CITY OF UNALASKA UNALASKA, ALASKA

ORDINANCE 2022-19

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING TITLE 3, PERSONNEL, TO ADD A LONGEVITY BONUS, MAKE EXECUTIVES ELIGIBLE FOR THE LONGEVITY BONUS, PROVIDE LATITUDE TO THE CITY MANAGER TO HIRE ABOVE THE MIDPOINT OF THE WAGE RANGE, AND TO INCREASE MOVING EXPENSES AVAILABLE TO NEW EMPLOYEES

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF UNALASKA, as follows:

Section 1: Classification. This Ordinance is a Code Ordinance.

Section 2: Chapter 3.60 Miscellaneous Provisions, is hereby amended by adding a new section, 3.60.140 Longevity Bonus, as follows:

§ 3.60.140 LONGEVITY BONUS.

- (A) Regular full-time Executive Employees shall be paid a Longevity Bonus of \$1,000 per consecutive year of service, starting at year 3, then year 5 and then every 5 years thereafter. For example:
 - (1) On the Executive's three (3) year employment anniversary: \$3,000.
 - (2) On the Executive's five (5) year employment anniversary: \$5,000.
 - (3) On the Executive's ten (10) year employment anniversary: \$10,000.
 - (4) On the Executive's fifteen (15) year employment anniversary: \$15,000.
 - (5) On the Executive's twenty (20) year employment anniversary: \$20,000.
- (B) Regular full-time, non-Executive employees, who are not represented by a labor union, shall be paid a Longevity Bonus, as follows:
 - (1) On the employee's three (3) year employment anniversary: \$2,000.
 - (2) On the employee's five (5) year employment anniversary: \$5,000.
 - (3) On the employee's ten (10) year employment anniversary: \$10,000.
 - (4) On the employee's fifteen (15) year employment anniversary and each subsequent 5-year employment anniversary thereafter: \$10,000.
- (C) Part-time employees who are eligible for benefits shall be paid a partial Longevity Bonus calculated as a percentage of the bonus paid to an employee in the full-time equivalent of their position. For example, a part-time employee working twenty hours per week is eligible for a \$1,000 Longevity Bonus on the employee's three (3) year employment anniversary; an employee working thirty hours per week would be eligible for \$1,500 upon their three (3) year employment anniversary.

- (D) Current employees, who are employed by the City on the effective date of this ordinance and who are between the anniversary years set out in paragraphs (A) and (B) above, shall receive the longevity bonus commensurate with the anniversary which they have most recently surpassed. For example, an employee who has reached their four (4) year anniversary will receive the three (3) year longevity bonus; and an employee who has surpassed their ten (10) year employment anniversary will receive the ten (10) year longevity bonus.
- (E) The employment anniversary date shall be determined by the employee's current employment period with the City. Former periods of employment with the City may not be added to determine the number of years of service.
- (F) The Longevity Bonus is contingent upon satisfactory job performance and may be denied or delayed at the City Manager's discretion based on disciplinary actions or other considerations at the time of the proposed bonus.

Section 3: Chapter 3.56 Executives, Section 3.56.030 Compensation, paragraph (C), is hereby amended to read as follows [New language is <u>underlined</u>; and deleted language is overstruck.]:

§ 3.56.030 COMPENSATION.

(C) With the exception of a hiring bonus, cost of living adjustments, merit increases, and travel allowance and the longevity bonus authorized by City Council, bonuses and special merit awards are not available to executive employees.

Section 4: Chapter 3.40 Pay, Section 3.40.050 Basis of Pay Rates, paragraph (A) Hiring Wage Range, is hereby deleted and replaced, as follows:

Existing Paragraph (A) to be deleted

(A) Hiring wage rate. An appointment to any position can be made from the minimum to the midpoint of the wage range based on the applicant's experience and ability over and above the qualification requirements specified for the class, prior creditable city service, or on a critical shortage of applicants. Advancement to the maximum wage rate within a pay range shall be by successive merit increases. Approval by the City Manager shall be made in writing prior to appointment. In no instance shall appointment be made above midpoint of the wage range, except at the Department Director level.

