

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-18

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE CITY AND BOROUGH OF SITKA PERSONNEL POLICIES HANDBOOK TO: CHANGE POLICY ON PROBATIONARY PERIOD INCREASE FOR REGULAR EMPLOYEES; ADDRESS STARTING PAY FOR NEW EMPLOYEES; ADDRESS PAY UPON PROMOTION; ESTABLISH PAY MATRIX PROCEDURES; ADDRESS FORFEITED ANNUAL LEAVE; REMOVE SECTION XXI AND UPDATE ATTACHMENT A

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the City and Borough of Sitka Personnel Policies Handbook.

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. **PURPOSE.** The purpose of this ordinance is to update the City and Borough of Sitka's Personnel Policies Handbook to implement the Fox Lawson recommendations for compensation and compensation policy for employees covered by the City and Borough of Sitka Personnel Policies. It does not affect employees covered by collective bargaining agreements. The proposed amendments to the City and Borough of Sitka Personnel Policies Handbook make a number of changes, as outlined below:

- Section 4.3 entitled "Types of Appointments" - the 6-month probationary pay increase is removed;
- Section 6.5 entitled "Pay for New Employees" - requires administrator approval of all starting pay within the established pay matrix of the Personnel Policies;
- Section 6.11a. entitled "Promotions" - requires administrator approval of promotional pay;
- Section 6.12 entitled "Pay Increases – Pay Matrix" - modifies the operation of the Pay Matrix in Attachment A of the Policies and addresses performance pay and forfeited annual leave;
- Section 9.10 entitled "Family and Medical Leave Act Policy – removes reference of Subsection 9.10.D that no longer exists;
- Section 21 entitled "Rewards for Excellence Program" is deleted; and
- Attachment A entitled "Salary Data Recommendations: Proposed Pay Structure" updates the pay matrix as recommended by Fox Lawson.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the following provisions of the City and Borough of Sitka Personnel Policies Handbook are amended as follows (new language highlighted and underlined; deleted language stricken):

IV. TYPES OF APPOINTMENTS

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4.3 PROBATIONARY. Every full-time or part-time regular appointment in the Municipality's employment service shall be preceded by a probationary appointment in which the employee serves in a probationary status. A newly hired or rehired employee with a probationary appointment is an at-will employee who can be disciplined or discharged with or without cause, with or without notice, at any time, and whose employment can be terminated at the option of either the employee or the employer. Just cause is not required for any form of discipline or discharge of such an employee during a probationary period.

An employee promoted or transferred from a regular appointment to a different position shall also serve a probationary period in which the employee can be returned to their previous position, if vacant; or returned to another position, if available, and if the employee is qualified for the position; or terminated. If an employee is returned or transferred during a probationary period, that return or transfer shall not constitute a demotion.

The length of a probationary period shall be six months, unless otherwise provided in these policies, federal or state law, and/or unless the Department Head, with approval of the Administrator, extends the probationary period. ~~Following successful completion of the probationary period, a probationary employee shall be eligible for a step increase if the Assembly approves step increases in the Fiscal Year budget. In addition, probationary employees are eligible for any annual pay increase provided for in the Municipal Pay Plan.~~

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VI. PERSONNEL STAFFING AND COMPENSATION

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6.5 PAY FOR NEW EMPLOYEES

Starting pay shall be approved by the Administrator. All starting pay must be within the established grade assigned to the position in the pay matrix in Attachment A of these Personnel Policies. Any starting pay not within the pay matrix for the established grade for the position shall only be authorized with Assembly approval.

~~a. — Generally, a new employee shall be paid the minimum rate of pay currently established for the grade assigned to his or her position. Exceptions pertaining to starting pay may be granted upon the written prior approval of the [Finance Director,] Administrator and Assembly if necessary as provided below:~~

~~i. Starting Pay Below Grade. The minimum rate of pay is based on the assumption that a new employee meets the minimum qualifications stated in the position job description. If it becomes necessary to appoint a new employee with lesser qualifications, and with approval of the the Administrator, such employee may be started up to 10% below the minimum step of the grade to which the position is assigned. After six months, if approved by Administrator, the employee shall be increased to the minimum step in the grade to which the position is assigned.~~

