

CLERK'S OFFICE
APPROVED

Submitted by: Assembly Chair Traini &
Mayor Sullivan
Prepared by: Dept. of Law
For reading: November 9, 2010

Date: 11-9-10 ANCHORAGE, ALASKA
AO No. 2010-82(S)

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING
2 PROVISIONS OF ANCHORAGE MUNICIPAL CODE CHAPTER 3.30, PERSONNEL
3 RULE 17, GOVERNING COMPENSATION AND PAID LEAVE FOR EXECUTIVE
4 EMPLOYEES.

5
6 THE ANCHORAGE ASSEMBLY ORDAINS:

7
8 **Section 1.** Anchorage Municipal Code section 3.30.174, Compensation, is hereby
9 amended to read as follows (*language indicating no amendment is included for*
10 *context only; other unaffected subsections are not set out*):

11
12 **3.30.174 Compensation.**

13
14 Employees appointed to executive positions shall be compensated in
15 accordance with Sections 3.30.121 through 3.30.1212. ~~Annual leave accrual~~
16 ~~shall be in accordance with 3.30.152. The grant of leave beyond the rates of~~
17 ~~accrual authorized in AMC 3.30.152 is prohibited.~~

18
19 A. *Pay ranges.* Pay ranges for executive employees shall be established
20 by the assembly. The mayor or responsible official of the appointing
21 authority shall determine all aspects of pay, wages, hours, demotion,
22 separation, and all other terms and conditions of employment for
23 executive employees.

24
25 B. *Pay levels.* Executive positions are assigned to an executive pay level
26 based on the relative responsibility of the position. These pay levels do
27 not consist of pay steps. The pay level of newly hired executives should
28 not normally exceed the midpoint of the applicable pay range. The pay
29 level of an employee promoted or reclassified from a classified position
30 shall be determined by the mayor at time of promotion or
31 reclassification. Should the rate assigned an executive employee
32 exceed the maximum or be less than the minimum of the range in
33 which his position is placed, the mayor shall obtain prior approval from
34 the assembly. Pay levels for regular part-time executive employees
35 shall be on a pro rata basis as a percentage of annualized regular full-
36 time salary for the position assigned.

37
38 *** *** ***

39 E. *Reduction.* Where the mayor or responsible official has determined that
40 the rate of pay ~~[or additional compensation in the form of leave]~~
41 assigned to an executive employee is not ~~[authorized under applicable~~
42 ~~code or is otherwise in]~~ appropriate for any reason, the employee's rate
43 of pay ~~[or additional leave]~~ may be reduced to a lower level upon two
44 weeks' advance notice. Should the rate ~~[of pay]~~ assigned be lower than

1 the minimum of the range for that position, the mayor or the
 2 responsible official shall obtain prior approval from the assembly.
 3 Such reduced compensation may later be increased ~~[subject to~~
 4 ~~applicable code]~~ at any time that the mayor or the responsible official
 5 determines it may be appropriate.
 6

7 F. *Bonuses and special merit awards.* Bonuses and special merit awards
 8 are not available to executive employees. ~~[The grant of leave beyond~~
 9 ~~the rates of accrual authorized in AMC 3.30.152 is prohibited.]~~

10 *** **

11 H. *Reports to assembly.*

12 1. Quarterly the mayor will report the names and annual salary of
 13 each executive hired in the previous quarter. Once annually the
 14 mayor will report total remuneration of each municipal executive
 15 to the assembly.
 16

17 2. Where the mayor or responsible official of the appointing
 18 authority ~~[intends to]~~ exercises [s] discretionary authority to
 19 provide special compensation (inclusive of all benefits including
 20 compensatory time) to an executive employee which would not
 21 be permitted a nonexecutive employee under Chapter 3.30, this
 22 action shall be reported in a public document to the assembly
 23 within [IN] 30 days ~~[prior notice in advance]~~ of the first action
 24 providing for the special compensation.
 25