New Paragraph (A)

- (A) Hiring wage rate.
 - (1) Appointment to any position can be made from the minimum to the midpoint of the wage range based on the applicant's experience and ability over and above the qualification requirements specified for the class, prior creditable city service, or on a critical shortage of applicants.
 - (2) <u>Appointment above the midpoint of the wage range is allowed at the Department</u> <u>Director level. Below the Department Director level, appointment above the</u>

midpoint of the wage range is at the sole discretion of the City Manager, with justification provided in writing.

- (3) <u>Written approval of the hiring wage rate shall be made by the City Manager before appointment.</u>
- (4) <u>Advancement to the maximum wage rate within a pay range shall be by successive</u> merit increases.

Section 5: Chapter 3.60 Miscellaneous Provisions, Section 3.60.060 Moving Expenses for New Employees, is hereby amended to read as follows [New language is <u>underlined</u>; and deleted language is overstruck.]:

§ 3.60.060 MOVING EXPENSES FOR NEW EMPLOYEES.

- (A) Whenever, in the opinion of the City Manager, it is necessary to recruit qualified employees from outside the city, the employee will receive a lump sum payment not to exceed \$5,000 \$10,000, less applicable withholdings, to assist with moving related expenses, plus airfare for the employee and dependents residing with the employee, as defined by the Internal Revenue Service. The moving expense payment amount shall be determined by the hiring Department Director and the Human Resources Manager.
- (B) If the employee voluntarily leaves the employment of the city before completing 12 continuous months of employment, the employee will be required to repay the city for all moving expenses, prorated for the number of months employed. The repayment of the moving expenses may be waived by the City Manager. <u>The City Manager may require a written repayment agreement prior to paying any moving expenses</u>.
- (C) The city shall be responsible for return transportation of an employee only as required by applicable state law.

Section 6: Effective Date. This ordinance is effective upon adoption.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on November 22, 2022.

Mayor Pro Tem

ATTEST:

Marjie Veeder, CMC City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members

From: Chris Hladick, City Manager

Date: November 10, 2022

Re: <u>Ordinance 2022-19</u>: Amending Title 3, Personnel, to add a longevity bonus, make executives eligible for the longevity bonus, provide latitude to the City Manager to hire above the midpoint of the wage range, and to increase moving expenses available to new employees

<u>SUMMARY</u>: Council had first reading of this ordinance on October 25, 2022, and adopted an amendment enhancing the longevity bonus.

In addition to the amendment adopted, staff recommends two further edits to the longevity bonus:

1. Adding explanatory examples at the end of paragraph (A) for Executive Employees, which reads:

For example:

- (1) On the Executive's three (3) year employment anniversary: \$3,000.
- (2) On the Executive's five (5) year employment anniversary: \$5,000.
- (3) On the Executive's ten (10) year employment anniversary: \$10,000.
- (4) On the Executive's fifteen (15) year employment anniversary: \$15,000.
- (5) On the Executive's twenty (20) year employment anniversary: \$20,000.
- 2. Adding "and (B)" to paragraph (D), so that it includes both executive and non-executive employees:

"(D) Current employees, who are employed by the City on the effective date of this ordinance and who are between the anniversary years set out in paragraphs (A) and (B) above, ..."

PROPOSED MOTIONS: TO BEGIN THE DISCUSSION: I move adopt Ordinance 2022-19 as amended by Council on October 25, 2022.

MOTION TO AMEND: I move to amend Ordinance 2022-19 to add explanatory examples at the end of paragraph (A) for the Executive Employee Longevity Bonus, and to add and "s" to the word paragraph; and add the words "and (B)" in paragraph (D) so that it includes both executive and non-executive employees.

STAFF RECOMMENDATION: Staff recommends adoption.

