

See AR 2009-77(S)

Submitted by: ASSEMBLY MEMBER SELKREGG
ASSEMBLY VICE CHAIR COFFEY
Prepared by: Assembly Counsel
For reading: March 24, 2009

**ANCHORAGE, ALASKA
AR NO. 2009-77**

**A RESOLUTION AUTHORIZING THE PROCUREMENT OF INDEPENDENT LEGAL
SERVICE TO THE ASSEMBLY (ANCHORAGE MUNICIPAL CODE 7.20.060K).**

WHEREAS, in December 2008, the Assembly passed AR 2008-280 and AR 2008-307, each ratifying a collective bargaining agreement on the assumption of available municipal funding; and

WHEREAS, Anchorage Municipal Code (AMC) 6.30.050 requires that *"no contract, agreement or other obligation involving the expenditure of money shall be entered into, nor shall any ordinance, resolution or order for expenditure of money be passed by the assembly . . . unless the chief fiscal officer shall first certify to the assembly . . . that the money required for such contract, obligation or expenditure has been appropriated to the credit of the fund from which it is to be drawn, and not appropriated for any other purpose"*; and

WHEREAS, AMC 3.70.130 requires all terms and conditions of a labor agreement to be reduced to writing in a single agreement and presented to the Assembly for ratification in the same manner as a municipal ordinance, and *"no provision of a contract may violate a municipal ordinance or the Charter or state or federal law"*, except as authorized under AMC 3.70.170 for certain personnel rules; and

WHEREAS, AMC 2.30.050 requires the identification of private sector and public sector economic effects which can be reasonably expected as a consequence of the action before the Assembly; and

WHEREAS, prior to Assembly action on AR 2008-280 and AR 2008-307, the fiscal environment of the municipality was represented in various reports on the status of revenue and spending under the FY 2008 budget, with the fund balance forecast report distributed on November 17, 2008 describing the anticipated 2008 year-end fund balances as intact; and

WHEREAS, beginning in January 2009 and continuing to date, the Administration is confirming significant depletion of fund balances during FY 2008 and projected budget shortfalls for FY 2009; and

WHEREAS, the summary of economic effects ("*SEE*") for AR 2008-280 and AR 2008-307 are each deficient in the identification of private sector and public sector economic effects; and

1 WHEREAS, deficiencies in content and approval process have been identified,
2 but may not be limited to, the deficiencies identified in Assembly Memorandum 141-
3 2009 and Assembly Memorandum 145-2009; and
4

5 WHEREAS, the underlying labor agreements may be subject to reformation,
6 rescission, or other equitable remedy as a result of Assembly rescission of Assembly
7 approval and/or deficiencies in content and approval process; and
8

9 WHEREAS, as discussed during the Assembly Meeting on March 3, 2009, the
10 Assembly is wary of taking corrective action without an impartial expert analysis of
11 corrective action alternatives and remedies;
12

13 NOW THEREFORE BE IT RESOVED by the Anchorage Assembly:
14

15 **Section 1.** As authorized by Charter §4.06 and AMC 7.20.060K, the Acting
16 Assembly Chair, on behalf of the Assembly, shall procure impartial and
17 independent expert legal review and analysis of the conditions precedent to valid
18 Assembly action in the ratification of labor agreements; corrective action
19 alternatives, including rescission of Assembly action, as applicable; and an
20 analysis of legal consequences and remedial alternatives, as applicable.
21

22 **Section 2.** In the selection of this independent legal service for the Assembly,
23 factors for consideration shall include: Expertise in municipal law; experience
24 representing home rule or unified municipalities; impartiality; and the ability to
25 prepare the analysis for presentation after May 11, 2009.
26

27 **Section 3.** Because AMC 7.20.060K provides that any selection must be
28 approved by the Assembly prior to commencement of work, the Assembly shall
29 review the proposed selection at the Assembly Meeting scheduled for April 14,
30 2009.
31

32 PASSED AND APPROVED by the Anchorage Assembly this _____day of
33 _____, 2009.
34

35 _____
36 Chair
37

38 ATTEST:
39

40 _____
Municipal Clerk



MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
NO. AM 141-2009

Meeting Date: March 3, 2009

From: VICE CHAIR COFFEY
Subject: **AR 2009-63 – Motion to Rescind Assembly Action Approving AR 2008-280 (Ratification of IBEW Contract)**

My motion to rescind Assembly action approving AR 2008-280 (ratification of a 5-year ML&P Contract with IBEW) is based on the following factors, irregularities, and material mistakes:

