

CLERK'S OFFICE

APPROVED

Date: 7-21-09

Submitted by: Chair of the Assembly at the
Request of the Acting Mayor
Prepared by: Employee Relations
For Reading: June 23, 2009

ANCHORAGE, ALASKA
AR No. 2009-163

**A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE
COLLECTIVE BARGAINING AGREEMENT (CBA) BETWEEN THE MUNICIPALITY
OF ANCHORAGE (MOA) AND THE PUBLIC EMPLOYEES, LOCAL 71 (L71)**

WHEREAS, a CBA between the MOA and L71 was ratified by the Assembly on
August 12, 2008 (AR 2008-163) and

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

WHEREAS, the MOA and L71 prepared a Letter of Agreement, amending the CBA to
provide for wage concessions; and

WHEREAS, the Letter of Agreement, approved by the L71 membership, is attached
hereto as **Exhibit A**; and

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

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


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

THE ANCHORAGE MUNICIPAL ASSEMBLY RESOLVES:

Section 1. The Letter of Agreement, attached hereto as **Exhibit A**, amending the
L71 collective bargaining agreement, is hereby ratified.

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

PASSED AND APPROVED by the Anchorage Assembly this 21st day of
July, 2009.


Chair

ATTEST:

Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AR 2009-163 Substitute

Title: A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE PUBLIC EMPLOYEES, LOCAL 71.

Sponsor: Mayor
 Preparing Agency: Employee Relations
 Others Impacted:

REDUCTIONS IN EXPENDITURES AND REVENUES:

(In Thousands of Dollars)									
	FY09	2.50%	FY10	3.50%	FY11	4.25%	FY12	3.50%	FY13
Operating Expenditures									
1000 Personal Services	(\$30)	(\$69)	(\$69)	(\$70)	(\$48)	(\$49)	(\$49)	\$36	\$54
Performance Step Pay	\$0	\$2	\$2	\$2	\$9	\$9	\$7	\$7	\$7
2000 Non-Labor									
3900 Contributions									
4000 Debt Service									
TOTAL DIRECT COSTS:	(\$30)	(\$67)	(\$67)	(\$68)	(\$39)	(\$40)	(\$40)	\$43	\$61
Add: 6000 Charges from Others									
Less: 7000 Charges to Others									
FUNCTION COST:	(\$30)	(\$67)	(\$67)	(\$68)	(\$39)	(\$40)	(\$40)	\$43	\$61
REVENUES:									
CAPITAL:									
POSITIONS: FT/PT and Temp									
PUBLIC SECTOR ECONOMIC EFFECTS:									

M.O.A
 2009 JUL 20 AM 8:11
 CLEANS OFFICE

The numbers above reflect a 3% rollback effective the first full pay period after Assembly approval; and low, medium and high scenarios for increases in 2012 and 2013, as well as a 1% payback in 2011, 2012 and 2013.
 The Performance Step Pay estimates are based on 100% completion of the Performance Step Program criteria by the 3 eligible employees.

PRIVATE SECTOR ECONOMIC EFFECTS:

None

Prepared by: Nancy Bear Usara, Director, Employee Relations

Telephone: 343-4399

Validated by OMB:

Date:

Recommended by George J. Vakalis, Municipal Manager

Approved by Daniel A. Sullivan, Mayor



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 382-2009

Meeting Date: June 23, 2009

1 **FROM: ACTING MAYOR**

2
3 **SUBJECT: A RESOLUTION RATIFYING A LETTER OF**
4 **AGREEMENT, AMENDING THE COLLECTIVE**
5 **BARGAINING AGREEMENT BETWEEN THE**
6 **MUNICIPALITY OF ANCHORAGE (MOA) AND THE**
7 **PUBLIC EMPLOYEES, LOCAL 71 (L71)**
8
9

10 The MOA and L71 reached an agreement on wage concessions. The Letter of
11 Agreement, attached as **Exhibit A** to the resolution, becomes effective the first
12 full pay period following Assembly approval. The Letter of Agreement was
13 ratified by L71 membership.
14

15 This bargaining unit has 83 MOA employees in Anchorage Parks & Recreation
16 and Eagle River Parks & Recreation.
17

18 The key elements of the Letter of Agreement are:
19

- 20 • Effective the first full pay period after Assembly approval, the 2009 wage
21 increase of 3% is rolled back prospectively.
22
- 23 • Wage concessions payback:
24
 - 25 ○ 2011: All employees receive a cost of living increase equal to the
26 previous five year CPI-U average (min. of 2.5% and max. 3.9%)
27 plus one percent (1%).
28
 - 29 ○ 2012: All employees receive a cost of living increase equal to the
30 previous five year CPI-U average (min. of 2.5% and max. 3.9%)
31 plus one percent (1%).
32
 - 33 ○ 2013: All employees receive a cost of living increase equal to the
34 previous five year CPI-U average (min. of 2.5% and max. 3.9%)
35 plus one percent (1%).
36
 - 37 ○ Amend Performance Step Program to allow employees whose
38 Service Recognition Pay (SRP) was frozen on October 1, 2008 at
39 seven percent (7%) or ten and one-half percent (10.5%)
40 respectively to be eligible to obtain a maximum total of thirteen

1 percent (13%) after the completion of eight successful quarters in
2 the PSP.

