



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Meeting Agenda City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,
Benjamin Miyasato and Aaron Swanson*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Thursday, May 29, 2014

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. PERSONS TO BE HEARD

Public participation on any item off the agenda. Not to exceed 3 minutes for any individual.

V. NEW BUSINESS: REPORT

- A [14-129](#) Hear and receive the Gallagher Consulting (Fox Lawson Associates) Final Report following their review of Compensation and Benefits for City and Borough of Sitka

Attachments: [Fox Lawson Cover](#)

[Gallagher Consulting Fox Lawson & Associates Compensation Study](#)

New Business First Reading

- B [ORD 14-18](#) Amending CBS 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

Attachments: [ORD 2014-18 Personnel Policy New Matrix etc](#)

VI. PERSONS TO BE HEARD:

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

VII. EXECUTIVE SESSION

VIII. ADJOURNMENT

*Colleen Ingman, MMC
Municipal Clerk
Publish:5-28-14*



Legislation Details

File #: 14-129 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 5/27/2014 **In control:** City and Borough Assembly

On agenda: 5/29/2014 **Final action:**

Title: Hear and receive the Gallagher Consulting (Fox Lawson Associates) Final Report following their review of Compensation and Benefits for City and Borough of Sitka

Sponsors:

Indexes:

Code sections:

Attachments: [Fox Lawson Cover](#)
[Gallagher Consulting Fox Lawson & Associates Compensation Study](#)

Date	Ver.	Action By	Action	Result
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Special Report

GALLAGHER CONSULTING
FOX LAWSON and ASSOCIATES
(FLA)
LORI MESSER
Presents a Summary

No action required on this item.



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

City & Borough of Sitka Final Report

LORI MESSER | MAY 29, 2014



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Study Background

- **Gallagher Consulting (Fox Lawson/FLA) was engaged to perform a review of compensation and benefits for the City & Borough of Sitka and make recommendations regarding:**
 - Current state of compensation and benefits;
 - Market competitiveness of specific employee benchmarks.
- **The major consideration of the City/Borough is to establish market comparisons to the current range midpoints for existing positions at the City/Borough to ensure competitiveness in pay.**
- **The following items were provided by the City/Borough to facilitate the study:**
 - Organization materials;
 - Current job descriptions; and
 - Current pay structure information for existing classifications.

Study Background

- **Compensation objectives were identified and include:**

- Compensation levels reflective of public sector labor markets covering City/Borough jobs that were included in the Joint Alaska Salary Survey with pay grade midpoints reflective of the 50th percentile of the relevant labor markets:
 - All positions compared to organizations of similar size and characteristics throughout Alaska and select cities in the Pacific Northwest;
 - Compensation will be viewed from a total compensation perspective, including base pay, employee benefits and applicable variable compensation.
- Development of a pay structure where the midpoint is reflective of the defined labor market rates of pay.

Survey Methodology

- **A custom survey was collaboratively developed, the Joint Alaska Salary Survey, with the City of Unalaska, the Kodiak Island Borough and the Kenai Peninsula Borough.**
- **FLA distributed the custom survey to the comparator organizations.**
- **FLA followed-up with each organization to encourage participation.**
- **FLA reviewed and entered the data collected from participants.**
- **FLA followed-up directly with the participants to clarify and validate missing or questionable information reported.**
- **FLA asked organizations to make a match for only those jobs that reflected at least 70% of the duties as outlined in the benchmark summaries.**
 - **If there were any questions in job matching, we reference job descriptions, organizational charts and other information to verify that the match is valid.**
- **All data was aged to March 2014 and reflect an annual basis.**
- **FLA follows the U.S. Department of Justice and Federal Trade Commission guidelines that state 5 job matches should exist per job in order to conduct statistical analyses or for drawing conclusions.**

Survey Methodology: Benchmark Jobs

Bench ID	Benchmark Title
1	Finance Director
2	Assessor
3	Fire Chief
4	Planning Director
5	Harbor Officer
6	Deputy Finance Director
7	Municipal Clerk
8	Appraiser
9	Deputy Clerk
10	Accountant
11	Senior Engineer
12	Parks & Recreation Manager
13	Building Official
15	EMS/Fire Captain
16	Maintenance Supervisor
17	Budget/Treasury Officer
18	Administrative Assistant
19	Executive Assistant
20	Legal Assistant
21	Information Systems Analyst
22	Municipal Attorney
23	Administrator
24	Harbormaster
25	Human Resources Director
26	Library Director
28	Police Chief
31	Electric Generations Systems Manager
32	Electric Systems Engineer
34	Electric T&D Manager

Benchmark jobs contained in the Joint Alaska Survey that were at least a 70% match with the City/Borough were utilized to assess the City/Borough's market competitiveness with respect to pay.

57% of non-represented jobs are covered with the select benchmarks. A minimum of 50% is the standard when utilizing market pricing.

Survey Methodology

- **The survey results represent data from the following 15 organizations:**

Participating Organizations
City of Edmonds, WA
City of Fairbanks, AK
City of Homer, AK
City of Juneau, AK
City of Kenai, AK
City of Ketchikan, AK
City of Kodiak, AK
Fairbanks North Star Borough, AK
Kenai Peninsula Borough, AK
Ketchikan Gateway Borough, AK
Kodiak Island Borough
Kodiak Island Borough School District, AK

Information Data-Mined Utilizing AML Survey
Matanuska-Susitna Borough, AK
City of Nome, AK
City of Valdez, AK
City of Seward, AK

Survey Methodology

- The following published survey data sources were incorporated into the analysis:

Published Survey Source
Alaska Municipal League Survey
Economic Research Institute (ERI)
Milliman Pacific NW Utilities Survey
Department of Labor, State of Alaska

Survey Methodology

- Applying geographic differentials is a sound compensation practice in an effort to arrive at a more precise figure for use in analyzing and setting pay.
- Geographic adjustment factors are shown below:

Comparison Location	Factor Adjustment
City & Borough of Kenai	95.98%
City & Borough of Ketchikan, AK	100.12%
City & Borough of Kodiak, AK	95.10%
City of Edmonds, WA	94.91%
City of Fairbanks, AK	96.49%
City of Homer, AK	96.17%
City of Juneau, AK	99.65%
City of Nome, AK	95.45%
City of Seward, AK	96.20%
City of Soldotna	96.20%
City of Valdez, AK	95.85%
City/Borough of Sitka, AK	100.00%
Fairbanks North Star Borough, AK	96.49%
Matanuska-Susitna Borough	93.40%
Pacific Northwest	101.63%
State of Alaska	96.42%
United States	106.70%

Survey Methodology

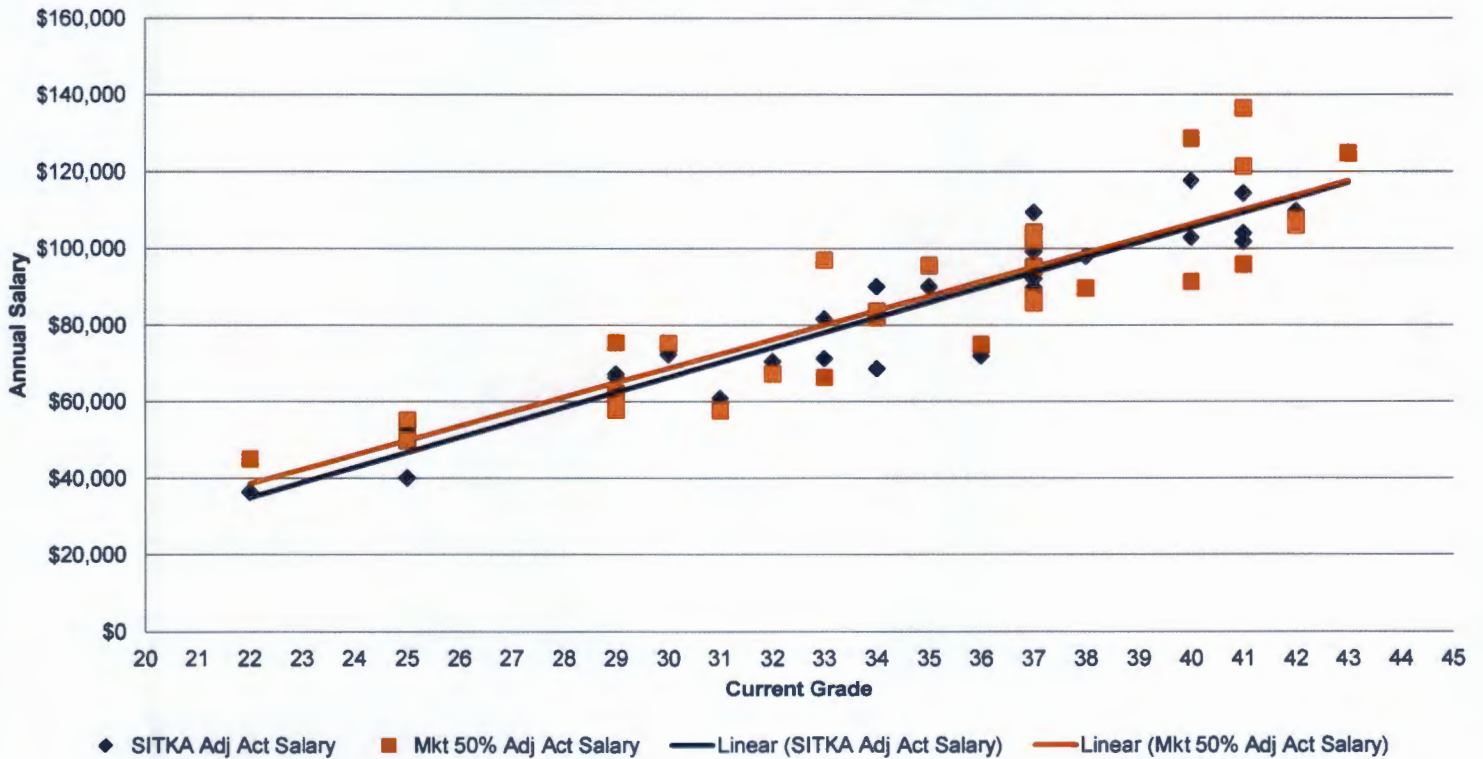
- **FLA performed several reviews of the data to identify any extreme data and to ensure validity and reliability of the data.**
- **Through a statistical analysis, any salary figures that were considered extreme in relation to all other salary figures were excluded.**
- **Various statistics were calculated (25th, 50th, 75th, low and high) in analyzing the data.**
- **Per strategy, we used the 50th percentile of actual pay as the basis for developing the model pay structure.**
- **Once the survey analysis and report was completed, it was submitted internally through our firm's quality control process for review before it was submitted to the City/Borough.**

