



# MUNICIPALITY OF ANCHORAGE

## MEMORANDUM

---

November 15, 2010

**To:** Anchorage Assembly Members

**From:** Cheryl Frasca, OMB Director

**Subject:** Follow-up Information to November 5<sup>th</sup> Work Session on Department Budgets

The following information is a follow-up to the questions asked at the November 5<sup>th</sup> work session on department budgets. Should you have further questions or need additional information, please let me know.

### **Employee Relations Department**

**1. How much have we paid associated with grievance settlements? (Honeman)**

A total of ten of the 24 grievances settled in 2010 had some cost associated with the settlement. The Assembly received a briefing at their meeting on Friday, October 29, 2010 with respect to one major settlement of \$509,355. The financial components of the other nine settlements equaled a combined \$32,849.93. By way of clarification, only Letters of Agreement or Clarification are reported to the Assembly. These Letters are often the outcome of a grievance that requires CBA terms or conditions to be better articulated. Grievance settlements themselves are not reported to the Assembly. In most instances the originating department pays a grievance settlement from its operating budget.

**2. Provide a copy of the Internal Audit on Health Care Dependents. (Gray-Jackson)**

The report was provided to Ms. Gray-Jackson and is available at:  
[http://www.muni.org/Departments/internal\\_audit/2010%20Audit%20Report%20library/2010-10.pdf](http://www.muni.org/Departments/internal_audit/2010%20Audit%20Report%20library/2010-10.pdf)

### **Equal Rights Commission**

**1. Please provide a list of the types of cases you deal with. (Traini)**

This information was provided directly to the Assembly members by the Commission's Executive Director.

**2. What are the additional funds for advertising that are in the budget? (Starr)**

The AERC initially proposed filling their admin position half time. If they did so, they would need to advertise to fill the vacant position. When the position ultimately was eliminated from the budget, the advertising funding should have been deleted. It wasn't and now the \$1,408 in funding can be deleted from the commission's budget.

**Municipal Attorney**

**1. What is the amount of IGC's from the Municipal Attorney Department to the Assembly for this year and next year? (Gray-Jackson)**

In 2010, the IGCs from the Municipal Attorney to the Assembly were budgeted at \$60,750; for 2011 the amount is \$100,553.

The Assembly's IGC charges are from the Civil Division. For 2011 there were no changes to the methodologies used to charge out the costs for Civil Law. However, the department did change how it budgets costs associated with DUI forfeiture by transferring it from the Criminal Law to Civil where it more appropriately belongs. The net result is a \$750,000 increase in the Civil Law's budget (and a corresponding decrease in Criminal Law). This transfer resulted in a significant increase in the IGCs to all of Civil Law's customers. The increase in Civil Law IGCs to others is offset by a reduction in IGCs coming from the Criminal Division, which charges 100% of its costs to APD (Fund 151).

**Municipal Manager**

**1. Provide an explanation of Fund 602 revenue (Honeman) and what caused the \$250,000 shift in revenue from short term interest earnings (Starr)?**

Primary funding for Fund 602 comes from IGCs that are charged as part of the biweekly payroll entries for personnel costs for all departments and grants. The IGC charge has two components. The "fixed component" collects funds to pay the cost of the division's operation, or its "fixed costs." The variable component is based on the department's history of claims. Departments that have a high volume, or value, of claims are charged at a higher rate.

In addition, Risk Management's Fund 602 also receives interest earned from investing its fund balance. This anticipated amount in the 2011 proposed budget was reduced by \$250,000 to be more in line with recent historical average earnings.

## **Office of the Mayor / Municipal Manager**

1. Regarding the pay scale for executive employees in the Mayor's and Municipal Manager's Offices, did all executives that took the five percent cut from the salaries they were given when they came to office get three percent back? In short, is each executive receiving two percent less than initially received? (Traini via Municipal Clerk)

Short answer: All executives but one are two percent below their predecessors. The one exception is the Municipal Manager who received reinstatement of the full five percent.

