

Submitted by: Assembly Chair LaFrance, Vice-Chair Constant, and Assembly Member Sulte

Reviewed by: Assembly Counsel's Office

For reading: July 12, 2022

**ANCHORAGE, ALASKA
AO No. 2022-72**

AN ORDINANCE OF THE ANCHORAGE ASSEMBLY AMENDING ANCHORAGE MUNICIPAL CODE SECTION 3.70.110 TO MODIFY THE ASSEMBLY APPROVAL PROCESS OF AN ARBITRATOR'S DECISION IN COLLECTIVE BARGAINING FOR SERVICE CLASS A.2. AND A.3. EMPLOYEES FOR PURPOSES OF IMPASSE RESOLUTION.

WHEREAS, the Municipality of Anchorage has a declared public policy in its labor relations chapter of the Anchorage Municipal Code that "it is its policy to promote harmonious and cooperative relations between the municipality and its employees and to protect the public by ensuring orderly and effective operations of government." Anchorage Municipal Code section 3.70.020A.; and

WHEREAS, in addition, Municipal employees have the right to organize and be represented by employee organizations for the purpose of collective bargaining concerning the terms and conditions of their employment, as stated in AMC section 3.70.030, *Rights of Employees*; and

WHEREAS, the public interest is served by the fair, orderly and efficient resolution of collective bargaining disputes arising between the Municipality and municipal employee unions; and

WHEREAS, the Municipality recently amended the collective bargaining process to prioritize the public's interest with unanimous approval by Assembly Members, and with the Mayor's strong statement of support, of AO 2021-103, As Amended, which recognized the serious public health and safety risks from untreated water and wastewater if sewer and water treatment employees were allowed to strike and therefore moved these workers to service class A.1. which is prohibited from striking and causing an interruption in service and in return receives a binding decision in arbitration for purposes of fairness and impasse resolution; and

WHEREAS, arbitration is a necessary and important step to resolve an impasse in negotiations between the Municipality and municipal employee unions; and

WHEREAS, a decision by a mutually agreed-upon neutral arbitrator which resolves an impasse in negotiations between parties promotes harmony, order and cooperation between the Municipality and municipal employee unions; and

WHEREAS, requiring a supermajority vote of the Assembly for approval of a neutral arbitrator's decision does not serve the public interest and functions as an unnecessary obstacle for the resolution of an impasse between parties; and

WHEREAS, basic principles of fairness dictate that a decision by a neutral arbitrator

1 which resolves an impasse between the Municipality and municipal employee unions
2 for class A.2 and A.3 employees should be approved unless rejected by a
3 supermajority of the assembly; now therefore,
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5 **THE ANCHORAGE ASSEMBLY ORDAINS:**
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7 **Section 1.** Anchorage Municipal Code section 3.70.110C.10. is hereby amended to
8 read as follows (*the remainder of the section for context or is not affected and*
9 *therefore not set out*):
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11 **3.70.110 Impasse resolutions.**

12 *** **

13 C. *Submission of issues to arbitration.*

14 *** **

15 10. *Decision by arbitrator.*

16 *** **

- 17 b. The decision of the arbitrator for bargaining units or
- 18 portions of bargaining units within the categories
- 19 described in subsection A.2 or A.3 of this section shall
- 20 be final and binding upon the parties unless rejected
- 21 [AFTER APPROVAL] by eight votes of the assembly.
- 22 Upon delivery of an arbitrator's decision to the municipal
- 23 clerk, the assembly shall have 21 days to reject the
- 24 decision. The internal auditor or its contractor shall
- 25 review and express an opinion on the financial analysis
- 26 prepared by the affected parties of the projected costs
- 27 and savings from the contract to be replaced resulting
- 28 from the arbitrator's decision [RECOMMENDATION] and
- 29 the municipality's last best offer. The assembly's action
- 30 shall be by a resolution stating the assembly resolves to
- 31 reject the arbitrator's decision. If the arbitrator's decision
- 32 is rejected [NOT APPROVED] by the assembly within 21
- 33 days after delivery to the municipal clerk [, OR SEVEN
- 34 DAYS FOLLOWING RECEIPT OF THE
- 35 MUNICIPALITY'S FINANCIAL ANALYSIS,
- 36 WHICHEVER IS LATER,] the parties shall be
- 37 considered at impasse. The municipality may then
- 38 implement its last best offer and the affected bargaining
- 39 unit may exercise its right to strike.
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41 *** **

42 (AO No. 69-75; AO No. 81-70; AO No. 88-131(S); AO No. 88-148; AO No. 89-
43 46(S-1); AO No. 90-159; AO No. 91-29; AO No. 91-43(S-2); AO No. 91-
44 173(S); AO No. 97-143(S-1), § 1, 12-9-97; AO No. 2015-23(S) , § 14, 3-24-15;
45 AO No. 2021-103, § 1, 10-28-21)
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48 **Section 2.** This ordinance shall be effective immediately upon passage and
49 approval by the Assembly.
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PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2022.

