERCENT OF BASE
26 PAY AFTER 15 YEARS' CONTINUOUS SERVICE.
27 2. EFFECTIVE JANUARY 1, 2004--103.5 PERCENT OF BASE
28 PAY AFTER 10 YEARS' CONTINUOUS SERVICE AND 107
29 PERCENT OF BASE PAY AFTER 15 YEARS' CONTINUOUS
30 SERVICE.
31 3. EFFECTIVE JANUARY 1, 2005--103.5 PERCENT OF BASE
32 PAY AFTER 10 YEARS' CONTINUOUS SERVICE, 107
33 PERCENT OF BASE PAY AFTER 15 YEARS' CONTINUOUS
34 SERVICE AND 110.5 PERCENT OF BASE PAY AFTER 20
35 YEARS' CONTINUOUS SERVICE.]
36

1 2. **No employee may establish eligibility or begin to receive service**
2 **recognition pay after December 31, 2005.**

3
4 3. **No employee shall receive service recognition pay at a rate higher than the**
5 **employee received on December 31, 2005.**

6
7 ~~[Increases to service recognition pay for advancing service thresholds~~
8 ~~shall terminate on December 31, 2005. Eligible employees receiving service~~
9 ~~pay recognition shall remain at the level attained in the pay period~~
10 ~~including December 31, 2005.]~~

11
12 4. **After January 1, 2005, the benefit for eligible employees shall be 103.5**
13 **percent of base pay after ten (10) years of continuous service, 107 percent**
14 **of base pay after fifteen (15) years of continuous service, and 110.5 percent**
15 **of base pay after twenty (20) years of continuous 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 _____
37 Municipal Clerk
38

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2005-88(S) 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: 2005-88(S) 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	\$ (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 551-2005

Meeting Date: August 9, 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 Anchorage Municipal Code section 3.30.127, a portion of the municipal Personnel Rules, establishes
8 Length of Service benefits for long term municipal employees. In 2003, the personnel rules were
9 amended by AO 2003-43, to add 'service recognition' pay for non-represented municipal employees to
10 recognize the value of, and encourage retention of, long term municipal employees. The administration
11 does not believe employee retention is a problem at this time or that there is a need to extend this
12 benefit.

13
14 The assembly has authority to amend, change or eliminate this benefit entirely but, in the view of the
15 administration, employees currently receiving or becoming eligible for the benefit, as of December 31,
16 2005, should be able to continue to receive the benefit at the level attained as of that date.

17
18 THE ADMINISTRATION RECOMMENDS APPROVAL OF AO 2005-88(S) AMENDING
19 ANCHORAGE MUNICIPAL CODE SECTION 3.30.127, LENGTH OF SERVICE, REGARDING
20 SERVICE RECOGNITION PAY.

21
22 Prepared by: David K. F. Otto, Director Employee Relations
23 Concur: Denis C. LeBlanc, Municipal Manager
24 Respectfully submitted: Mark P. Begich, Mayor

Content Information

Content ID : 003148

Type: Ordinance - AO

Title: "S" VERSION LENGTH OF SERVICE AO 2005-88

Author: curtiscr2

Initiating Dept: ER

Date Prepared: 8/4/05 6:53 AM

Director Name: David K Otto

Assembly Meeting Date MM/DD/YY: 8/9/05

Public Hearing Date MM/DD/YY: 8/9/05

M.O.A.
 2005 AUG -5 PM12:11
 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	8/4/05 6:58 AM	Checkin	yeskempl	Public	003148
AllOrdinanceWorkflow	8/4/05 7:28 AM	Reject	ottodk	Public	003148
AllOrdinanceWorkflow	8/4/05 7:31 AM	Checkin	yeskempl	Public	003148
ER_SubWorkflow	8/4/05 7:32 AM	Approve	ottodk	Public	003148
AllOrdinanceWorkflow	8/4/05 8:07 AM	Reject	mitsonjl	Public	003148
AllOrdinanceWorkflow	8/4/05 8:17 AM	Checkin	yeskempl	Public	003148
ER_SubWorkflow	8/4/05 8:18 AM	Approve	ottodk	Public	003148
OMB_SubWorkflow	8/4/05 9:40 AM	Approve	mitsonjl	Public	003148
Legal_SubWorkflow	8/4/05 10:52 AM	Approve	fehienrl	Public	003148
MuniManager_SubWorkflow	8/4/05 11:45 AM	Checkin	curtiscr2	Public	003148
MuniMgrCoord_SubWorkflow	8/5/05 11:59 AM	Approve	curtiscr2	Public	003148
MuniManager_SubWorkflow	8/5/05 11:59 AM	Approve	leblancdc	Public	003148

A. d. Anderson

CONTINUED PUBLIC HEARINGS