Survey Methodology

- **The following guidelines are used when determining the competitive nature of current compensation:**
 - +/-5% = Highly Competitive
 - +/-10% = Competitive
 - +/-10-15% = Possible misalignment with market
 - >15% = Significant misalignment with market

Summary of Salary Data Comparisons

City & Borough of Sitka Actual Salaries vs Market Salaries (50th %)



Summary of Salary Data Comparisons

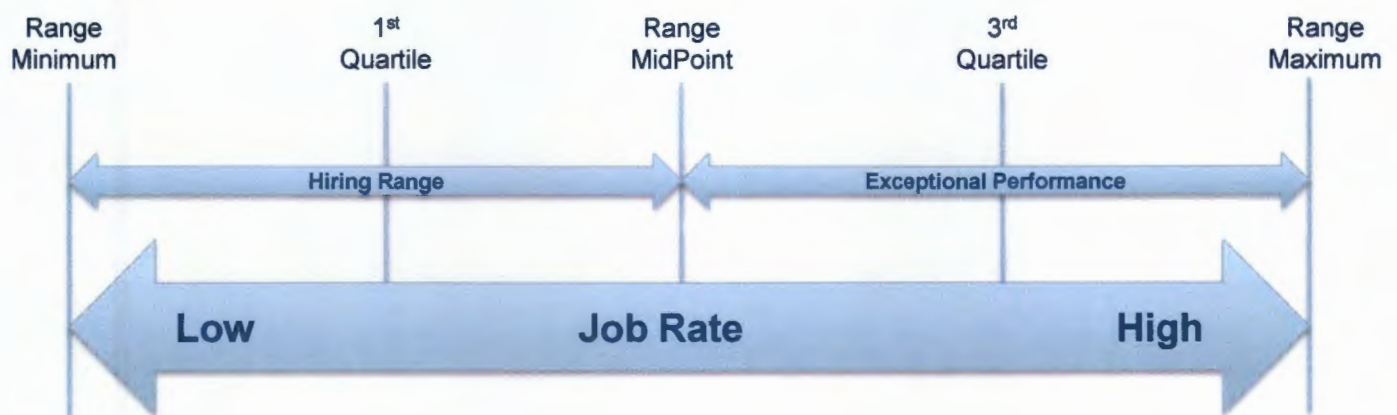
- **Range Midpoints:**

- **Commonly referred to as the 'job rate';**
- **Intended to be reflective of what is actually being paid in the market for similar type and level of work;**
- **All employees should reach the range midpoint (job rate) upon reaching full proficiency in their job;**
- **Pay rates above the midpoint are premium rates and should be reflective of on-going/sustained exceptional performance (since the organization is paying a premium);**
- **Time to reach the job rate varies based on the level of the position:**
 - **Entry level jobs have a shorter learning curve and the work is very defined so it is reasonable to 'master' the job within three to five years**
 - **Management level jobs are more complex involving a longer learning curve as work is not typically defined; it is reasonable to expect job mastery to take five to seven years**

Summary of Salary Data Comparisons

- **The Salary Range:**

- How a salary range is utilized is highly dependent upon the organization's overall compensation philosophy; however, an example of a typical use of a salary range follows:



Summary of Salary Data Comparisons

- **The City/Borough should review the individual jobs, specifically those where a greater than 15% difference from the market exists, to determine if any further changes in grade and/or salary level are warranted for a particular job given that we may not be aware of all the internal factors affecting placement.**
 - 29 jobs from the City/Borough were utilized as benchmarks against the market data; of those 29 jobs, 45% (13 jobs) fall within the 'significantly misaligned' category when compared to the market. Given the large percentage of jobs within this category, further analysis is recommended.

Salary Data Comparisons: Observations

- **Within the Alaska market, rates of pay for many individuals are at, near or above the established range maximums;**
- **Internal alignment of some positions within the City/Borough does not align with the external market;**
- **Lack of a formal job evaluation system hinders the City/Borough's ability to effectively link internal equity with the external market;**
- **With the proposed pay structure, 72% of employees would fall below the midpoint. This would help facilitate implementation of a pay for performance system in which movement beyond the job rate would be based on performance (not longevity).**

Salary Data Recommendations

- **Current range spreads for all positions at the City are 41%. A 41% range spread for all levels within the organization is consistent with the market and is maintained in the proposed pay structure.**
- **The proposed pay structure takes into consideration internal alignment and external market data.**

Salary Data Recommendations: Proposed Pay Structure

Grade	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
17	11.91	12.21	12.52	12.83	13.15	13.48	13.82	14.17	14.52	14.88	15.25	15.63	16.02	16.42	16.83
18	12.52	12.83	13.15	13.48	13.82	14.17	14.52	14.88	15.25	15.63	16.02	16.42	16.83	17.25	17.68
19	13.14	13.47	13.81	14.16	14.51	14.87	15.24	15.62	16.01	16.41	16.82	17.24	17.67	18.11	18.56
20	13.80	14.15	14.50	14.86	15.23	15.61	16.00	16.40	16.81	17.23	17.66	18.10	18.55	19.01	19.49
21	14.49	14.85	15.22	15.60	15.99	16.39	16.80	17.22	17.65	18.09	18.54	19.00	19.48	19.97	20.47
22	15.21	15.59	15.98	16.38	16.79	17.21	17.64	18.09	18.54	19.00	19.48	19.97	20.47	20.98	21.50
23	16.63	17.05	17.48	17.92	18.37	18.83	19.30	19.78	20.27	20.78	21.30	21.83	22.38	22.94	23.51
24	18.07	18.52	18.98	19.45	19.94	20.44	20.95	21.47	22.01	22.56	23.12	23.70	24.29	24.90	25.52
25	19.50	19.99	20.49	21.00	21.52	22.06	22.61	23.17	23.75	24.34	24.95	25.57	26.21	26.87	27.54
26	20.92	21.44	21.98	22.53	23.09	23.67	24.26	24.87	25.49	26.13	26.78	27.45	28.14	28.84	29.56
27	22.34	22.90	23.47	24.06	24.66	25.28	25.91	26.56	27.23	27.91	28.61	29.33	30.06	30.81	31.58
28	24.13	24.73	25.35	25.98	26.63	27.30	27.98	28.68	29.40	30.14	30.89	31.66	32.45	33.26	34.09
29	26.27	26.93	27.60	28.29	29.00	29.73	30.47	31.23	32.01	32.81	33.63	34.47	35.33	36.21	37.12
30	28.06	28.76	29.48	30.22	30.98	31.75	32.54	33.35	34.18	35.03	35.91	36.81	37.73	38.67	39.64
31	29.49	30.23	30.99	31.76	32.55	33.36	34.19	35.04	35.92	36.82	37.74	38.68	39.65	40.64	41.66
32	30.92	31.69	32.48	33.29	34.12	34.97	35.84	36.74	37.66	38.60	39.57	40.56	41.57	42.61	43.68
33	32.69	33.51	34.35	35.21	36.09	36.99	37.91	38.86	39.83	40.83	41.85	42.90	43.97	45.07	46.20
34	34.83	35.70	36.59	37.50	38.44	39.40	40.39	41.40	42.44	43.50	44.59	45.70	46.84	48.01	49.21
35	36.60	37.52	38.46	39.42	40.41	41.42	42.46	43.52	44.61	45.73	46.87	48.04	49.24	50.47	51.73
36	38.44	39.40	40.39	41.40	42.44	43.50	44.59	45.70	46.84	48.01	49.21	50.44	51.70	52.99	54.31
37	40.37	41.38	42.41	43.47	44.56	45.67	46.81	47.99	49.18	50.41	51.67	52.96	54.28	55.64	57.03
38	42.39	43.45	44.54	45.65	46.79	47.96	49.16	50.38	51.64	52.93	54.25	55.61	57.00	58.43	59.89
39	44.50	45.61	46.75	47.92	49.12	50.35	51.61	52.90	54.23	55.59	56.98	58.40	59.86	61.36	62.89
40	46.72	47.89	49.09	50.32	51.58	52.87	54.19	55.55	56.94	58.36	59.82	61.32	62.85	64.42	66.03
41	49.06	50.29	51.55	52.84	54.16	55.51	56.90	58.33	59.78	61.27	62.80	64.37	65.98	67.63	69.32
42	51.52	52.81	54.13	55.48	56.87	58.29	59.75	61.24	62.77	64.34	65.95	67.60	69.29	71.02	72.80
43	54.10	55.45	56.84	58.26	59.72	61.21	62.74	64.30	65.91	67.56	69.25	70.98	72.75	74.57	76.43
44	56.79	58.21	59.67	61.16	62.69	64.26	65.87	67.52	69.21	70.94	72.71	74.53	76.39	78.30	80.26
45	59.63	61.12	62.65	64.22	65.83	67.48	69.17	70.90	72.67	74.49	76.35	78.26	80.22	82.23	84.29
46	62.63	64.20	65.80	67.44	69.13	70.86	72.63	74.44	76.30	78.21	80.17	82.17	84.22	86.33	88.49

Each grade is 5% below, starting at Grade 22 (e.g., Grade 21 is 5% less than Grade 22, Grade 20 is 5% below Grade 21, etc.)