- **The Summary of Economic Effects does not meet code:** Because municipal code requires that Assembly ratification of a labor contract shall be in the same manner as a municipal ordinance, the summary of economic effects must conform to the requirements of AMC 2.30.050, including identification of the public sector and private sector economic effects which can be reasonably expected as a consequence of the action before the Assembly.
 - Under municipal code, private sector economic effects include changes in the costs or opportunities to individuals or businesses, the availability of goods and services, employment, as well as other factors.
 - As demonstrated in public testimony before the Assembly on February 17, 2009, provisions electronically posted under Article 2 of the contract purport to restrict all municipal contracting involving electrical work to IBEW signatories, and such restriction carries very significant economic effects to the private sector.
 - None of these private sector effects are identified in the summary of economic effects provided to the Assembly with AR 2008-280. (Attachment 1)
- **No change in the scope of work was identified:** In response to Assembly Member Johnston request that changes be identified, the areas identified were levels of benefits and wages, efficiencies, management rights, and “those kinds of things”. The changes in work covered by the contract from ML&P work to all municipal contracting involving electrical work (making the entire Municipality a “closed shop” for electrical work) do not fall within this list. (Attachment 2)
- **Contract has an unallowable restriction to full and open competition:** By letter dated February 24, 2009, the Municipality has been informed by the U.S. Department of Transportation that: “The restriction to award contacts and, by extension, only to consider bids, by contractors who are either signatories to the collective bargaining agreement or who obtain assent from the union to perform that work, would be considered an unallowable restriction to full and open competition”. (Attachment 3)
- **Material mistake has been identified:** Acting Mayor Claman’s letter dated February 24, 2009 confirms material mistake in the contract language: “I feel

confident in saying that no one wanted or anticipated that this requirement would be imposed on the entire M&O Department, as it is now constituted." (Attachment 4)

- **A contract approved by the Assembly under AR 2008-280 is not identifiable with the certainty required for Assembly action:** By its terms and specific wording, AR 2008-280 takes action on a collective bargaining agreement in the form "attached hereto and described in the Assembly Memorandum submitted herewith".
 - **No contract was attached.** Various versions of the IBEW contract in draft formatting were in circulation among at least some of the Assembly members, but the contract to be ratified by the Assembly was not attached with AR 2008-280, at introduction on November 18, 2008 or in the Assembly Binders on December 2, 2008. (Attachment 5)
 - **AM 782-2008 listing of key elements is not inclusive:** In listing key elements of the contract, AM 782-2008 does not address any change in the scope of municipal work covered by collective bargaining, nor is it all-inclusive. (Attachment 6)
- **Piecemeal items remain outstanding:** AIM 23–2009 has been presented to the Assembly, raising questions concerning 1) increased costs as between ML&P employees and other municipal employees; 2) the cost analysis data available for internal review requested and previously relied on by Assembly members; 3) ability to carry-over completed but unimplemented 2008 results of a classification process to the 2009 contract; and 4) relationship of classification process results to pending legislation (AO 2008-235(S)) regarding Assembly approval under AMC 3.70.130. (Attachment 7)

Respectfully submitted:

Dan Coffey, Vice Chair

Assembly Section 4

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Enterprise Activities

AM Number: 2008-280

Title: A RESOLUTION RATIFYING A FIVE YEAR COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION 1547.

Sponsor: MAYOR

Preparing Agency: Employee Relations

Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:		(In Thousands of Dollars)			
	FY09	FY10	FY11	FY12	FY13
Operating Expenditures					
1000 Personal Services	\$691	\$1,213	\$1,847	\$2,402	\$3,069
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
TOTAL DIRECT COSTS:	\$691	\$1,213	\$1,847	\$2,402	\$3,069
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	\$691	\$1,213	\$1,847	\$2,402	\$3,069
REVENUES:					
CAPITAL:					
POSITIONS: FT/PT and Temp					

PUBLIC SECTOR ECONOMIC EFFECTS:

The numbers above reflect the patterned collective bargaining agreements: 3% in 2009; CPI-U in 2010, 2011, 2012 and 2013 with a minimum of 2.5% and not to exceed 3.9%; either side can request a wage reopener instead of the CPI-U beginning in 2010. For the CPI-U in 2010, 2011, 2012 and 2013 the numbers above reflect the minimum of 2.5%; if the CPI-U increase for those years was 3.9% then the increase would be \$1,440 in 2010, \$2,316 in 2011, \$3,127 in 2012 and \$4,068 in 2013.

PRIVATE SECTOR ECONOMIC EFFECTS:

None

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

Telephone: 343-4399

14. NEW PUBLIC HEARINGS

- 14.B. Resolution No. AR 2008-280, a resolution ratifying a five year collective bargaining agreement between the Municipality of Anchorage and the **International Brotherhood of Electrical Workers**, Local Union 1547, Employee Relations Department.
- a. Assembly Memorandum No. AM 782-2008.

(Following Public Hearing and discussion from Mr. Coffey and Mr. Starr. Correlates with Minutes on Page 12, beginning with Line 54. Located at 04:11:08 to 04:13:18 on the video.)