~~ii. Starting Pay Above Grade. If a potential employee meets or exceeds the minimum qualifications contained in the position job description but will not accept employment at the minimum step of the grade to which the position is assigned, the potential employee may be offered the following incentives as provided below:~~

~~a. Upon recommendation of the Department Head and with the approval of the Administrator, the potential employee may be offered starting pay equal to the third step in the pay grade to which the position is assigned.~~

~~b. Upon recommendation of the Administrator and with the approval of the Assembly, the potential employee may be offered starting pay above the third step of the pay grade to which the position is assigned.~~

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6.11

~~a. Promotions. The Administrator shall approve pay for all promotions. When an employee is promoted to a position in a higher pay grade, the employee's pay shall be increased to the minimum step for the higher grade. In the case of overlapping pay grade ranges, the promoted employee shall be increased to the step immediately above the employee's current pay or to the step in the higher grade that is closest to 5% higher than any employee to be supervised by the promoted employee, whichever is lower. The Administrator may approve an additional step or the step closest to a 10% increase in the employee's current pay, whichever is lower. Requests for promotional pay increases in excess of the Administrator's authority shall be submitted to the Assembly for review and appropriate action. With Administrator approval, the Department Head shall determine whether a promoted employee immediately receives the pay increase associated with the promotion or whether such an increase shall be delayed until the end of the period of probation for the position to which the employee has been promoted.~~

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6.12 PAY INCREASES – PAY MATRIX

~~a. The Pay Matrix in Attachment A of these policies will increase 1.5% every year. Any employee who has not received an unsatisfactory overall performance rating in the most recent evaluation of the employee shall be eligible to receive any annual pay increase provided for in the Municipal Pay Plan. Any employee who has received an unsatisfactory overall performance rating in the most recent evaluation of the employee shall be ineligible to receive any annual pay increase provided for in the Municipal Pay Plan.~~

~~b. Employees in steps A-G who have not received an unsatisfactory overall performance rating in their most recent evaluation will move one step every two years on their anniversary date, in addition to the annual 1.5% increase in the Pay Matrix.~~

~~c. Employees placed in steps H-O will move only upon approval of the Administrator for special circumstances, outstanding performance, reclassification, matrix revision or update, or other reasons approved by the Administrator.~~

d. Employees in Steps H-O will receive the 1.5% annual increase in the Pay Matrix.

e. Performance Pay. b. In addition, pay increases or monetary awards may be made at any time to recognize outstanding performance of duty or to correct wage inequities based on written recommendations of the Department Head or to correct wage inequities per the approval by the Administrator. The Administrator may also withhold a portion of the total amount of money appropriated by the Assembly during budget time to be used for merit increases; if any such money is withheld, the Administrator will determine the guidelines for its award and distribution. The Administrator may also designate forfeited annual leave for employee recognition purposes. The Finance Department will track all forfeited leave in a leave bank. The Administrator will provide a report (twice a year) to the Assembly of the employee(s) receiving Performance Pay, the amount and the reason.

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IX. SICK LEAVE

9.10 FAMILY AND MEDICAL LEAVE ACT POLICY

A. The City and Borough shall grant family and medical leave consistent with applicable provisions in the Federal Family and Medical Leave Act (FMLA) and the Alaska Family Leave Act (AFLA) effective the first day of the authorized leave.

B. Start of Family Leave Calculation under the FMLA/AFLA.

An employee may use up to fourteen days per calendar year of their sick leave to care for a family member (as defined in Subsection 9.10. D) who is sick before the family leave calculation may begin under FMLA/AFLA. This family member need not have a "serious health condition" as defined in Subsection 9.10.D.

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~~XXI. DELETED REWARDS FOR EXCELLENCE PROGRAM~~

~~21.1 PURPOSE. This program provides a policy under which employees may submit ideas that may save money or increase efficiency of City and Borough operations. This policy provides guidance for the payment of awards. The City Rewards Program (CRP) is intended to encourage employees to improve present operations, practices, and to eliminate unnecessary budget expense. The CRP is designed to improve morale by providing an opportunity for employees to take part voluntarily in the improvement management with the government.~~

~~21.2 RESPONSIBILITIES:~~

~~1) The City and Borough Administrator will:~~

~~a. Exercise overall responsibility for the CRP policy and program administration.~~

~~b. Submit to the City and Borough Assembly monetary award recommendations and annual reports on employee suggestion activity.~~

