

Exhibit A

LETTER OF CLARIFICATION
by and between
MUNICIPALITY OF ANCHORAGE
and the
PUBLIC EMPLOYEE, LOCAL 71

Subject: Performance Incentive Program Participation Clarification
L-71 - 002

This letter is between the Municipality of Anchorage (MOA) and the Public Employees, Local 71 (L-71). The MOA and L-71 are parties to a collective bargaining agreement (CBA)

Article 5.7 Performance Step Program (PSP) in the CBA states:

1. Participation begins only after an employee has reached step 4 on the pay schedule.
2. Employees must complete eight (8) cumulative quarters successfully for each step.
3. Eligible employee may begin the program at the start of the next quarter after meeting eligibility requirements.
4. Employees shall notify their department head of their intention to begin the program.
5. Each quarter shall be signed off by the supervisor and the employee to reflect satisfactory or unsatisfactory completion of the quarter.

It is agreed that this letter of clarification reflects the intent of the parties in negotiations and does not constitute a change in terms. It is solely to clarify the parties' agreement and practice to avoid misunderstandings or confusion in the future.

The parties' agree that reference to Article 5.7 (1), the understanding and practice is that an employee must maintain a Step 4 of his/her pay range to continue participation in the PSP program.

The parties' agree that reference to Article 5.7 (1), the understanding and practice is that if an employee is no longer at a Step 4 of his/her pay range they will freeze in the PSP, maintaining the successful quarters already obtained and will continue in the PSP once reaching a Step 4 of his/her pay range.

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.

For L71:

William Meers 12/21/10
Date
William Meers
L71 Business Agent

For MOA:

Nancy Bear Usera 12/20/10
Date
Nancy Bear Usera
Director, Employee Relations