



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: July 12, 2022

RE: **Authorizing 2% Cost Of Living Adjustment And Revised Monthly Health Insurance Co-Pays For Non-Represented General Government And Ketchikan Public Utilities Employees For 2022**

Resolution No. 22-2855 – Amending Section 6.2.1.1 And Section 6.1.1 Of The City Of Ketchikan Personnel Rules; And Establishing An Effective Date

At the City Council meeting of July 7, 2022, the City Council approved the 2022-2024 Collective Bargaining Agreement between the City of Ketchikan and the International Brotherhood of Electrical Workers, Local 1547. As indicated in the attached transmittal memorandum from Human Resources Manager Marie Miller and as presented to the City Council with the 2022-2024 collective bargaining agreement, the City has traditionally afforded cost of living adjustments and employee benefit modifications to the non-represented employees of General Government and KPU comparable to those that the City has negotiated with the represented employees. Consequently, staff is recommending implementation of the 2% cost of living adjustment effective January 1, 2022 and other benefit improvements including revised employee health insurance co-pays effective for both General Government and KPU non-represented employees effective August 1, 2022. These changes are reflected in the proposed amendments to the City of Ketchikan Personnel Rules through approval of Resolution No. 22-2855.

The projected cost of the 2% cost of living adjustment and revised monthly health insurance co-pays for the non-represented employees for 2022 is estimated to be \$263,906. The three-year cost of extending these benefits to non-represented employees is \$2,077,086. The cost of the COLAs and other modifications will be recurring costs that will be carried over to 2023 and 2024. The COLAs will need approval by the City Council for each year.

Motions have been prepared for City Council consideration.

RECOMMENDATION

It is recommended that the City Council adopt the motion authorizing a 2% cost of living adjustment and revised monthly health insurance co-pays for General Government and Ketchikan Public Utilities non-represented employees effective January 1, 2022 and August 1, 2022, respectively; approving Resolution No. 22-2855 amending Section 6.2.1.1 and Section 6.1.1 of the City of Ketchikan Personnel Rules; and establishing an effective date.

Recommended Motion No. 1: I move that the City Council authorize a 2% cost of living adjustment and revised monthly health insurance co-pays for General Government and Ketchikan Public Utilities non-represented employees effective January 1, 2022 and August 1, 2022, respectively.

Recommended Motion No. 2: I move the City Council approve Resolution No. 22-2855 amending Section 6.2.1.1 and Section 6.1.1 of the City of Ketchikan Personnel Rules; and establishing an effective date.



HUMAN RESOURCES DEPARTMENT
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MEMORANDUM

TO: Lacey Simpson, Acting City/General Manager

FROM: Marie K. Miller, Human Resources Manager

DATE: July 12, 2022

RE: **COLA and Benefit Improvements for Non-Represented Employees**

Currently, there are six separate employee groups for which the City must determine the level of compensation and benefits. Four of the groups are covered by collective bargaining agreements. One group includes all non-represented employees of the City and KPU. This group is not organized, but has traditionally been treated as a collective bargaining unit for the purposes of determining compensation and benefits. The last group consists of employees hired directly by the City Council.

This memorandum addresses the employees of General Government and KPU that are not covered by a collective bargaining agreement. Included in this group are management, supervisors, accountants, IT, administrative assistants and Port & Harbors staff. The compensation and benefits for this group is determined by City Council based on recommendations of management and traditionally occurs after reaching a settlement with one of the City's major collective bargaining units. The City recently reached agreement with the employees of the Public Works and Clerical Workers represented by IBEW, Local 1547.

The following is a list of wage and benefit improvements that the City Council will be approving for IBEW represented employees and that management recommends approving for the non-represented employees of the City and KPU.

1. Effective January 1, 2022: 2% cost of living adjustment.
2. Effective January 1, 2023: 2.5% cost of living adjustment.
3. Effective January 1, 2024: 4% cost of living adjustment.
4. **Vacation Leave:** Increase the vacation schedule for those employees with four (4) years of service or less by two days:

<u>Years of Continuous Service</u>	<u>Days Off</u>
1st year	15
Starting 2 nd year	17
Starting 3 rd through 4 th year	21
Starting 5 th through 9 th year	24 (same)
Starting 10 th through 15 th year	30 (same)
Starting 16 th year and thereafter	34 (same)

5. **Holidays:** The day after Thanksgiving is added to the list of paid/closed holidays.
6. **Medical Benefits:** Reduce the monthly co-pays by approximately 9.1%, which is equal to the reduction that IBEW General Government employees received. In addition, for any premium increase effective after July 1st, the City shall pick up any increase of three percent (3%) or less. The Employer and Employee shall share equally in the cost of that portion of any premium increase over three percent (3%), up to a maximum of ten percent (10%). The employee shall pay for that portion of any premium increase, which exceed ten percent (10%). The monthly co-pays would be:

	<u>Current Co-pay</u>	<u>New Employee Co-Pay</u>
Employee Only Coverage	\$145.51	\$ 38.43
Employee & Child Coverage	\$308.97	\$106.43
Employee & Spouse Coverage	\$380.92	\$136.43
Employee/Spouse/Child Coverage	\$544.37	\$204.43

7. Due to the Increase in grade negotiated for the Wastewater Division, which I hope will address the issues at hand, I am recommending a grade increase to the Wastewater Division Supervisor. This is in response to the negotiated increase for the Wastewater Lab Analyst position, which is being increased from grade 3-58 to grade 3-62. The Wastewater Division Supervisor is currently at grade 7-64, and in order to keep the 15% differential between the highest paid hourly employee within the division and the Division Supervisor, the Wastewater Division Supervisor should be increased to a grade 7-68. Please see the attached memo from Doug Johnson, Vice President for Ralph Andersen & Associates.

Although Mr. Johnson memo address's the issue of compensation for the other Division Supervisors for Public Works and states that this does not have an impact on other supervisor classifications, I think it is important for you to be aware that the Lab Analyst grade will be higher than the Garage Division Supervisor and just one grade below the Streets and Solid Waste Division Supervisor positons. The following are the grades of the Division Supervisors in Public Works and the new grade for the Lab Analyst:

- Lab Analyst Grade 3-62
- Garage Division Supervisor Grade 7-60
- Streets Division Supervisor Grade 7-63
- Solid Waste Division Supervisor Grade 7-63
- Building Maintenance Supervisor Grade 3-58

If we were to maintain the current grade differential between the Lab Analyst and the Division supervisors, the Division Supervisors would need to be increased by 4 – 5 grades per the following:

- Garage Division Supervisor to Grade 7-64 (4 grade increase)
- Streets Division Supervisor to Grade 7-68 (5 grade increase)
- Solid Waste Division Supervisor to Grade 7-68 (5 grade increase)
- Building Maintenance Supervisor to Grade 3-62 (4 grade increase)

At this time, staff is recommending that the City Council consider approving the above referenced benefits for non-represented employees effective immediately.

The estimated cost of the 2% COLA and health insurance co-pay shift is \$263,906. Should City Council approve the 2.5% COLA effective January 1, 2023 and the 4% COLA effective January 1, 2024 for Non-Represented employees the estimated three-year total would be \$2,077,086.

A resolution has been drafted for Council consideration.

June 27, 2022

To: Marie Miller, Human Resources Manager
City of Ketchikan

From: Doug Johnson, Vice President
Ralph Andersen & Associates

Subject: Wastewater Division Supervisor Salary Range

Per our discussion, *Ralph Andersen & Associates* has reviewed the salary range for the Wastewater Division Supervisor in light of salary range changes the City has implemented for the subordinate Wastewater System Operator (Sr) and Laboratory Analyst job classifications. The following provides an overview of the analysis and our recommendation.

Overview of Request and Analysis

The City of Ketchikan recently negotiated increases in salary grades for the classifications of Wastewater System Operators (Sr) and Lab Analyst. As a result of these changes, it is important to consider potential salary compaction issues that have been created for supervisory classifications over these job classifications.

Prior to the recent salary changes, the salary range for Wastewater Division Supervisor (grade 764) was six ranges higher than the highest subordinate, Laboratory Analyst (grade 358). With the negotiated changes in grades, the Laboratory Analyst is now at a grade 362. To maintain an appropriate supervisory differential over the subordinate class of Laboratory Analyst, the salary grade for Wastewater Division Supervisor needs to be adjusted to a grade 768.

Based on our analysis, this salary grade adjustment does not have any further impact on internal relationships with other peer supervisor job classifications (garage, solid waste, streets, building maintenance). The salary grade placements for these classifications will be based on their unique required skills and qualifications as well as the nature and level of subordinate job classifications. Furthermore, adjusting the salary grade for Wastewater Division Supervisor does not have any impact on higher level management job classifications.

Recommendation

In recognition of salary range compaction issues created by adjustments to subordinate job classifications, the salary grade for Wastewater Division Supervisor should be changed to grade 768.

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If you have any questions or would like to discuss further, please do not hesitate to call me at (916) 630-4900.

