

Submitted by: Chair of the Assembly at the
Request of the Acting Mayor
Prepared by: Employee Relations
For Reading: April 28, 2009

CLERK'S OFFICE

ANCHORAGE, ALASKA

APPROVED

AR No. 2009-115

Date: 5-26-09

1 A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE
2 COLLECTIVE BARGAINING AGREEMENT BETWEEN MUNICIPALITY OF
3 ANCHORAGE AND GENERAL TEAMSTERS, LOCAL UNION 959.

4
5 WHEREAS, a collective bargaining agreement (CBA) between the Municipality of
6 Anchorage (MOA) and the General Teamsters, Local Union 959 (TMS) was ratified
7 by the Assembly on February 26, 2008 (AR 2008-25); and

8
9 WHEREAS, since ratification of the CBA, the MOA identified a budget shortfall
10 estimated at \$17 million; and

11
12 WHEREAS, the MOA and TMS prepared a Letter of Agreement amending the CBA
13 to provide for wage concessions, approved by the TMS membership, and attached
14 hereto as **Exhibit A**; and

15
16 WHEREAS, Anchorage Municipal Code section 3.70.130 requires Assembly
17 ratification of amendments to a CBA; and

18
19 WHEREAS, it is in the best interest of the public for this amendment to be subject to
20 public review process, fostering good labor-management relationships; and

21
22 WHEREAS, the Administration recommends ratification of the Letter of Agreement;
23 now, therefore,

24
25 **THE ANCHORAGE MUNICIPAL ASSEMBLY RESOLVES:**

26
27 **Section 1.** The Letter of Agreement, attached hereto as **Exhibit A**, amending to
28 the TMS collective bargaining agreement, is hereby ratified.

29
30 **Section 2.** This resolution shall become effective immediately upon its passage
31 and approval by the Assembly.

32
33 PASSED AND APPROVED by the Anchorage Assembly this 26th day of
34 May, 2009.

35
36 Debbie Ossander
37 Chair

38 ATTEST:

39
40 Bula S. Inuit
41 Municipal Clerk
42



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 259-2009

Meeting Date: April 28, 2009

FROM: ACTING MAYOR

SUBJECT: A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE COLLECTIVE BARGAINING AGREEMENT BETWEEN MUNICIPALITY OF ANCHORAGE AND GENERAL TEAMSTERS, LOCAL UNION 959.

The Municipality of Anchorage (MOA) and the General Teamsters, Local Union 959 (TMS) reached an agreement on wage concessions. The Letter of Agreement, **Exhibit A** to the Resolution, becomes effective the first full pay period following Assembly approval. The Letter of Agreement was ratified by the TMS membership.

This bargaining unit has 95 MOA employees in the Public Transportation Department and 19 in Solid Waste Services.

The key elements of the Letter of Agreement are:

- Forego negotiated 2009 wage increase of 3% for the remainder of 2009
- Contract extension and wage concessions payback:
 - 2011: 1% + previous five year CPI-U average (min. of 2.5% and max. 4.0%)
 - 2012: 1% + previous five year CPI-U average (min. of 2.5% and max. 4.0%)
 - 2013: Wage reopener
- Amend Performance Step Program to allow for employees whose Service Recognition Pay (SRP) was frozen on August 31, 2008 at seven percent (7%) or ten and one-half percent (10.5%) respectively, to be eligible to obtain a maximum total of thirteen percent (13%) after the completion of eight successful quarters in the PSP

**THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION
RATIFYING A LETTER OF AGREEMENT, AMENDING THE COLLECTIVE
BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF
ANCHORAGE AND THE GENERAL TEAMSTERS, LOCAL UNION 959.**

Prepared by:	Employee Relations Department
Approved by:	Lisa Arnold, Acting Director
	Employee Relations
Concur:	Sharon Weddleton, CFO
Concur:	James N. Reeves, Municipal Attorney
Concur:	Michael K. Abbott, Municipal Manager
Respectfully submitted:	Matt Claman, Acting Mayor

LETTER OF AGREEMENT

by and between

MUNICIPALITY OF ANCHORAGE (MOA)

and the

GENERAL TEAMSTERS, LOCAL UNION NO 959 (TMS)

Subject: Wages and Contract Extension

Number: TMS - 001

The Municipality of Anchorage has a significant budget shortfall for fiscal year 2009. The MOA and TMS have worked collaboratively to assist in reducing the budget shortage and have agreed to the following wage concessions and changes to their collective bargaining agreement.

