

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

Prepared by: Employee Relations

For Reading: May 26, 2009

CLERK'S OFFICE

APPROVED

Date:

6-16-09

ANCHORAGE, ALASKA

AR No. 2009-146

1 A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE  
2 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF  
3 ANCHORAGE AND THE ANCHORAGE MUNICIPAL EMPLOYEE'S  
4 ASSOCIATION.

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5  
6 **WHEREAS**, a collective bargaining agreement (CBA) between the Municipality of  
7 Anchorage (MOA) and the Anchorage Municipal Employee's Association (AMEA)  
8 was ratified by the Assembly on December 2, 2008 (AR 2008-266) and  
9

10 **WHEREAS**, since ratification of the CBA, the MOA identified a budget shortfall  
11 estimated at \$17 million; and  
12

13 **WHEREAS**, the MOA and AMEA prepared a Letter of Agreement, amending the CBA  
14 to provide for concessions; and  
15

16 **WHEREAS**, the Letter of Agreement, approved by the AMEA membership, is  
17 attached hereto as **Exhibit A**; and  
18

19 **WHEREAS**, Anchorage Municipal Code section 3.70.130 requires Assembly  
20 ratification of amendments to a CBA; and  
21

22 **WHEREAS**, it is in the best interest of the public for this CBA amendment to be  
23 subject to public review process, fostering good labor-management relationships; and  
24

25 **WHEREAS**, the Administration recommends ratification of the Letter of Agreement;  
26 now, therefore,  
27

28 **THE ANCHORAGE MUNICIPAL ASSEMBLY RESOLVES:**  
29

30 **Section 1.** The Letter of Agreement, attached hereto as **Exhibit A**, amending the  
31 AMEA collective bargaining agreement, is hereby ratified.  
32

33 **Section 2.** This resolution shall become effective immediately upon its passage  
34 and approval by the Assembly.  
35

36 PASSED AND APPROVED by the Anchorage Assembly this 16<sup>th</sup> day of  
37 June, 2009.  
38

39 Debbi Ossiander  
40 Chair

41 ATTEST:

42 Debbi Ossiander  
43 Municipal Clerk

**LETTER OF AGREEMENT**  
**by and between**  
**MUNICIPALITY OF ANCHORAGE (MOA)**  
**and the**  
**ANCHORAGE MUNICIPAL EMPLOYEE'S ASSOCIATION, INC. (AMEA)**  
**Subject: Concessions and Contract Extension**  
**Number: AMEA – 001**

**Article 7, Sections 7.1.6, 7.8.7; Article 9, Section 9.1.1; Article 13, Section 13.1**

The MOA and AMEA worked collaboratively to assist in balancing the budget and agree to the following concessions and changes to its collective bargaining agreement.

**Article 7**

The parties agree to amend Article 7 by adding a new section 7.1.6 (Personal Holiday) to section 7.1 and a new section 7.8.7 (2009 Furlough Leave Without Pay) to section 7.8 as follows:

**Article 7.1.6 Personal Holiday**

- A. On January 1, 2011 each current AMEA employee will be credited with an eight-hour personal holiday; and each current AMEA part-time employee will be credited with a prorated personal holiday based on the employee's budgeted full-time equivalency (FTE).
- B. On January 1, 2012 each current AMEA employee will be credited with an eight-hour personal holiday; and each current AMEA part-time employee will be credited with a prorated personal holiday based on the employee's budgeted full-time equivalency (FTE).

**Article 7, Section 7.8.7, 2009 Furlough Leave Without Pay**

- A. Upon Assembly approval, all AMEA employees will be required to take fifty-six (56) hours of furlough leave without pay during the remainder of the 2009 calendar year. This section 7.8.7 applies to calendar year 2009, and expires at midnight on December 31, 2009.
- B. A furlough leave without pay requirement shall be applied equally to all AMEA employees throughout the Municipality, so all AMEA, regular and probationary, full-

time employees are subject to the 56 hours furlough leave without pay requirement. All regular and probationary, part-time employees are subject to a pro-rated furlough leave without pay requirement based on the employee's budgeted full-time equivalency (FTE).

