

*Postponed indefinitely
4/24/08*

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Employee Relations
For reading: March 25, 2008

ANCHORAGE, ALASKA
AO No. 2008-47

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 3.30.127 REGARDING SERVICE RECOGNITION PAY, AND SECTIONS 3.30.181, 3.30.182, 3.30.184, AND 3.30.186 REGARDING PRODUCTIVITY AND EMPLOYEE INCENTIVE PROGRAMS.

THE ANCHORAGE ASSEMBLY ORDAINS:

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

3.30.127 Length of Service

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E. *Service recognition.* Service recognition pay is for length of continuous service. Regular employees, except executive employees, who are eligible to receive service recognition pay as of May 1, 2008, shall continue to receive service recognition pay unless they resign, are laid off for longer than one year without reemployment, or are discharged for cause. Service recognition pay shall be implemented as follows:

1. Employees with 10 years of continuous service on or before May 1, 2008 shall receive 103.5 percent of base pay.
2. Employees with 15 years of continuous service on or before May 1, 2008 shall receive 107 percent of base pay.
3. Employees with 20 years of continuous service on or before May 1, 2008 shall receive 110.5 percent of base pay.
4. Service recognition payments shall offset the additional performance-step pay increases established in Section 3.30.184. The combination of service recognition pay and performance-step pay shall be implemented according to the following schedule:

<u>Service</u> <u>Recognition Pay</u> <u>(SRP)</u>	<u>Performance</u> <u>Step 1: 6.5% (PSP)</u>	<u>Performance</u> <u>Step 2: 6.5% (PSP)</u>	<u>Total Service</u> <u>Recognition and</u> <u>Performance Step</u> <u>Pay</u>
<u>No SRP</u>	<u>6.5% PSP</u>	<u>13% PSP</u>	<u>13%</u>
<u>3.5 % SRP</u>	<u>3.0% PSP</u>	<u>9.5% PSP</u>	<u>13%</u>
<u>7.0% SRP</u>	<u>0% PSP</u>	<u>6.0% PSP</u>	<u>13%</u>
<u>10.5% SRP</u>	<u>0% PSP</u>	<u>2.5% PSP</u>	<u>13%</u>

5. Employees who receive longevity pay shall not be eligible for the additional performance-step pay increases established in Section 3.30.184.

[REGULAR EMPLOYEES, EXCEPT EXECUTIVE EMPLOYEES, HIRED ON OR AFTER JANUARY 1, 1981, SHALL BE ELIGIBLE TO RECEIVE SERVICE RECOGNITION PAY AND SHALL CONTINUE TO BE ELIGIBLE UNLESS THEY RESIGN, ARE LAID OFF FOR LONGER THAN ONE YEAR WITHOUT RE-EMPLOYMENT, OR ARE DISCHARGED FOR CAUSE. SERVICE RECOGNITION PAY SHALL BE IMPLEMENTED AS FOLLOWS:

1. EFFECTIVE JANUARY 1, 2003--103.5 PERCENT OF BASE PAY AFTER 15 YEARS' CONTINUOUS SERVICE.
2. EFFECTIVE JANUARY 1, 2004--103.5 PERCENT OF BASE PAY AFTER 10 YEARS' CONTINUOUS SERVICE AND 107 PERCENT OF BASE PAY AFTER 15 YEARS' CONTINUOUS SERVICE.
3. EFFECTIVE JANUARY 1, 2005--103.5 PERCENT OF BASE PAY AFTER 10 YEARS' CONTINUOUS SERVICE, 107 PERCENT OF BASE PAY AFTER 15 YEARS' CONTINUOUS SERVICE AND 110.5 PERCENT OF BASE PAY AFTER 20 YEARS' CONTINUOUS SERVICE.]

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

Section 2. Anchorage Municipal Code section 3.30.181 is hereby amended to read as follows:

3.30.181 **Policy.**

It is the policy of the municipality to pursue vigorously in every phase of its service to the community of Anchorage improved productivity which will provide a fair return on the use of tax dollars and ensure maintenance and use of the assets of the municipality. To this aim, the director shall implement programs which will continue to provide productivity and performance improvements, and through motivational programs will encourage all employees to work for these goals and through incentive

programs will recognize contributions by employees for improvements in productivity and performance.

(AO No. 79-195)

Section 3. Anchorage Municipal Code section 3.30.182 is hereby amended to read as follows:

3.30.182 **Authorized programs.**

In addition to an employee suggestion awards program and special merit awards, other programs may be established by the municipality to [THAT] assist in implementing the policy and aims of productivity and high performance standards. Such programs shall include but not be limited to performance-based pay increases, career development and training, management by objectives, productivity incentive bonuses, lost time accident improvement and others. All such programs [WHICH] requiring [E] funding shall be submitted to the mayor for approval.