The following is new language:

Article 5.1.C.1.

Effective the first full pay period after the Assembly approves this agreement the 2009 hourly wage rates shall reflect a prospective roll back of three percent (3%) as specified in Article 13.4.

Article 13.4 Wage Rates.

This wage scale reflects a prospective roll back of the three percent (3%) increase contained in Article 5.1.C effective the first full pay period after the Assembly approves this agreement.

	Step			
Grade	1	2	3	4
09	15.57	16.34	17.16	18.01
10	16.34	17.16	18.01	18.91
17	22.98	24.14	25.35	26.61
18	24.14	25.35	26.61	27.94
19	25.35	26.61	27.94	29.36
20	26.61	27.94	29.36	30.81
13	19.86	20.83	21.89	22.98
13T	18.88			

Exhibit A

The following is new language:

5.1.Wage Rates

E. Effective the first full pay period on or after January 1, 2011, the hourly wage rates in Article 13.3 shall be increased by the previous five (5) year average CPI-U, with a minimum of two and one-half percent (2.5%) increase and a maximum of four percent (4.0%) increase plus an additional one percent (1%).

F. Effective the first full pay period on or after January 1, 2012, the hourly wage rates in Article 13.3 shall be increased by the previous five (5) year average CPI-U, with a minimum of two and one-half percent (2.5%) increase and a maximum of four percent (4.0%) increase plus an additional one percent (1%).

G. The Union shall have the option to require the contract be "opened" for the sole purpose of negotiating an increase in wages for the period January 1 to December 31, 2013. If the Union elects to exercise this option, it shall give at least ninety (90) days written notice to the Municipality prior to December 31, 2012.

The following will replace Article 5.6.6 Successful completion of the following shall be deemed as having met the criteria to advance (4.):

4. Upon successful completion of eight (8) quarters, an employee shall be eligible to receive performance step pay (PSP) in the amount of six and one-half percent (6.5%) of the base rate of pay. Employees whose Service Recognition Pay (SRP) was frozen on August 31, 2008 at seven percent (7%) or ten and one-half percent (10.5%) respectively, shall be eligible to obtain a maximum of thirteen percent (13%) after the completion of eight successful quarters in the PSP. Employees who have not achieved the thirteen (13%) are eligible to enter into the second step of the PSP.

The following will replace Article 14.1:

This Agreement shall remain in effect through December 31, 2013.

The parties agree this agreement is non-precedent setting.

The parties agree this agreement modifies the collective bargaining agreement between the parties.

IN WITNESS WHEREOF, this Agreement is entered into freely and voluntarily by the signatures of the parties below.

SIGNED FOR:

THE GENERAL TEAMSTERS LOCAL 959

MUNICIPALITY OF ANCHORAGE

Tim Morgan Date
Business Representative

Lisa Arnold Date
Acting Employee Relations Director

TMS Tentative Agreement: TM MOA Tentative Agreement: LA Date: 4-27-09
4-27-09 4/27/09

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AM Number: AR 2009-115 Title: A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING
THE COLLECTIVE BARGAINING AGREEMENT BETWEEN
MUNICIPALITY OF ANCHORAGE AND GENERAL TEAMSTERS, LOCAL
UNION 959.
Sponsor: Acting Mayor
Preparing Agency: Employee Relations
Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:

(In Thousands of Dollars)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
Operating Expenditures					
1000 Personal Services	(\$109)	(\$36)	\$183	\$409	\$409
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
TOTAL DIRECT COSTS:	(\$109)	(\$36)	\$183	\$409	\$409
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	(\$109)	(\$36)	\$183	\$409	\$409

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

The numbers above reflect the savings obtained by rolling back the previously negotiated 3% increase in 2009 for the remainder of the year. 2010 shows the 2.5% increase that exists in the current collective bargaining agreement. 2011 and 2012 show a 3.5% increase which reflects a CPI-U increase of 2.5% plus an additional 1% payback.