Mr. Coffey: *(lastly addressing shop stewards or working stewards and language that pertained to a contract change in 1998, and stating there were things in the contract that needed clarity. And, a response from Mr. Otto, saying the language had been in the contract for a long time)*

Ms. Johnston: I have not read this contract as thoroughly as Mr. Coffey has... but, I'm concerned with all the existing language... and we've just rolled it into this contract, including language that goes back to Eklutna and the double time and the triple time hourly rate... What did we address? I mean, what did we address? Do we have a copy... like we did with the other one we had... as far as the changes that were made?

Mr. Otto: Through the Chair, Ms. Johnston. I don't know, um, exactly what kind of copy you have. I don't have a marked-up... I don't even have a copy in front of me right at this very moment. But, we chose about a half a dozen items to negotiate... Mr. Bell and Shop Stewart Kelly Lauren and Jim Posey and myself. And, we dealt primarily with the high Levels of benefits and wages, efficiencies, management rights... those kinds of things. And then there was another team, at the department level, that dealt with the editing of various pages and that aspect of it. And, it was all rolled into a contract ...ratified vote.

Ms. Johnston: And this is the final one? This isn't a draft? It's all been edited... for the couple of type-o's that Mr. Coffey's seen?

Mr. Otto: Yes. Correct. We're had a management labor team working on this to go through all the editing of it, to make sure it's correct and all the spelling is correct and all those things.

Ms. Johnston: I'm curious why we don't... If some of the language is obsolete, why we don't get rid of it?

Mr. Otto: Uh... We attempt to do that in every case. Um... however sometimes we are not successful... sometimes it's because they say there is still a person who is under that language... still has an effect there. And, therefore we keep it the same for that one-in-a-hundred chance type scenario. We try to clean those up ourselves, and IBEW with us has been very successful in a lot of that. Some of those do not get caught.

Ms. Johnston: Thanks.



U.S. Department
of Transportation
Federal Transit
Administration

REGION X
Alaska, Idaho, Oregon,
Washington

915 Second Avenue
Federal Bldg. Suite 3142
Seattle, WA 98174-1002
206-220-7954
206-220-7959 (fax)

FEB 24 2009

D. Kenneth Ford
Assistant Municipal Attorney
Municipality of Anchorage
P.O. Box 196650
Anchorage, Alaska 99519-6650

Re: FTA Grant Procurements

Dear Mr. Ford:

This responds to your letter of February 20, 2009, seeking a determination from the Federal Transit Administration (FTA) to allow the Municipality of Anchorage (MOA) to use certain restrictive language in the solicitation and award of a contract paid for, in part, with FTA funds. You indicate that MOA currently is under a collective bargaining agreement with a local labor organization wherein projects put out for bid by the MOA must be restricted to contractors who are either signatories to the agreement or who obtain a letter of assent from the union to perform the work. The work to be performed under the contract funded with FTA funds would fall under the scope of this agreement.

As you note, FTA-funded contracts are subject to the requirement of full and open competition. FTA's procurement guidance at Circular 4220.1F, Chapter VI, provides, in part, as follows:

PROCEDURAL GUIDANCE FOR OPEN MARKET PROCUREMENTS

1. COMPETITION REQUIRED. Except as permitted by Federal law or regulations, the Common Grant Rules require a recipient of Federal assistance to use third party procurement procedures that provide full and open competition. The Federal Transit Administration's (FTA) enabling legislation at 49 U.S.C. Section 5325(a), also requires an FTA recipient to conduct all third party procurements financed under 49 U.S.C. Chapter 53 in a manner that provides full and open competition as determined by FTA.

49 U.S.C. Section 5325(a) provides:

Competition. Recipients of assistance under this chapter shall conduct all procurement transactions in a manner that provides full and open competition as determined by the Secretary.

Attachment 3

And, 49 Code of Federal Regulations (CFR) Section 18.36 provides, in part:

(b) Procurement standards. (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

* * *

(c) Competition. (1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Sec. 18.36.

The restriction to award contracts and, by extension, only to consider bids, by contractors who are either signatories to the collective bargaining agreement or who obtain assent from the union to perform that work, would be considered an unallowable restriction to full and open competition.

One might also inquire whether President Obama's recent Executive Order (EO) of February 6, 2009, regarding project labor agreements, might somehow effect this determination. However, I would point out the following statement in the EO:

Sec. 4. Any project labor agreement reached pursuant to this order shall:

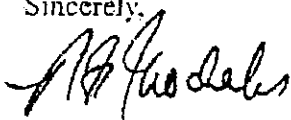
* * *

(b) allow all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;

Finally, I would note that FTA grant requirements do mandate that any FTA-funded construction contracts pay the prevailing wage rates pursuant to the Davis-Bacon Act, 40 U.S.C. Section 3141.

If you have any further questions, please do not hesitate to contact Ted Uyeno, FTA Regional Counsel, at 206-220-7958.