26 I. *Range structure adjustments.* Range structure adjustments to the
 27 minimum and maximum base annual rate of the executive pay levels
 28 shall be made to the executive pay plan ~~[by ordinance]~~ in the same
 29 percentages as and concurrent with those to the nonrepresented pay
 30 plan. ~~[As adjusted, the minimum and maximum base annual rates for~~
 31 ~~each executive range classification shall be revised and published~~
 32 ~~under subsection C of this section.]~~
 33

34 J. *Leave as additional compensation.* In addition to leave provided
 35 in sections 3.30.151-3.30.1515, additional leave may be granted as
 36 part of an executive's negotiated compensation. Additional leave
 37 granted under this subsection shall meet the following
 38 requirements:
 39

- 40 1. Additional leave is non-cashable.
 41 2. Except as may be negotiated in the first calendar year the
 42 leave is granted, additional leave shall be credited as of
 43 January 1 of each calendar year.
 44 3. Except as may be negotiated in the first calendar year that
 45 leave is granted, additional leave must be taken during the
 46 calendar year in which it is deposited into the employee's
 47 non-cashable leave bank or it is forfeited.
 48
 49

(AO No. 79-195; AO No. 86-207(S-1); AO No. 87-137(S); AO No. 88-51; AO No. 91-96; AO No. 97-53, § 1, 5-6-97; AO No. 97-103, § 3, 7-1-97; AO No. 2009-84, § 1, 7-7-09)

Section 2. Anchorage Municipal Code section 3.30.175, Overtime, is hereby amended to read as follows (*subsections not amended are not set out*):

3.30.175 Overtime.

A. Compensatory time off.

1. Executive exempt employees are not entitled to overtime compensation; however, as a result of extraordinary conditions which **require an exempt executive to work extended hours over a period of time** [INVOLVE LONG HOURS OF OVERTIME BY THE EXECUTIVE], the mayor or responsible official may, at his discretion, grant such compensatory time off as he deems appropriate. **Compensatory time off is non-cashable and expires at the end of 12 months from the date granted.** [~~The discretion to grant compensatory time off does not extend to granting leave beyond the rates of accrual authorized in AMC 3.30.152.~~]

(AO No. 79-195; AO No. 86-207(S-1); AO No. 87-137(S); AO No. 96-55, § 3, 4-2-96; AO No. 2009-84, § 1, 7-7-09)

Section 3. Anchorage Municipal Code section 3.30.177, Exceptions to rules; authority of mayor or other responsible official, is hereby amended to read as follows:

3.30.177 Exceptions to rules; authority of mayor or other responsible official.

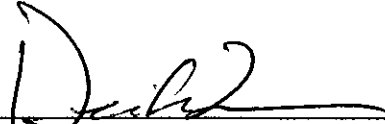
- A. The requirements of Sections 3.30.170 through 3.30.179 [8] apply fully to all executive employees **and are the only rules which apply to executive employees except as otherwise provided by the mayor or responsible official as provided in this chapter.** [AND ARE THE ONLY RULES WHICH APPLY TO EXECUTIVE EMPLOYEES EXCEPT AS OTHERWISE PROVIDED BY THE MAYOR OR RESPONSIBLE OFFICIAL AS PROVIDED IN THIS CHAPTER.]
- B. Except as specifically stated in this Rule 17, executive employees do not have a right to a grievance procedure or appeal regarding the application or alleged violation or misapplication of the rules herein.

(AO No. 79-195; AO No. 86-207(S-1); AO No. 87-137(S); AO No. 2009-84, § 1, 7-7-09)

1 **Section 4. Leave granted to exempt executives, and accrued as additional**
 2 **compensation prior to January 1, 2011, shall expire June 30, 2011 if not used by**
 3 **that date. Employees with leave expiring in accordance with this section shall**
 4 **be notified in writing at least two weeks in advance of the expiration of the**
 5 **leave.**

6
 7 **Section 5 [4].** This ordinance shall become effective **January 1, 2011** [immediately
 8 upon passage and approval by the Assembly].

9
 10 PASSED AND APPROVED by the Anchorage Assembly this 9th day of
 11 November, 2010.