<u>CITY MANAGER COMMENTS</u>: I concur with the staff recommendation as the amendment to the longevity bonus was already adopted by council, and the two staff-suggested edits make good sense.

ATTACHMENTS:

- October 25 staff memo
- Amendment adopted by Council on October 25
- Version of ordinance showing the October 25 amendment and two additional changes suggested by staff

MEMORANDUM TO COUNCIL

To: From: Date: Re: Mayor and City Council Members

Chris Hladick, City Manager

Date: October 25, 2022

: <u>Ordinance 2022-19</u>: Amending Title 3, Personnel, to add a longevity bonus, make executives eligible for the longevity bonus, provide latitude to the City Manager to hire above the midpoint of the wage range, and to increase moving expenses available to new employees

SUMMARY: This ordinance amends a few provisions of Title 3, Personnel, in order to (1) add a longevity bonus for unrepresented employees, including department directors; (2) to increase moving expenses available to new employees; and (3) to provide the city manager latitude to hire new employees above the midpoint of the range. A companion budget amendment, Ordinance 2022-20, is also being presented this evening to fund the longevity bonus and provide a 10% wage increase for unrepresented employees. Staff recommends approval.

PREVIOUS COUNCIL ACTION: The most recent amendments to Title 3 were:

- Ordinance 2021-18, adopted December 14, 2021, amended 3.44.06 to add Juneteenth National Independence Day as an annual floating city holiday beginning calendar year 2022 and making minor descriptive edits
- Ordinance 2020-01, adopted March 10, 2020, amended chapters 3.44.020, and 3.44.030 (C) and (D), clarifying overtime approval requirements and specifying employees receiving overtime compensation for working on holidays
- Ordinance 2019-10, adopted September 10, 2019, is the most significant amendment to Title 3 in recent years, and amended chapters 3.04, 3.08, 3.12, 3.16, 3.20, 3.24, 3.28, 3.32, 3.36, 3.40, 3.44, 3.48, 3.52, 3.56, and 3.60 and adopted a new chapter 3.22.

BACKGROUND: Earlier this year Council approved collective bargaining agreements with three units of IUOE Local 302. Changes to wages and benefits for our unrepresented Title 3 employees have, in the past, followed the IUOE 302 CBAs. The longevity bonus is proposed for unrepresented employees because of a similar benefit provided to PSEA and IUOE 302 employees. Also proposed is a 10% wage increase, which is funded in the accompanying budget amendment, Ordinance 2022-20.

Increasing moving expense and allowing the hiring wage to be above midpoint are proposed to assist with recruitment of new employees. In addition, the ability to hire above midpoint will offset not adjusting the wage scale at this time. There are many positions that have proved challenging to fill, and it is increasingly difficult to attract people to move to Unalaska for City jobs when there are no candidates available locally.

A comprehensive rewrite and reorganization of Title 3 is in process, but these changes are needed immediately.

DISCUSSION:

SECTION 2 3.60.140 LONGEVITY BONUS

This section of the ordinance adds a longevity bonus for all unrepresented city employees: \$2,000 on the 3rd anniversary; \$4,000 on the 5th anniversary; \$10,000 on the 10th anniversary; and \$2,000 annually on each subsequent employment anniversary. Part-time employees will be provided a longevity bonus based on the full-time equivalent of their position. Current employees who are between anniversary years will be paid the bonus consistent with the anniversary they most recently achieved. Employees who have had multiple periods of employment with the city will not be allowed to add those years together for calculation of the longevity bonus. Their most recent appointment period will be used to determine eligibility for the bonus. The longevity bonus is to reward non-represented employees for their years of service at important milestone years. This will also bring parity with the PSEA and IUOE 302 CBAs.

SECTION 3 3.56.030 COMPENSATION

This section makes executives (department directors) eligible for the longevity bonus, as are all other unrepresented employees.