Sincerely,



R. F. Krochalis
Regional Administrator

cc. Ned Conroy
Patricia Hendrix



Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • Telephone: (907) 343-4431 • Fax: (907) 343-4499 <http://www.muni.org>

*Matt Claman,
Acting Mayor*

Office of the Mayor

February 24, 2009

Mr. Larry Bell
Business Manager
International Brother of Electrical Workers
3333 Denali Street
Anchorage, Alaska 99503

Dear Mr. Bell:

I write to you regarding the so-called "signatory clause" in the collective bargaining agreement approved by the Anchorage Assembly last December. I appreciate your earlier clarification that the requirement applies to contracted electrical work in five departments, not the entire Municipality of Anchorage.

However, a problem remains. The signatory requirement should apply only to the Property and Facilities Division, not the entire Maintenance and Operations Department. That was the intent of the clause. I feel confident in saying that no one wanted or anticipated that this requirement would be imposed on the entire M&O Department, as it is now constituted.

I hope you will agree that rolling back that requirement is in everyone's best interest. I look forward to discussing this with you in more detail.

Sincerely,

Matt Claman
Acting Mayor



Attachment 4

Community, Security, Prosperity

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

Prepared by: Employee Relations

For Reading: November 18, 2008

CLERK'S OFFICE

APPROVED

Date: 12-2-08

IMMEDIATE RECONSIDERATION ANCHORAGE, ALASKA
FAILED 12-2-08 AR NO. 2008-280

**A RESOLUTION RATIFYING A FIVE YEAR COLLECTIVE BARGAINING
AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL
UNION 1547.**

WHEREAS, the current collective bargaining agreement between the Municipality of Anchorage (hereinafter "MOA") and the International Brotherhood of Electrical Workers, Local Union 1547 (hereinafter "IBEW") expired October 1st, 2008; and

WHEREAS, IBEW and MOA entered into good faith negotiations that resulted in ratification of the collective bargaining agreement by the membership of IBEW effective October 1, 2008 through September 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 IBEW for this labor agreement to be subject to the public review and approval process in order to foster good labor-management relationships; and

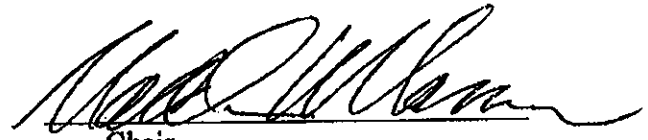
WHEREAS, the Administration recommends the approval of this negotiated contract as set forth in the Assembly Memorandum attached hereto; now, therefore,

THE ANCHORAGE MUNICIPAL ASSEMBLY RESOLVES:

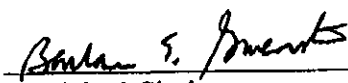
Section 1. The collective bargaining agreement between the MOA and the IBEW, attached hereto and described in the Assembly Memorandum submitted herewith, is ratified by the Assembly.

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

PASSED AND APPROVED by the Anchorage Assembly this 2nd day of December, 2008.


Chair

ATTEST:


Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 782-2008

Meeting Date November 18, 2008

FROM: MAYOR

SUBJECT: A RESOLUTION RATIFYING A FIVE YEAR COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION 1547.

The Municipality of Anchorage (MOA) and the International Brotherhood of Electrical Workers, Local Union 1547 (IBEW) recently reached agreement on a five year collective bargaining agreement (CBA). The agreement would extend until September 30, 2013. The previous contract expired October 1st, 2008. The CBA has been ratified by the IBEW membership.

This bargaining unit is made of 246 MOA employees. 171 are ML&P (Utility) employees and 75 General Government employees in Development Services, Traffic, Maintenance & Operations and Weatherization.

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:

- Reduces use of the Service Recognition Program (SRP) and allows employees to participate in a Performance based pay system.
- Requires employees to share in increases in health benefits over the life of the contract.
- Wage increases:
 - 2009 a 3.0% increase
 - 2010 a CPI-U (minimum of 2.5% and maximum of 3.9%).
 - 2011 a CPI-U (minimum of 2.5% and maximum of 3.9%) 2012 a CPI-U (minimum of 2.5% and maximum of 3.9%).
 - 2013 a CPI-U (minimum of 2.5% and maximum of 3.9%)
 - Effective January 2010 and for the following years, either party may request a wage reopener instead of the CPI-U.
- Pension Plan increases:
 - 2009 - \$.50 increase
 - 2011 - \$.25 increase
 - 2013 - \$.25 increase

Attachment 6

- Non-cashable leave was given to IBEW and is consistent in the leave code provisions for NON REP leave (3.30.152)
- Health and Welfare is through the IBEW Health Plan. This contract applies a new base of \$1248 with the employee paying an additional \$5.00. Increases in outer years will be at 90/10 split with the employee paying 10%.

This CBA follows the pattern of the recently approved Teamster, Local 959 CBA and Public Employees, Local 71 and Operating Engineers, Local 302.

Adoption of a five (5) year CBA will enable these employees and these departments to enjoy the benefits of a stable labor environment for the foreseeable future.

THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION RATIFYING A FIVE YEAR COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION 1547.