Midpoint for each grade is based on a regression analysis of the 50th percentile of actual salaries in the market

Internal Realignment Recommendations

- **Based on the results of the market data, internal alignment adjustments were developed and recommended to the City.**
- **The results of the proposed internal alignment, by grade and position, are on the following slide.**

Internal Realignment Recommendations

Grade	Job Classification
24	Administrative Assistant - Electric Regulatory Administrative Assistant
25	Asst Contract Coordinator/Office Mgr Exec. Asst./Office Mgr. - SPD
26	Payroll Specialist
27	Assistant Clerk Deputy Harbormaster Legal Assistant
28	Accountant Contract Coordinator - Electric Contract Coordinator - Public Works Deputy Clerk Grant Accountant Parks & Rec Manager Planner I
29	Building Official Facilities Manager
30	Centennial Building Manager Library Director Senior Accountant
32	EMS/Fire Captain Information Systems Analyst Maintenance Supervisor
33	Assistant Fire Chief Budget/Treasury Officer

Grade	Job Classification
34	Government Relations Director Harbormaster Police Lieutenant Project Manager
35	Maint. and Ops. Superintendent Senior Engineer
36	Assessor Deputy Finance Director Fire Chief Information Systems Director Municipal Clerk Planning Director
37	Human Resources Director
38	Finance Director Police Chief
39	Electric Generation Engineer Environmental Superintendent Municipal Engineer
40	Electric Generations System Manager Electric T&D Manager
41	Public Works Director Chief Financial & Administrative Officer
44	Electric Utility Director

Salary Data Recommendations

- **There is no cost to bring employees to the minimum of the proposed pay structure (all employees are within the proposed pay ranges based on existing pay grade);**
- **Place employees into the step that is closest to their current rate of pay, but not below their current rate of pay, plus 1 additional step.**
 - **Monetary limitations (or percentage increase limitations) are common practice in the market when implementing the results of a compensation study in order to ensure fiscal responsibility for the organization.**
 - **When significant misalignment with the market is identified, multi-year plans are not uncommon when market discrepancies are widespread so an organization can manage implementation costs while remaining fiscally responsibility.**

Implementation Options

- **There are multiple implementation options available to the City/Borough.**
- **Based on the desire to move employee rates of pay closer to the market, the recommended implementation option is:**
 - Place employees in the step that gets their rate of pay within 10% of the market rate and move them one additional step.
- **Other implementation options are available and are dependent upon budgetary constraints.**

Section II: Pay Practices & Benefits

Summary of Benefit Data Comparisons

- **A customized data collection form was created to collect benefits information in conjunction with the salary survey.**
- **FLA distributed the survey to comparator organizations identified in the Joint Alaska Survey.**
- **FLA reviewed and entered the data collected from participants.**
- **FLA followed-up directly with the participants to clarify and validate questionable information reported.**

Summary of Benefit Data Comparisons

- **From an aggregate perspective, the City's benefit program offerings are competitive with the comparator market.**

Pay Practices: Employee Salary Increases

- In 2012/13, the City/Borough slightly lagged the comparator market with respect to employee salary increases as shown in the table below:

	Average Increase	Median Increase	Low Increase	High Increase	City of Sitka
Executive/Mgmt	2.7%	2.5%	0.0%	5.0%	2.5%
Exempt	2.8%	2.7%	0.0%	5.0%	2.5%
NonExempt	2.7%	2.5%	0.0%	5.0%	2.5%
Aggregate	2.7%	2.6%	0.0%	5.0%	2.5%

Notes:
87% of the comparator organizations provided data.

Pay Practices: Formal Salary Ranges

- **Similar to the comparator market, the City/Borough has formal salary ranges for all levels of employees as shown in the table below:**

	Established Salary Ranges	
	Yes*	No
Executive/Mgmt	93%	7%
Exempt	93%	7%
NonExempt	93%	7%

Notes:
87% of the comparator organizations provided data.

Pay Practices: 2013 Salary Range Adjustments

- **71% of the organizations surveyed implemented range adjustments during 2012/2013.**
- **The City/Borough slightly led the comparator market with its salary range adjustments in 2012/13.**
- **The average adjustment for salary ranges is shown in the table below:**

	Average Adjustment	Median Adjustment	Low Adjustment	High Adjustment	City/Borough of Sitka
Executive	2.8%	2.5%	0.0%	6.3%	2.5%
Exempt	2.5%	2.5%	0.0%	3.6%	2.5%
NonExempt	2.0%	2.3%	0.0%	4.6%	2.5%
Aggregate	2.4%	2.4%	0.0%	4.8%	2.5%

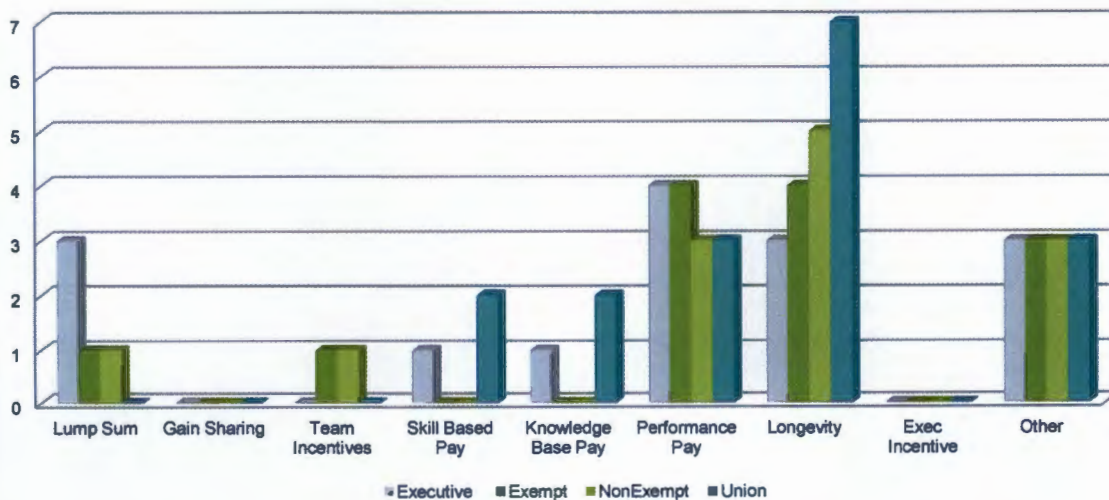
Notes:

71% of the comparator organizations provided data.

Pay Practices: Variable Pay Plans

- The City/Borough provides for Longevity Pay only;
- The most typical forms of variable pay offered are Performance Pay and Longevity Pay;
- Although the City lags the market with variable pay, offerings are uncommon and limited within the comparator market.

Variable Pay



Pay Practices: Variable Pay Plans

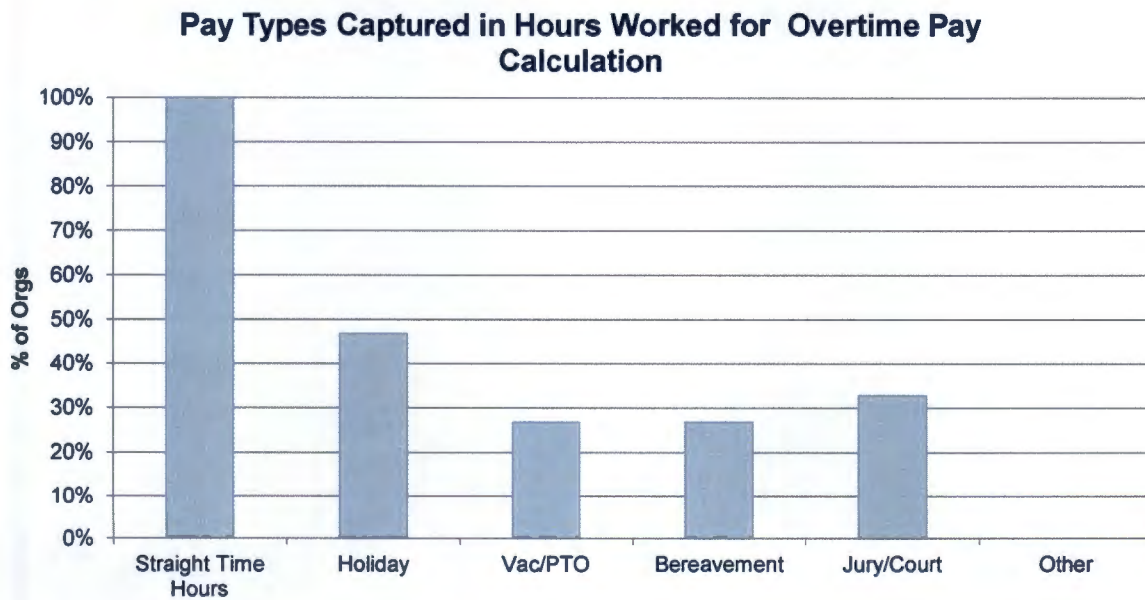
- **Other forms of variable pay that were identified in the survey varied, but included:**
 - Cost of Living increases (1 organization)
 - Physical Fitness Pay (1 organization)
 - Special Merit (1 step increase upon request of supervisor)
 - Merit (1 organization).