- 3
- 4 ○ Hours paid as holiday pay for the Memorial Day, Labor Day
5 and Veteran's Day will be counted as hours worked for the
6 purpose of determining eligibility for overtime pay in the weeks
7 in which these holidays fall.
- 8

9

10 **THE ADMINISTRATION RECOMMENDS APPROVAL OF A**
11 **RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING**
12 **THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MOA**
13 **AND L71.**

14

15 Prepared by: Employee Relations Department
16 Approved by: Lisa Arnold, Acting Employee Relations Director
17 Concur: Sharon Weddleton, CFO
18 Concur: James N. Reeves, Municipal Attorney
19 Concur: Michael K. Abbott, Municipal Manager
20 Respectfully submitted: Matt Claman, Acting Mayor
21

Attachment A

LETTER OF AGREEMENT

by and between

MUNICIPALITY OF ANCHORAGE (MOA)

and the

PUBLIC EMPLOYEES, LOCAL 71 (L71)

Subject: Wage Concession

Number: L71-001

The Municipality of Anchorage has a significant budget shortfall for fiscal year 2009. The MOA and L71 worked collaboratively to assist in balancing the budget and agree to the following concessions and changes to its collective bargaining agreement.

Article 5

The parties agree to amend Article 5 by adding a new section 5.1.3(A) and 5.1.7 and replacing 5.1.4, 5.1.5 and 5.1.6 with the following:

Article 5.1.3(A)

Effective the first full pay period after the Assembly approves this Letter of Agreement, the three percent (3%) increase contained in 5.1.3 will be prospectively rolled back to the wage scale in Article 11.3 (August 18, 2008 Wage Scale).

Article 5.1.4

Effective the first full pay period on or after January 1, 2010, the hourly wage rates in Article 11.3 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 three and nine-tenths percent (3.9%) increase.

Article 5.1.5

Effective the first full pay period nearest to January 1, 2011, hourly wage rates that result from the increase in Article 5.1.4 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 three and nine-tenths percent (3.9%), plus an additional one percent (1%).

Article 5.1.6

Effective the first full pay period nearest to January 1, 2012, hourly wage rates that result from the increase in Article 5.1.5 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 three and nine-tenths percent (3.9%), plus an additional one percent (1%).

Article 5.1.7

Effective the first full pay period nearest to January 1, 2013, hourly wage rates that result from the increase in Article 5.1.6 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 three and nine-tenths percent (3.9%), plus an additional one percent (1%).

Article 5.7

Successful completion of the following shall be deemed as having met the criteria to advance:

4. Upon successful completion of eight (8) quarters, an employee shall be eligible to receive step pay (PSP) in the amount of an additional six and one-half percent (6.5%) of the base rate of pay. Employees whose Service Recognition Pay (SRP) was frozen on October 1, 2008 at either seven percent (7%) or ten and one-half percent (10.5%) 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.
5. Upon the successful completion of eight (8) additional quarters in the second step of the PSP, and employee shall be eligible to receive performance pay in the amount of an additional six and one-half percent (6.5%) of the rate of pay for a total combined SRP and PSP pay of thirteen percent (13%) above the base rate of pay.

Service Recognition Pay (SRP)	Performance Step 1: 6.5% (PSP)	Performance Step 2: 6.5% (PSP)	Total Service Recognition and Performance Step Pay
No SRP	6.5% PSP	6.5% PSP	13%
3.5 % SRP	6.0% PSP	6.5% PSP	13%
7.0% SRP	6.0% PSP	0% PSP	13%
10.5% SRP	2.5% PSP	0% PSP	13%

The remainder of this article is unchanged.

MOA: LA 6/12/09
Date

Content ID: 007887**Type:** AR_AllOther - All Other Resolutions

A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE

Title: COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE PUBLIC EMPLOYEES, LOCAL 71.**Author:** katkusja**Initiating
Dept:** ER**Date
Prepared:** 6/18/09 4:28 PM**Director
Name:** Lisa Arnold**Assembly
Meeting Date:** 6/23/09**Public
Hearing Date:** 7/7/09

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	6/19/09 10:45 AM	Exit	Heather Handyside	Public	007887
MuniMgrCoord_SubWorkflow	6/19/09 10:45 AM	Approve	Heather Handyside	Public	007887
MuniManager_SubWorkflow	6/19/09 10:44 AM	Approve	Heather Handyside	Public	007887
CFO_SubWorkflow	6/19/09 10:44 AM	Approve	Jo Katkus	Public	007887
CFO_SubWorkflow	6/19/09 10:24 AM	Checkin	Jo Katkus	Public	007887
Legal_SubWorkflow	6/18/09 4:40 PM	Approve	Rhonda Westover	Public	007887
ER_SubWorkflow	6/18/09 4:33 PM	Approve	Lisa Arnold	Public	007887
AllOtherARWorkflow	6/18/09 4:32 PM	Checkin	Julie Cayouette	Public	007887



CONSENT AGENDA - INTRODUCTION