Longer answer: The following table provides additional details for each of these positions:

### **Mayor, Municipal Manager Executive Positions Percent of Salary Reinstated After 5% Reduction**

Position	Department	Hourly Rate 08.17.2009	Hourly Rate 09.13.2010	% Change
<b>Office of the Mayor</b>				
Mayor	Office of the Mayor	59.67	59.67	0%
Program & Policy Director	Office of the Mayor	49.04	50.51	3%
Special Admin Assistant I	Office of the Mayor	23.08	23.08	0%
Special Admin Assistant II	Office of the Mayor	35.82	36.89	3%
Secretary To The Mayor	Office of the Mayor	33.54	34.55	3%
Special Admin Assistant II	Office of the Mayor	33.41	33.41	0%
Program & Policy Director	Office of the Mayor	37.26	38.38	3%
<u>Hired after 8/17/2009:</u>		<u>Date Hired</u>		
Executive Manager	Office of the Mayor	1/1/10	54.23	
Special Admin Assistant I	Office of the Mayor	9/14/09	20.80	
Special Admin Assistant I	Office of the Mayor	7/19/10	12.00	
<b>Municipal Manager</b>				
Municipal Manager	Municipal Manager	54.09	56.79	5%
Special Admin Assistant I	Municipal Manager	24.31	25.04	3%
Special Admin Assistant I	Municipal Manager	18.26	18.26	0%
Special Admin Assistant I	Municipal Manager	33.87	34.89	3%
Program & Policy Director	Municipal Manager	44.21	45.54	3%
Special Admin Assistant I	Municipal Manager	32.06	33.02	3%
Special Admin Assistant I	Municipal Manager	38.67	39.83	3%
Property Management Ofcr	Municipal Manager	33.87	34.89	3%
Special Admin Assistant I	Municipal Manager	17.99	17.99	0%
Special Admin Assistant I	Municipal Manager	31.86	32.82	3%
Program & Policy Director	Municipal Manager	39.38	40.56	3%
Transportation Insp Mgr	Municipal Manager	36.33	37.42	3%
Risk Manager	Municipal Manager	39.97	41.17	3%

## **Police Department**

### **1. What is the phone number for the Traffic Hotline? (Gray-Jackson)**

The telephone number for the Traffic Enforcement Request Line is 786-8949.

### **2. What is the breakdown of the \$110 hourly rate? (Honeman)**

Attached is AO 2006-107 that established the \$100 hourly rate. AM 532-2006 explains the basis for the \$110.00 hourly rate calculation.

## **Information Technology**

### **1. Describe the technology upgrades to the telephone system that resulted in savings in a number of departments (Gray-Jackson)**

The current billing for PBX (Phone System) maintenance is distributed to departments where there are large PBX systems on-site. These departments receive monthly bills from ACS directly. The current PBX phone system is almost 20 years old. IT has begun a replacement of the PBX system with a Voice-over IP Telephone system and plans to fund the installation of the new system over time through capital projects. To date the new system is installed at City Hall and the Eagle River Town Center and will be installed at any new sites such as the AFD training center.

As IT installs the new phone system they will begin collapsing the PBX system. The maintenance currently paid for PBXs will change to software licenses that will be paid as a part of the IT license maintenance budget. In order to better manage the cost and budget for MOA phone systems, IT proposed centralizing all phone maintenance under the IT budget. As of January 2011, IT will be directly billed for all PBX maintenance and will pay all costs associated with MOA phone system maintenance (\$50,000 increase in cost to IT—without a corresponding increase in funding). IT will be able to absorb the increased cost because of its success in negotiating lower cost for many other contracts. Since departments have been paying these bills and IT now is absorbing the cost, savings is being realized through reductions in department budget.

## **Public Transportation**

### **1. What would the cost be to restore public transportation service to the level in place during 2010? (Traini)**

The net tax cost of restoring the People Mover service is \$346,000 (reductions total \$380,000 less \$34,000 in fare revenue):

- \$60,000 for fixed route service for three peak hour trips;
- \$190,000 for early morning and late night service; and
- \$130,000 for elimination of Route 45G.

The net tax cost of restoring AnchorRIDES service for senior citizens is \$240,000.

**2. What is the cost to the Municipality for the 53 share-a-ride vans that travel between Anchorage and the Mat-Su Valley? (Traini)**

The cost per van is approximately \$40,000 with required local match of 9.03% for a total of \$3,612 per vehicle. Annual replacement of nine vehicles requires \$32,508 per year. When the Municipality sells these vehicles at the end of their useful life, the net proceeds per vehicle have averaged \$3,221 from 2007 to present, so the local match is mostly recovered when the vehicles are auctioned. Since the vehicles are kept on the road for up to six years, the MOA cost is \$65 per year per vehicle.

