

LETTER OF AGREEMENT

By and Between

ANCHORAGE MUNICIPAL EMPLOYEES ASSOCIATION (AMEA)

and the

MUNICIPALITY OF ANCHORAGE (MOA)

Re: AMEA-MOA 2001 - 2005 Contract Extension

The parties agree to extend and amend the 2001 - 2005 contract between AMEA and the MOA as follows:

Article 3, Section 3.1 Effective Date and Duration. The AMEA and MOA agree the terms and conditions of the Collective Bargaining Agreement (CBA) between the AMEA and the MOA, which is effective January 1, 2001, through December 31, 2005, shall be extended and continue in full force and effect through December 31, 2007.

Article 9, Section 9.1.1, Pay Schedule and Hourly Rate. On the effective date of this Agreement, per Section 3.1, all AMEA bargaining unit members shall be compensated based on the pay range and step schedule attached herein, specifically, Appendix 2, as stated in hourly and bi-weekly rates based on eighty (80) hours.

A. Current regular and leave buy back wage scales to continue in effect until 4% increase goes into effect (Appendix 2A).

B. 2001 pay rates shall increase four percent (4%) over the 2000 rates, effective the first full pay period, following Assembly approval (September 24, 2001) (Appendix 2B). The leave buy back schedule in Appendix 2A shall be increased 4% concurrently, and remain in effect through December 31, 2001, after which the leave buy back program and therefore wage schedule expires.

C. 2002 pay rates shall increase two and one-half percent (2.5%) over the 2001 rates, effective January 1, 2002, to be paid with the first full pay period in 2002 (Appendix 2C).

D. Effective January 1, 2003, the hourly wage rates in Appendix 2C shall be adjusted by the partial or full increase in the Anchorage Consumer Price Index (all urban consumers) CPI-U from January 1, 2002, to December 31, 2002, up to a maximum increase of four (4) percent.

E. Effective the first full pay period on or after January 1, 2005, the hourly wage rates established in Subsection (D) above, shall be increased by three and three-tenths percent (3.3%).

F. Effective the first full pay period on or after January 1, 2006, the hourly wage rates established in Subsection (E) above, shall be increased by three and three-tenths percent (3.3%).

G. Effective the first full pay period on or after January 1, 2007, the hourly wage rates established in Subsection (F) above, shall be increased by three and four-tenths percent (3.4%).

Section 9.3.4 Service Recognition. Service Recognition pay is for length of continuous service. Regular employees hired on or after January 1, 1981, shall be eligible to receive Service Recognition pay and shall continue to be eligible unless they resign, are laid off for longer than one (1) year without re-employment, or are discharged for cause. Service Recognition pay shall be implemented as follows:

A. Effective January 1, 2003, Service Recognition pay shall be:

103.5% of base pay after fifteen (15) years' of continuous service.

B. Effective January 1, 2004, Service Recognition pay shall be:

103.5% of base pay after ten (10) years' of continuous service.

107.0% of base pay after fifteen (15) years' of continuous service.

C. Effective January 1, 2005, Service Recognition pay shall be:

103.5% of base pay after ten (10) years' of continuous service.

107.0% of base pay after fifteen (15) years' of continuous service.

110.5% of base pay after twenty (20) years' of continuous service.

D. If the MOA Assembly enacts an ordinance which has the effect of eliminating service recognition pay as a subject of collective bargaining between the MOA and certified bargaining representatives after December 31, 2005, the parties agree to the following:

1. Employees who are eligible for and receiving service recognition pay shall continue to receive such pay after the effective date of the ordinance. However, the service recognition pay rate for each eligible employee shall be frozen at the percentage multiplier over base pay in effect on the effective date of the ordinance. An eligible employee's service recognition multiplier shall not increase on the basis of additional years of service after the effective date of the ordinance.

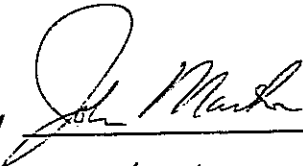
2. Employees not eligible for service recognition on the effective date of the ordinance shall not receive service recognition pay.

E. Unless and until the MOA Assembly enacts an ordinance as described above, employees will continue to receive, and become eligible to receive, service recognition pay in accordance with service requirements and rates stated in Subsections (B) and (C).

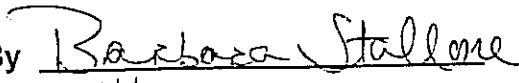
It is the parties' express intent to eliminate the previously negotiated pay increase of 2.7% in calendar year 2004. All other provisions of the 2001 - 2005 Collective Bargaining Agreement shall continue in full force and effect, except as modified and/or added to this Letter of Agreement.

This Agreement is effective upon ratification by the members of AMEA and approval by the Anchorage Assembly. Should changes to the health insurance provisions (Section 7.13) as stated in a separate Letter of Agreement between the parties, be subjected to a separate vote of the AMEA membership, and should that vote not favor ratification, this Letter of Agreement will not be submitted to the Assembly for approval and shall be considered null and void, even if all provisions stated in this Letter of Agreement are favorably ratified in an AMEA membership vote.

SIGNED FOR THE AMEA

By 
Date 11/18/04

SIGNED FOR THE MOA

By 
Date 11/19/04