Pay Practices: Tool Provisions

- **85% of the comparator market provides tools to employees whose job requires tools;**
- **31% of the market requires employees to provide their own tools.**

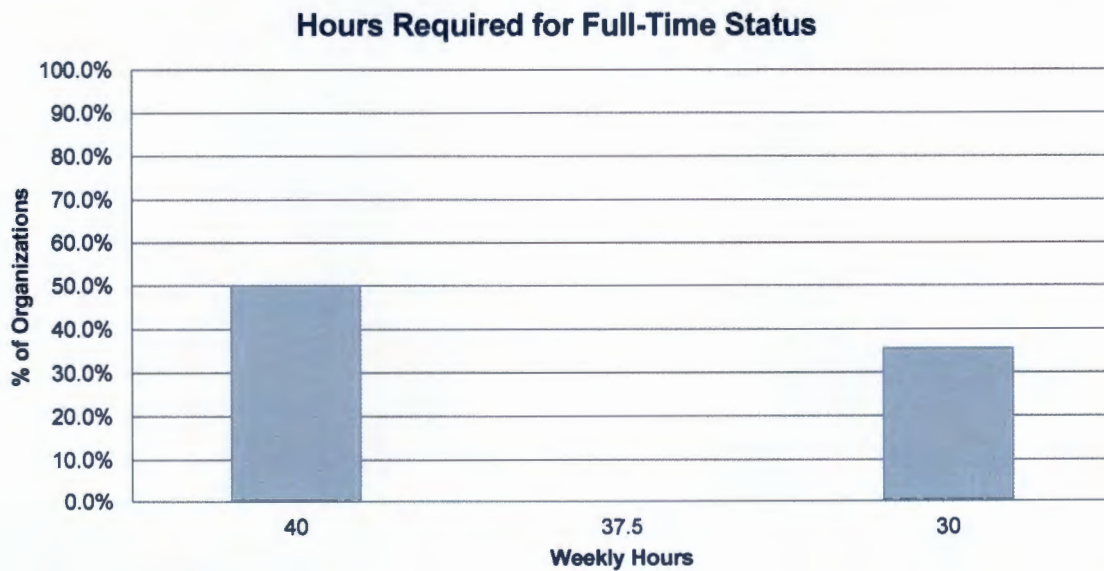
Pay Practices: Overtime

- The City/Borough determines overtime based on actual hours worked and vacation;
- Only 27% of the comparator market includes vacation hours as eligible for calculation of overtime.



Pay Practices: Full-Time Status

- Like 36% of the comparator organizations, the City/Borough considers 30 hours per week as full-time;
- The comparator market considers either 40 hours or 30 hours as full-time; 1 organization indicated 37.5 hours is considered full-time.



Benefits: Retirement

- The City/Borough contributes between 5 and 22% to PERS, dependent upon Tier eligibility and comparable to the comparator market; City employees contribute between 6.75 and 8%, which is slightly lower than the market average of 8.7 (NE employees) and 8.8% (Executive & Exempt employees).

Retirement Benefit		Avg Employer Contribution	% of Organizations	Avg Employee Contribution	% of Organizations
PERS ^{1,2}	Executive	19.4%	100%	8.8%	100%
	Exempt	19.4%	100%	8.8%	100%
	NonExempt	19.4%	100%	8.7%	100%
Non-PERS ³	Executive	12.6%	N/A	12.6%	8%
	Exempt	12.6%	N/A	12.6%	8%
	NonExempt	12.6%	11%	12.6%	8%
Tax Deferred ⁴	Executive	6.2%	7%	IRS Limit	64%
	Exempt	0.0%	64%	IRS Limit	64%
	NonExempt	0.0%	64%	IRS Limit	64%
SERP	Non-Exempt	N/A	100%	N/A	100%
	Exempt	N/A	100%	N/A	100%
	Executive	N/A	100%	N/A	100%

Notes:

¹PERS is a generic term used to describe a Public Employer Retirement System;

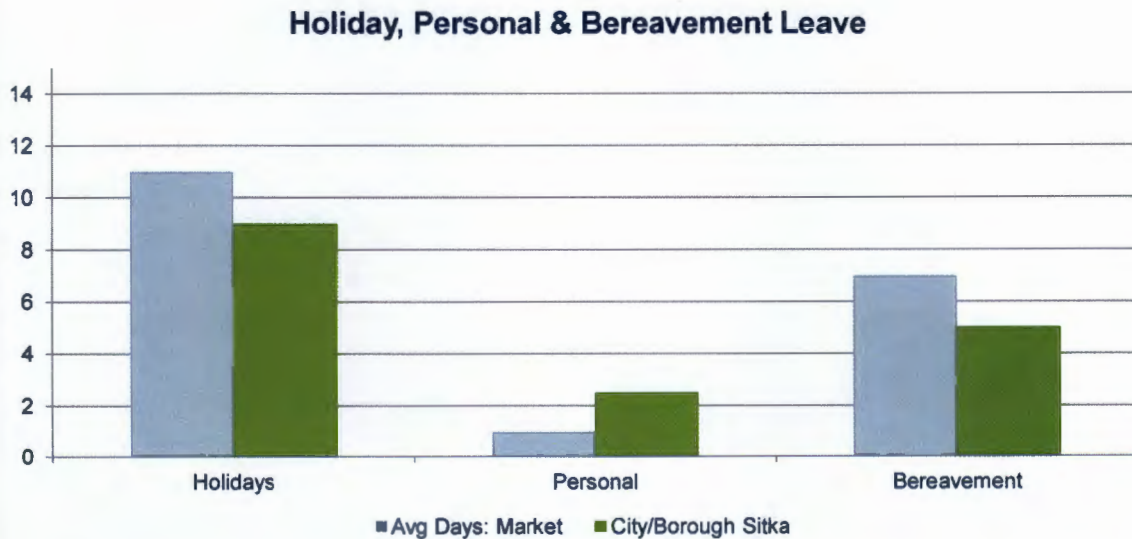
²Only AK participants included in summary;

³Tax Deferred program – one organization reported employer and employee contributions;

⁴Tax Deferred program – one organization reported employer contributions for the City Manager position only.

Benefits: Paid Leave

- **The City/Borough is on par with the market with respect to combined Holiday and Personal leave.**
- **The City/Borough slightly lags the market with respect to Bereavement Leave.**



Benefits: Paid Leave

- The City slightly lags the comparator market in vacation leave for all employee groups*.



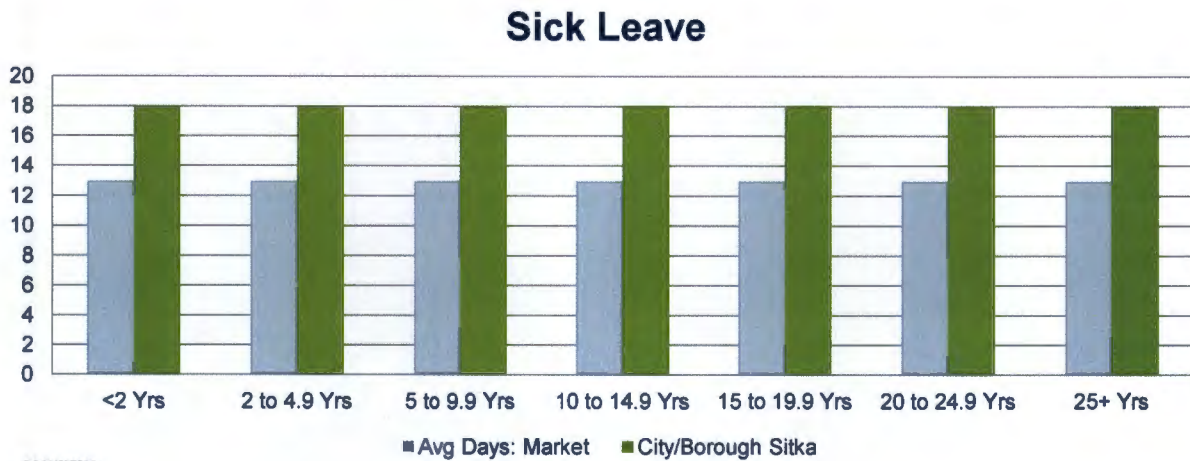
NOTES:

*Data reflective of 50% of the comparator organizations;

**50% of organizations provide Paid Time Off (PTO) leave benefits.

Benefits: Paid Leave

- The City significantly leads the market average in allocating 18 sick days per year, compared to the market average of 13 days.

