

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Dept. of Employee Relations
For reading: August 30, 2011

CLERK'S OFFICE

APPROVED

9-13-11

ANCHORAGE, ALASKA

AO No. 2011-90

Date:

1 AN ORDINANCE AMENDING THE MUNICIPAL PERSONNEL RULES,
2 ANCHORAGE MUNICIPAL CODE SECTION 3.30.129 REGARDING STANDBY
3 PAY, SECTION 3.30.1210 REGARDING SHIFT DIFFERENTIAL, AND SECTION
4 3.30.152 REGARDING ANNUAL LEAVE ACCRUAL WHILE ON PAID LEAVE.
5

6
7 THE ANCHORAGE ASSEMBLY ORDAINS:
8

9 **Section 1.** Anchorage Municipal Code section 3.30.129 is hereby amended as
10 follows (*the remainder of the section is not affected and therefore not set out*):
11

12 **3.30.129 Overtime for employees assigned to range 17N and below.**
13

14 * * * * *
15

16 B. Pay rates for overtime premium pay.
17

18 * * * * *
19

20 3. *Standby pay.* In cases where it is found necessary to have
21 employees remain available for work in a standby status after
22 regularly scheduled hours, on scheduled days off, or on
23 holidays, they shall receive two hours' pay at the employee's
24 straight time factored rate for each day of such duty. [WHEN
25 SUCH AN EMPLOYEE IS CALLED OUT FOR WORK, THE STANDBY PAY
26 SHALL BE CREDITED TOWARD THE MINIMUM CALL-OUT PAYMENT].
27

28 No employee shall be in standby status unless scheduled for
29 such by the MOA. Time spent in on-call status does not count
30 as hours worked for the purposes of computing eligibility for
31 overtime pay.
32

33 * * * * *
34

35 (AO No. 79-195; AO No. 86-197(S), 1-1-87; AO No. 94-117, § 25, 7-26-94;
36 AO No. 96-55, § 1, 4-2-96; AO No. 2001-121, § 1, 7-1-01, AO No. 2011-
37 61(S), § 8, 7-12-11)

38 **Section 2.** Anchorage Municipal Code section 3.30.1210 is hereby amended as
39 follows (*the remainder of the section is not affected and therefore not set out*):
40

41 **3.30.1210 Shift differential premium and meal allowance.**
42

A. *Shift differential premium.* All employees who work on a swing shift

shall receive a shift differential equal to three percent of their factored [BASE] hourly rate of pay for each hour worked on the swing shift. All employees who work on a night shift shall receive a shift differential equal to six percent of their factored [BASE] hourly pay rate for all hours worked on the night shift. The shift differential shall not be included in annual leave or holiday pay.

*** **

(AO No. 79-195; AO No. 86-207(S-1); AO No. 91-95)

Section 3. Anchorage Municipal Code section 3.30.152 is hereby amended as follows (*the remainder of the section is not affected and therefore not set out*):

3.30.152 Annual Leave Accrual.

*** **

B. *Accrual during leave period.* Leave accrues during the period of time an employee is on paid leave. [SUCH ADDITIONAL ACCRUAL SHALL BE CANCELLED IF THE EMPLOYEE FAILS TO RESUME DUTY ON COMPLETION OF HIS AUTHORIZED LEAVE FOR LESS THAN ONE COMPLETE SHIFT]. Leave does not accrue during periods of injury leave or leave without pay.

*** **

(AO No. 79-195; AO No. 91-95, 8-6-91; 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; AO No. 2001-170, § 4, 10-30-01; AO No. 2002-04, § 1, 1-29-02)

Section 4. This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 13th day of September, 2011.

Debbie Ossianides
Chair of the Assembly

ATTEST:

John E. Brown
Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2011-90

Title: **AN ORDINANCE AMENDING THE MUNICIPAL PERSONNEL RULES, ANCHORAGE MUNICIPAL CODE SECTION 3.30.129 REGARDING STANDBY PAY, SECTION 3.30.1210 REGARDING SHIFT DIFFERENTIAL, AND SECTION 3.30.152 REGARDING ANNUAL LEAVE ACCRUAL WHILE ON PAID LEAVE.**

Sponsor: **MAYOR**

Preparing Agency: Department of Employee Relations

Others Impacted: General Government Departments with Employees Working Under Personnel Rules

CHANGES IN EXPENDITURES AND REVENUES:					
(In Thousands of Dollars)					
	FY11	FY12	FY13	FY14	FY15
Operating Expenditures					
1000 Personal Services	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
TOTAL DIRECT COSTS:	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7
REVENUES:					
CAPITAL:					
POSITIONS: FT/PT and Temp					

PUBLIC SECTOR ECONOMIC EFFECTS:

Potential annual increase of ~\$7K in personnel costs (~\$4K Shift Differential, ~\$3K Standby / Callback Pay).

Non-financial benefits include:

- Elimination of manual calculations on accruals (between 60-80 hours annually).
- Improvement on the success and efficiencies of both the ePaL and new enterprise resource software.

