

Postponed Indefinitely
8-17-04

Submitted by:

Chair of the Assembly at the

Prepared by:

Request of the Mayor

For reading:

Employee Relations

August 17, 2004

ANCHORAGE, ALASKA

AO No. 2004- 125

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTERS 3.30 AND 3.70 REGARDING HEALTH AND INSURANCE BENEFITS PROGRAMS TO ADD NEW DEFINITIONS, TO CLARIFY AVAILABILITY OF PROGRAMS TO EMPLOYEES, AND TO CLARIFY THAT ONLY THE MUNICIPALITY'S CONTRIBUTION TO THE COST OF THE PREMIUM, NOT THE COVERAGE, TERMS OR CONDITIONS OF THE PROGRAMS, IS SUBJECT TO NEGOTIATION WITH UNIONS.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code Section 3.30.005 is hereby amended to add additional definitions to read as follows (*the remainder of the section is not affected and therefore not set out*):

3.30.005. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

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Health benefits means the program, offered by the Municipality to union and non-union employees that qualify for coverage, that includes medical, dental and vision services, in which the Municipality makes a contribution towards the cost of the premium for coverage.

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Insurance benefits means voluntary programs that may or may not be offered by the Municipality to union and/or non-union employees, providing various types of welfare benefits which may include, but are not limited to, excess medical, dental and vision benefits, short-term and/or long term disability benefits, and/or life insurance, in which the Municipality may or may not elect to make a contribution towards the cost of the premium for coverage.

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(AO No. 79-195; AO No. 82-49; AO No. 83-11(S); AO No. 85-8; AO No. 86-207(S-1); AO No. 88-51; AO No. 91-95; AO No. 91-173(S); AO No. 92-121(S); AO No. 94-117, § 1, 7-26-94; AO No. 94-225, § 1, 12-6-94; AO No. 96-128, § 1, 10-1-96; AO No. 2001-170, § 1, 10-30-01)

Section 2. Anchorage Municipal Code Section 3.30.161, and the section title, are hereby amended as follows (*the remainder of the section is not affected and therefore not set out*):

3.30.161 **Health and insurance benefits.**

- A. The Municipality shall offer health and insurance benefits established by the Mayor to regular employees who are scheduled to work at least 20 hours each week [SHALL PARTICIPATE IN INSURANCE AND MEDICAL BENEFIT PROGRAMS ESTABLISHED BY THE MAYOR]. Such benefits shall continue to be in effect during absences due to paid leave, up to three months of medical leave and approved leave without pay when the employee pays the insurance premium.
- B. The director shall provide for distribution of information and applications to all employees eligible to participate in health and insurance benefits programs [INSURANCE BENEFITS] and provide for payroll deductions to meet the expense of employee contributions, when applicable. The employee relations department shall provide all eligible employees with applications and information concerning these programs and provide for payroll deductions to cover the employee's premiums, where applicable.
- C. The Municipality shall offer a health benefit program to its employees that qualify for coverage that provides coverage for medical, dental and vision services. The amount of the Municipality's contribution to the premium may be negotiated for employees represented by unions, and determined by the Assembly for non-union employees. However, the coverage, terms, and conditions of the health benefit program shall not be subject to negotiation with unions. As an alternative to participation in the health benefit program, a union may negotiate the amount the Municipality will contribute to an existing union health plan.

(AO No. 79-195; AO No. 86-207 (S-1))

Section 3. Anchorage Municipal Code Section 3.70.010 is amended to add additional definitions to read as follows (*the remainder of the section is not affected and therefore not set out*):

3.70.010. **Definitions.**

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

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Health benefits means the program, offered by the Municipality to union and non-union employees that qualify for coverage, that includes medical, dental and vision services, in which the Municipality makes a contribution towards the cost of the premium for coverage.

Insurance benefits means voluntary programs that may or may not be offered by the Municipality to union and/or non-union employees providing various types of welfare benefits which may include, but are not limited to, excess medical, dental and vision benefits, short-term and/or long term disability benefits, and/or life insurance, in which the Municipality may or may not elect to make a contribution towards the cost of the premium for coverage.

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(AO No. 69-75; AO No. 88-76; AO No. 77-376; AO No. 84-221(S); AO No. 88-131(S); AO No. 89-46(S-1))

Section 4. Anchorage Municipal Code Section 3.70.040 is amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

3.70.040 Management Rights.

A. It is the right of the Municipality acting through its agencies to:

11. Exercise complete control and discretion over the coverage, terms, and conditions of the Municipality's health benefit program offered to union employees. Only the Municipality's contribution to the premium may be subject to negotiation with a participating union. If a union has an existing union health plan, only the Municipality's contribution to the premium for the plan may be subject to negotiation.