12
 13
 14
 15 
 16 _____
 17 Chair

18 ATTEST:

19
 20 
 21 _____
 22 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 606-2010

Meeting Date: November 9, 2010

1 **From: ASSEMBLY CHAIR & MAYOR**
2

3 **Subject: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY**
4 **AMENDING PROVISIONS OF ANCHORAGE MUNICIPAL CODE**
5 **CHAPTER 3.30, PERSONNEL RULE 17, GOVERNING**
6 **COMPENSATION AND PAID LEAVE FOR EXECUTIVE**
7 **EMPLOYEES.**
8

9 In September 2009, Internal Audit issued its annual Payroll audit. One of its
10 findings, "Inaccurate Leave Accrual Rates", revealed certain employees were
11 accruing leave in excess of AMC section 3.30.152 and "the service date was
12 falsified so employees appeared to have worked for the Municipality years longer
13 than they actually had."
14

15 During the Administration's investigation of this finding, it was further revealed that,
16 under Begich and Claman, and possibly earlier administrations, a number of
17 executive employees had been granted special compensation in the form of
18 accrued cashable leave that not only falsified service dates, but also that this
19 special compensation was not reported to the Assembly in accordance with
20 section 3.30.174.
21

22 To remedy these deficiencies, Mayor Sullivan directed service dates to be corrected
23 and a full accounting of leave granted in excess of that accrued under
24 section 3.30.152 be made to the Assembly. Additionally, Mayor Sullivan directed all
25 cashable leave benefits granted as special compensation be converted to non-
26 cashable leave.
27

28 The Rules associated with the recruitment, hiring and compensation of executive
29 employees are codified at sections 3.30.171-.179. Section 3.30.173 states, in part,
30 "Executive positions by their nature and complexity are not subject to the normal
31 procedures of recruitment and selection...." Additionally, this section provides for
32 the mayor, or responsible appointing official, to exercise discretionary authority to
33 provide special compensation for these employees.
34

35 Granting special compensation in the form of additional leave may assist in
36 recruiting and retention of executive employees that do not have the benefits
37 associated with classified or union service. However, Mayor Sullivan believes such
38 benefit should only be granted as non-cashable leave, and such leave should not
39 be permitted to accrue in a way that could be construed to be used as a salary
40 supplement.
41

1 AO 2010-82(S) codifies that no leave other than non-cashable leave shall be
2 granted as special compensation for executive employees in excess of that
3 authorized by section 3.30.152, that such leave be credited to the employees non-
4 cashable leave bank in January, and that any non-cashable leave granted as
5 special compensation and unused by year end is forfeited by the employee.

6
7 **THE ASSEMBLY CHAIR AND MAYOR JOINTLY RECOMMEND APPROVAL OF**
8 **AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING**
9 **PROVISIONS OF ANCHORAGE MUNICIPAL CODE CHAPTER 3.30,**
10 **PERSONNEL RULE 17, GOVERNING COMPENSATION AND PAID LEAVE FOR**
11 **EXECUTIVE EMPLOYEES.**

12
13
14 Prepared by: Nancy Usera, Employee Relations
15 Concur: Dennis A. Wheeler, Municipal Attorney
16 Concur: George Vakalis, Municipal Manager
17 Respectfully submitted: Dick Traini, Assembly Chair and
18 Daniel A. Sullivan, Mayor
19

Content ID: 009599

Type: Ordinance - AO

Title: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING PROVISIONS OF ANCHORAGE MUNICIPAL CODE CHAPTER 3.30, PERSONNEL RULE 17, GOVERNING COMPENSATION AND PAID LEAVE FOR EXECUTIVE EMPLOYEES.

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Date Prepared: 11/5/10 1:41 PM

Director Name: Dennis Wheeler

Assembly Meeting Date: 11/9/10

Public Hearing Date: 11/9/10

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	11/5/10 2:31 PM	Exit	Joy Maglaqui	Public	009599
MuniManager_SubWorkflow	11/5/10 2:31 PM	Approve	Joy Maglaqui	Public	009599
Legal_SubWorkflow	11/5/10 1:46 PM	Approve	Dennis Wheeler	Public	009599
AllOrdinanceWorkflow	11/5/10 1:46 PM	Checkin	Dennis Wheeler	Public	009599

D. Wheeler

NEW PUBLIC HEARINGS