Chair

ATTEST:

Municipal Clerk

MUNICIPALITY OF ANCHORAGE



ASSEMBLY MEMORANDUM

No. AM 373-2022

Meeting Date: July 12, 2022

1 **From: Assembly Chair LaFrance and Vice Chair Constant**

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3 **Subject: AN ORDINANCE OF THE ANCHORAGE ASSEMBLY AMENDING**
4 **ANCHORAGE MUNICIPAL CODE SECTION 3.70.110 TO MODIFY THE**
5 **ASSEMBLY APPROVAL PROCESS OF AN ARBITRATOR'S DECISION IN**
6 **COLLECTIVE BARGAINING FOR SERVICE CLASS A.2. AND A.3. EMPLOYEES**
7 **FOR PURPOSES OF IMPASSE RESOLUTION.**

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9 Municipal employees have the right to organize and be represented by employee
10 organizations, or unions, for the purpose of collective bargaining. The Municipality
11 is represented by "the mayor's authorized negotiating team" on the one side, and
12 the employee organization by a bargaining representative on the other. When the
13 parties are unable to resolve disputes on specific terms of the collective bargaining
14 agreement in that process, those unresolved issues are sent to arbitration, per
15 Anchorage Municipal Code section 3.70.100B.

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17 Because the provision of public services can be significantly impacted by
18 interruption due to an impasse and the length of time to reach resolution, the
19 Municipal Code, and many jurisdictions, separate employees into different types of
20 service classes for purposes of how impasses are resolved and the effect of a
21 neutral arbitrator's decision. This proposed ordinance will change the effect of an
22 arbitrator's decision in collective bargaining disputes for all employees in service
23 classes A.2. or A.3., which does not include only those in police, fire protection,
24 emergency medical services, and sewer and water treatment (class A.1.).
25 Currently, the arbitrator's decision for disputes with service classes A.2. and A.3.
26 must be approved by a supermajority of the Assembly in accordance with AMC
27 subsection 3.70.110C.10.b. in order to become effective. If not approved, then the
28 Administration can implement its last best offer, and the bargaining unit's employees
29 may strike.

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31 The foregoing arrangement causes the neutral arbitrator's decision to be
32 unnecessarily difficult to be affirmed. Therefore, this ordinance would require that
33 the supermajority of the Assembly be required to instead *reject* the decision of the
34 neutral arbitrator. This places more weight on the process of negotiation and
35 arbitration, which is aligned with the basic principles of equity and fairness expected
36 in collective bargaining.

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38 From the inception of the Municipality in 1975 until 1988, the Assembly had no role
39 in accepting or rejecting the decision of the arbitrator in labor negotiation disputes.
40 In 1988, AO 88-131(S) was adopted and enacted Code language requiring that the
41 arbitrator's decision for the A.2. and A.3. service classes "shall be final and binding
42 upon the parties unless rejected by 3/5 majority of the Assembly...". Approximately
43 nine months later, AO 89-46(S-1) changed the Municipal Code so the arbitrator's

1 decision required a vote of approval to be put into effect, and that it be approved by
2 eight members of the Assembly, thereby raising the bar to attain approval of the
3 result of the collective bargaining process. A review of historical meeting documents,
4 including minutes, does not provide insight into the reasoning for changes in the
5 number of votes required or the requirement of approval or rejection of the
6 arbitrator's decision.

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8 This standard requiring eight votes to approve the decision of the arbitrator has been
9 in place for 33 years. The current structure of contract negotiations favors one party
10 over the other. If that threshold of eight votes is not achieved, the parties are at
11 impasse, which could lead to a strike and an interruption in some public services.

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13 The proposed ordinance will defer the disputed terms to a fair, neutral party to
14 articulate findings that will be accepted and binding **unless** eight members of the
15 Assembly deem them unfair. This will ensure that the introduction of a third party
16 into contract negotiations is done so with the intention of agreeing to the fairest
17 contract and avoiding impasse. This measure will eliminate unnecessary barriers
18 that prevent obtaining a fair and equitable contract.

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20 **We request your support for the ordinance.**

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22 Prepared by: Assembly Counsel's Office
23 Respectfully submitted: Assembly Chair Suzanne LaFrance
24 District 6, South Anchorage
25 Assembly Vice Chair Christopher Constant
26 District 1, Downtown Anchorage