2) — Department Heads will:

- a. — Facilitate adoption and implementation of improved management processes and systems.
- b. — Adopt as policy those employee ideas that prove successful.
- c. — Award, where appropriate, cash payments to employees whose proposals are adopted and who qualify under the rules of the CRP.
- d. — Ensure that the CRP is responsive in providing recognition to deserving individuals.
- e. — Provide policy development, program direction, and management oversight.
- f. — Conduct analyses of program execution and performance.
- g. — Establish policy and procedures, and ensure administration of the CRP within their departments.
- h. — Ensure awards are granted according to the intent of program policy and are consistent, equitable, and timely.
- i. — Publicize and promote the CRP within their departments.

21.3 — PROGRAM ADMINISTRATION The CRP will be administered entirely on the basis of merit, without regard to age, sex, race, color, religion, national origin, or physical or mental handicap. Participation is voluntary.

21.4 — PROGRAM PROMOTION AND PUBLICITY

- 1) — Active promotion of the CRP is the responsibility of all levels of the administration. Departments are encouraged to develop their own materials and promote the program.
- 2) — As part of promotional efforts, Department Heads may:
 - a. — Identify and systematically publicize key areas in which constructive ideas are specifically desired.
 - b. — Use internal and external channels to publicize outstanding suggestions and program accomplishments through honor roll displays, news releases and articles, or ceremonies honoring individuals
 - c. — Familiarize personnel at all levels by conducting briefings and presentations at staff meetings, management and leadership courses, and the like.

21.5 — DECISION PREROGATIVE — The decision to adopt or not adopt an idea, or to recommend to the Assembly that an award be granted or not granted based upon the adoption of that idea, is the prerogative of the Administrator. At the same time, the City and Borough is committed to fair and consistent administration of the CRP, and will adhere to this commitment in making all decisions on the disposition of ideas and the payment of awards.

21.6 — TESTING OF IDEAS

- 1) — Test evaluation is a critical part of the CRP process. Department heads shall submit requests for changes to policy based on proposed ideas suggested by employees. The Administrator will approve the test evaluation unless a test will have serious adverse affects for the City and Borough. At the end of the test period, (normally one year), the department head shall forward the evaluation of the idea to the proponent and the Administrator. The Administrator will provide analyses, appropriate comments, and recommendations on whether the idea should be approved for continued implementation.

2) — ~~An idea should also be tested when it offers a prospective benefit to the City and Borough that cannot be ascertained or adequately quantified without a test. At the conclusion of the test period the idea either will be adopted, and an award paid based on the documented benefits, or disapproved. In either case, full evaluations should be done at both the beginning and end of the test period.~~

3) — ~~If an idea is approved for testing, the submitter should receive nonmonetary award recognition pending completion of the test and validation of savings.~~

4) — ~~Successful department testing may provide sufficient basis for implementing an idea more broadly. Department heads retain the basic responsibility for determining whether or not an idea~~

5) — ~~If it is concluded, after testing, that an idea or proposal should be implemented, then the Administrator shall announce the implementation of that idea or proposal and submit to the Assembly recommendation for an award.~~

21.7 PROPRIETARY RIGHTS:

~~Employees who suggest or propose ideas (“suggesters” or “proponents”) have an interest in the use and disposition of their ideas. Proprietary rights begin when the idea is initially entered into the system and remain until two years after the date of final action (that is, the date of approval of an award or written notification of nonadoption).~~

21.8 REQUESTS FOR RECONSIDERATION:

1) — ~~A suggester may request reconsideration of an idea evaluation or other aspect of the idea’s disposition. The request must be submitted to the Administrator in writing within sixty days of the notification of the final disposition.~~

2) — ~~In support of the request for reconsideration, the suggester must do one of the following:~~

a. — ~~Provide evidence that an evaluator made a material error of fact or logic that had an effect on the idea evaluation.~~

b. — ~~Provide new material, information, or rationale.~~

c. — ~~Clarify significant issues or questions.~~

d. — ~~Mere dissatisfaction or disagreement with the previous determination is not by itself justification for reconsideration.~~