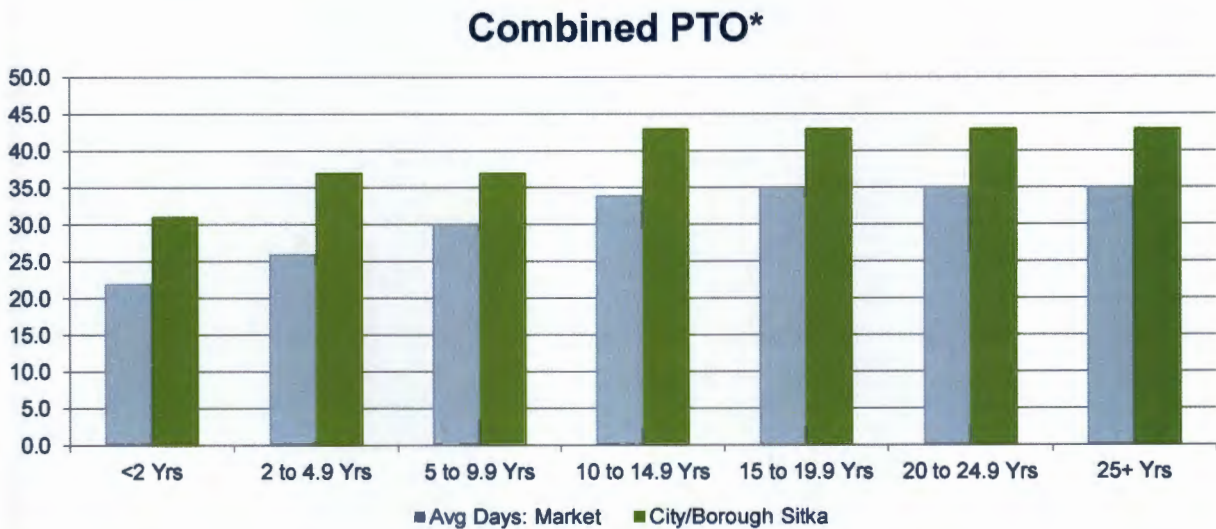


NOTES:

*Data reflective of 50% of the comparator organizations;
**50% of organizations provide Paid Time Off (PTO) leave benefits.

Benefits: Paid Leave

- The City's combined annual sick + vacation accrual leads the market average when looking and those organizations providing PTO banks.



NOTES:

*PTO market data reflective of 50% of the comparator organizations;

**City/Borough of Sitka data is the sum of vacation and sick leave accruals on an annual basis for each year category.

Benefits: Flexible Benefits

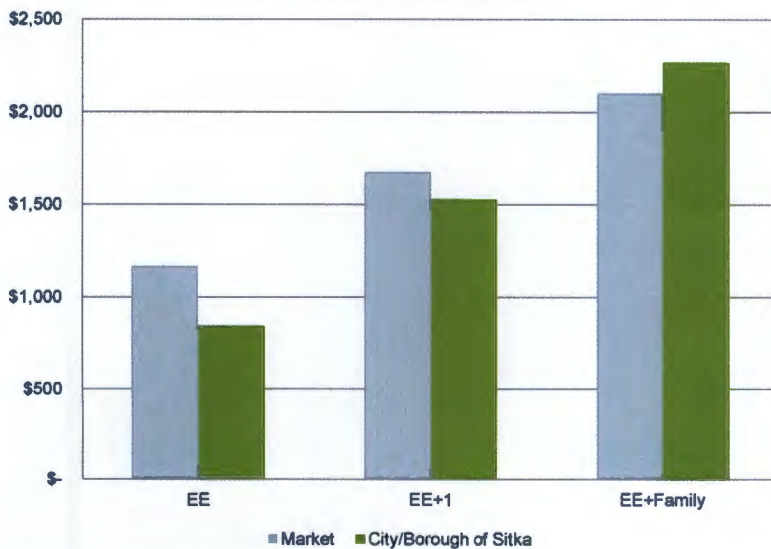
- **The City/Borough lags the comparator market not offering pre-tax insurance premiums and flexible spending accounts;**
- **Few to no organizations offer Simple Choice, Full Flex or CDHP;**
- **The chart below summarizes flexible benefit offerings:**

Cafeteria Options	Organizations Offering	Offered by the City
Pre-Tax Insurance Premiums	29%	No
Flexible Spending Account (FSA)	77%	No
Simple Choice	7%	No
Full Flex	0%	No
Consumer Driven Health Plan (CDHP)	0%	No

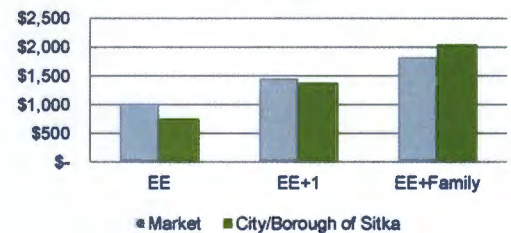
Benefits: Medical, Dental & Vision Insurance

- The City/Borough contributes 90% of insurance premiums, compared to the markets average contribution of 88%.
- From an aggregate perspective, the City/Borough's premiums are slightly less than the market; although the EE+Family premiums are higher than the market;
- Employee monthly contributions are lower than the comparator market;
- Monthly premiums and contributions are shown in the charts below:

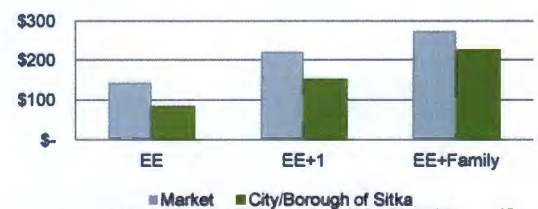
**Total Monthly Premium:
Health, Dental & Vision Insurance**



**Employer Contributions:
Health, Dental & Vision Monthly Premiums**



**Employee Contributions:
Health, Dental & Vision Monthly Premiums**



Benefits: Group Life Insurance

- **The City/Borough lags the comparator market significantly with basic life insurance coverage of \$2,000;**
- **The market average group life insurance benefit is \$42,400;**
- **The market median group life insurance benefit is \$50,000.**

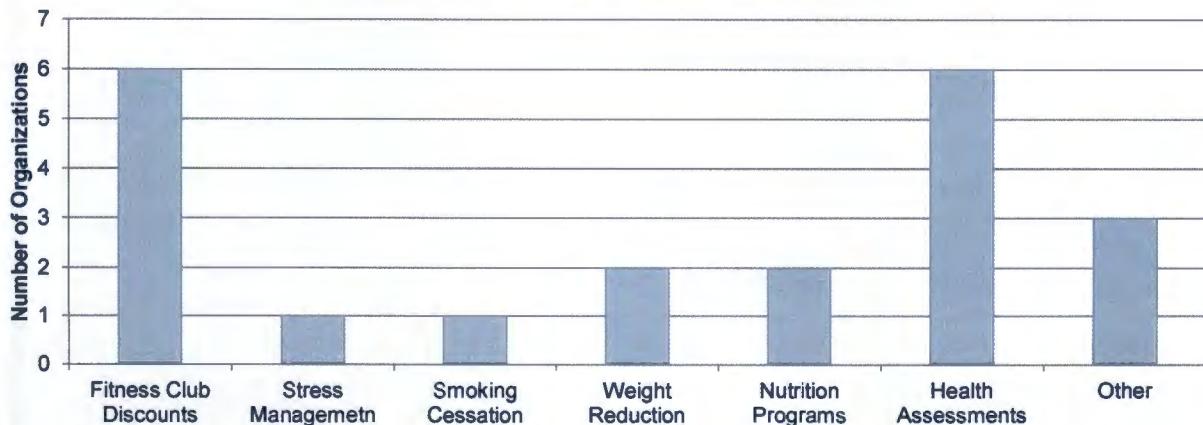
Benefits: Opt-Out Credits/Cash Back

- **Comparable to 100% of the comparator market, the City/Borough does not provide for opt-out credits/cash back.**

Benefits: Wellness Programs

- The City/Borough leads the market in providing wellness programs for its employees; only 46% of the comparator organizations surveyed offer a Wellness Program;
- 46% of the market provides for Health Assessments, which are not a component of the City/Borough's wellness program;
- Of those offering a Wellness Program, only 1 organization had a monetary limitation for employees; the City/Borough has a monetary limitation of \$75 per employee.

Wellness Program Provisions



Recommendations: Benefit Data Comparisons

- **Due to the competitive nature of the benefits programs, no modifications are recommended at this time.**

Administrative Recommendations

- **Salary Structure Review/Updates**

- Annual Updates

- In order to reflect necessary increases in the minimum and maximum rates appropriate for each job, the salary structure should be reviewed annually. FLA can provide the City/Borough with the average percentage increase for employee salaries and salary structures on an annual basis, or the City/Borough may use a labor market index.
 - It is recommended that the respective starting rates and maximums be increased by a **percentage** that reflects the market trends and the City/Borough's hiring experience. The use of a dollar amount increase would compress the structure over time.

- Long-Term Updates

- The City/Borough should reevaluate its overall structure at regular intervals (e.g., 2 to 3 years depending upon market movements) to ensure that its salary levels are consistent with the marketplace.
 - This would involve conducting a market salary study, such as was conducted here, every 2 to 3 years (depending on the economy) to make sure that the City/Borough's pay scales and employee salaries remain competitive.



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

Thank You

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Legislation Details

File #: ORD 14-18 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 5/27/2014 In control: City and Borough Assembly

On agenda: 5/29/2014 Final action:

Title: Amending CBS 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

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 2014-18 Personnel Policy New Matrix etc](#)

Date	Ver.	Action By	Action	Result
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Possible Motion

I MOVE TO approve Ordinance 2014-18 on first reading.



Memo

City & Borough of Sitka - Human Resources

Date: Wednesday, May 28, 2014

To: Mayor McConnell, Members of the City and Borough Assembly
Mark Gorman, Municipal Administrator

From: Mark Danielson, Human Resources Director

MWD

RE: Fox Lawson and Associates Report - Compensation philosophy and compensation plan revisions.

Background

Six collective bargaining agreements have been negotiated with our unionized employees. This resulted in concerns about the equity of compensation for employees covered by the City and Borough personnel policies. For the FY14 budget, the City and Borough proposed wage adjustments for a group of employees. Some money was set aside for this purpose. After consideration and input from the public and employees, the Assembly held off on these adjustments and authorized a compensation study to look at our internal compensation philosophy and our overall compensation as compared to the market.

