

Submitted by: Chair of the Assembly at the
Request of the Mayor

Prepared by: Employee Relations

For Reading: July 29, 2008

CLERK'S OFFICE

APPROVED

Date: 8/12/08

ANCHORAGE, ALASKA

AR NO. 2008-163

**A RESOLUTION RATIFYING A FIVE YEAR COLLECTIVE BARGAINING
AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE
PUBLIC EMPLOYEES, LOCAL 71.**

WHEREAS, the current collective bargaining agreement between the Municipality of Anchorage (hereinafter "MOA") and the Public Employees, Local 71 (hereinafter "L-71") expired June 30, 2008; and

WHEREAS, L-71 and MOA entered into good faith negotiations that resulted in ratification of the collective bargaining agreement by the membership of L-71 through June 30, 2013; and

WHEREAS, Anchorage Municipal Code section 3.70.130 requires Assembly approval of any negotiated bargaining agreement and administrative letters; and

WHEREAS, it is in the best interest of the MOA and L-71 for this labor agreement to be subject to the public review and approval process in order to foster good labor-management relationships; and

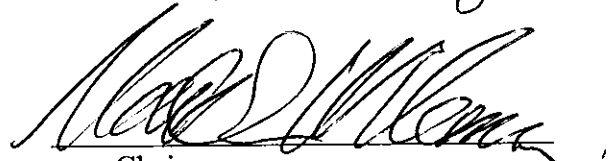
WHEREAS, the Administration recommends the ratification and approval of this negotiated contract as set forth in the Assembly Memorandum attached hereto; now, therefore,

THE ANCHORAGE MUNICIPAL ASSEMBLY RESOLVES:

Section 1. The collective bargaining agreement between the Municipality of Anchorage and the Public Employees, Local 71, attached hereto and described in the Assembly Memorandum submitted herewith, is ratified by the Assembly.

Section 2. This resolution shall become effective immediately upon its passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 12th day of August, 2008.


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AR 2008-163

Title: A RESOLUTION APPROVING AND RATIFYING A FIVE YEAR
COLLECTIVE BARGAINING AGREEMENT BETWEEN THE
MUNICIPALITY OF ANCHORAGE AND THE PUBLIC EMPLOYEES,
LOCAL 71

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

CHANGES IN EXPENDITURES AND REVENUES:

(In Thousands of Dollars)

	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>
Operating Expenditures					
1000 Personal Services	\$106	\$240	\$337	\$420	\$420
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
TOTAL DIRECT COSTS:	\$106	\$240	\$337	\$420	\$420
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	\$106	\$ 240	\$ 337	\$ 420	\$420

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

The numbers above reflect the patterned collective bargaining agreements: 2.7% in 2008; 3% in 2009; CPI-U in 2010 & 2011 with a minimum of 2.5% and not to exceed 3.9%; wage reopeners are open for 2012 & 2013. For the CPI-U in 2010 & 2011, the numbers above reflect the minimum of 2.5%; if the CPI-U increase for 2010 & 2011 was 3.9% then the increase would be \$372 and \$488 instead of the \$337 and \$420.

PRIVATE SECTOR ECONOMIC EFFECTS:

None

Prepared by: David K. F. Otto, Employee Relations Director

Telephone: 343-4399

Validated by OMB: _____

Date: _____

Recommended by Mike Abbott, Municipal Manager

Approved by Mayor Begich



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 495-2008

Meeting Date: July 29, 2008

FROM: MAYOR

SUBJECT: A RESOLUTION APPROVING AND RATIFYING A FIVE YEAR COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE PUBLIC EMPLOYEES, LOCAL 71.

The Municipality of Anchorage (MOA) and the Public Employees, Local 71 (L-71) recently reached agreement on a five year collective bargaining agreement (CBA). The agreement extends the CBA to June 30, 2013. The previous contract expired June 30, 2008. The CBA was ratified by the L-71 membership.

This bargaining unit is made of 88 current MOA employees in Anchorage Parks & Recreation and Eagle River Parks & Recreation.