- C. The Director may require the imposition of a proportionate amount of furlough leave without pay for AMEA employees serving in a seasonal or temporary capacity, depending on departmental requirements and needs.
- D. AMEA employees transferring to a non-represented, non-AMEA represented, executive, or part-time position shall not be subject to additional furlough leave requirements under this subsection after the date of such transfer, except as may be otherwise required for the new position. Under these circumstances, the employee shall only be responsible for taking the pro-rated furlough leave required prior to the transfer. AMEA employees hired or acquiring regular status after the effective starting date of the furlough leave without pay shall only be required to take a pro-rated amount of furlough leave, based on the number of pay periods remaining in the year.
- E. Unless mutually agreed to otherwise, the MOA agrees that an AMEA employee will not be required to serve more than ten (10) hours of furlough leave without pay in any pay period.
- F. Scheduling.
  - a. Furlough leave without pay is scheduled in advance and is subject to approval by the department head; it may either be scheduled by the department head or may be requested by the employee and is subject to approval, in the same manner as other leave.
  - b. Whenever the department head determines the operational needs of the department permit it, the scheduling of furlough leave may be at the employee's convenience.
  - c. With the approval of the department head, an employee may choose to take furlough leave in blocks of time larger or smaller than ten (10) hours per pay period, until the total amount of required furlough leave is taken.
  - d. Unlike annual leave, furlough leave is not accruing; it is a set 56 hours, and is required to be taken within the 2009 calendar year.
- G. Furlough leave without pay shall not affect an employee's eligibility for health, life and disability insurance, service recognition, leave accrual, longevity or holiday pay. Furlough leave without pay shall not be considered a break in service, and shall not impair an employee's seniority or anniversary date.

- H. The duties of an AMEA employee on furlough leave without pay may be assigned to and performed by another AMEA employee while the furloughed employee is on leave.
- I. Except for layoff, or separation for medical or other approved emergency reasons, if an employee separates from municipal employment, the untaken furlough leave shall be charged against the employee's cashable leave balance hour-for-hour, on a pro-rated basis in their final pay.
- J. By December 31, 2009, employees who fail to take the required furlough leave shall have the difference between the furlough hours taken and the required furlough hours subtracted from the employees' annual leave account no later than the last full pay period in January 2010.

### **Article 9**

Article 9, section 9.1.1 paragraphs D & E shall be amended and a new paragraph F added so as to read as follows:

- D. **2011.** Anchorage CPI-U average for the previous five-year period 2006-2010; minimum two and one-half percent (2.5%) and a maximum of three and nine-tenths percent (3.9%).
- E. **2012.** Anchorage CPI-U average for the previous five-year period 2007-2011; minimum two and one-half percent (2.5%) and a maximum of three and nine-tenths percent (3.9%).
- F. **2013.** The parties 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 either party elects to exercise this option, it shall give at least ninety (90) days written notice to the other party prior to December 31, 2012. Notwithstanding any other provisions of this agreement, the process and procedures of AMC 3.70.100 shall apply if no agreement is reached within sixty days of the start of negotiations.

### **Article 13**

Article 13, section 3.1 (Effective Date and Duration) shall be amended as follows:

Article 13, section 3.1

This Agreement is effective commencing the day after Assembly approval, and will expire at midnight on December 31, 2013.





# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 314-2009

Meeting Date: May 26, 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 AND THE**  
7 **ANCHORAGE MUNICIPAL EMPLOYEE'S**  
8 **ASSOCIATION.**  
9

10  
11 The Municipality of Anchorage (MOA) and the Anchorage Municipal  
12 Employee's Association (AMEA) reached an agreement on wage  
13 concessions. The Letter of Agreement, attached as **Exhibit A** to the resolution,  
14 becomes effective the day after Assembly approval. The Letter of Agreement  
15 was ratified by the AMEA membership.  
16

17 This bargaining unit has 647 MOA employees in general government and  
18 enterprise activity departments.  
19

20 The key elements of the Letter of Agreement are:  
21

- 22 • All AMEA employees take 56 hours of furlough leave without pay during  
23 the remainder of the 2009 calendar year; savings are equivalent to the  
24 negotiated 2009 full year wage increase of 2.7%  
25  
26
- 27 • Concessions payback:
  - 28 ○ 2011: Each current AMEA employee will be credited with an eight-  
29 hour personal holiday; and each current AMEA part-time employee  
30 will be credited with a prorated personal holiday based on the  
31 employee's budgeted full-time equivalency (FTE)  
32
  - 33 ○ 2012: Each current AMEA employee will be credited with an eight-  
34 hour personal holiday; and each current AMEA part-time employee  
35 will be credited with a prorated personal holiday based on the  
36 employee's budgeted full-time equivalency (FTE)  
37
  - 38 ○ 2013: One year contract extension with a wage reopener.  
39  
40