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



MUNICIPALITY OF ANCHORAGE
ASSEMBLY INFORMATION MEMORANDUM

No. AIM 23-2009

Meeting Date: February 24, 2009

1 **FROM:** Acting Mayor

2
3 **SUBJECT:** MOA/ML&P/IBEW Collective Bargaining Agreement & Classification
4 Committee Action pertaining to wages decoupled from the Journeyman
5 Lineman rate of pay
6

7 In the Collective Bargaining Agreement between the Municipality of Anchorage
8 Municipal Light & Power and the International Brotherhood of Electrical Workers (IBEW
9 Local 1547) Article 3.9, Classification of Employees, outlines the classification process
10 for wages and job classifications for employees covered under this agreement.
11 Appendix 1 of the Collective Bargaining Agreement establishes the appropriate
12 classification level and compensation for these bargaining unit classifications. For more
13 than 40 years, these classifications have been tied to a percentage of Journeyman
14 Lineman wages. Thus, the compensation paid to Engineers and Generation Plant
15 Operator/Mechanics and various clerical positions was directly linked to the
16 Journeyman Lineman's hourly wage rate. If the wages of the Journeyman Lineman
17 were increased as a result of negotiations, all of the other classifications also received
18 wage increases based on their particular percentage of pay.
19

20 In recent years the Journeyman Lineman wage rate of ML&P had fallen behind that of
21 other Alaskan Railbelt Utilities. Consequently ML&P has been unable to recruit
22 competitively or to retain employees in several critical professional and technical
23 positions, such as Engineers and Generation Plant Operators, and a number of these
24 critical positions remain vacant. Over a recent 18 month period, four Engineers left
25 ML&P for financial reasons, specifically due to our inability to pay market-based
26 compensation. One of the major competitors is Chugach Electric Association (CEA)
27 which offers a better compensation package.
28

29 In June of 2007 Mayor Begich met with ML&P employees to discuss the possible
30 merger of ML&P with CEA. During the discussions for a proposed merger between
31 CEA and ML&P, it was also decided that the two utilities should look at combining
32 forces on joint projects. With these two goals in mind, it was clear that the pay
33 inequities between the two utilities would have to be resolved if they were to work
34 together successfully.
35

36 In January of 2008 the IBEW Business Manager, the MOA Employee Relations Director
37 and the ML&P General Manager began discussions concerning the Collective

1 Bargaining Agreement that was about to expire. They concluded that a Classification
2 Committee should be convened in the Spring of 2008 to address the wage scale
3 adjustments necessary for those ML&P classifications compensated below the market
4 rate. The parties also agreed to discontinue the long standing practice of predating
5 any one job classification on the 100% wage scale of Journeyman Lineman. This
6 decoupling of classifications was a major concession by the IBEW. The Classification
7 Committee was formed in June 2008, and began its review of classifications. It met
8 frequently for extended periods of time. After a month it was determined more time was
9 needed and it continued to work on the project throughout the summer and fall and
10 concluded in late November/early December.

11
12 The final result was the conclusion that a new Utility Base Wage should be established.
13 This determination took into account market based data and research as well as
14 identification of those selected classifications that have been difficult to fill as a result of
15 historic under- compensation. In January 2009, the Classification Committee formalized
16 its approval of the list of ML&P classifications eligible for implementation of the new
17 Utility Base Wage rate effective January 5, 2009. This retroactive wage adjustment for
18 January 5, 2009 has yet to be implemented, and has been delayed in part because of
19 the necessary steps that must be coordinated with the Municipality's Peoplesoft
20 systems, as well as with Municipal Payroll.

21
22 Recommended by: James M. Posey, General Manager, ML&P

23 Requested by: Sharon Weddleton, CFO

24 Concur: Michael K. Abbott, Municipal Manager

25 Respectfully submitted: Matt Claman, Acting Mayor

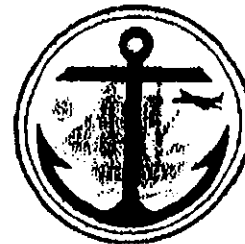
AGREEMENT COVERING
TERMS AND CONDITIONS OF EMPLOYMENT

between

MUNICIPALITY OF ANCHORAGE



MUNICIPAL LIGHT & POWER



and



INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS
LOCAL UNION 1547

AFL-CIO

Anchorage, Alaska

October 1, 2008 through October 31, 2013

Attachment 7

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committee of four (4) members equally representing the Union and Management which shall be known as the Municipal Light and Power Joint Apprenticeship and Training Committee. The Committee shall select co-chairmen from its members.

3.8.2 It shall be the duty of the Committee to administer all apprenticeship and trainee programs affecting bargaining unit employees including, but not limited to, those in Warehouseman Trainee, Operator-Mechanic Trainee, Clerk Trainee, Engineering Assistant I, and Engineer in Training positions.

3.8.3 The Committee will:

3.8.3.1 Review step rate placement for apprentice-trainees hired;

3.8.3.2 Provide for establishing training standards and programs;

3.8.3.3 Evaluate apprentice and trainee progress; and

3.8.3.4 Recommend whether an apprentice/trainee should advance to regular status or be terminated from employment

Article 3.9 Classification of Employees.