CLERK'S OFFICE

APPROVED

Date: 8-29-06

Submitted by: Chair of the Assembly at the  
Request of the Mayor

Prepared by: Anchorage Police Department

For reading: July 25, 2006

ANCHORAGE, ALASKA

AO No. 2006-107

**AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 9.06.115  
TO INCREASE THE HOURLY RATE FOR POLICE SERVICES DURING A NON-  
MUNICIPAL FUNCTION, ACTIVITY OR EVENT.**

THE ANCHORAGE ASSEMBLY ORDAINS:

**Section 1.** Anchorage Municipal Code section 9.06.115 is amended to read as follows (*the remainder of the section is not affected, and therefore not set out*):

**9.06.115      Hourly rate for police services.**

A. Police services shall be charged at the rate of One Hundred Ten Dollars (\$110.00) [NINETY-ONE DOLLARS (\$91.00)] per hour, per police officer, for non-municipal functions, including but not limited to:

1. Traffic control;
2. Crowd control;
3. Distinguished visitor detail;
4. Activities occurring under municipal permit in municipal right-of-way;  
or
5. Any political or non-political events, rallies or gatherings.

\*\*\*      \*\*\*      \*\*\*


(AO No. 2004-139, § 1, 10-26-04)

**Section 2.** This ordinance shall become effective immediately upon its passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 29<sup>th</sup> day of  
August, 2006.

  
Chair of the Assembly

ATTEST:

  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- General Government**

AO Number: 2006-107

Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE  
SECTION 9.06.115 TO INCREASE THE HOURLY RATE FOR POLICE  
SERVICES DURING A NON-MUNICIPAL FUNCTION, ACTIVITY OR  
EVENT.

Sponsor:

Preparing Agency: Anchorage Police Department

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>
<b>Operating Expenditures</b>					
1000 Personal Services					
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
<b>TOTAL DIRECT COSTS:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
<b>FUNCTION COST:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>REVENUES:</b>	<u>\$ 42</u>	<u>\$ 85</u>	<u>\$ 85</u>	<u>\$ 85</u>	<u>\$ 85</u>

---

**CAPITAL:**

---

**POSITIONS: FT/PT and Temp**

---

**PUBLIC SECTOR ECONOMIC EFFECTS:**

Revenue increase based on the following assumptions:

\$405,000 = 4,450 actual 2005 billable hours @ 91.00/hour (current charge rate)

\$489,500 = 4,450 estimated billable hours @ 110.00/hour (requested increase)

\$ 84,500 = Estimated Annual Revenue Increase Based Actual 2005 Experienced Revenue

No additional departmental operating costs will be attributed to this action.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

Private sector effects are minimal and limited to event sponsors incurring an approximate 20% increase in police services cost for non-municipal functions or events.

---

Prepared by: Stephen W. Miko, Anchorage Police Department

Telephone: (907) 786-8540

---



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 532 -2006

Meeting Date: July 25, 2006

1 **From:** MAYOR

2  
3  
4 **Subject:** AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE  
5 SECTION 9.06.115 TO INCREASE THE HOURLY RATE FOR  
6 POLICE SERVICES DURING A NON-MUNICIPAL FUNCTION,  
7 ACTIVITY OR EVENT.  
8

---

9 The Anchorage Police Department requests an amendment to Anchorage Municipal Code  
10 section 9.06.115, Hourly rate for police services, to increase the hourly rate for police services from  
11 Ninety One Dollars (\$91.00) per hour, per police officer, to One Hundred Ten Dollars (\$110.00) per  
12 hour, per police officer.  
13

14 AO No. 2004-139, approved on October 26, 2004, added section 9.06.115, establishing an hourly rate  
15 of \$91.00 per hour, per police officer, for police services, and written notice guidelines for requesting  
16 police services and the authority of the Police Chief to determine the number of police officers  
17 required for an event.  
18

19 The Anchorage Police Department has been charging requestors for Police Traffic Control Services at  
20 a rate of \$91/hour based on a thorough analysis designed in 2004 by a financial analyst to capture all  
21 costs of fielding an officer, related police equipment, vehicle, fuel, training and overhead. This  
22 analysis was rather complicated, cumbersome, and difficult to communicate so in 2006 three simpler,  
23 but equally accurate equations were designed to determine the actual cost of providing police services.  
24 The first method reduced the total 151 Fund 2007 budgeted cost to an hourly rate divided by the total  
25 number officers under the rank of Sergeant for a resultant rate of \$115.19/hour. The second method  
26 considered the 151 Fund total realized cost divided by the number of authorized officers in 2005 and  
27 then adjusted for budgeted cost increase in 2007 for a resultant rate of \$114.70/hour. The final  
28 calculation was performed by OMB considering 2005 actual overtime costs and factors for other labor,  
29 non-labor, and IGC costs with inflationary increases for 2006 and 2007 for a resultant rate of \$108.36.  
30 Based on these calculations OMB and the department have determined that a rate of \$110/hour would  
31 be a fair and equitable charge for police services.  
32