Section 5. Anchorage Municipal Code subsection 3.70.110C.8. is amended as follows (*the remainder of the section is not affected and therefore not set out*):

3.70.110 Impasse resolutions.

C. Submission of issues to arbitration.

8. Subject definition. For bargaining units or portions of bargaining units within the category described in A.1. of this section, the following additional provisions regarding selection of subjects applies as follows:

- 1 a. Unless otherwise agreed by the parties to the collective bargaining
2 process, the following shall constitute separate subjects for purpose of
3 interest arbitration:

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- 7 (6) The contribution to premium paid by the employer for a health
8 benefits program [MEDICAL AND DENTAL INSURANCE
9 COVERAGE];

- 10 (7) The contribution of to premium paid by the employer for
11 voluntary insurance benefits programs [DISABILITY, LIFE
12 AND OTHER INSURANCE COVERAGE];

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16 (AO No. 69-75; AO No. 81-70; AO No. 88-131(S); AO No. 88-148; AO No. 89-46(S-
17 1); AO No. 90-159; AO No. 91-29; AO No. 91-43(S-2); AO No. 91-173(S); AO No.
18 97-143(S-1), § 1, 12-9-97)

19 **Section 6.** This ordinance shall become effective upon its passage and approval by the Assembly.

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21 PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2004.

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28 _____
29 Chair of the Assembly

30 ATTEST:

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33 _____
34 Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2004-125

Title: An Ordinance Amending AMC Code Section 3.30.005 and 3.70.010 to Add New Definitions Regarding Insurance, to Make Clerical Edits, Amending 3.70.040 and 3.70.110C8 to Clarify the Scope, Terms and Conditions of Certain Insurance Programs Are Not a Subject of Negotiations, Except for the MOA's Contribution to the Overall Premium

Sponsor: Employee Relations
Preparing Agency: Employee Relations
Others Impacted:

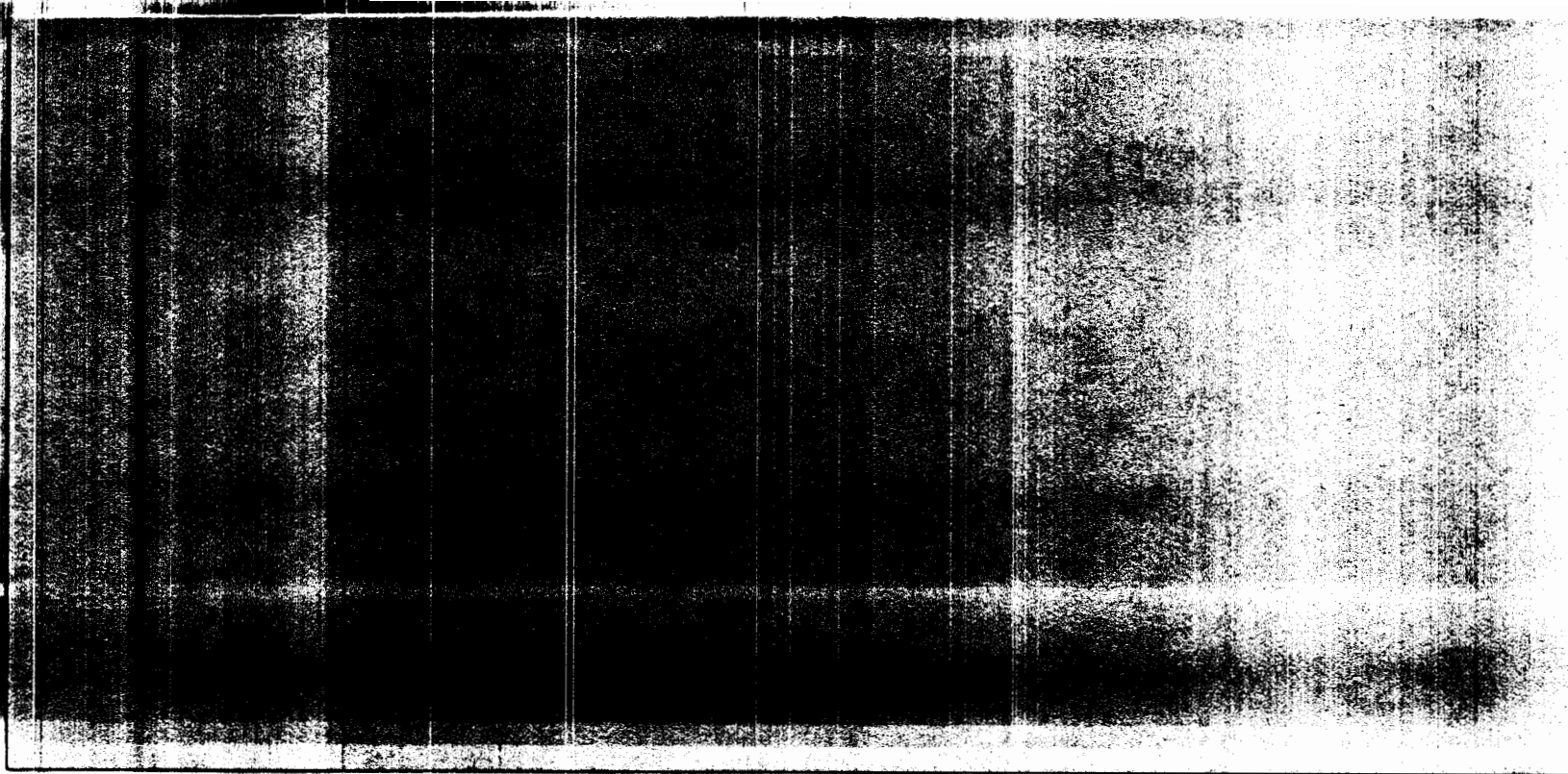
| CHANGES IN EXPENDITURES AND REVENUES: | | (In Thousands of Dollars) | | | | |
|---------------------------------------|------|---------------------------|------|------|------|--|
| | FY04 | FY05 | FY06 | FY07 | FY08 | |
| Operating Expenditures | | | | | | |
| 1000 Personal Services | | | | | | |
| 2000 Non-Labor | | | | | | |
| 3900 Contributions | | | | | | |
| 4000 Debt Service | | | | | | |
| TOTAL DIRECT COSTS: | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Add: 6000 Charges from Others | | | | | | |
| Less: 7000 Charges to Others | | | | | | |
| FUNCTION COST: | \$ - | \$ - | \$ - | \$ - | \$ - | |
| REVENUES: | | | | | | |
| CAPITAL: | | | | | | |
| POSITIONS: FT/PT and Temp | | | | | | |