1  
2  
3 **THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION**  
4 **RATIFYING A LETTER OF AGREEMENT, AMENDING THE**  
5 **COLLECTIVE BARGAINING AGREEMENT BETWEEN THE**  
6 **MUNICIPALITY OF ANCHORAGE AND THE ANCHORAGE MUNICIPAL**  
7 **EMPLOYEE'S ASSOCIATION.**

8  
9 Prepared by: Employee Relations Department  
10 Approved by: Lisa Arnold, Acting Employee Relations Director  
11 Concur: Sharon Weddleton, CFO  
12 Concur: James N. Reeves, Municipal Attorney  
13 Concur: Mike Abbott, Municipal Manager  
14 Respectfully submitted, Matt Claman, Acting Mayor

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- General Government**

AR 2009-146 Title: A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE ANCHORAGE MUNICIPAL EMPLOYEE'S ASSOCIATION.

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

<b>REDUCTIONS IN EXPENDITURES AND REVENUES:</b>					
<b>(In Thousands of Dollars)</b>					
	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
<b>Operating Expenditures</b>					
1000 Personal Services	(\$923)	\$0	\$102	\$105	\$0
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
<b>TOTAL DIRECT COSTS:</b>	<b>(\$923)</b>	<b>\$0</b>	<b>\$102</b>	<b>\$105</b>	<b>\$0</b>
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
<b>FUNCTION COST:</b>	<b>(\$923)</b>	<b>\$0</b>	<b>\$ 102</b>	<b>\$ 105</b>	<b>\$0</b>

**REVENUES:**

**CAPITAL:**

**POSITIONS: FT/PT and Temp**

**PUBLIC SECTOR ECONOMIC EFFECTS:**

The above numbers reflect a 56 hour furlough in 2009, a one-time eight hour personal day in 2011 and in 2012, and a wage reopener in 2013. The 2009 savings include grant funded positions. See Internal Auditor's analysis for other financial scenarios.

Although 2011 and 2012 reflect an increase in cost, positions are fully funded each year therefore the personal holidays will not result in an increase to the 2011 and 2012 budgets.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

None

Prepared by: Lisa Arnold, Acting Employee Relations Director Telephone: 343-4571

Validated by OMB: \_\_\_\_\_ Date: \_\_\_\_\_

Recommended by Sharon Weddleton, Chief Fiscal Officer

Approved by Acting Mayor Claman

2009 JUN -3 PM 1:13  
 M.O.A  
 CLERKS OFFICE



**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- Enterprise Activities**

AR 2009-146      Title:    A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING  
 THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE  
 MUNICIPALITY OF ANCHORAGE AND THE ANCHORAGE MUNICIPAL  
 EMPLOYEE'S ASSOCIATION.

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

<b>REDUCTIONS IN EXPENDITURES AND REVENUES:</b>					
(In Thousands of Dollars)					
	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
<b>Operating Expenditures</b>					
1000 Personal Services	(\$176)	\$0	\$20	\$20	\$0
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
<b>TOTAL DIRECT COSTS:</b>	<b>(\$176)</b>	<b>\$0</b>	<b>\$20</b>	<b>\$20</b>	<b>\$0</b>
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
<b>FUNCTION COST:</b>	<b>(\$176)</b>	<b>\$ -</b>	<b>\$ 20</b>	<b>\$ 20</b>	<b>\$0</b>

**REVENUES:**

**CAPITAL:**

**POSITIONS: FT/PT and Temp**

**PUBLIC SECTOR ECONOMIC EFFECTS:**

The above numbers reflect a 56 hour furlough in 2009, a one-time eight hour personal day in 2011 and in 2012, and a wage reopener in 2013. See Internal Auditor's analysis for other financial scenarios.

Although 2011 and 2012 reflect an increase in cost, positions are fully funded each year therefore the personal holidays will not result in an increase to the 2011 and 2012 budgets.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

None

Prepared by:            Lisa Arnold, Acting Employee Relations Director            Telephone: 343-4571

Validated by OMB:            \_\_\_\_\_            Date: \_\_\_\_\_

Recommended by Sharon Weddleton, Chief Fiscal Officer

Approved by Acting Mayor Claman

M.O.A.  
 2009 JUN -3 PM 1:13  
 CLERKS OFFICE