21.9 PERSONS ELIGIBLE FOR PARTICIPATION IN PROGRAM:

~~All City and Borough employees are eligible to submit ideas, and subject to the provisions of this section all City and Borough employees are eligible to receive a reward, monetary or otherwise. Retired or otherwise separated employees whose ideas were entered into the CRP while they were employed with the City and Borough are also eligible to receive a reward. Persons ineligible to participate in the program include: private citizens; department heads; the Administrator; the Mayor and other members of the Assembly; and contractors for the City and Borough.~~

21.10 ELIGIBLE IDEAS OR SUGGESTIONS FOR PARTICIPATION IN THE PROGRAM:

~~To be accepted in the CRP, an idea must satisfy the following conditions:~~

1) — ~~Be submitted in writing to the City Administrator.~~

- 2) — Benefit the City and Borough.
- 3) — Present a problem or situation and propose a solution with sufficient rationale to support the requested new procedure.

21.11 BASIC CONTENT OF IDEAS:

In order to make a positive evaluation possible, the following information should be legibly included in any idea submission:

- 1) — The current practice, method, procedure, task, directive, or policy affected. If possible, cite the particular regulation or policy involved.
- 2) — The proposed method, change, or idea, with an explanation of why the present practice is deficient, and why the change will be beneficial. A statement of known or estimated benefits should also be included.
- 3) — Drawings, photographs, specifications, or other supporting documentation.

21.12 ELIGIBILITY REQUIREMENT FOR IDEAS:

- 1) — An idea (or reconsideration request) will not be processed for evaluation when it:
 - a. — Presents a problem but offers no solution.
 - b. — Is vague or incomplete.
 - c. — Indicates potential tangible savings but does not provide the rationale or calculations on which to base the estimate.
- 2) — Ineligible ideas will be identified by the Administrator, who will return the ideas to the suggester with specific reasons for the return.

21.13 DUPLICATE IDEAS:

In the event of a duplicate idea, only the first suggester will be considered and eligible for an award.

21.14 DISPOSITION OF IDEAS:

In all cases in which a submission qualifies as an idea, there will be prompt evaluation and disposition. If the Administrator can make final disposition, there must be adoption, notification of nonadoption, or approval for testing. In case of adoption, a benefits determination should be made, and any award recommendation should be made promptly to the Assembly. The suggester should be kept informed, verbally or in writing, of the status of the award. If the Administrator cannot make final disposition of an idea, he or she should submit views and recommendations with the idea to the appropriate department head.

21.15 ADDITIONAL INFORMATION REQUESTS:

Suggesters can be requested to provide additional information to the Administrator if an idea is incomplete, or to help clarify the idea.

21.16 DENIAL AUTHORITY:

Authority to disapprove an idea resides with the Administrator

21.17 ANSWERING SUGGESTER INQUIRIES:

Suggesters should contact the Administrator for inquiries about the proposal while it is being processed.

21.18 SUGGESTER EVALUATION ENTITLEMENTS:

~~Suggesters are entitled to clear, complete, and fair evaluations of their ideas. The Administrator should be predisposed to approve rather than disapprove and be willing to work in cooperation with the suggesters to seek the valuable elements in all submissions. The Administrator must give suggestions timely and thorough responses.~~

21.19 EVALUATION COMPLETION TIME:

~~Receipt, evaluation, and disposition (approve, disapprove, return) of ideas should take no more than a total of 60 calendar days.~~

21.20 DISPOSITION OF IDEAS/PROPOSALS/SUGGESTIONS UNDER THIS PROGRAM:

~~1) No later than 60 days after the submission of an idea under this program, the Administrator must adopt the idea, not adopt the idea, or approve it for testing. For an adoption to be valid, the Administrator must be willing and able to implement the idea adopted. Adoption carries with it the obligations to implement at the earliest possible time.~~

~~2) Nonadoption can take the form of either of the following:~~

~~3) Disapproval for cause.~~

~~4) Disposition as an idea already in use or under consideration.~~

~~5) Whatever disposition is made, the Administrator must in all cases provide a rationale for what has been done. This justification need not be lengthy, but should reflect serious consideration of the idea submitted. All points made by the suggester should be addressed, and reasons given on why the idea is or is not meritorious. If the Administrator bases the disposition on a similar proposal previously considered, the Administrator must provide the details of that previous proposal and the evaluation of that proposal.~~

