

RESOLUTION NO. 4882

**A RESOLUTION AUTHORIZING THE CITY OF FAIRBANKS TO
PROVIDE A RETENTION BONUS TO PUBLIC WORKS EMPLOYEES**

WHEREAS, Public Works employees work continuously to ensure the reliability and safety of police, fire and City fleet vehicles; and

WHEREAS, Public Works employees work tirelessly to keep City streets and sidewalks clear, clean, and safe; and

WHEREAS, due to the harsh physical requirements of their job duties, the career life of a Public Works employee is shorter, and therefore, they must earn and contribute as much as possible to their pension during their career; and

WHEREAS, Public Works is experiencing a growing staffing shortage due to attrition and difficulty in providing competitive pay and benefits; and

WHEREAS, beginning July 1, 2019 higher health contributions will lower take home pay by 2% and health care costs are projected to increase 6% each year for the next 5 years; and

WHEREAS, attracting and retaining qualified permanent public works employees is becoming a crisis due to all the competing local jobs, because employees can earn prevailing wages at \$40.53 and higher pension contributions at \$12.50 while the City provides \$30.25 per hour and pension contributions at \$8.00; and

WHEREAS, Public Works will have a budget surplus in salaries and benefits due to currently unfilled permanent positions of two operators, one mechanic, and one laborer; and

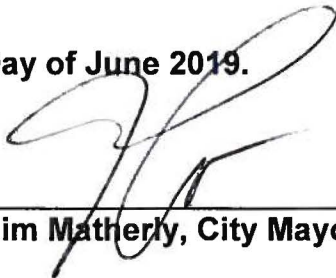
WHEREAS, it is recommended that the City Council provide a one-time retention bonus to all permanent Public Works employees based on their longevity to help retain current employees and prevent loss of staffing until a new contract is negotiated; and

WHEREAS, the recommended retention bonus includes \$1,500 for employees with 0- 3 years, \$2,300 for 4-7 years, \$3,300 for 8-11 years, \$4,300 for 12-39 years, and \$5,000 for 40 + years; and

WHEREAS, the City will work to address more competitive wages in the new collective bargaining agreement with AFL-CIO effective January 1, 2020.

NOW, THEREFORE, BE IT RESOLVED by the City Council that the Mayor is authorized to provide a retention bonus to all fulltime, permanent Public Works employees working for the City on June 10, 2019. This retention bonus is contingent upon the recipients continuing employment with the City through December 31, 2019. Any bonus recipient who does not remain employed by the City Public Works Department through the full term will be required to repay the bonus in its entirety.

PASSED and APPROVED this 10th Day of June 2019.



Jim Matherly, City Mayor

AYES: Pruhs, Therrien, Kun, Ottersten
NAYS: Cleworth, Rogers
ABSENT: None
APPROVED: June 10, 2019

ATTEST:



D. Danyielle Snider, CMC, City Clerk

APPROVED AS TO FORM:



Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4882

Abbreviated Title: PUBLIC WORKS RETENTION BONUS

Department(s): PUBLIC WORKS

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes _____ No x

2) additional support or maintenance costs? Yes _____ No x

If yes, what is the estimate? _____

3) additional positions beyond the current adopted budget? Yes _____ No x

If yes, how many positions? _____

If yes, type of positions? _____ (F - Full Time, P - Part Time, T - Temporary)

II. FINANCIAL DETAIL:

PROJECTS:	PERSONNEL
PUBLIC WORKS RETENTION BONUS	\$79,800
TOTAL	\$79,800

FUNDING SOURCE:	TOTAL
GENERAL FUND [SALARY AND BENEFITS SAVINGS]	\$79,800
TOTAL	\$79,800

The anticipated salary and benefits savings for Public Works is \$220,000. While an additional \$1,160 in Medicare costs will result, the bonuses are not subject to other costs.

Reviewed by Finance Department: Initial mb Date 6/3/2019