PRIVATE SECTOR ECONOMIC EFFECTS:

Prepared by: Nancy B. Usera

Telephone: 343-4399

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2011-90

Title: **AN ORDINANCE AMENDING THE MUNICIPAL PERSONNEL RULES, ANCHORAGE MUNICIPAL CODE SECTION 3.30.129 REGARDING STANDBY PAY, SECTION 3.30.1210 REGARDING SHIFT DIFFERENTIAL, AND SECTION 3.30.152 REGARDING ANNUAL LEAVE ACCRUAL WHILE ON PAID LEAVE.**

Sponsor: **MAYOR**
 Preparing Agency: Department of Employee Relations
 Others Impacted: Utilities with Employees Working Under Personnel Rules

CHANGES IN REVENUES AND EXPENSES: (In Thousands of Dollars)

	FY11	FY12	FY13	FY14	FY15
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Operating Revenues:

TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
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Operating Expenses:

	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25
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TOTAL OPERATING EXPENSES	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25
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Non-Operating Revenues:

TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
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Non-Operating Expenses:

TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
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NET INCOME (REGULATED)

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

Potential annual increase of ~\$25K in personnel costs for Standby Pay / Callback Pay.

Non-financial benefits include:

- Elimination of manual calculations on accruals (between 60-80 hours annually).
- Improvement on the success and efficiencies of both the ePaL and new enterprise resource software.

PRIVATE SECTOR ECONOMIC EFFECTS:

Prepared by: Nancy B. Usera

Telephone: 343-4399

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 475-2011

Meeting Date: August 30, 2011

1 **From: MAYOR**

2
3 **Subject: AN ORDINANCE AMENDING THE MUNICIPAL PERSONNEL**
4 **RULES, ANCHORAGE MUNICIPAL CODE SECTION 3.30.129**
5 **REGARDING STANDBY PAY, SECTION 3.30.1210 REGARDING**
6 **SHIFT DIFFERENTIAL, AND SECTION 3.30.152 REGARDING**
7 **ANNUAL LEAVE ACCRUAL WHILE ON PAID LEAVE.**

8
9 The Municipal Personnel Rules are being reviewed and revised as part of an overall
10 project to update and modernize the contract with non-represented and executive
11 employees. The project was divided into two phases. The majority of phase one
12 proposals were approved by the Assembly in AO 2011-61(S)am on July 12, 2011.
13 This proposed AO addresses two issues that were presented as a result of the
14 aforementioned changes and one that will assist in implementation of the Kronos
15 automation project. Each of these changes will inure to the benefit of employees.

16 17 Standby Pay

18 The phase one proposal in AO 2011-61 associated with standby pay was deleted
19 from the subsequent approved (S) version. The Administration sought to collect
20 additional information on standby pay use and practices. To this end, the Internal
21 Audit department was charged with a review of Municipal standby pay practices, its
22 relation to those employees being called out to work, and was asked to provide a
23 sample of how other organizations and entities compensate employees who are
24 required to be "on call."

25
26 After additional review, the Administration is proposing to amend the Personnel
27 Rules to:

- 28
- 29 • Eliminate the requirement of applying standby pay to call back pay when an
 - 30 employee is called to work.
 - 31 • Add the word 'factored' to the applicable rate of pay to clarify existing
 - 32 practice.
- 33

34 This recommendation recognizes that standby pay is intended as compensation to
35 individuals for being available for work; and that work performed as a result of call-
36 out should be compensated in its own right.

37 38 Shift Differential

39 AO 2011-61(S) amended the Personnel Rules by defining "pay enhancements" and
40 the methodology for calculating factored rate of pay to eliminate pyramiding of
41 multiple enhancements. An unintended consequence of this action was to also

1 adversely impact the compensation of employees receiving shift differential. Shift
2 differential is required to be paid on the employee's base rate.

3
4 The recent change to the Personnel Rules clarified that base rate does not include
5 supervisory or market base adjustments. In this respect shift differential is now paid
6 on a lower base rate unadjusted for the market or supervisor pay enhancements.

7
8 This proposal amends the Personnel Rules to calculate shift differential on the
9 employee's factored rate of pay.

10
11 Use of Annual Leave Accrued while on Paid Leave

12 The Municipal Personnel Rules are being reviewed as part of the assessment and
13 implementation of the electronic time card and leave management system, Kronos
14 (or ePaL). The ePaL system replaces manual, paper methods with modern, real
15 time functionality. Employees and supervisors benefit from a self-service system
16 allowing them to manage their time and leave requests.

17
18 Current Municipal policy for annual leave accrual states that the accrual is cancelled
19 (adjusted) if the employee fails to resume duty for one complete shift. The
20 requested change to the Personnel Rules offers the following benefits:

- 21
- 22 • Allows employees to use the leave that is accrued while they are on paid
 - 23 leave without first returning to work.
 - 24 • Offers employees and management accurate reporting on leave balances.
 - 25 • Eliminates manual calculations on accruals (between 60-80 hours annually).
 - 26 • Improves the success and efficiencies of both the ePaL and new enterprise
 - 27 resource software.

28
29 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
30 **AMENDING THE MUNICIPAL PERSONNEL RULES, ANCHORAGE MUNICIPAL**
31 **CODE SECTION 3.30.129 REGARDING STANDBY PAY, SECTION 3.30.1210**
32 **REGARDING SHIFT DIFFERENTIAL, AND SECTION 3.30.152 REGARDING**
33 **ANNUAL LEAVE ACCRUAL WHILE ON PAID LEAVE.**

34
35 Prepared by: Employee Relations
36 Approved by: Nancy B. Usera, Employee Relations
37 Concur: Dennis A. Wheeler, Municipal Attorney
38 Concur: George J. Vakalis, Municipal Manager
39 Respectfully submitted: Daniel A. Sullivan, Mayor