PUBLIC SECTOR ECONOMIC EFFECTS:

The economic impact is modest, less than \$30,000. No increase in cost is anticipated and some administrative savings should occur when all employees are under a common plan.

PRIVATE SECTOR ECONOMIC EFFECTS:

| | | |
|-------------------|--|----------------------------|
| Prepared by: | <u>Karen Moore, Employee Relations</u> | Telephone: <u>343-4514</u> |
| Validated by OMB: | <u></u> | Date: <u></u> |
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Content Information**Content ID :** 001692**Type:** Ordinance - AOAN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE
SECTION 3.30.005 AND 3.70.010; AND 3.70.040 AND 3.70.110C.8 TO**Title:** CLARIFY THAT THE **MOA'S CONTRIBUTION** IS SUBJECT TO
NEGOTIATIONS AND THAT CERTAIN BENEFIT PROGRAMS ARE
NOT A SUBJECT OF NEGOTIATIONS.**Author:** mooreka**Initiating Dept:** ER**Date Prepared:** 3/29/04 1:45 PM**Assembly****Meeting Date** 08/17/04**MM/DD/YY:****Public Hearing****Date** 09/07/04**MM/DD/YY:**2004 APR 13 11:11
CLERK OF COURT**Workflow History**

| <u>Workflow Name</u> | <u>Action Date</u> | <u>Action</u> | <u>User</u> | <u>Security Group</u> | <u>Content ID</u> |
|--------------------------|--------------------|---------------|-------------|-----------------------|-------------------|
| AllOrdinanceWorkflow | 3/29/04 2:33 PM | Checkin | mooreka | Public | 001692 |
| ER_SubWorkflow | 3/29/04 2:34 PM | Approve | ottodk | Public | 001692 |
| AllOrdinanceWorkflow | 3/30/04 3:25 PM | Reject | pearcydl | Public | 001692 |
| AllOrdinanceWorkflow | 3/31/04 12:05 PM | Checkin | mooreka | Public | 001692 |
| ER_SubWorkflow | 3/31/04 12:06 PM | Approve | ottodk | Public | 001692 |
| AllOrdinanceWorkflow | 4/1/04 8:02 AM | Reject | pearcydl | Public | 001692 |
| AllOrdinanceWorkflow | 4/1/04 8:46 AM | Checkin | mooreka | Public | 001692 |
| ER_SubWorkflow | 4/1/04 8:49 AM | Approve | ottodk | Public | 001692 |
| OMB_SubWorkflow | 4/1/04 2:13 PM | Approve | pearcydl | Public | 001692 |
| Legal_SubWorkflow | 4/1/04 3:30 PM | Approve | fehlenrl | Public | 001692 |
| MuniManager_SubWorkflow | 4/1/04 4:01 PM | Approve | leblancdc | Public | 001692 |
| MuniMgrCoord_SubWorkflow | 8/12/04 5:32 PM | Approve | abbottmk | Public | 001692 |