A Tradition of Excellence Since 1972

CITY OF KETCHIKAN

RESOLUTION NO. 22-2855

A RESOLUTION OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA AMENDING Section 6.2.1.1, and Section 6.1.1 of THE CITY OF KETCHIKAN PERSONNEL RULES, AND AMENDING the COMPENSATION PLAN AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Council of the City of Ketchikan, Alaska desires to amend the City of Ketchikan Personnel Rules and Compensation Plan to better address the needs of the City of Ketchikan and its employees; and

WHEREAS, the City Council desires to amend section 6.2.1.1, and section 6.1.1 of the Personnel Rules and amend the Compensation Plan.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska, as follows:

Section 1. Section 6.2.1.1 of the Personnel Rules will be amended to read as follows:

<u>Years of Continuous Service</u>	<u>Vacation Accrued Annually</u>
1 st year	15 working days
Starting 2 nd year	17 working days
Starting 3 rd through 4 th year	21 working days
Starting 5 th through 9 th year	24 working days
Starting 10 th through 15 th year	30 working days
16 th year and thereafter	34 working days

Section 6.1.1 The City shall observe the following holidays as closed holidays on the dates specified by the City Manager or the City Council:

- 6.1.1.1 New Year's Day (January 1)
- 6.1.1.2 Martin Luther King Jr. Day (third Monday in January)
- 6.1.1.3 Memorial Day (last Monday in May)
- 6.1.1.4 Independence Day (July 4)
- 6.1.1.5 Labor Day (first Monday in September)
- 6.1.1.6 Veteran's Day (November 11)
- 6.1.1.7 Thanksgiving Day (fourth Thursday in November)
- 6.1.1.8 Day After Thanksgiving (fourth Friday in November)**
- 6.1.1.9 Christmas Day (December 25)

Section 2. The Compensation Plan is amended to classify the following positions:

- Wastewater Division Supervisor to grade 7-68
- Wastewater Lab Analyst to grade 3-62
- Senior Wastewater System Operator to grade 3-59
- Wastewater System Operator to grade 355

- Senior Maintenance Technician – Streets to grade 3-54
- Maintenance Technician – Streets to grade 351
- Building Maintenance Technician to grade 351

Section 3. This resolution shall be effective immediately upon adoption.

PASSED AND APPROVED this 21st day of July 2022.

Dave Kiffer, Mayor

ATTEST:

Kim Stanker, City Clerk

NEW BUSINESS

2022-2024 Collective Bargaining Agreement Between the City of Ketchikan and the International Brotherhood of Electrical Workers, Local 1547

Moved by Bradberry, seconded by Flora the City Council approve the 2022-2024 Collective Bargaining Agreement between the City of Ketchikan, Alaska and the International Brotherhood of Electrical Workers, Local 1547 and direct the Acting City Manager to execute the agreement on behalf of the City Council.

Motion passed with Gage, Bradberry, Flora, Mahtani, and Kistler voting yea; Gass abstain; Zenge absent.

Discussion of Port Dock Vendor Booth Lease Program – Mayor Kiffer

Mayor Kiffer explained the reason he put this on the agenda because as we heard tonight folks have been encouraging the Council to address this issue.

Councilmember Gage questioned how this would affect the Port Enterprise Fund if we adjust the bid amounts by 25% or 50%. She said she would be interested to see the type of program Juneau does.

Acting City Manager Simpson indicated the six Dock Vendor Program brings in around \$350,000 for the season, so this would have a fairly nominal effect in the overall scheme of things in regards to what the Port Enterprise Fund typically brings in. She said the main source of revenue for the Port Enterprise Fund is off the ships themselves through dockage and wharfage.

Mayor Kiffer said from meeting years back when this program first came about it was never meant to cross-sell tours, but it was sporadically enforced.

Councilmember Gass questioned the city attorney if there were any legal problems adjusting the lease midterm and the possibility of being sued in the future if this happens again and the Council says no.

City Attorney Seaver said as to some form of reduction in this case the number of bidders matched the number of booths put out for bid this year which does not always happen. He gave a brief analogy as in contracts when unforeseen conditions that no one could have reasonably expected come up the contractor provides a change order to make up for that cost. He stated moving forward there is a window at the end of the year where the city can without repercussions terminate the leases that are out there, revise the outdated lease agreement and rebid them again.

Councilmember Gass questioned why the booths cannot broker other vendors' tours.

Acting City Manager stated this lease is very difficult to decipher. She pointed out and read the applicable section of the lease agreement which is exhibit "B". She explained they can sell other tours, just not other dock vendors. She said this topic we discussed at great length in 2008 with no action taken by the Council. She indicated this has not been consistently enforced.

Councilmember Bradberry said she was in favor of a cost reduction for the dock vendors for this cruise ship season, and this would be a good way to help out some locals who are trying to stay in