The Study

Fox Lawson and Associates (FLA) were engaged to confirm and suggest compensation philosophy and strategies, to collect market data, analyze applicable benchmark positions, and to prepare a final report summarizing study findings and recommendations. This study has been completed and contains recommendations for changes in our compensation philosophy and for adjustments in our pay structure. Below is a summary of FLA recommendations and our plan to go forward.

- 1) The study proposed a new pay matrix as the old was not within market range for nearly all positions.
- 2) The study assigned employees to the updated pay matrix grades per standard compensation comparisons and practice.
- 3) Employees were placed in the appropriate grade on the pay matrix at the closest point to their current pay or within 10% of the current mid-point of market rates. Employees were then moved one step so that all would receive at least a 2.5% increase.
- 4) Additionally, changes in compensation philosophy were recommended for implementation:
 - a. The pay matrix moves 1.5% every year.
 - b. Employees below Step H (mid-point) would move every two years to the next step with a satisfactory or better rating in the annual evaluations. They would receive the 1.5% matrix adjustment annually.
 - c. Employees at Step H and above would not move on the matrix. These employees would receive the 1.5% annual matrix adjustment. With Administrator approval, for special circumstances, outstanding performance, reclassification, matrix revision or update, etc., employees above Step H could receive a step increase or other merit-based compensation.

- d. The Administrator approves starting wages that are within the pay matrix. The Assembly must approve any wages that are not within the matrix.
- e. Probationary wage increases after six months are eliminated.
- f. Administrator and Attorney are moved to contract employees.

Implementation recommendations

Our Administration team recommends implementation of the Fox Lawson proposed changes to our compensation plan. These changes are contained in the attached cost implementation spreadsheet and the Ordinance to update the Personnel Policies Handbook.

This process has addressed employee and Assembly concerns about fair pay with internal and external comparisons presented by Fox Lawson and Associates. It has addressed executive compensation and the issue of sustainable pay practices and policy for the future. Additionally, the recommendation is within budget. Note: This is a movement away from a strictly longevity-based pay system.

This proposal is fiscally conservative, provides a sustainable plan for the future and is responsive to the needs of the community and their employees.

City and Borough of Sitka
 Fox Lawson Salary Study Implementation
 Bringing All Non-Represented Employees First To At Least 90% of Market, Then Moving All
 Non-Represented Employees One Step To Ensure A Minimum 2.5% Salary Increase

Title	Current Pay Rate	New Pay Rate	% Pay Rate Increase	Annual Salary Increase
General Fund				
Executive Assistant	\$ 19.28	\$ 22.06	14.42%	\$ 5,782.40
Payroll Specialist	\$ 19.74	\$ 23.67	19.91%	\$ 8,174.40
Office Manager	\$ 19.76	\$ 22.06	11.64%	\$ 4,784.00
Planner 1	\$ 21.87	\$ 27.30	24.83%	\$ 11,294.40
Assistant Clerk	\$ 24.63	\$ 25.28	2.64%	\$ 1,352.00
Legal Assistant	\$ 25.25	\$ 25.91	2.62%	\$ 1,376.96
Contract Coordinator - Public Works	\$ 27.86	\$ 28.68	2.94%	\$ 1,705.60
Tax Accountant	\$ 29.27	\$ 30.14	2.97%	\$ 1,809.60
Deputy Clerk	\$ 29.21	\$ 30.14	3.17%	\$ 1,924.00
Parks & Recreation Manager	\$ 29.26	\$ 30.14	2.99%	\$ 1,820.00
Grant Accountant	\$ 31.00	\$ 31.78	2.52%	\$ 1,622.40
Accountant	\$ 31.87	\$ 33.26	4.37%	\$ 2,893.80
EMS/Fire Captain	\$ 32.30	\$ 34.97	8.27%	\$ 5,553.60
Budget/Treasury Officer	\$ 32.62	\$ 36.99	13.40%	\$ 9,089.60
Library Director	\$ 33.86	\$ 35.03	3.47%	\$ 2,442.96
Centennial Building Manager	\$ 33.94	\$ 35.03	3.21%	\$ 2,267.20
Building Official	\$ 34.25	\$ 35.33	3.16%	\$ 2,250.04
Senior Accountant	\$ 34.26	\$ 35.91	4.80%	\$ 3,423.16
Maintenance Supervisor	\$ 34.61	\$ 35.84	3.57%	\$ 2,567.24
Deputy Fire Chief	\$ 37.71	\$ 38.86	3.04%	\$ 2,387.32
Assessor	\$ 39.24	\$ 43.50	10.86%	\$ 8,860.80
Police Lieutenant	\$ 40.87	\$ 42.44	3.84%	\$ 3,265.60
Project Manager	\$ 42.18	\$ 43.50	3.13%	\$ 2,747.68
Maintenance and Operations Superintendent	\$ 43.19	\$ 44.61	3.29%	\$ 2,953.60
Fire Chief	\$ 43.21	\$ 44.59	3.19%	\$ 2,865.20
Planning Director	\$ 43.27	\$ 44.59	3.04%	\$ 2,740.40
Human Resources Director	\$ 44.29	\$ 47.99	8.35%	\$ 7,696.00
Government Relations Director	\$ 44.35	\$ 45.70	3.05%	\$ 2,817.88
Senior Engineer	\$ 45.37	\$ 46.87	3.31%	\$ 3,126.76
Municipal Clerk	\$ 47.69	\$ 51.70	8.41%	\$ 8,340.80
Police Chief	\$ 47.69	\$ 49.16	3.08%	\$ 3,055.52
Senior Engineer	\$ 48.85	\$ 50.47	3.32%	\$ 3,371.68
Deputy Finance Director	\$ 48.95	\$ 50.44	3.04%	\$ 3,099.72
Municipal Engineer	\$ 50.00	\$ 51.61	3.22%	\$ 3,346.20
Public Works Director	\$ 51.77	\$ 58.33	12.67%	\$ 13,644.80
Chief Financial and Administrative Officer	\$ 52.81	\$ 58.33	10.45%	\$ 11,481.60
		Wages		\$ 157,934.92
		32% Benefits		\$ 50,539.17
		Total		\$ 208,474.09
		2.5% increase Budgeted Departmentally:		\$ 90,290.00
		GF Implement Adjustment Budgeted In		\$ 144,127.00
		Administrator's Department:		\$ 234,417.00
		Surplus Implementation Adj. Not Used		\$ (25,942.91)
Enterprise Funds				
Electric Utility Director	\$ 56.66	\$ 67.52	19.17%	\$ 22,588.80
Contract Coordinator - Electric	\$ 31.63	\$ 32.45	2.59%	\$ 1,705.60
Electric Generation Engineer	\$ 54.24	\$ 56.98	5.05%	\$ 5,698.68
Electric Systems Generation Manager	\$ 56.60	\$ 58.36	3.12%	\$ 3,668.08
Electric T&D Manager	\$ 49.46	\$ 52.87	6.89%	\$ 7,092.80
Administrative Assistant	\$ 17.50	\$ 20.44	16.80%	\$ 6,115.20
		Wages		\$ 46,869.16
		32% Benefits		\$ 14,998.13
		Total		\$ 61,867.29
Deputy Harbormaster	\$ 26.52	\$ 27.23	2.68%	\$ 1,476.80
Harbormaster	\$ 32.99	\$ 39.40	19.43%	\$ 13,332.80
		Wages		\$ 14,809.60
		32% Benefits		\$ 4,739.07
		Total		\$ 19,548.67
Facilities Manager	\$ 33.06	\$ 34.47	4.27%	\$ 2,934.36
		32% Benefits		\$ 939.00
		Total		\$ 3,873.36
Information Systems Analyst	\$ 34.75	\$ 35.84	3.15%	\$ 2,276.04
Information Systems Director	\$ 43.30	\$ 44.59	2.97%	\$ 2,678.00
		Wages		\$ 4,954.04
		32% Benefits		\$ 1,585.29
		Total		\$ 6,539.33
Environmental Superintendent	\$ 52.63	\$ 54.23	3.04%	\$ 3,328.00
		32% Benefits		\$ 1,064.96
		Total		\$ 4,392.96

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):

47 **IV. TYPES OF APPOINTMENTS**

48 * * *

49 4.3 PROBATIONARY. Every full-time or part-time regular appointment in the
50 Municipality's employment service shall be preceded by a probationary appointment in
51 which the employee serves in a probationary status. A newly hired or rehired employee with
52 a probationary appointment is an at-will employee who can be disciplined or discharged with
53 or without cause, with or without notice, at any time, and whose employment can be
54 terminated at the option of either the employee or the employer. Just cause is not required
55 for any form of discipline or discharge of such an employee during a probationary period.

56
57 An employee promoted or transferred from a regular appointment to a different position shall
58 also serve a probationary period in which the employee can be returned to their previous
59 position, if vacant; or returned to another position, if available, and if the employee is
60 qualified for the position; or terminated. If an employee is returned or transferred during a
61 probationary period, that return or transfer shall not constitute a demotion.