PRIVATE SECTOR ECONOMIC EFFECTS:

None

Prepared by: Lisa Arnold, Acting Director, Employee Relations

Telephone: 343-4571

Validated by OMB: _____

Date: _____

Recommended by Sharon Weddleton, Chief Fiscal Officer

Approved by Acting Mayor Claman

2009 MAY 11 PM 4:03
CLEAN'S OFFICE
M.O.A.

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Enterprise Activities

AM Number: AR 2009-115 Title: A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING
THE COLLECTIVE BARGAINING AGREEMENT BETWEEN
MUNICIPALITY OF ANCHORAGE AND GENERAL TEAMSTERS, LOCAL
UNION 959.
Sponsor: Acting Mayor
Preparing Agency: Employee Relations
Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:

(In Thousands of Dollars)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
Operating Expenditures					
1000 Personal Services	(\$29)	(\$10)	\$48	\$108	\$108
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
TOTAL DIRECT COSTS:	(\$29)	(\$10)	\$48	\$108	\$108
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	(\$29)	(\$10)	\$48	\$108	\$108

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

The numbers above reflect the savings obtained by rolling back the previously negotiated 3% increase in 2009 for the remainder of the year. 2010 shows the 2.5% increase that exists in the current collective bargaining agreement. 2011 and 2012 show a 3.5% increase which reflects a CPI-U increase of 2.5% plus an additional 1% payback. 2013 is a wage opener.

PRIVATE SECTOR ECONOMIC EFFECTS:

None

Prepared by: Lisa Arnold, Acting Director, Employee Relations

Telephone: 343-4571

Validated by OMB: _____

Date: _____

Recommended by Sharon Weddleton, Chief Fiscal Officer

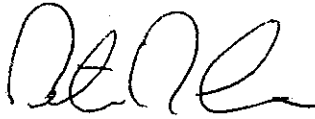
Approved by Acting Mayor Claman

M.O.A.
2009 MAY 11 PM 4:03
CLERKS OFFICE

mf. AR 2009-115

Municipality of Anchorage
MEMORANDUM

DATE: May 20, 2009
TO: Members of the Assembly
FROM: Director, Internal Audit
SUBJECT: Teamsters Cost Validation



2009 MAY 26 PM 1:35
CLEANING OFFICE
M.O.A.

Based on our review and analysis, the following table presents the estimated monetary impact resulting from the proposed wage concessions by the Teamsters.

We have presented both minimum (3.5%) and maximum (5%) increases for years 2011 and 2012. We did not compute an estimate for 2013 because of a wage reopener. All three years are an extension to the existing contract.

See the attached schedule for detailed computations.

Teamsters

PERIOD	Public Transportation	
	3.50% (SAVINGS)/COST FROM UNION OFFER	5% (SAVINGS)/COST FROM UNION OFFER
Effective 01/01/2009 (Give up 3% as of 6-01-09)	(\$112,116)	(\$112,116)
Effective 01/01/2010	(\$193,303)	(\$193,303)
Effective 01/01/2011 (New - 3.5% to 5%)	\$187,174	\$375,147
Effective 01/01/2012 (New - 3.5% to 5%)	\$419,246	\$716,077
Effective 01/01/2013 (Wage re-opener)	\$0	\$0
TOTAL	\$301,001	\$785,805

	Solid Waste Services	
	3.50% (SAVINGS)/COST FROM UNION OFFER	5% (SAVINGS)/COST FROM UNION OFFER
	(\$26,144)	(\$26,144)
	(\$45,076)	(\$45,076)
	\$43,647	\$87,480
	\$97,763	\$166,981
	\$0	\$0
	\$70,190	\$183,240

Teamsters

Public Transportation

PERIOD	3.50%		5%	
	(SAVINGS)/COST FROM UNION OFFER	(SAVINGS)/COST FROM UNION OFFER	(SAVINGS)/COST FROM UNION OFFER	(SAVINGS)/COST FROM UNION OFFER
Effective 01/01/2009 (Give up 3% as of 6-01-09)		(\$109,353)		(\$109,353)
Effective 01/01/2010		(\$36,137)		\$49,209
Effective 01/01/2011 (New - 3.5% to 5%)		\$182,561		\$365,901
Effective 01/01/2012 (New - 3.5% to 5%)		\$408,913		\$698,429
Effective 01/01/2013 (Wage re-opener)		\$0		\$0

TOTAL

\$445,985

\$1,004,186

Solid Waste Services

	3.50%		5%	
	(SAVINGS)/COST FROM UNION OFFER	(SAVINGS)/COST FROM UNION OFFER	(SAVINGS)/COST FROM UNION OFFER	(SAVINGS)/COST FROM UNION OFFER
		(\$28,907)		(\$28,907)
		(\$9,553)		\$13,008
		\$48,260		\$96,725
		\$108,096		\$184,629
		\$0		\$0

\$117,895

\$265,455