

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Employee Relations Department
For reading: August 16, 2011

Sec. AR 2011-219(S)

**ANCHORAGE, ALASKA
AR No. 2011-219**

**A RESOLUTION FOR REVIEW AND APPROVAL OF ARBITRATOR'S
RECOMMENDED LABOR AGREEMENT BETWEEN THE MUNICIPALITY OF
ANCHORAGE AND THE PLUMBERS AND PIPEFITTERS LOCAL 367.**

WHEREAS, Anchorage Municipal Code section 3.70.110C10 requires Assembly approval of the arbitrator's decision in order for the decision to be final and binding; and

WHEREAS, the arbitrator for the Municipality of Anchorage/Plumbers and Pipefitters Local 367 labor agreement has prepared and transmitted his recommended labor agreement for the employees in the Plumbers and Pipefitters Local 367 to the Municipal Clerk; and

WHEREAS, the administration has provided a Summary of Economic Effects with this resolution; and

WHEREAS, Assembly has 21 days from the date of transmittal to the Municipal Clerk within which to consider approving the decision; now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. The arbitrator's decision regarding the new labor agreement between the Municipality of Anchorage and the Plumbers and Pipefitters Local 367 is approved.

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

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2011.

Chair of the Assembly

ATTEST:

Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AR 2011-219

Title: **A RESOLUTION FOR REVIEW AND APPROVAL OF ARBITRATOR'S RECOMMENDED LABOR AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE PLUMBERS AND PIPEFITTERS LOCAL 367.**

Sponsor: Mayor

Preparing Agency: Employee Relations

Others Impacted: AWWU

CHANGES IN REVENUES AND EXPENSES:

(In Thousands of Dollars)

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
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Operating Revenues:

TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
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Operating Expenses:

Arbitrator's Decision:

Floor 2.5%	0	\$ 631,684	\$ 1,423,848	\$ 792,163	\$ -
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Ceiling: 3.9%	0	631,684	1,513,716	882,032	\$ -
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<u>Administration's Last Best Offer:</u>	0	\$ 144,687	\$ 437,678	\$ 292,991	\$ -
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TOTAL OPERATING EXPENSES				\$ -	-
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PUBLIC SECTOR ECONOMIC EFFECTS:

Internal Audit's analysis provided the above estimates of the cost for the arbitrator's contract award in negotiations with the Plumbers & Pipefitters, Local 367. Local 367 represents approximately 130 employees at AWWU(and another 17 employees in general government).

When compared to the current contract, the arbitrator's decision will result in an increase of 13.7% to 15.2% over the life of the contract. The exact amount will be dependent upon the five- year CPI average.

The Municipality's Last Best Offer would have provided an increase of 5.06% over the life of the contract.

PRIVATE SECTOR ECONOMIC EFFECTS:

AWWU revenue is derived from rates approved by the Regulatory Commission of Alaska and paid by utility rate payers. Increased cost to operate the utility will require increased rates, thereby transferring money earned by households and businesses to the utility in return for the same level of services.

Prepared by: Nancy Usera

Telephone: 343-4399

Approved by: Nancy Usera
(Director, Preparing Agency)

Date: 12-Aug-11

Approved by: _____
(Municipal Manager)

Date: _____

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AR 2011-219

Title: **A RESOLUTION FOR REVIEW AND APPROVAL OF ARBITRATOR'S RECOMMENDED LABOR AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE PLUMBERS AND PIPEFITTERS LOCAL 367.**

Sponsor:

Preparing Agency: Employee Relations

Others Impacted:

CHANGES IN REVENUES AND EXPENSES:

(In Thousands of Dollars)

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Operating Revenues:					
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:					
<u>Arbitrator's Decision:</u>					
Floor 2.5%	0	\$ 75,744	\$ 172,013	\$ 96,269	\$ -
Ceiling: 3.9%	0	75,744	183,507	107,762	\$ -
<u>Administration's Last Best Offer:</u>	0	\$ 18,631	\$ 56,358	\$ 37,727	\$ -
TOTAL OPERATING EXPENSES					\$ -

PUBLIC SECTOR ECONOMIC EFFECTS:

Internal Audit's analysis provided the above estimates of the cost for the arbitrator's contract award in negotiations with the Plumbers & Pipefitters, Local 367. Local 367 represents approximately 17 employees in General Government (and another 130 employees at AWWU).

When compared to the current contract, the arbitrator's decision will result in an increase of 12.9% to 14.5% over the life of the contract.

The Municipality's Last Best Offer would have provided an increase of 5.06% over the life of the contract.

PRIVATE SECTOR ECONOMIC EFFECTS:

These positions work in Public Works/Maintenance and Operations, which is primarily funded by taxpayers. Increased costs to operate will result in either increased property taxes, reduction in spending elsewhere to offset the increased costs, or a combination of the two.

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Date: _____