SECTION 4 3.40.050(A) HIRING WAGE RANGE

This section of the ordinance amends and reorganizes the paragraph related to the hiring wage range. The pay range matrix is not changing at this time and the ability to hire above midpoint for non-executive, non-represented employees will allow us to be competitive in the marketplace with our starting salaries.

SECTION 5 3.60.060(A) MOVING EXPENSES FOR NEW EMPLOYEES

Paragraph (A) increases the moving expense from a cap of \$5,000, to \$10,000, and states that the HR Manager and the hiring Department Director determine the amount of the moving expense based upon the candidate's needs. This increase is required to meet the increases in shipping, mailing and other variables related to the movement of household goods and vehicles to Unalaska.

Paragraph (B) requires repayment of moving expenses should the employee voluntarily leave employment before a year. The amendment prorates the repayment based on the number of months of employment. Proration provides a fair and more standard method of moving expense repayment.

<u>ALTERNATIVES</u>: Council may choose to adopt the ordinance as presented, or to make amendments before adoption. Council may also choose not to proceed with this amendment to code, in which case unrepresented employees will continue unequal pay and benefits as compared to their represented coworkers.

<u>FINANCIAL IMPLICATIONS</u>: The financial implications for the longevity bonus are covered in the accompanying budget amendment. There is no a way to accurately project increased moving

expenses for FY23 at this time. We don't know how many employees may be hired from offisland, or the amount of a particular employee's moving expense need. If the additional moving expenses cannot be absorbed within a departmental operating budget, a future budget amendment may be necessary.

LEGAL: This ordinance has been reviewed and edited by the City Attorney.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to introduce Ordinance 2022-19 and schedule it for public hearing and second reading at Council's first meeting in November.

<u>CITY MANAGER COMMENTS</u>: I recommend approval. These changes mimic what has been done in other city contracts, so it's only fair to include these in Title 3.

ATTACHMENTS: None.

Changes in red in Section 2 were adopted by Council on October 25, 2022

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Section 1: Classification. This Ordinance is a Code Ordinance.

Section 2: Chapter 3.60 Miscellaneous Provisions, is hereby amended by adding a new section, 3.60.140 Longevity Bonus, as follows: (A) Regular full-Time Executive Employees

§ 3.60.140 LONGEVITY BONUS. per consectative year of service starting Non-Executive At year 3, Then yr. 5 + Every Syrs. There After.

(B) (A) Regular full-time employees, who are not represented by a labor union, shall be paid a Longevity Bonus, as follows:

- (1) On the employee's three (3) year employment anniversary: \$2,000.
- (2) On the employee's five (5) year employment anniversary: \$4,000: \$5,000
- (3) On the employee's ten (10) year employment anniversary: \$10,000.

(4) On the employee's eleven (11) year employment anniversary and each subsequent employment anniversary thereafter: \$2,000. \$10,000

- (C) (B) Part-time employees who are eligible for benefits shall be paid a partial Longevity Bonus calculated as a percentage of the bonus paid to an employee in the full-time equivalent of their position. For example, a part-time employee working twenty hours per week is eligible for a \$1,000 Longevity Bonus on the employee's three (3) year employment anniversary; an employee working thirty hours per week would be eligible for \$1,500 upon their three (3) year employment anniversary.
- Current employees, who are employed by the City on the effective date of this ordinance and who are between the anniversary years set out in paragraph (A) above, shall receive the longevity bonus commensurate with the anniversary which they have most recently surpassed. For example, an employee who has reached their four (4) year anniversary will receive the three (3) year longevity bonus; and an employee who has surpassed their ten (10) year employment anniversary will receive the ten (10) year longevity bonus, and then \$2,000 each subsequent employment anniversary thereafter.

(E) (D) The employment anniversary date shall be determined by the employee's current employment period with the City. Former periods of employment with the City may not be added to determine the number of years of service.

(F) (F) The Longevity Bonus is contingent upon satisfactory job performance and may be denied or delayed at the City Manager's discretion based on disciplinary actions or other considerations at the time of the proposed bonus.