62
63 The length of a probationary period shall be six months, unless otherwise provided in these
64 policies, federal or state law, and/or unless the Department Head, with approval of the
65 Administrator, extends the probationary period. ~~Following successful completion of the
66 probationary period, a probationary employee shall be eligible for a step increase if the
67 Assembly approves step increases in the Fiscal Year budget. In addition, probationary
68 employees are eligible for any annual pay increase provided for in the Municipal Pay Plan.~~

69 * * *

70
71 **VI. PERSONNEL STAFFING AND COMPENSATION**

72 * * *

73
74 6.5 PAY FOR NEW EMPLOYEES

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

79
80 a. ~~Generally, a new employee shall be paid the minimum rate of pay currently established~~
81 ~~for the grade assigned to his or her position. Exceptions pertaining to starting pay may be~~
82 ~~granted upon the written prior approval of the [Finance Director,] Administrator and~~
83 ~~Assembly if necessary as provided below:~~

84
85 i. ~~Starting Pay Below Grade. The minimum rate of pay is based on the assumption that a~~
86 ~~new employee meets the minimum qualifications stated in the position job description. If it~~
87 ~~becomes necessary to appoint a new employee with lesser qualifications, and with approval~~
88 ~~of the the Administrator, such employee may be started up to 10% below the minimum step~~
89 ~~of the grade to which the position is assigned. After six months, if approved by~~
90 ~~Administrator, the employee shall be increased to the minimum step in the grade to which the~~
91 ~~position is assigned.~~

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

97
98 ~~a. Upon recommendation of the Department Head and with the approval of the~~
99 ~~Administrator, the potential employee may be offered starting pay equal to the third step in~~
100 ~~the pay grade to which the position is assigned.~~

101
102 ~~b. Upon recommendation of the Administrator and with the approval of the Assembly, the~~
103 ~~potential employee may be offered starting pay above the third step of the pay grade to which~~
104 ~~the position is assigned.~~

105
106 * * *

107 6.11

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

121
122 * * *

123 6.12 PAY INCREASES – PAY MATRIX

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

130
131 b. Employees in steps A-G who have not received an unsatisfactory overall performance
132 rating in their most recent evaluation will move one step every two years on their anniversary
133 date, in addition to the annual 1.5% increase in the Pay Matrix.

134
135 c. Employees placed in steps H-O will move only upon approval of the Administrator for
136 special circumstances, outstanding performance, reclassification, matrix revision or update,
137 or other reasons approved by the Administrator.

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

140
141 e. Performance Pay. b. In addition, pay increases or monetary awards may be made at any
142 time to recognize outstanding performance of duty or to correct wage inequities based on
143 written recommendations of the Department Head ~~or to correct wage inequities~~ per the
144 approval by the Administrator. The Administrator may also withhold a portion of the total
145 amount of money appropriated by the Assembly during budget time to be used for merit
146 increases; if any such money is withheld, the Administrator will determine the guidelines for
147 its award and distribution. The Administrator may also designate forfeited annual leave for
148 employee recognition purposes. The Finance Department will track all forfeited leave in a
149 leave bank.

150
151 * * *

152 **IX. SICK LEAVE**

153
154 9.10 FAMILY AND MEDICAL LEAVE ACT POLICY

155
156 A. The City and Borough shall grant family and medical leave consistent with applicable
157 provisions in the Federal Family and Medical Leave Act (FMLA) and the Alaska Family
158 Leave Act (AFLA) effective the first day of the authorized leave.

159
160 B. Start of Family Leave Calculation under the FMLA/AFLA.

161
162 An employee may use up to fourteen days per calendar year of their sick leave to care for a
163 family member ~~(as defined in Subsection 9.10.D)~~ who is sick before the family leave
164 calculation may begin under FMLA/AFLA. This family member need not have a "serious
165 health condition" ~~as defined in Subsection 9.10.D.~~

166
167 * * *

168 **XXI. DELETED REWARDS FOR EXCELLENCE PROGRAM**

169
170 ~~21.1 PURPOSE. This program provides a policy under which employees may submit~~
171 ~~ideas that may save money or increase efficiency of City and Borough operations. This~~
172 ~~policy provides guidance for the payment of awards. The City Rewards Program (CRP) is~~
173 ~~intended to encourage employees to improve present operations, practices, and to eliminate~~
174 ~~unnecessary budget expense. The CRP is designed to improve morale by providing an~~
175 ~~opportunity for employees to take part voluntarily in the improvement management with the~~
176 ~~government.~~

177
178 ~~21.2 RESPONSIBILITIES.~~

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

180
181 ~~a. Exercise overall responsibility for the CRP policy and program administration.~~

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

184 ~~2) Department Heads will:~~

- 185
- 186 a. ~~Facilitate adoption and implementation of improved management processes and~~
- 187 ~~systems.~~
- 188 b. ~~Adopt as policy those employee ideas that prove successful.~~
- 189 c. ~~Award, where appropriate, cash payments to employees whose proposals are adopted~~
- 190 ~~and who qualify under the rules of the CRP.~~
- 191 d. ~~Ensure that the CRP is responsive in providing recognition to deserving individuals.~~
- 192 e. ~~Provide policy development, program direction, and management oversight.~~
- 193 f. ~~Conduct analyses of program execution and performance.~~
- 194 g. ~~Establish policy and procedures, and ensure administration of the CRP within their~~
- 195 ~~departments.~~
- 196 h. ~~Ensure awards are granted according to the intent of program policy and are~~
- 197 ~~consistent, equitable, and timely.~~
- 198 i. ~~Publicize and promote the CRP within their departments.~~
- 199

200 ~~21.3 PROGRAM ADMINISTRATION The CRP will be administered entirely on the basis~~

201 ~~of merit, without regard to age, sex, race, color, religion, national origin, or physical or~~

202 ~~mental handicap. Participation is voluntary.~~

203

204 ~~21.4 PROGRAM PROMOTION AND PUBLICITY~~

- 205 ~~1) Active promotion of the CRP is the responsibility of all levels of the administration.~~
- 206 ~~Departments are encouraged to develop their own materials and promote the program.~~
- 207 ~~2) As part of promotional efforts, Department Heads may:~~
- 208 ~~a. Identify and systematically publicize key areas in which constructive ideas are~~
- 209 ~~specifically desired.~~
- 210 ~~b. Use internal and external channels to publicize outstanding suggestions and program~~
- 211 ~~accomplishments through honor roll displays, news releases and articles, or ceremonies~~
- 212 ~~honoring individuals~~
- 213 ~~c. Familiarize personnel at all levels by conducting briefings and presentations at staff~~
- 214 ~~meetings, management and leadership courses, and the like.~~
- 215

216 ~~21.5 DECISION PREROGATIVE The decision to adopt or not adopt an idea, or to~~

217 ~~recommend to the Assembly that an award be granted or not granted based upon the adoption~~

218 ~~of that idea, is the prerogative of the Administrator. At the same time, the City and Borough~~

219 ~~is committed to fair and consistent administration of the CRP, and will adhere to this~~

220 ~~commitment in making all decisions on the disposition of ideas and the payment of awards.~~

221

222 ~~21.6 TESTING OF IDEAS~~

- 223 ~~1) Test evaluation is a critical part of the CRP process. Department heads shall submit~~
- 224 ~~requests for changes to policy based on proposed ideas suggested by employees. The~~
- 225 ~~Administrator will approve the test evaluation unless a test will have serious adverse affects~~
- 226 ~~for the City and Borough. At the end of the test period, (normally one year), the department~~
- 227 ~~head shall forward the evaluation of the idea to the proponent and the Administrator. The~~
- 228 ~~Administrator will provide analyses, appropriate comments, and recommendations on~~
- 229 ~~whether the idea should be approved for continued implementation.~~
- 230

- 231 2) — An idea should also be tested when it offers a prospective benefit to the City and
232 Borough that cannot be ascertained or adequately quantified without a test. — At the
233 conclusion of the test period the idea either will be adopted, and an award paid based on the
234 documented benefits, or disapproved. In either case, full evaluations should be done at both
235 the beginning and end of the test period.
236 3) — If an idea is approved for testing, the submitter should receive nonmonetary award
237 recognition pending completion of the test and validation of savings.
238 4) — Successful department testing may provide sufficient basis for implementing an idea
239 more broadly. Department heads retain the basic responsibility for determining whether or not
240 an idea
241 5) — If it is concluded, after testing, that an idea or proposal should be implemented, then
242 the Administrator shall announce the implementation of that idea or proposal and submit to
243 the Assembly recommendation for an award.
244

245 21.7 PROPRIETARY RIGHTS:

246 Employees who suggest or propose ideas (“suggesters” or “proponents”) have an interest in
247 the use and disposition of their ideas. Proprietary rights begin when the idea is initially
248 entered into the system and remain until two years after the date of final action (that is, the
249 date of approval of an award or written notification of nonadoption).
250

251 21.8 REQUESTS FOR RECONSIDERATION:

- 252 1) — A suggester may request reconsideration of an idea evaluation or other aspect of the
253 idea’s disposition. The request must be submitted to the Administrator in writing within
254 sixty days of the notification of the final disposition.
255 2) — In support of the request for reconsideration, the suggester must do one of the following:
256 a. — Provide evidence that an evaluator made a material error of fact or logic that had an
257 effect on the idea evaluation.
258 b. — Provide new material, information, or rationale.
259 c. — Clarify significant issues or questions.
260 d. — Mere dissatisfaction or disagreement with the previous determination is not by itself
261 justification for reconsideration.
262

263 21.9 PERSONS ELIGIBLE FOR PARTICIPATION IN PROGRAM:

264 All City and Borough employees are eligible to submit ideas, and — subject to the provisions
265 of this section — all City and Borough employees are eligible to receive a reward, monetary
266 or otherwise. Retired or otherwise separated employees whose ideas were entered into the
267 CRP while they were employed with the City and Borough are also eligible to receive a
268 reward. — Persons ineligible to participate in the program include: private citizens;
269 department heads; the Administrator; the Mayor and other members of the Assembly; and
270 contractors for the City and Borough.
271

272 21.10 ELIGIBLE IDEAS OR SUGGESTIONS FOR PARTICIPATION IN THE
273 PROGRAM:

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

- 275 1) — Be submitted in writing to the City Administrator.
276 2) — Benefit the City and Borough.