33 This ordinance amendment is requested to update the rate to be charged to \$110/hour based on a  
34 current cost recovery model.  
35

36 THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE AMENDING  
37 ANCHORAGE MUNICIPAL CODE SECTION 9.06.115 TO INCREASE THE HOURLY RATE  
38 FOR POLICE SERVICES DURING A NON-MUNICIPAL FUNCTION, ACTIVITY OR EVENT.  
39  
40

41 Prepared by: Walt Monegan, Chief of Police  
42 Concur: Jeffrey E. Sinz, Chief Financial Officer  
43 Concur: Denis C. LeBlanc, Municipal Manager  
44 Respectfully Submitted: Mark Begich, Mayor



### Content Information

**Content ID :** 004009

**Type:** Ordinance-InvolvingFunds - AO

**Title:** Amendment of AMC Chapter 9.06.115 Increasing Police Service Hourly Rate

**Author:** curtiscr

**Initiating Dept:** APD

**Description:** Amendment of AMC Chapter 9.06.115 Increasing Police Service Hourly Rate

**Keywords:** Amendment, 9.06.115, police service hourly rate, police hourly rate

**Date Prepared:** 5/15/06 4:23 PM

**Assembly Meeting Date**  
**MM/DD/YY:** 7/25/06

**Public Hearing Date**  
**MM/DD/YY:** 8/15/06

2006 JUL 17 AM 10:37  
 CLERK'S OFFICE  
 M.O.A.

### Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllFundOrdinanceWorkflow	5/15/06 4:26 PM	Checkin	smiko	Public	004009
APD_SubWorkflow	5/15/06 4:28 PM	Approve	wmonegan	Public	004009
AllFundOrdinanceWorkflow	5/30/06 10:17 AM	Reject	mitsonjl	Public	004009
AllFundOrdinanceWorkflow	6/8/06 3:33 PM	Checkin	smiko	Public	004009
APD_SubWorkflow	6/8/06 4:54 PM	Approve	wmonegan	Public	004009
AllFundOrdinanceWorkflow	6/9/06 9:53 AM	Reject	mitsonjl	Public	004009
AllFundOrdinanceWorkflow	6/9/06 10:10 AM	Checkin	smiko	Public	004009
APD_SubWorkflow	6/9/06 10:58 AM	Approve	wmonegan	Public	004009
OMB_SubWorkflow	6/9/06 11:00 AM	Approve	mitsonjl	Public	004009
CFO_SubWorkflow	6/9/06 11:39 AM	Approve	sinzje	Public	004009
Legal_SubWorkflow	6/9/06 12:44 PM	Approve	fehlenrl	Public	004009
MuniManager_SubWorkflow	6/9/06 12:53 PM	Checkin	curtiscr	Public	004009
MuniManager_SubWorkflow	6/9/06 1:29 PM	Approve	leblancdc	Public	004009
MuniManager_SubWorkflow	6/16/06 9:49 AM	Reject	abbottmk	Public	004009
AllFundOrdinanceWorkflow	6/16/06 9:49 AM	Reject	abbottmk	Public	004009
AllFundOrdinanceWorkflow	6/23/06 10:06 AM	Checkin	curtiscr	Public	004009
APD_SubWorkflow	6/23/06 10:07 AM	Approve	wmonegan	Public	004009
OMB_SubWorkflow	6/28/06 8:11 AM	Approve	mitsonjl	Public	004009
CFO_SubWorkflow	7/6/06 11:46 AM	Approve	sinzje	Public	004009
Legal_SubWorkflow	7/6/06 3:00 PM	Approve	fehlenrl	Public	004009
MuniManager_SubWorkflow	7/13/06 11:22 AM	Approve	leblancdc	Public	004009
MuniMgrCoord_SubWorkflow	7/14/06 2:27 PM	Approve	abbottmk	Public	004009