Section 3: Chapter 3.56 Executives, Section 3.56.030 Compensation, paragraph (C), is hereby amended to read as follows [New language is <u>underlined</u>; and deleted language is overstruck.]:

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 - (2) Appointment above the midpoint of the wage range is allowed at the Department Director level. Below the Department Director level, appointment above the midpoint of the wage range is at the sole discretion of the City Manager, with justification provided in writing.

Note: this change was not adopted. and Approved by Course

- (3) Written approval of the hiring wage rate shall be made by the City Manager before appointment. Sof All Appointments Above midpoint of the wage Range
- (4) Advancement to the maximum wage rate within a pay range shall be by successive merit increases.

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Version showing amendment adopted 10/25/22; & staff suggestions, in yellow.

CITY OF UNALASKA UNALASKA, ALASKA

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(4) On the Executive's fifteen (15) year employment anniversary: \$15,000.

(5) On the Executive's twenty (20) year employment anniversary: \$20,000.

(A)(B) <u>Regular full-time, non-Executive</u> employees, who are not represented by a labor union, shall be paid a Longevity Bonus, as follows:

- (1) On the employee's three (3) year employment anniversary: \$2,000.
- (2) On the employee's five (5) year employment anniversary: \$4<u>5</u>,000.
- (3) On the employee's ten (10) year employment anniversary: \$10,000.
- (4) On the employee's eleven (11<u>fifteen (15</u>) year employment anniversary and each subsequent <u>5-year</u> employment anniversary thereafter: \$<u>210</u>,000.
- (B)(C) Part-time employees who are eligible for benefits shall be paid a partial Longevity Bonus calculated as a percentage of the bonus paid to an employee in the full-time equivalent of their position. For example, a part-time employee working twenty hours per week is eligible for a \$1,000 Longevity Bonus on the employee's three (3) year employment anniversary; an employee working thirty hours per week would be eligible for \$1,500 upon their three (3) year employment anniversary.

- (C)(D) Current employees, who are employed by the City on the effective date of this ordinance and who are between the anniversary years set out in paragraphs (A) and (B) above, shall receive the longevity bonus commensurate with the anniversary which they have most recently surpassed. For example, an employee who has reached their four (4) year anniversary will receive the three (3) year longevity bonus; and an employee who has surpassed their ten (10) year employment anniversary will receive the ten (10) year longevity bonus and then \$2,000 each subsequent employment anniversary thereafter.
- (D)(E) The employment anniversary date shall be determined by the employee's current employment period with the City. Former periods of employment with the City may not be added to determine the number of years of service.
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Section 5: Chapter 3.60 Miscellaneous Provisions, Section 3.60.060 Moving Expenses for New Employees, is hereby amended to read as follows [New language is <u>underlined</u>; and deleted language is overstruck.]:

§ 3.60.060 MOVING EXPENSES FOR NEW EMPLOYEES.

- (A) Whenever, in the opinion of the City Manager, it is necessary to recruit qualified employees from outside the city, the employee will receive a lump sum payment not to exceed \$5,000 \$10,000, less applicable withholdings, to assist with moving related expenses, plus airfare for the employee and dependents residing with the employee, as defined by the Internal Revenue Service. The moving expense payment amount shall be determined by the hiring Department Director and the Human Resources <u>Manager.</u>
- (B) If the employee voluntarily leaves the employment of the city before completing 12 continuous months of employment, the employee will be required to repay the city for all moving expenses, prorated for the number of months employed. The repayment of the moving expenses may be waived by the City Manager. <u>The City Manager may require a written repayment agreement prior to paying any moving expenses</u>.
- (C) The city shall be responsible for return transportation of an employee only as required by applicable state law.

Section 6: Effective Date. This ordinance is effective upon adoption.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on November 10, 2022.

Vincent M. Tutiakoff, Sr. Mayor

ATTEST:

Marjie Veeder, CMC City Clerk