~~6) When appropriate, a statement of net estimated or actual benefits (total first year benefits less cost of implementing the idea) should be provided, as should an indication of how costs and benefits were determined. Such data is required for all adopted ideas.~~

~~7) If benefits are intangible, the Administrator is required to recommend a precise award within the appropriate range provided as follows:~~

~~a. **Moderate Value:** Change or modification of an operating principle or procedure which has a moderate value sufficient to meet the minimum standard for a cash award; an improvement or rather limited value of a product, activity, program or service to the public. The range for this award shall be \$100.00 to \$250.00.~~

~~b. **Substantial Value:** Substantial change or modification of an operating principle or procedure; an important improvement to the value of a product, activity, program, or service to the public. The range for this award shall be \$250.00 to \$500.00.~~

~~c. **High Value:** Complete revision of a basic principle or procedure; a highly significant improvement to the value of a product, major activity, or program, or service to the public. The range for this award shall be \$500.00 to \$750.00.~~

~~d. **Exceptional Value:** Initiation of a new principle or major procedure; a superior improvement to the quality of a critical product, activity, program, or service to the public. The range for this award shall be \$750.00 to \$1,000.00.~~

21.21 TANGIBLE BENEFITS:

- 1) ~~Whenever possible awards will be based on tangible benefits. Only if it is extraordinarily difficult to measure benefits in dollar terms will intangible benefits calculations be used.~~
- 2) ~~Tangible benefits may be calculated on the basis of estimated value, but actual value is preferable. In most cases, savings will be determined for the first full year of use, whether for testing or full implementation. Offsetting costs will then be subtracted to obtain the net benefit on which an award would be based. If costs exceed 50 percent of first year benefits, calculations may be based on an average of net benefits for the first three to five years. If the reasonable life of the initial implementation or the clearly predictable period of use is less than three years, calculations will be based on the shorter of the latter two periods. Exceptions to these methods may occur; however, they should follow generally accepted costing procedures and reflect an annual savings amount. All calculations are subject to audit.~~
- 3) ~~Direct savings, cost avoidances, and increased output at the same cost are all tangible benefits as determined in this regulation; that is, they are measured in dollar terms. Therefore, they will be counted equally in arriving at the basis for an award.~~
- 4) ~~All tangible dollar and manpower savings are subject to audit and must be verifiable.~~

21.22 INTANGIBLE BENEFITS:

- 1) ~~Intangible benefits will out of necessity be estimated on the basis of judgment rather than precise facts or calculations.~~
- 2) ~~If benefits are intangible, the Administrator must clearly indicate the value and extent application and recommend a precise award amount. Suggestions with intangible benefits of limited value should be recognized.~~
- 3) ~~An idea may have tangible or intangible benefits only or a combination of both.~~

21.23 BENEFIT CALCULATIONS:

- 1) ~~All benefits of a particular idea, or cost incurred to implement the idea, will be calculated in terms of savings or expense to the City and Borough as a whole. Excluded from idea implementations costs are administrative overhead costs incurred in processing and evaluating ideas.~~
- 2) ~~Labor costs will include fringe benefits and be based on actual costs.~~

21.24 PAYMENT APPROVAL:

~~The Administrator will make submit a recommendation to award a payment to the Assembly for approval. The Assembly will have the power of final approval.~~

21.25 AWARD ELIGIBILITY:

~~An idea is eligible for an award when:~~

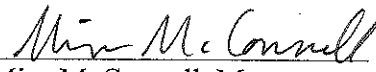
- 1) ~~The idea is approved for testing; or~~
- 2) ~~The idea is approved for implementation. The award is based on tangible or intangible benefits as identified earlier.~~

21.26 AWARD PAYMENT AFTER SEPARATION:

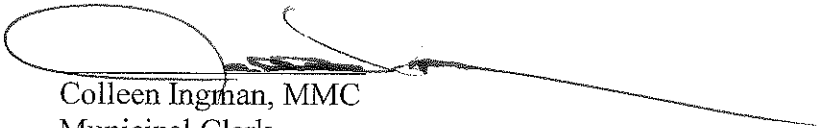
~~When payment of an award is authorized after an individual has separated from employment, efforts will be made to reach him or her at the last known address.~~

5. **EFFECTIVE DATE.** This Ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 10th day of June, 2014.


Mim McConnell, Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk