

KENAI PENINSULA BOROUGH

Kenai Peninsula Borough Assembly

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Gary Knopp, Assembly President
Charlie Pierce, Vice President

MEMORANDUM

TO: Gary Knopp, Assembly President
Kenai Peninsula Borough Assembly Members

FROM: Bill Smith, Assembly Member *Bill Smith*

DATE: April 19, 2011

RE: Ordinance 2011-10, Amending KPB 3.04.130 and 3.04.160 to amend the method of adopting pay and benefit plans for Administrative and Legislative employees

Since the adoption of resolution 84-182 it has been the practice of the borough to apply the same benefits package to administrative and legislative employees as those the administration has negotiated with borough union employees. For at least the last 10 years the administrative employees have also received the same salary adjustments as those of the borough union employees.

The cost of the salary adjustments and benefit package has, to date, not received the specific review that I believe it deserves. While it is true that the assembly is presented with the Appendix A salary schedule in the annual budget document, there has been no regular review of the benefit package, nor of the annual and cost of living adjustments.

This ordinance amends the code to provide annually a specific review of the pay plan. The pay plan not only includes the salary schedule, it includes consideration of cost of living adjustments and annual increases. The ordinance allows the mayor to provide, within limits, merit increases for extraordinary service.

The ordinance also calls for annual assembly review of the benefits plan. One concern is the runaway cost of health insurance. This ordinance provides a mechanism to begin sharing the upward spiraling costs with the employees.

I believe the proposed ordinance will provide the assembly needed flexibility when dealing with nonunionized employee pay and benefits.

Your consideration will be appreciated.