This CBA successfully addresses each of the challenges identified in AR 2007-84. These Assembly directives were very helpful in setting appropriate expectations for both negotiating teams. Key elements of this agreement and examples of compliance of this CBA with AR 2007-84 are:

- Freezes the Service Recognition Program (SRP) for those employees currently receiving SRP and introduces a performance pay alternative. This action eliminates SRP through attrition.
- Requires employees to share in increases in health benefits over the life of the contract.
- Eliminates MOA's supplemental Injury Leave compensation.
- Wage increases:
 - 2.7% in 2008
 - 3.0% in 2009
 - Previous year CPI-U (minimum of 2.5% and maximum of 3.9%) in 2010
 - Previous year CPI-U (minimum of 2.5% and maximum of 3.9%) in 2011
 - Wage re-openers for 2012 and 2013
- Numerous changes to reduce administrative costs (e.g., elimination of injury leave, freezes to non-cashable annual leave accounts and combining non-cash and

1 annual leave into one account; recognition of MOA's right to collect
2 overpayments; and elimination of voting time).

- 3 • Numerous changes providing for additional management rights (e.g., simplifying
4 major factors for promotions; blood donation leave and court leave brought into
5 compliance with MOA policy and procedures; clarification of accrued vs. earned
6 leave; addition of malingering clause regarding unauthorized absences).
- 7 • Provides emphasis on a health wellness program and garners Union support for
8 employee participation.

9
10 This CBA follows the pattern of the recently approved Teamster, Local 959 CBA.

11
12 Adoption of a five (5) year CBA enables these employees and these two departments to
13 enjoy the benefits of a stable labor environment for the foreseeable future.

14
15 **THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION**
16 **RATIFYING A FIVE YEAR MONTH COLLECTIVE BARGAINING**
17 **AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE**
18 **PUBLIC EMPLOYEES, LOCAL 71.**

19
20
21 Prepared by: Employee Relations Department
22 Approved by: David K.F. Otto, Employee Relations Director
23 Concur: James N. Reeves, Municipal Attorney
24 Concur: Michael K. Abbott, Municipal Manager
25 Respectfully submitted: Mark P. Begich, Mayor

MUNICIPALITY OF ANCHORAGE

MEMORANDUM

DATE: August 6, 2008

TO: Members of the Assembly

FROM: Director, Internal Audit



SUBJECT: Public Employees Local 71 Contract Cost Validation

Based on our review and analysis, the estimated incremental costs for the proposed contract with the Public Employees Local 71 bargaining unit are presented below. For 2010 and 2011 the contract provides for a minimum 2.5% wage increase and a maximum 3.9% wage increase. A wage re-opener in 2012 and 2013 has been computed at "0%" increase. See attached schedules for detailed computations.

	Cost for 2.5% Increase in 2010 and 2011	Cost for 3.9% Increase in 2010 and 2011
August 8 – December 31, 2008	\$ 105,589	\$ 105,589
January 1 – December 31, 2009	\$ 240,016	\$ 240,016
January 1 – December 31, 2010	\$ 338,658	\$ 371,554
January 1 – December 31, 2011	\$ 419,869	\$ 487,765
January 1 – December 31, 2012	\$ 419,869	\$ 487,765
January 1 – December 31, 2013	\$ 419,869	\$ 487,765
Totals	\$ 1,943,870	\$ 2,180,454