3.9.1 Job Classifications.

3.9.1.1 The parties recognize the Bargaining Unit job classifications as listed and contained in Appendix 1 of this Agreement, and concur that such classifications have been agreed upon and are in existence upon the signing of this Agreement.

3.9.1.2 Pursuant to Municipal Ordinance AO 82-56, the parties recognize that a new job classification may be created or existing job classifications changed during the life of this Agreement if negotiated and mutually agreed to by the Union. Such changes shall be negotiated and agreed upon, and if not agreed upon, resolved pursuant to the classification committee and arbitration procedures hereinafter described

3.9.2 Classification Committees

3.9.2.1 The Union and Utility Manager shall immediately establish a standing internal classification committee for ML&P consisting of two (2) management representatives and two (2) IBEW representatives. The MOA Employee Relations Director and the Union shall establish a separate but comparable classification committee to address job classifications in the other

MOA departments covered by this Agreement. The committees shall be charged with reviewing newly proposed job classifications or changes in existing classifications falling within the scope of this Agreement. A majority vote of the committee shall be controlling. The initial decision whether or not to simply create a new classification or to initiate a change in an existing classification is within the sole discretion of the Employer. Once such an initial decision is made, the provisions of this Article 3.9, Classification of Employees, shall apply.

3.9.2.2 Both the Union and the Employer shall appoint a co-chairman. Either co-chairman shall have authority to convene a meeting of the committee with three (3) calendar days advance notice.

3.9.2.3 If the Classification Committee does not agree on the establishment of the new job classification or the proposed changes, the matter may be submitted immediately to local arbitration through the striking method by which the Chief Steward and the Employer will jointly select a local arbitrator. The local arbitrator shall be selected and a decision rendered in five (5) calendar days. The decision of the arbitrator shall be final and binding on all parties.

3.9.2.4 The Classification Committee has the right, and the obligation, to establish wage rates for all classifications within its jurisdiction.

Article 3.10 Resignation.

An employee who desires to terminate shall give at least two (2) weeks notice, in writing, to his/her immediate Management supervisor and foreman. Notice of resignation shall become part of the employee's personnel record. The required period of notice may be reduced or waived by the Employer upon recommendation of the Utility Manager/Department Director. Upon approval of the Utility Manager/Department Director, an employee may withdraw his/her resignation at any time prior to the effective date of the resignation. Failure to give adequate notice will be noted on the employee's separation documents and may render the employee ineligible for rehire by the Municipality. The effective date of termination shall be the last day worked or date noticed for those employees who do not return from leave without pay.

Article 3.11 Loan of Employees.

The Employer shall not loan, or cause to be loaned, to any other employer the members of the Union in its employ without first securing permission of the Union representative

Agenda
1pm


9E10





MUNICIPAL LIGHT & POWER

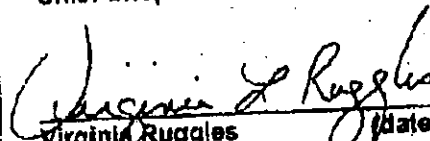
Classification Committee For
Implementing a New Base Utility Wage Rate
Pursuant to the June 13, 2008, Letter of Understanding
Between IBEW Local 1547 and Municipal Light & Power

By mutual agreement, Municipal Light & Power and IBEW Local 1547 agreed to convene this Classification Committee pursuant to Article 3.9.2 of the ML&P/IBEW Collective Bargaining Agreement. The committee met several times over the Summer and Fall of 2008. They reviewed and approved the attached lists of Utility classifications, consisting of two (2) pages total, which was prepared last summer. We hereby formalize our approval of this list of ML&P Utility classifications which are eligible for implementation of the new Base Utility Wage Rate effective January 5, 2009.

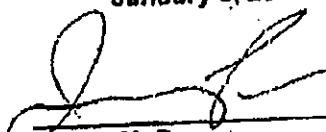

Scott Jeffries
Generation Plant 2 Supt.
1/21/09
(date)

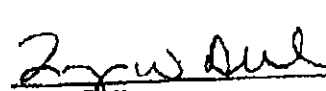

Kelly Moran
Chief Shop Steward, ML&P
1-21-09
(date)


Martha Nelson
Human Resources Analyst
01/21/09
(date)


Virginia Ruggles
Finance Division
1/21/09
(date)

Implementation of new base utility wage percentage increases for
selected classifications as listed on page 2 will occur as follows:
January 5, 2009 - 25%; March 30, 2009 - 60%; and September 14, 2009 - 25%.


