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Comment:	12/11/06
Verified by:	<i>ASmithe</i>

WASILLA CITY COUNCIL INFORMATION MEMORANDUM

IM No. 06-23

TITLE: ADDITIONAL INFORMATION IN RESPONSE TO QUESTIONS FROM THE NOVEMBER 2, 2006 EMPLOYEE MEETING.

Agenda of: December 11, 2006
 Originator: City Clerk

Date: November 30, 2006

Route to:	Department	Signature/Date
X	Finance, Risk Management & MIS Director Purchasing	<i>[Signature]</i>
X	Deputy Administrator Planning, Economic Development, Human Resources	<i>S. Gault 11-30-06</i> <i>ASmithe</i>
X	City Clerk	

REVIEWED BY MAYOR DIANNE M. KELLER: *Dianne M. Keller*

FISCAL IMPACT: yes\$ or no Funds Available yes no

Account name/number:

Attachments: information to employees from administration.

SUMMARY STATEMENT: The attached document was sent via e-mail to employees on November 22, 2006. The document contains responses to questions raised by employees at the November 2, 2006 Employee Meeting.

This information is presented for informational purposes only.

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CITY OF WASILLA

Additional Information in Response to Questions from Employees Meeting

1. Why are duties performed by Water/Wastewater Laborers the same as those assigned to Tech I and Tech II?

Water Distribution /Wastewater Collection Laborers are trained to perform specific duties including the Essential Functions of doing daily and weekend rounds, security checks on systems and facilities, recording all pumps, wells and reservoir activity, doing grab samples for analysis and making adjustments as required. Part of that training is to recognize when to call for assistance or guidance from their supervisor in dealing with these duties. As in most organizations, the next step up in the employee hierarchy, Water/Wastewater Tech I's, may be required to perform these tasks if necessary. However the duties and responsibilities of the Laborer and Tech I are not the same. A non-City example would be a medical office where your medical history may be taken by a doctor, or a nurse or a physician's assistant. The task may be the same, but the level of responsibility/ liability and training is clearly different.

2. Questions on Public Works employees stand by, call out and emergencies call outs.

Public Works employees, who must work "stand by" or "on call", work stand-by or on-call in one week rotations which occur once every five to six weeks. There is no automatic additional compensation for being on stand-by status from Monday through Friday, however if the employee is called to come in outside of his or her normal work hours, he or she will be paid at 1 ½ their normal hourly rate (OT), for all hours worked. [WMC 3.55.100(C)2]

Example: A Water/Wastewater employee on stand by is called at 9 PM on Tuesday and works two hours: *Laborer would earn a minimum of \$38; Tech I would earn a minimum of \$55; and Tech II would earn a minimum of \$67.*

Public Works employees, who are on stand-by or on-call rotation on a week end or on a holiday will be paid two hours of OT for each day of the week end they are on stand-by or for the holiday, whether they area actually called in or not.

Example: A Water/Wastewater employee is on stand-by on both Saturday and Sunday but is not called in:

Laborer would earn a minimum of \$76; Tech I would earn a minimum of \$111, and Tech II would earn a minimum of \$135.

In a quick check with two local private sector businesses that require stand by or on call rotations we found that one pays \$25 per week to be on call plus guaranteed OT if employee is called in, and the second pays \$50 per week for stand by plus OT if employee is called out.

In the event of an occurrence, event or situation that causes or has the immediate potential to cause death or serious injury to persons or destruction of property or the physical environment, the mayor or department head may declare an emergency to permit extraordinary actions to be taken to ensure the public safety and welfare are protected. Public Works employees who are called on to do emergency work outside their regular shift receive overtime pay for all hours worked.

The convergence of an emergency call-out on a paid Holiday, with an employee's having taken PTO the same week of the Holiday, and the emergency, is a statistically rare occurrence. However, when this happens, we follow the Federal Fair Labor Standards Act (FLSA) definition of "hours worked" in determining when OT pay begins.

3. Why is the Parks/Property Tech I position a Grade 6 while other Tech Is are Grade 8?

This position started as a 6 month Seasonal Parks and Recreation grounds Maintenance Leader position, moved to a 9 month seasonal Parks Crew Leader position and then became a regular Property Tech I position in 1999. This position has been reviewed by MBL at least twice in the past five years, the latest time was during the FY 06 Market Study. In FY 06, the comparable positions in other Alaskan communities such as Anchorage, Fairbanks, Sitka, Kenai, Palmer, Mat-Su Borough, and Homer place this position at Grade 3. We have kept this position at the Grade 6 level rather than reduce it to a grade 3 as recommended by MBL.