SUMMARY OF TOTAL ESTIMATED COST OF LOCAL 71 CONTRACT CHANGES

Estimate Uses 2.50% Increase in 2010 and 2011

PERIOD	PROPOSED PERCENT INCREASE	TOTAL EARNINGS (REGULAR & OVERTIME)*	RETIREMENT CONTRIBUTIONS & PAYROLL TAXES	EMPLOYER CONTRIBUTIONS TO HEALTH PLAN	CONTRACTUAL LUMP SUM PAYMENT	HOLIDAY PAY FOR SEASONAL EMPLOYEES	CLOTHING ALLOWANCE	TOTAL EMPLOYER COST	INCREASE OVER BASE PERIOD
Base Year (2007)		\$1,813,445.14	\$380,645.90	\$396,900.00	\$0.00	\$0.00	\$3,062.50	\$2,594,053.54	
Effective 08/18/2008	2.70%	\$1,832,277.07	\$384,598.76	\$438,900.00	\$31,504.00	\$9,300.51	\$3,062.50	\$2,699,642.84	\$105,589.30
Effective 01/01/2009	3.00%	\$1,918,280.40	\$402,651.04	\$480,900.00	\$0.00	\$28,738.58	\$3,500.00	\$2,834,070.03	\$240,016.49
Effective 01/01/2010	2.50%	\$1,966,237.41	\$412,717.32	\$520,800.00	\$0.00	\$29,457.05	\$3,500.00	\$2,932,711.78	\$338,658.24
Effective 01/01/2011	2.50%	\$2,015,393.35	\$423,035.25	\$541,800.00	\$0.00	\$30,193.47	\$3,500.00	\$3,013,922.07	\$419,868.53
Effective 01/01/2012	-	\$2,015,393.35	\$423,035.25	\$541,800.00	\$0.00	\$30,193.47	\$3,500.00	\$3,013,922.07	\$419,868.53
Effective 01/01/2013	-	\$2,015,393.35	\$423,035.25	\$541,800.00	\$0.00	\$30,193.47	\$3,500.00	\$3,013,922.07	\$419,868.53

TOTAL INCREASE IN EMPLOYER COSTS (with 2.50% in 2010 and 2011)	\$1,943,869.61
TOTAL PERCENT INCREASE IN EMPLOYER COST (2013 vs. base year 2007) with 2.50% in 2010 and 2011	16.19%

TOTAL EARNINGS: Includes total wage cost based on actual 2008 data for all current active employees as of 07.24.2008, including:

Regular Earnings based on 2,088 hours for 1.0 FTE (690 hours for a seasonal employee, excludes three holidays) + Overtime Earnings based on Actual 2007 Overtime Earned
For 2010 and 2011 contract language provides a 2.50% to 3.90% increase, priced out at 2.50%. Wage reopeners in 2012 and 2013 priced out at 0%.

PERS RETIREMENT PLAN CONTRIBUTIONS: Based on FY 2007 rate of 36% offset by 14% "on behalf" revenue to be paid by the State of Alaska, Dept. of Administration.

EMPLOYER SOCIAL SECURITY AND MEDICARE TAXES: Appropriate for each individual employee based on current rates.

CONTRACTUAL LUMP SUM PAYMENT: Amount is listed below per week per employee from 01.07.2008 until Assembly approval.

There are 32 weeks between 01.07.2008 and 08.18.2008 (assumed implementation date of 2.70% COLA increase).

Regular Employees	\$20.00 per week
Seasonal Employees	\$16.00 per week

HEALTH PLAN CONTRIBUTIONS: Based on 35 Regular employees

Year	Total Contribution	MOA Contribution	Total MOA Cost
07.01.2008 - 06.30.2009	\$1,150.00	\$1,100.00	\$462,000.00
07.01.2009 - 06.30.2010	\$1,245.00	\$1,190.00	\$499,800.00
07.01.2010 - 06.30.2011	\$1,350.00	\$1,290.00	\$541,800.00
07.01.2011 - 06.30.2012	reopener	reopener	-
07.01.2012 - 06.30.2013	reopener	reopener	-

UNIFORM/SPECIAL CLOTHING/FOOTWEAR ALLOWANCE: Increase from \$175.00 every 24 months to \$100.00 per year.

new: 35 employees x \$100.00 per year = \$3,500.00 x 2 years = \$7,000.00; old: 35 employees x \$175.00 every 24 months = \$6,125.00

HOLIDAY PAY FOR SEASONAL EMPLOYEES: Provide holiday pay to seasonal employees, does not include the Personal Holiday

Assumption: Seasonal employees (64) are employed for approximately 18 weeks per year from May through September. There are three holidays - Memorial Day, Independence Day, and Labor Day. Seasonal employees work 10 hour days.