James M. Posey,
General Manager, ML&P
JAN 22 2009
(date)


Larry Bell
Business Manager, IBEW Local 1547
1/22/09
(date)

See Attached Lists of ML&P Utility Classifications pages 2 & 3

cc: Karen Burgos, ML&P HR Manager
Jean Sagan, ML&P Labor Relations

List of ML&P IBEW Classifications with Changes

Contract Description	Current %	Proposed %
1 Assistant Warehouseman	87.50%	100.00%
2 Associate Engineer - Grandfathered	107.50%	126.50%
3 Associate Engineer w/PE	110.00%	133.00%
4 CPR Engineer	100.00%	114.00%
5 Customer Service Coordinator	85.00%	110.00%
6 Cut-In/Cut-Out Lineman	100.00%	114.00%
7 Electrical Leadman	105.00%	118.00%
8 Engineer in Training - in college	95.00%	109.00%
9 Engineer in Training - tested	102.50%	119.00%
10 Engineer in Training - untested	100.00%	114.00%
11 Engineering Assistant I	75.00%	90.00%
12 Engineering Assistant II	80.00%	95.00%
13 Engineering Assistant III	85.00%	100.00%
14 Engineering Assistant IV	90.00%	105.00%
15 Engineering Assistant V	95.00%	110.00%
16 Generation Design Technician	95.00%	110.00%
17 Generation Electrical Foreman	112.50%	128.00%
18 Generation Leadman	105.00%	118.00%
19 Generation Mechanic Foreman	112.50%	128.00%
20 Generation Plant Foreman	112.50%	128.00%
21 Head Warehouseman	100.00%	114.00%
22 Inspector	100.00%	118.00%
23 Journeyman Lineman	100.00%	114.00%
24 Journeyman Meterman	100.00%	114.00%
25 Journeyman Operator/Electrical	100.00%	114.00%
26 Journeyman Operator/Mechanical	100.00%	114.00%
27 Journeyman Technician - Electronics/Communications	100.00%	114.00%
28 Line Foreman	112.50%	128.00%
29 Loopwagon Leadman	105.00%	118.00%
30 Mechanical Leadman	105.00%	118.00%
31 Meter Reader	75.00%	80.00%
32 Meter Reader Leadman	80.00%	85.00%
33 Meterman Leadman	105.00%	118.00%
34 ML&P Journeyman Wireman	100.00%	114.00%
35 Power Dispatcher	112.50%	128.00%
36 Power Dispatcher Trainee - after training	102.50%	117.00%
37 Power Dispatcher Trainee - in training	105.00%	120.00%
38 Relay/Substation Leadman	105.00%	118.00%
39 Relay/Substation Technician	100.00%	114.00%
40 Relay/Substation Working Foreman	112.50%	128.00%
41 Senior Engineer, P.E. Licensed	115.00%	147.00%
42 Senior ROW/Cadastral Engineer	107.50%	120.00%
43 Service Design & Extension Coordinator	85.00%	110.00%
44 Service Foreman	112.50%	128.00%
45 Sr. Electronics Communications Tech	102.50%	118.00%
46 Transformer Foreman	112.50%	128.00%
47 Transformer Journeyman	100.00%	114.00%
48 Vehicle Fueler	67.00%	67.00%
49 Working Foreman - Electronics/Communications	112.50%	128.00%
50 Working Meter Foreman	112.50%	128.00%

List of ML&P IBEW Classifications without Changes

Contract Description		Current %	Proposed %
1	Accountant	80.00%	no change in %
2	Apprentice Lineman	85% - 95% - 5% increments	no change in %
3	Apprentice Operator Mechanic	85% - 95% - 5% increments	no change in %
4	CPR Senior Clerk	87.00%	no change in %
5	Electronics/Communications Technical Trainee	90.00%	no change in %
6	Generator Technician	100.00%	no change in %
7	Journeyman Mechanic	100.00%	no change in %
8	Journeyman Mechanic/Welder	85.00%	no change in %
9	Journeymen Facility Maintenance Tech	80.00%	no change in %
10	Junior Accountant	47.00%	no change in %
11	Junior Clerk	100.00%	no change in %
12	Light & Power Maintenance Journeyman	95.00%	no change in %
13	Locator	80.00%	no change in %
14	Matorman Trainee	65% - 95% - 5% increments	no change in %
15	Operator/Mechanic Helper	80%, 90%, 95%	no change in %
16	Operator/Mechanic Trainee	87.00%	no change in %
17	Senior Clerk	107.50%	no change in %
18	Senior Engineer	100.00%	no change in %
19	Surveying Engineer	50.00%	no change in %
20	Temporary Student Aide	100.00%	no change in %
21	Tree Trimmer	112.50%	no change in %
22	Tree Trimmer Foreman	40.00%	no change in %
23	Utility Account Representative I	43.00%	no change in %
24	Utility Account Representative II	50.00%	no change in %
25	Utility Account Representative III	60.00%	no change in %
26	Utility Account Representative IV	70.00%	no change in %
27	Utility Account Specialist	70.00%	no change in %
28	Utility Technical Assistant	80.00%	no change in %
29	Vehicle Mechanic Helper	47%, 52%, 59%, 66%, 73%, 80%, 87.5%	no change in %
30	Warehouseman Trainee	112.50%	no change in %
31	Working Mechanic Foreman		

