

# City OKs Pay Plan, Raises Water Rates



Details

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The Assembly shifted some money around Tuesday night, approving a raise for non-unionized city staff, placing a bigger share of property taxes on boats into the harbor enterprise fund, and raising monthly water rates by 15 percent.

The Assembly gave final approval of the new compensation system for 52 city employees not covered by union contracts. It will start with across-the-board pay raises to bring their salaries more in line with comparable government positions in other towns. The employees covered in the new plan are made up largely of department heads, and the raises range from just over \$1,000 a year to as high as \$22,000. The change is the result of a compensation study by an outside consulting firm, Fox Lawson & Associates of Phoenix, Ariz..

The plan was introduced and approved on first reading at a special meeting in May.

Two of the broader goals of the measure are to make city salaries competitive with those offered in other parts of the state and to create a model that will actually save money in the long run.

"The state of the payroll is actually going to be more sustainable because of this," Assembly member Matt Hunter said.

That's because in addition to raising salaries the new pay matrix eliminates the old system that called for an annual 2.5 percent raise in most years. The new pay matrix moves at 1.5 percent each year. That matrix doesn't allow for promotions to extend into infinity, however. The new system assigns each job a grade from A through O. Employees graded at levels A-G will get the 1.5 percent increase and will move up a step every two years. Employees in steps H-O, however, will receive their step increases only on administrative approval. The object is to have employees at a certain point receive raises based on merit, not seniority.

"We're not going to be paying people for just showing up," Hunter said. "We're going to be paying more for people who do more."

No one from the public spoke to the motion, although Hunter said he'd received a few emails. All Assembly members supported the change. Phyllis Hackett said the initial increase will help encourage city employees to move up into administrative roles and make it easier to bring in new employees from outside Sitka.

Pete Esquiro said "Matt's analysis of this being a good thing for the long run is true" but added that he'd like to spread out the pay increase over two years.

"I would feel far more comfortable making this adjustment over a two-year period so we have a chance to spread this out instead of one big slam," he said. However, no motion to that effect was offered.

Vessel Tax Split

The Assembly also gave approval to raising the amount of money the harbor fund receives from property taxes leveled against vessel owners.

The current system places the majority of revenue raised by vessel tax into the general fund with only \$10 per vessel going towards the harbor fund. The Port and Harbors Commission asked the Assembly to consider changing the structure so that 80 percent of the money brought in from the tax goes into the harbor fund.

In terms of dollars, the tax brings in a little over \$100,000 a year, according to a memo from City Finance Director Jay Sweeney. Last year the harbor fund received \$22,290 from the \$10 per vessel allotment. Under the proposed system, the harbor fund would have received just under \$84,000. Assembly members agreed that sum wouldn't be a big loss for the general fund but would mean a huge gain for the harbor fund.

"It's roughly equivalent to a few rate increases, I believe," Hunter said.

Hackett said it would help make sure that harbor-user dollars are going toward harbor infrastructure.

"I think it's a good faith step and it's logical," Hackett said. "I was actually kind of surprised to see that it did go elsewhere."

The other 20 percent would go toward the general fund for covering administrative costs. The measure was approved 6-0.

Water Rates

The 15 percent increase to water rates was approved unanimously.

The base rate for residential un-metered water will climb from \$30.80 to \$35.42. The rate change is a part of the city's master plan to keep pace with costs for providing water services in town. Additionally, wastewater fees will increase from \$46.20 a month to \$50.59 a month.

The measures passed with no public comment and little discussion by the Assembly.

CLT

The Sitka Community Development Corporation received a grant of city land for affordable housing when the Assembly approved the transfer on a 4-1 vote. Mayor Mim McConnell did not vote because she is a member of the nonprofit group that brought the land trust idea forward.

Three people spoke on behalf of the motion under which the city will sell an overgrown lot in the Turney Burkhart subdivision for one dollar. The land was originally set aside as a pocket park in the high density housing development.

The land trust idea is to create affordable housing by building homes on community-owned land, thus removing the cost of the land from the value of the house.

Esquiro, who at a previous meeting expressed concern about giving the land away for free, voted against the measure in its second reading.

One member of the public supported the measure during the public comment portion in addition to the Chamber of Commerce and McConnell.

Float Homes

Another housing measure passed by the Assembly Tuesday night will allow high-end houseboats, called float homes, to be moored in city harbors.

City Administrator Mark Gorman said the intent is to fill vacant small boat slips in the harbors. Gorman called it an opportunity to "capitalize on that real estate."

The ordinance will require the float homes to meet specific building requirements. Gorman said it would not displace any commercial vessels. Harbor Master Stan Eliason said there are two areas designated for float homes, both in ANB Harbor.

Gorman said staff estimated that a qualifying home would cost around \$150,000, which wouldn't make for cheap housing but would provide more housing options.

"I wouldn't call this affordable housing," he said.

The Assembly added a couple of amendments before passing the ordinance on first reading along with a second measure that will make the city's building, plumbing and electrical codes apply to float homes.

Other business

The Assembly gave final approval to the city budget for the year starting July 1, and approved new contracts for Gorman and city attorney Robin

Koutchak. The new contracts were based on employee evaluations conducted this spring.

The Assembly also approved:

- property tax relief for property damaged by disaster.
- amending the Sitka General Code to reflect the name change of the Sawmill Cove Industrial Park to the Gary Paxton Industrial Park.
- a conditional use permit for a specialized instruction school at 205 Harbor Drive.
- authorization for the police chief to apply for grants to fund a school resource officer.

In the consent agenda the Assembly:

- appointed Ptarmica McConnell to a term on the Gary Paxton Industrial Park Board and Susan Royce to a term on the Animal Hearing Board.
- awarded \$33,900 of Fisheries Enhancement Funds to the Sitka Sound Science Center.
- awarded a diesel fuel contract to Petro Marine Services.

Hackett requested one consent agenda item concerning the paving of a Verstovia subdivision be pulled. After some discussion over whether to pursue other methods of paying for road work, the Assembly passed the measure to pave Verstovia Street.