64 employees x 3 holidays x 10 hours per day x \$14.15 (average wage) = \$27,168.00

SUMMARY OF TOTAL ESTIMATED COST OF LOCAL 71 CONTRACT CHANGES

Estimate Uses 3.90% Increase in 2010 and 2011

PERIOD	PROPOSED PERCENT INCREASE	TOTAL EARNINGS (REGULAR & OVERTIME)*	RETIREMENT CONTRIBUTIONS & PAYROLL TAXES	EMPLOYER CONTRIBUTIONS TO HEALTH PLAN	CONTRACTUAL LUMP SUM PAYMENT	HOLIDAY PAY FOR SEASONAL EMPLOYEES	CLOTHING ALLOWANCE	TOTAL EMPLOYER COST	INCREASE OVER BASE PERIOD
Base Year (2007)		\$1,813,445.14	\$380,645.90	\$396,900.00	\$0.00	\$0.00	\$3,062.50	\$2,594,053.54	
Effective 08/18/2008	2.70%	\$1,832,277.07	\$384,598.76	\$438,900.00	\$31,504.00	\$9,300.51	\$3,062.50	\$2,699,642.84	\$105,589.30
Effective 01/01/2009	3.00%	\$1,918,280.40	\$402,651.04	\$480,900.00	\$0.00	\$28,738.58	\$3,500.00	\$2,834,070.03	\$240,016.49
Effective 01/01/2010	3.90%	\$1,993,093.34	\$418,354.43	\$520,800.00	\$0.00	\$29,859.39	\$3,500.00	\$2,965,607.16	\$371,553.62
Effective 01/01/2011	3.90%	\$2,070,823.98	\$434,670.25	\$541,800.00	\$0.00	\$31,023.90	\$3,500.00	\$3,081,818.14	\$487,764.60
Effective 01/01/2012	-	\$2,070,823.98	\$434,670.25	\$541,800.00	\$0.00	\$31,023.90	\$3,500.00	\$3,081,818.14	\$487,764.60
Effective 01/01/2013	-	\$2,070,823.98	\$434,670.25	\$541,800.00	\$0.00	\$31,023.90	\$3,500.00	\$3,081,818.14	\$487,764.60

TOTAL INCREASE IN EMPLOYER COSTS (with 3.90% in 2010 and 2011)	\$2,180,453.19
TOTAL PERCENT INCREASE IN EMPLOYER COST (2013 vs. base year 2007) with 3.90% in 2010 and 2011	18.80%

TOTAL EARNINGS: Includes total wage cost based on actual 2008 data for all current active employees as of 07.24.2008, including:

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07.01.2011 - 06.30.2012	reopener	reopener	-
07.01.2012 - 06.30.2013	reopener	reopener	-

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64 employees x 3 holidays x 10 hours per day x \$14.15 (average wage) = \$27,168.00

Content ID: 006626

Type: AR_AllOther - All Other Resolutions

A RESOLUTION APPROVING AND RATIFYING A FIVE YEAR COLLECTIVE

Title: BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE PUBLIC EMPLOYEES, LOCAL 71.

Author: maglaquiip

Initiating Dept: ER

Review Depts: Legal

Date Prepared: 7/23/08 1:23 PM

Director Name: David KF Otto

Assembly Meeting Date : 7/29/08

Public Hearing Date : 8/12/08

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
Clerk_Admin_SubWorkflow	7/25/08 10:22 AM	Exit	Heather Handyside	Public	006626
MuniMgrCoord_SubWorkflow	7/25/08 10:22 AM	Approve	Heather Handyside	Public	006626
MuniManager_SubWorkflow	7/25/08 10:03 AM	Approve	Michael Abbott	Public	006626
MuniManager_SubWorkflow	7/24/08 11:55 AM	Checkin	Joy Maglaqui	Public	006626
Legal_SubWorkflow	7/24/08 11:15 AM	Approve	Rhonda Westover	Public	006626
ER_SubWorkflow	7/23/08 1:25 PM	Approve	David Otto	Public	006626
AllOtherARWorkflow	7/23/08 1:25 PM	Checkin	Misti Yeske	Public	006626

2008 JUL 23 PM 5:04
ANCHORAGE MUNICIPALITY
OFFICE OF THE CLERK

A Addendum -

CONSENT AGENDA - INTRODUCTION