4. Question on how the placement of positions in salary grades and ranges is done.

The City went from a step system to a pay for performance system in 1994. In 1995, the City hired Coopers & Lybrand to do a compensation study and implemented their recommendations in 1996. In 2000, the council approved the pay for performance system recommended by MBL, our current compensation consultants. The City has used consultants to assist in the placement of positions in salary grade and ranges based on market surveys since 1995. Positions have been reviewed at least once by MBL in the past two years to ensure that positions are in the correct salary grades based on a market survey of where positions should be paid according to the specific job duties and responsibilities assigned to each position. The City will reevaluate each position every two to three years to make sure that positions stay current with the market. These market surveys are part of funding invested by the City to keep the compensation system in line with the market.

5. Question on average starting salary and other information averages?

The average starting wage for Full Time Regular employees for all departments as of June 30, 2006 was \$16.75 per hour. It is important to remember that the starting wage may not be the entry level minimum. Departments that strive to hire new employees who are experienced may hire at the high end of the first quartile or in the second quartile of the salary range, depending on their level of experience.

As of June 30, 2006, the average starting wage at the MUSC \$14.91, in Finance it was \$15.09, in the Police Department it was \$17.78. These are all averages which means that some employees would have started at a lower rate and some employees started at a higher rate.

6. Why don't we have a recycling program?

The City does not currently have a formal recycling system in place. However, many offices do participate in an informal paper recycling program that is in place for City Hall that Jill Carricaburu started in the Planning Department several years ago. Jill gathers old newspapers and other used paper in the copier room until she has enough to take to the recycling center. Jill and Sandra Garley have met with the Green Star coordinator in Anchorage to discuss other recycling opportunities. Another example of a recycling initiative that benefited the city was undertaken by is Bill Miller, Purchasing Officer. Bill kept our old phone system out of the landfill by finding a buyer for it and for used City cell phones. Thank you Jill and Bill!

7. Why doesn't the City give incentives to employees?

On August 8, 2005, the City Council adopted Ordinance 05-59(SUB) creating an incentive pay program for the Police Department as a pilot program for the City. [WMC 3.55.115] After evaluating the utilization of this program, the Mayor has directed HR to expand this program to all departments. The Wasilla Municipal Code amendment needed to expand this incentive program will be introduced for action of the City Council in December. Incentives will include the educational incentive and an advanced certification incentive enjoyed by the Police department. The fitness incentive granted to Police Officers will not be expanded to all employees. However, all City employees are encouraged to use the free passes for use of the walking/jogging path in the MUSC provided to City employees as an incentive to better health and fitness.

8. Why doesn't the City convert the Water/Wastewater Laborer positions to Tech I positions?

Water/Wastewater division is funded by the Utility Enterprise Fund which means that City Utilities Department is funded by the revenue generated by water/wastewater operations. The General Fund cannot subsidize the Utility Enterprise Fund because of legal restrictions placed on the City when we sold Bonds to pay for utility infrastructure improvements. These restrictions will remain in place for the next several years until the bonds are paid off. Since the

current positions of Laborer, Tech I, Tech II and Tech III are competitive with the current market conditions, arbitrarily changing a position (Laborer) to a higher position (Tech I) would be a disservice to the utility rate payers. The only way to increase the utility operating cost, by converting these Laborer positions to Tech I, would be to increase Utility rates paid by City residents or by increasing revenue by dramatically increasing the number of customers.

9. How are you defining supervisor?

A supervisor is an employee with some of the powers and responsibilities of management. The ability to direct another employee's day-to-day activities alone does not indicate that an employee is a supervisor. An employee is a supervisor if they have the power and authority to recommend hiring, to grant leave requests, to prepare employee evaluations, to sign time sheets and to recommend terminations. If an employee cannot do all of the above, he or she is probably not a supervisor, but in some other category, such as crew chief. Normally, a supervisor's main job is more concerned with orchestrating and controlling work rather than performing it directly.

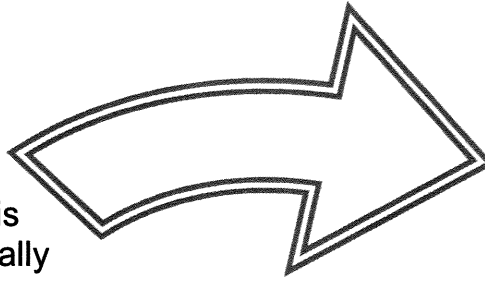
10. Can we have more information on the compensation plan?

The City moved from a traditional Step System to the Pay for Performance System in FY 1994. The goal of the City's Pay by Performance system is to pay individuals who demonstrate solid competent performance at Market (mid-point).

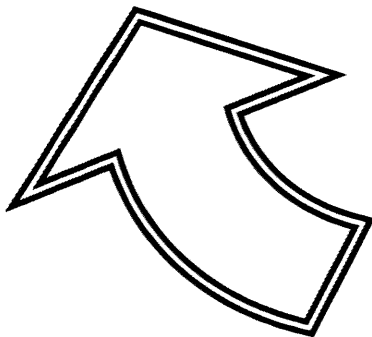
The merit matrix ensures that employees are equitably and consistently compensated by their supervisors/managers based on three factors:

- a) The individual employee's performance
- b) The employee's position (quartile) in their salary range
- c) The City's ability to pay.

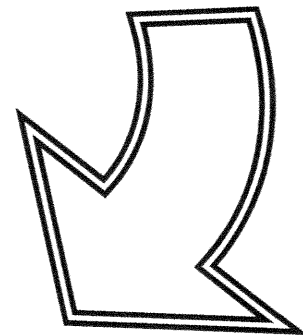
Market Study is completed annually by MBL, compensation consultants.



Based on current market trends, MBL recommends grade and structure changes and Merit Matrix adjustments



Individual employee's Focal Review



Merit increases for each employee are based on their Overall Performance Rating during their Focal Review and their Quartile in Salary Grade. The following is the FY 07 Merit Matrix that was used to determine each merit increase based on each individual's Focal Review score and position in salary grade. *This process is one that is also used by private sector businesses to better motivate and reward their employees based on their performance.*

Individual's Overall Performance Score	1.0 – 1.99	2.0 – 2.99	3.0 – 3.99	4.0 – 4.79	4.8+
	Does Not Meet Requirements	Needs Improvement	Meets Requirements	Exceeds Requirements	Exceptional Performance
Quartile	Merit Range	Merit Range	Merit Range	Merit Range	Merit Range
1 st	0.0%	1.50% to 2.25%	3.25% to 4.25%	3.75% to 4.50%	4.25% to 5.50%
2 nd	0.0%	0.75% to 1.50%	3.00% to 4.00%	3.50% to 4.25%	4.00% to 5.00%
3 rd	0.0%	0.0%	2.75% to 3.75%	3.25% to 4.0%	3.50% to 4.50%
4 th	0.0%	0.0%	2.50% to 3.50%	3.00% to 3.75%	3.25% to 4.00%

If an individual's score was 3.6 (meets requirements) and they were in the 1st quartile, their supervisor would be able to recommend a merit increase between 3.25% to 4.25%. If they were in the 3rd quartile and already earning at midpoint for their position, the supervisor could recommend a 3.25% to 4.0% merit increase.

This table tells you a lot about Wasilla's compensation system. For example, employees who do not meet the performance standards for their position cannot receive a merit increase because this is a performance based system. Exceptional performers who are not already at the midpoint for their salary range (for example in the 1st quartile) are eligible to receive larger percentage increases than exceptional performers who are already high in their salary range.

Human Resources will be holding seminars on the compensation plan this winter and will be designing a pamphlet for new employees that will be part of the hiring packet given to each new hire.

11. How can an employee have an average annual increase above the ones shown in the merit matrix?

An employee whose position was reclassified from a Grade 8 to a Grade 9 this year as a result of the new MBL Market Study and who also personally scored well during their Focal Review may have an annual wage increase for 2006 of 7% or 8%.

An individual employee's wages change over time as they continue to work for the City. These changes may include yearly raises, promotions and any reclassification of his or her position based on the market study, and compensation changes for each position recommended by Administration and approved by the Council.

12. Why meet and confer with the Council?

The City Administration and Council have provided many benefits to employees based on the comments, questions and suggestions made during the twice a year employee meetings. Some of these include:

- Education incentive
- Advanced certification incentive
- Fitness incentive
- Revision of Worker's Compensation policy
- Adjustment of military leave policy
- Added Shift differentials
- Major revision to focal review evaluation process to insure inter and intra departmental consistency
- Independent Market Studies to insure correct placement of positions on salary grade and range table

- Review and update of job descriptions