(AO No. 79-195)

Section 4. Anchorage Municipal Code section 3.30.184 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

3.30.184 **Funding.**

- A. The director shall budget \$10.00 per employee per year which shall be set aside as a fund for use by the committee appointed pursuant to Section 3.30.183 as rewards for approved suggestions which the committee feels meritorious or for productivity incentive bonuses.
- B. In conjunction with a performance-based pay program adopted pursuant to section 3.30.182, two additional step increases of 6.5% each (a total of 13% of base pay) shall be incorporated into the pay plan to reward those employees who successfully complete the program.

(AO No. 79-195)

Section 5. Anchorage Municipal Code section 3.30.186 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

3.30.186 **Publications.**

The municipality shall issue such publications, posters and procedures as are necessary to implement the programs authorized by this part to provide details to all employees describing the productivity and performance standards programs. All such

1 programs [WHICH] requiring [E] funding shall be submitted to the mayor and
2 assembly in the normal manner for approval.

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4 *** **

5 (AO No. 79-195)

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7 **Section 6.** This ordinance shall become effective immediately upon passage and approval
8 by the Assembly.

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10 PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____,
11 2008.

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16 _____
17 Chair of the Assembly

18 ATTEST:

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21 _____
22 Municipal Clerk
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MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 209-2008

Meeting Date: March 25, 2008

FROM: MAYOR

SUBJECT: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 3.30.127 REGARDING SERVICE RECOGNITION PAY, AND SECTIONS 3.30.181, 3.30.182, 3.30.184, AND 3.30.186 REGARDING PRODUCTIVITY AND EMPLOYEE INCENTIVE PROGRAMS.

Anchorage Municipal Code section 3.30.127, a portion of the Municipal Personnel Rules, establishes Length of Service benefits for long term municipal employees. In May 2003, the personnel rules were amended by AO 2003-43, to add 'service recognition' pay for non-represented municipal employees. The administration does not support the continuation of this benefit. However, the administration does believe a "pay-for-performance" opportunity is beneficial. The performance-based incentive program is similar to the plan already approved by the Assembly in the recent Teamsters labor contract, where employees may earn two step increases beyond the existing six steps, of 6.5% each, for a total increase of 13% of base pay. Those employees currently receiving service recognition pay are eligible to participate in the performance-based program, but the aggregate wage increase of both pay plans may not exceed 13%, to avoid "double-dipping." This allows MOA to "buy back" service recognition pay with a performance-based plan.

Those employees receiving service recognition pay as of May 1, 2008, continue to receive the benefit at the level attained as of that date.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 3.30.127 REGARDING SERVICE RECOGNITION PAY, AND SECTIONS 3.30.181, 3.30.182, 3.30.184, AND 3.30.186 REGARDING PRODUCTIVITY AND EMPLOYEE INCENTIVE PROGRAMS.

Prepared by: Employee Relations Department
Approved by: David Otto, Employee Relations Director
Concur: James N. Reeves, Municipal Attorney
Concur: Michael K. Abbott, Municipal Manager
Respectfully submitted: Mark Begich, Mayor

Content ID: 006154

Type: Ordinance-InvolvingFunds - AO

Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 3.30.127 REGARDING SERVICE RECOGNITION PAY, AND SECTIONS 3.30.181, 3.30.182, 3.30.184, AND 3.30.186 REGARDING PRODUCTIVITY AND EMPLOYEE INCENTIVE PROGRAMS.

Author: maglaquijp

Initiating Dept: ER

Date Prepared: 3/20/08 11:19 AM

Director Name: David K.F.Otto

Assembly Meeting Date: 3/25/08

Public Hearing Date: 4/29/08

2008 MAR 21 PM 2:06
 M.O.A.
 CLERK OF COURTS

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
Clerk_Admin_SubWorkflow	3/21/08 1:48 PM	Exit	Joy Maglaqui	Public	006154
MuniMgrCoord_SubWorkflow	3/21/08 1:48 PM	Approve	Joy Maglaqui	Public	006154
MuniManager_SubWorkflow	3/21/08 1:25 PM	Approve	Michael Abbott	Public	006154
MuniManager_SubWorkflow	3/21/08 1:20 PM	Checkin	Joy Maglaqui	Public	006154
Legal_SubWorkflow	3/21/08 1:02 PM	Approve	Dean Gates	Public	006154
CFO_SubWorkflow	3/21/08 12:47 PM	Approve	Sharon Weddleton	Public	006154
OMB_SubWorkflow	3/21/08 12:05 PM	Approve	Wanda Phillips	Public	006154
ER_SubWorkflow	3/20/08 11:33 AM	Approve	David Otto	Public	006154
AllFundOrdinanceWorkflow	3/20/08 11:30 AM	Checkin	Misti Yeske	Public	006154

Adendum -

CONSENT AGENDA - INTRODUCTION