

LETTER OF AGREEMENT
by and between
MUNICIPALITY OF ANCHORAGE (MUNICIPALITY)
and the
ANCHORAGE POLICE DEPARTMENT EMPLOYEES ASSOCIATION (APDEA)
Subject: Performance Pay Incentive and Top Step
APDEA-008

This agreement is between the Municipality of Anchorage (Municipality) and the Anchorage Police Department Employees Association (APDEA). The Municipality and the APDEA are parties to a Collective Bargaining Agreement (CBA). Appendix A to the CBA contains a wage scale, and Article XV, Section 5(l) of the CBA provides for the addition of a new pay step at the top of the pay scale for the classifications of Senior Patrol Officer and Sergeant. Appendix B to the CBA describes a performance pay incentive program. The implementation of the new top pay steps for sergeants and senior patrol officers on July 5, 2010 has had some unforeseen implications for the performance pay plan. The purpose of this agreement is to clarify the requirements of the performance pay incentive program as it pertains to the new pay step and promotions from Senior Patrol Officer to Sergeant.

Appendix B – Performance Pay Incentive provides that only sworn employees at the top step are eligible for the performance pay incentive. It also provides that if the sworn employee qualifies for the performance pay incentive, the employee shall be so placed for the one-year period in the year following the qualification period. As a result of the added step not all employees who were currently receiving the Performance Pay Incentive or participating in the Performance Pay Incentive program were at the top pay step.

The Performance Pay Incentive will be administered as follows for those employees who are no longer at the top pay step, as a result of the added step:

1. Employees who were eligible to qualify for performance pay, who prequalified during the qualification period, and who received performance pay will continue to receive 5% above their current pay step for the one-year period following the prequalification period. Therefore, an employee who prequalified for performance pay in 2009, and as a result of the added step is no longer at the top pay step, will continue to receive performance pay in the amount of 5% above the employee's current pay step for the one-year following the qualification period.
2. Employees who were eligible to prequalify for the performance pay incentive prior to July 1, 2010 and who had already begun the process of qualifying for performance pay will be allowed to continue with the qualification process through the balance of 2010. However, the

employees who qualify for the performance pay incentive shall not be eligible to receive the performance pay incentive until they move to the new top pay step in 2011. Employees will not be eligible to prequalify for the 2012 performance pay incentive until such time they move to the top pay step.

The Performance Pay Incentive will be administered as follows for those employees who are no longer at the top pay step, as a result of a change in status, e.g. promotion from Sr. Patrol Officer to Sergeant:

1. Employees who were eligible to qualify for performance pay, who prequalified during the qualification period, and who received performance pay will continue to receive 5% above their current pay step for the one-year period following the prequalification period. Therefore, an employee who prequalified for the performance incentive pay and as a result of promotion to Sergeant is no longer at the top pay step, will continue to receive performance pay in the amount of 5% above the senior patrol officer top step pay rate.
2. If an employee during the course of the prequalifying year is no longer at the top pay step, the employee will bank the points earned during the qualifying period and be allowed to apply the points during the subsequent qualification period. The employee will not be eligible to earn additional points in the performance pay incentive program until such time the employee is again at the top pay step. If the employee does not reach the top pay step during the next qualifying year the employee forfeits the points earned.
3. An employee who has prequalified for performance pay and is not at the top step at the end of the prequalifying period, December 31 of each year, is not eligible to receive the performance pay incentive until they move to the new top pay step the following year.
4. Any disputes concerning the interpretation or application of this agreement shall be resolved through the grievance procedure in the collective bargaining agreement between the Municipality and the APDEA.
5. If at any time a sworn employee becomes a non-sworn employee, the employee will no longer be eligible to receive the performance pay incentive or participate in the performance pay incentive program.

Pursuant to AMC 3.70.130 D., each and every collective bargaining contract, agreement, modification, written interpretation, or other change, alteration or amendment, no matter how denominated, shall include a summary of requirements and remedial provisions, and the certification under oath or affirmation by each duly authorized representative signing on behalf of a party. The duly authorized

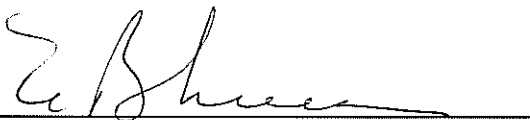
representatives, on behalf of the parties to this agreement, hereby affirm and certify as follows:

- A. This agreement complies with Anchorage Municipal Code section 3.70.130.
- B. Section 3.70.130 requires Assembly approval of all modifications and amendments, no matter how denominated.
- C. Absent Assembly approval as required by section 3.70.130, any modification or amendment, no matter how denominated, shall be deemed null and void, and any payments made shall be recoverable by the Municipality.
- D. Absent Assembly approval as required by section 3.70.130, written clarifications and interpretations within the definition of "administrative letter" are invalid.
- E. Section 3.70.010 prohibits the use of administrative letters to vary the explicit terms of a labor agreement.
- F. Intentional actions in violation of section 3.70.130 are subject to fines and penalties under section 1.45.010.
- G. Remedial actions: In the event the provisions of section 3.70.130 are violated by administrative action, any labor agreement, agreement, modification, written interpretation, or other change, alteration or amendment, no matter how denominated, shall be null and void with no force or effect.

Agreed to this 4th day of October, 2010.

FOR THE MUNICIPALITY:

FOR THE APDEA:



Nancy B. Usera
Director, Employee Relations



Derek Hsieh
President