277 3) — Present a problem or situation and propose a solution with sufficient rationale to
278 support the requested new procedure.

279

280 21.11 BASIC CONTENT OF IDEAS:

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

283 1) — The current practice, method, procedure, task, directive, or policy affected. If possible,
284 cite the particular regulation or policy involved.

285 2) — The proposed method, change, or idea, with an explanation of why the present practice
286 is deficient, and why the change will be beneficial. A statement of known or estimated
287 benefits should also be included.

288 3) — Drawings, photographs, specifications, or other supporting documentation.

289

290 21.12 ELIGIBILITY REQUIREMENT FOR IDEAS:

291 1) — An idea (or reconsideration request) will not be processed for evaluation when it:

292 a. — Presents a problem but offers no solution.

293 b. — Is vague or incomplete.

294 e. — Indicates potential tangible savings but does not provide the rationale or calculations
295 on which to base the estimate.

296 2) — Ineligible ideas will be identified by the Administrator, who will return the ideas to
297 the suggester with specific reasons for the return.

298

299 21.13 DUPLICATE IDEAS:

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

302

303 21.14 DISPOSITION OF IDEAS:

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

311

312 21.15 ADDITIONAL INFORMATION REQUESTS:

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

315

316 21.16 DENIAL AUTHORITY:

317 Authority to disapprove an idea resides with the Administrator

318

319 21.17 ANSWERING SUGGESTER INQUIRIES:

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

322

323 ~~21.18 SUGGESTER EVALUATION ENTITLEMENTS.~~

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

328
329 ~~21.19 EVALUATION COMPLETION TIME.~~

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

332
333 ~~21.20 DISPOSITION OF IDEAS/PROPOSALS/SUGGESTIONS UNDER THIS~~
334 ~~PROGRAM.~~

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

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

340 ~~3) Disapproval for cause.~~

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

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

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

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

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

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

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

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

366
367 ~~21.21 TANGIBLE BENEFITS.~~

368 ~~1) Whenever possible awards will be based on tangible benefits. Only if it is~~
369 ~~extraordinarily difficult to measure benefits in dollar terms will intangible benefits~~
370 ~~calculations be used.~~

371 ~~2) Tangible benefits may be calculated on the basis of estimated value, but actual value is~~
372 ~~preferable. In most cases, savings will be determined for the first full year of use, whether~~
373 ~~for testing or full implementation. Offsetting costs will then be subtracted to obtain the net~~
374 ~~benefit on which an award would be based. If costs exceed 50 percent of first year benefits,~~
375 ~~calculations may be based on an average of net benefits for the first three to five years. If the~~
376 ~~reasonable life of the initial implementation or the clearly predictable period of use is less~~
377 ~~than three years, calculations will be based on the shorter of the latter two periods.~~
378 ~~Exceptions to these methods may occur; however, they should follow generally accepted~~
379 ~~costing procedures and reflect an annual savings amount. All calculations are subject to~~
380 ~~audit.~~

381 ~~3) Direct savings, cost avoidances, and increased output at the same cost are all tangible~~
382 ~~benefits as determined in this regulation; that is, they are measured in dollar terms.~~
383 ~~Therefore, they will be counted equally in arriving at the basis for an award.~~

384 ~~4) All tangible dollar and manpower savings are subject to audit and must be verifiable.~~

385

386 ~~21.22 INTANGIBLE BENEFITS.~~

387 ~~1) Intangible benefits will out of necessity be estimated on the basis of judgment rather~~
388 ~~than precise facts or calculations.~~

389 ~~2) If benefits are intangible, the Administrator must clearly indicate the value and extent~~
390 ~~application and recommend a precise award amount. Suggestions with intangible benefits of~~
391 ~~limited value should be recognized.~~

392 ~~3) An idea may have tangible or intangible benefits only or a combination of both.~~

393

394 ~~21.23 BENEFIT CALCULATIONS.~~

395 ~~1) All benefits of a particular idea, or cost incurred to implement the idea, will be~~
396 ~~calculated in terms of savings or expense to the City and Borough as a whole. Excluded~~
397 ~~from idea implementations costs are administrative overhead costs incurred in processing and~~
398 ~~evaluating ideas.~~

399 ~~2) Labor costs will include fringe benefits and be based on actual costs.~~

400

401 ~~21.24 PAYMENT APPROVAL.~~

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

404

405 ~~21.25 AWARD ELIGIBILITY.~~

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

407 ~~1) The idea is approved for testing; or~~

408 ~~2) The idea is approved for implementation. The award is based on tangible or intangible~~
409 ~~benefits as identified earlier.~~

410

411 ~~21.26 AWARD PAYMENT AFTER SEPARATION.~~

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

414
415 **5. EFFECTIVE DATE.** This Ordinance shall become effective on the day after the
416 date of its passage.

417
418 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
419 Sitka, Alaska on this 10th day of June, 2014.

420
421
422
423

Mim McConnell, Mayor

424 ATTEST:
425
426
427 _____
428 Colleen Ingman, MMC
429 Municipal Clerk

430
431
432

Salary Data Recommendations: Proposed Pay Structure

Grade	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
17	11.91	12.21	12.52	12.83	13.15	13.48	13.82	14.17	14.52	14.88	15.25	15.63	16.02	16.42	16.83
18	12.52	12.83	13.15	13.48	13.82	14.17	14.52	14.88	15.25	15.63	16.02	16.42	16.83	17.25	17.68
19	13.14	13.47	13.81	14.16	14.51	14.87	15.24	15.62	16.01	16.41	16.82	17.24	17.67	18.11	18.56
20	13.80	14.15	14.50	14.86	15.23	15.61	16.00	16.40	16.81	17.23	17.66	18.10	18.55	19.01	19.49
21	14.49	14.85	15.22	15.60	15.99	16.39	16.80	17.22	17.65	18.09	18.54	19.00	19.48	19.97	20.47
22	15.21	15.59	15.98	16.38	16.79	17.21	17.64	18.09	18.54	19.00	19.48	19.97	20.47	20.98	21.50
23	16.63	17.05	17.48	17.92	18.37	18.83	19.30	19.78	20.27	20.78	21.30	21.83	22.38	22.94	23.51
24	18.07	18.52	18.98	19.45	19.94	20.44	20.95	21.47	22.01	22.56	23.12	23.70	24.29	24.90	25.52
25	19.50	19.99	20.49	21.00	21.52	22.06	22.61	23.17	23.75	24.34	24.95	25.57	26.21	26.87	27.54
26	20.92	21.44	21.98	22.53	23.09	23.67	24.26	24.87	25.49	26.13	26.78	27.45	28.14	28.84	29.56
27	22.34	22.90	23.47	24.06	24.66	25.28	25.91	26.56	27.23	27.91	28.61	29.33	30.06	30.81	31.58
28	24.13	24.73	25.35	25.98	26.63	27.30	27.98	28.68	29.40	30.14	30.89	31.66	32.45	33.26	34.09
29	26.27	26.93	27.60	28.29	29.00	29.73	30.47	31.23	32.01	32.81	33.63	34.47	35.33	36.21	37.12
30	28.06	28.76	29.48	30.22	30.98	31.75	32.54	33.35	34.18	35.03	35.91	36.81	37.73	38.67	39.64
31	29.49	30.23	30.99	31.76	32.55	33.36	34.19	35.04	35.92	36.82	37.74	38.68	39.65	40.64	41.66
32	30.92	31.69	32.48	33.29	34.12	34.97	35.84	36.74	37.66	38.60	39.57	40.56	41.57	42.61	43.68
33	32.69	33.51	34.35	35.21	36.09	36.99	37.91	38.86	39.83	40.83	41.85	42.90	43.97	45.07	46.20
34	34.83	35.70	36.59	37.50	38.44	39.40	40.39	41.40	42.44	43.50	44.59	45.70	46.84	48.01	49.21
35	36.60	37.52	38.46	39.42	40.41	41.42	42.46	43.52	44.61	45.73	46.87	48.04	49.24	50.47	51.73
36	38.44	39.40	40.39	41.40	42.44	43.50	44.59	45.70	46.84	48.01	49.21	50.44	51.70	52.99	54.31
37	40.37	41.38	42.41	43.47	44.56	45.67	46.81	47.99	49.18	50.41	51.67	52.96	54.28	55.64	57.03
38	42.39	43.45	44.54	45.65	46.79	47.96	49.16	50.38	51.64	52.93	54.25	55.61	57.00	58.43	59.89
39	44.50	45.61	46.75	47.92	49.12	50.35	51.61	52.90	54.23	55.59	56.98	58.40	59.86	61.36	62.89
40	46.72	47.89	49.09	50.32	51.58	52.87	54.19	55.55	56.94	58.36	59.82	61.32	62.85	64.42	66.03
41	49.06	50.29	51.55	52.84	54.16	55.51	56.90	58.33	59.78	61.27	62.80	64.37	65.98	67.63	69.32
42	51.52	52.81	54.13	55.48	56.87	58.29	59.75	61.24	62.77	64.34	65.95	67.60	69.29	71.02	72.80
43	54.10	55.45	56.84	58.26	59.72	61.21	62.74	64.30	65.91	67.56	69.25	70.98	72.75	74.57	76.43
44	56.79	58.21	59.67	61.16	62.69	64.26	65.87	67.52	69.21	70.94	72.71	74.53	76.39	78.30	80.26
45	59.63	61.12	62.65	64.22	65.83	67.48	69.17	70.90	72.67	74.49	76.35	78.26	80.22	82.23	84.29
46	62.63	64.20	65.80	67.44	69.13	70.86	72.63	74.44	76.30	78.21	80.17	82.17	84.22	86.33	88.49

Attachment A