

ALASKA STATE PERSONNEL BOARD MEETING

January 15, 2015

2:00 P.M.

Frontier Building

3601 C Street

Anchorage, Alaska

In person:

Al Tamagni, Chair

Johanna Hickel, Board Member

Dr. Keith Hamilton, Board Member

Kate Sheehan, Secretary to the Personnel Board

Jonathan Woodman, Assistant Attorney General, Department of Law

Fran Rabago, Alaska Public Employees Association

Present by teleconference:

Nancy Sutch, Deputy Director, Division of Personnel & Labor Relations

Kim Garrett, Division of Personnel & Labor Relations

Jeff Hahnen, Division of Personnel & Labor Relations

1. CALL TO ORDER

Chairman Tamagni called the meeting to order at 2:03 p.m.

2. APPROVAL OF AGENDA

The agenda was moved and approved.

3. APPROVAL OF MINUTES

The minutes of the September 30, 2014, meeting were moved and approved.

4. ETHICS DISCLOSURE – PERSONNEL BOARD MEMBERS

The board members had no disclosures or conflicts of interest that they were aware of.

5. REVIEW OF QUARTERLY ETHICS REPORTS

Board Member Hickel commented on the last paragraph of the Department of Labor and Workforce Development section of the 2<sup>nd</sup> Quarter Ethics Summary regarding the recommendations and actions portion of the investigation memo. The board requested that the ethics supervisor confirm that the advisory memo has been sent to the appropriate individuals in upper management since the report did not confirm that this action had been taken yet.

The board reviewed the List of Quarterly Ethics Reports Received spreadsheet and requested that letters be sent to the agencies that did not submit the required Statistical Summary Form and reports. Fran Rabago asked what the significance was of these reports to which chairman Tamagni explained that the boards and

commissions for each agency must file quarterly ethics reports. If the agency doesn't have anything to declare then they can complete the report with zeros.

The board reviewed the Agency Statistical Summary Table and commented on the high level of outside employment and services that State of Alaska employees disclosed in the 2<sup>nd</sup> quarter of 2014. Mr. Woodman explained that some of these disclosures could be due to volunteer service where the person was paid per diem for travel or meals. In this situation, employees are required to complete the ethics disclosure form.

6. REVIEW OF ETHICS CASE LOG

There were questions regarding case no. AN2014101083 and AN2014101954. The Board went into Executive Session to discuss.

7. EXECUTIVE SESSION UNDER AS 44.62.310(c)(3)

The Personnel Board went into Executive Session from 2:15 to 2:26 p.m.

8. UPDATE FROM THE DIRECTOR OF PERSONNEL & LABOR RELATIONS

Director Kate Sheehan reported:

- Sheldon Fisher is the new Commissioner for the Department of Administration and his official start date is on Monday, January 19<sup>th</sup>. Commissioner Fisher recently worked with McKinley Capital Management and prior to that he worked in the telecommunications industry.
- Three unions are up for negotiations during this cycle. The Alaska Correctional Officers Association has come to an agreement already in December. The state is just starting negotiations with the Labor, Trades, and Crafts union. The state has also just started negotiating with the Teachers' Education Association of Mt. Edgecumbe union. Chairman Tamagni asked about how the negotiations are going to which Director Sheehan responded that they are looking closely at the leave liability for state employees. This is the last cycle of union agreements that the state needs to address the leave liability issue with.
- Director Sheehan notified the board that some regulation changes will be submitted for the boards' approval in an upcoming meeting. A new system is being implemented for procurement, budgeting, and payroll processing. As a result, the Leave Rules and the Personnel Rules need to be updated. Chairman Tamagni suggested that the leave rules be adjusted to lower the cap of allowable leave accumulation due to the incurred liability of the current cap.

Director Sheehan explained that the merit step increases are based on a percentage that varies but that the average is about 3.5%. The state also have pay increments which were historically set at 3.75% every two years with an acceptable or greater evaluation and that has been reduced by statute and through some bargaining unit contracts to 3.25%. When this change took place the state also implemented a leave cap, created a separate leave tier for

new employees, and increased the annual mandatory usage for leave. Chairman Tamagni suggested that the state move away from a percentage based increase to a flat dollar rate increase similar to what has been adopted by some private organizations.

- Board Member Hamilton wanted to know when the deadline was for APOC. Director Sheehan said that the deadline for board members was at the end of April. Mr. Woodman then explained that it was actually in March.
- The board tentatively agreed to meet again during the second week of May and preferred the same location and start time.
- Fran Rabago asked if the non-confidential documents in the Personnel Board Meeting packet could be provided to her prior to the start of future meetings so that she could review it beforehand and follow along during the meeting. Director Sheehan confirmed which sections of the packet are not confidential and agreed to provide a copy to Ms. Rabago in the future.

#### 9. ADJOURNMENT

The meeting adjourned at 2:38 p.m.