

Attachment A

LETTER OF AGREEMENT

by and between

MUNICIPALITY OF ANCHORAGE (MOA)

and the

PUBLIC EMPLOYEES, LOCAL 71 (L71)

Subject: Wage Concession

Number: L71-001

The Municipality of Anchorage has a significant budget shortfall for fiscal year 2009. The MOA and L71 worked collaboratively to assist in balancing the budget and agree to the following concessions and changes to its collective bargaining agreement.

Article 5

The parties agree to amend Article 5 by adding a new section 5.1.3(A) and 5.1.7 and replacing 5.1.4, 5.1.5 and 5.1.6 with the following:

Article 5.1.3(A)

Effective the first full pay period after the Assembly approves this Letter of Agreement, the three percent (3%) increase contained in 5.1.3 will be prospectively rolled back to the wage scale in Article 11.3 (August 18, 2008 Wage Scale).

Article 5.1.4

Effective the first full pay period on or after January 1, 2010, the hourly wage rates in Article 11.3 shall be increased by the previous five (5) year average CPI-U, with a minimum of two and one-half percent (2.5%) increase and a maximum of three and nine-tenths percent (3.9%) increase.

Article 5.1.5

Effective the first full pay period nearest to January 1, 2011, hourly wage rates that result from the increase in Article 5.1.4 shall be increased by the previous five (5) year average CPI-U, with a minimum of two and one-half percent (2.5%) increase and a maximum of three and nine-tenths percent (3.9%), plus an additional one percent (1%).

Article 5.1.6

Effective the first full pay period nearest to January 1, 2012, hourly wage rates that result from the increase in Article 5.1.5 shall be increased by the previous five (5) year average CPI-U, with a minimum of two and one-half percent (2.5%) increase and a maximum of three and nine-tenths percent (3.9%), plus an additional one percent (1%).

Article 5.1.7

Effective the first full pay period nearest to January 1, 2013, hourly wage rates that result from the increase in Article 5.1.6 shall be increased by the previous five (5) year average CPI-U, with a minimum of two and one-half percent (2.5%) increase and a maximum of three and nine-tenths percent (3.9%), plus an additional one percent (1%).

Article 5.7

Successful completion of the following shall be deemed as having met the criteria to advance:

4. Upon successful completion of eight (8) quarters, an employee shall be eligible to receive step pay (PSP) in the amount of an additional six and one-half percent (6.5%) of the base rate of pay. Employees whose Service Recognition Pay (SRP) was frozen on October 1, 2008 at either seven percent (7%) or ten and one-half percent (10.5%) shall be eligible to obtain a maximum of thirteen percent (13%) after the completion of eight successful quarters in the PSP. Employees who have not achieved the thirteen (13%) are eligible to enter into the second step of the PSP.
5. Upon the successful completion of eight (8) additional quarters in the second step of the PSP, and employee shall be eligible to receive performance pay in the amount of an additional six and one-half percent (6.5%) of the rate of pay for a total combined SRP and PSP pay of thirteen percent (13%) above the base rate of pay.

Service Recognition Pay (SRP)	Performance Step 1: 6.5% (PSP)	Performance Step 2: 6.5% (PSP)	Total Service Recognition and Performance Step Pay
No SRP	6.5% PSP	6.5% PSP	13%
3.5 % SRP	3.0% PSP	6.5% PSP	13%
7.0% SRP	6.0% PSP	0% PSP	13%
10.5% SRP	2.5% PSP	0% PSP	13%

The remainder of this article is unchanged.