Attachment 7



MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
NO. AM 145-2009

Meeting Date: March 3, 2009

From: ASSEMBLY MEMBER STARR
Subject: **AR 2009-66 – Motion to Rescind Assembly Action Approving AR 2008-307 (Ratification of APDEA Contract)**

By notice dated February 24, 2008, I gave notice of intent, as provided in the Rules of Procedure for the Assembly, AMC 2.30.080.H, to move to rescind the Assembly's December 16, 2008 action on AR No. 2008-307. My motion to rescind Assembly action approving AR 2008-307 (ratification of a 5-year contract with APDEA) is based on the following factors, nonconformities, and material mistakes:

- **Certification required by code is absent:** Certification and confirmation of available funding is mandatory under municipal code. AMC 6.30.050 requires prior certification and confirmation of funding availability and the absence and unavailability of mandatory certification and confirmation nullifies the Assembly's passage of AR 208-307.
 - **AMC 6.30.050 is mandatory:** "No contract, agreement or other obligation involving the expenditure of money shall be entered into, nor shall any ordinance, resolution or order for expenditure of money be passed by the assembly or be authorized by any officer of the municipality, **unless the chief fiscal officer shall first certify to the assembly** or to the proper officer, as the case may be, that the money required for such contract, obligation or expenditure has been appropriated to the credit of the fund from which it is to be drawn, and not appropriated for any other purpose." ****
 - **The public is protected by certification:** Prior verification of the Municipality's ability to pay contractual obligations is for the public's protection. Where code provisions exist to protect the citizens and taxpayers of the municipality from ill-considered contracts, the provisions must be followed, or ratification by the Assembly is invalid.
 - **There is no authority or discretion to waive:** As this Assembly experienced in *Stuart v. Municipality of Anchorage*, Case No 3AN-07-4155 CI (Wal-Mart decision dated February 1, 2008, page 17 of 26), the Assembly does not have the discretion or authority to waive the protections afforded to the public in code.
- **Fiscal health as measured by status of fund balance:** Prior to Assembly action on AR 2008-307, the fiscal environment of the municipality was represented in various reports on the status of revenue and spending under the FY 2008 Budget. The fund balance forecast report distributed on November 17, 2008 described the

1 anticipated year-end fund balances as intact, with no forecast or reference to deficit
2 spending needs for FY 2008. AR 2008-307 was approved by the Assembly based
3 on a material mistake: That the balance between 2008 spending and 2008 revenue
4 was not projected to require deficit spending from fund balances for FY 2008.

- 5
6 • **Extent of FY 2008 Budget shortfall unavailable to Assembly:** The biennial
7 General Government Operating Budget, adopted in November 2007 and setting
8 forth projected annual budget requirements for FY 2008 and 2009, was reviewed
9 and updated for FY 2008 under AO 2008-102(S), as amended and approved by the
10 Assembly on November 25, 2008. Beginning in January 2009 and continuing to
11 date, the Administration is confirming projected municipal fund deficits. As of Friday,
12 February 13, 2009, the Administration confirmed projected municipal fund deficits
13 in excess of \$17 Million for 2008 Issues and \$11 Million for 2009 Revenue shortfall
14 issues, leading to a subtotal of nearly \$29 Million in potential shortfall, before any
15 spending cuts. Of this subtotal, the projected deficit in General Government is \$21.3
16 Million, before any spending cuts. Increases to municipal revenue from property
17 taxes are not available, due the "tax cap" provision in the Charter.
18
- 19 • **Deficiencies in the Summary of Economic Effects:** The Summary of Economic
20 Effects (SEE) that accompanied AR 2008-307 includes minimal financial data,
21 deferring to an analysis prepared by the Internal Auditor at the request of the
22 Assembly. The referenced analysis was completed by the Internal Auditor and
23 presented to the Assembly under cover memorandum dated December 12, 2008.
24 However, the data available to the Assembly and the Internal Auditor prior to action
25 on AR 2008-307 fails to reflect the Municipality's financial situation for FY 2009 and
26 forward, and items in the financial analysis now appear significantly understated due
27 to limitations in the information available for review by the Internal Auditor and the
28 Assembly.
29
- 30 • **The public interest warrants rescission of Assembly ratification:** The public
31 was not served by premature termination of the collective bargaining agreement in
32 place with APDEA, in favor of a new contract for which the certification required by
33 code in advance of Assembly action is absent, and the information necessary to
34 comply with code requirements remains outstanding or unresolved. Premature
35 action by the Assembly in these circumstances was not authorized in code and will
36 lead to unnecessary adverse consequences for all concerned. Public safety is
37 important enough to this community for the Assembly to ensure that all necessary
38 information is before the Assembly prior to Assembly ratification.
39
40

41 Respectfully submitted:

42
43 Bill Starr, Assembly Member, Section 2
44