

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

Prepared by: Employee Relations

For Reading: June 14, 2011

CLERK'S OFFICE

**APPROVED**

**ANCHORAGE, ALASKA**

**AR NO. 2011-168**

Date: 6-28-11

**A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE  
COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF  
ANCHORAGE AND THE PUBLIC EMPLOYEES, LOCAL 71 REGARDING HEALTH  
PROGRAM CONTRIBUTION.**

**WHEREAS**; a Collective Bargaining Agreement (CBA) between the Municipality of Anchorage (MOA) and the Public Employees Local 71 (L-71) was ratified by the Assembly on August 12, 2008 (AR 2008-163); and

**WHEREAS**, CBA Article 6.1D, Municipal and Employee Contributions, the parties agree to reopen this agreement for the purposes of Union Health Insurance Trust contributions for the 2011 and 2012 fiscal years; and

**WHEREAS**, the MOA and L-71 prepared a Letter of Agreement, attached hereto as **Exhibit A**, amending the CBA to provide for an increase in Union Health Insurance Trust contributions; and

**WHEREAS**, Anchorage Municipal Code section 3.70.130 requires Assembly approval of amendments with a financial consequence to a CBA; and

**WHEREAS**, the Administration recommends ratification and approval of this negotiated amendment to the L-71 CBA as set forth in the accompanying Assembly Memorandum; now, therefore,

**THE ANCHORAGE MUNICIPAL ASSEMBLY RESOLVES:**


**Section 1.** The Letter of Agreement (L71-003) between the Municipality of Anchorage and the Public Employees, Local 71, attached hereto as **Exhibit A**, and described more fully in the Assembly Memorandum, is hereby 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 28<sup>th</sup> day of June, 2011.

ATTEST:

  
Chair

  
Municipal Clerk

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

AM Number: 2011-168

Title: **A RESOLUTION RATIFYING A LETTER OF AGREEMENT,  
AMENDING THE COLLECTIVE BARGAINING AGREEMENT  
BETWEEN THE MUNICIPALITY OF ANCHORAGE (MOA)  
AND THE PUBLIC EMPLOYEES, LOCAL 71 -- REGARDING  
HEALTH PROGRAM CONTRIBUTION**

Sponsor: Mayor  
Preparing Agency: Employee Relations  
Others Impacted:

<b>CHANGES IN EXPENDITURES AND REVENUES:</b>		<b>(In Thousands of Dollars)</b>		
	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	
<b>Operating Expenditures</b>				
1000 Personal Services	\$12	\$36	\$24	
2000 Non-Labor				
3900 Contributions				
4000 Debt Service				
<b>TOTAL DIRECT COSTS:</b>	<b>\$12</b>	<b>\$36</b>	<b>\$24</b>	
Add: 6000 Charges from Others				
Less: 7000 Charges to Others				
<b>FUNCTION COST:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>REVENUES:</b>				
<b>CAPITAL:</b>				
<b>POSITIONS: FT/PT and Temp</b>				

**PUBLIC SECTOR ECONOMIC EFFECTS:**

The numbers above reflect a \$75 per month increase to the Union Health Insurance Trust per eligible Local 71 employee for the 2011-2012 fiscal year and an additional \$75 per month increase per eligible Local 71 employee for the 2012-2013 fiscal year.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

None

Prepared by: Nancy B. Usera, Director, Employee Relations Telephone: 343-4399

Validated by OMB: Cheryl L. Frasca, Director, OMB Date: 1-Jun-11

Recommended by George J. Vakalis, Municipal Manager

Approved by Mayor Sullivan



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 359-2011

Meeting Date: June 14, 2011

1 FROM: MAYOR

2  
3 SUBJECT: A RESOLUTION RATIFYING A LETTER OF AGREEMENT,  
4 AMENDING THE COLLECTIVE BARGAINING AGREEMENT  
5 BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE  
6 PUBLIC EMPLOYEES, LOCAL 71 REGARDING HEALTH  
7 PROGRAM CONTRIBUTION  
8

9 The Municipality of Anchorage (MOA) and the Public Employees, Local 71 (L-71)  
10 are parties to a Collective Bargaining Agreement (CBA).  
11

12 This bargaining unit has 27 regular MOA employees in Anchorage and Eagle  
13 River parks and recreation.  
14

15 Article 6.1(D) of the CBA, Municipal and Employee Contributions, the parties  
16 agree to reopen this agreement for the purposes of Union Health Insurance Trust  
17 contributions for the 2011 and 2012 fiscal years.  
18

19 Pursuant to Article 6.1(D), The MOA and L-71 have agreed to the following:  
20

21 Effective the first pay period following July 1, 2011 and each year  
22 thereafter, the Municipality and the employee shall split the cost increase  
23 over the previous year base plan (101) contribution by 50% Municipality  
24 and 50% employee, with a maximum Municipal increase of \$75 per  
25 month.  
26

27 The 2011-2012 base benefit cost is \$1,500. The increase in cost is \$150.  
28 The Municipal and employee increase will be \$75.00 each (Municipal  
29 contribution \$1,365/employee contribution \$135.00).  
30

31 The preceding satisfies both the 2011 and 2012 reopeners.  
32

33 This agreement is consistent with the Assembly's policy guidelines and direction  
34 for collective bargaining and contract negotiations (AR 2010-86). AR 2010-86  
35 states:  
36

37 Employees must share in a larger percentage of the cost of  
38 employee benefits.

1  
2 Prior to this agreement the employees were responsible for 5% of the cost and  
3 the MOA was responsible for 95% of the cost of health benefits. Employees are  
4 now responsible for paying 50% of future cost increases.

5  
6 All other terms and conditions of the L-71 CBA are unchanged by this Agreement  
7 and remain in full force and effect.

8  
9 **THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION**  
10 **RATIFYING A LETTER OF AGREEMENT, AMENDING THE COLLECTIVE**  
11 **BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF**  
12 **ANCHORAGE AND THE PUBLIC EMPLOYEES, LOCAL 71 REGARDING**  
13 **HEALTH PROGRAM CONTRIBUTION.**

14  
15 Prepared by: Herb Wilden, Labor Relations Director  
16 Approved by: Nancy B. Usera, Director, Employee Relations  
17 Concur: Lucinda Mahoney, CFO  
18 Concur: Dennis A. Wheeler, Municipal Attorney  
19 Concur: George J. Vakalis, Municipal Manager  
20 Respectfully submitted: Daniel A. Sullivan, Mayor

## **LETTER OF AGREEMENT**

**by and between**

**MUNICIPALITY OF ANCHORAGE**

**and the**

**PUBLIC EMPLOYEE, LOCAL 71**

**Subject: Health Program Contributions  
L71 – 003**

This Agreement is between the Municipality of Anchorage (Municipality) and the Public Employees, Local 71 (L-71). The Municipality and L-71 are parties to a Collective Bargaining Agreement (CBA). Article 6.1(D), Municipal and Employee Contributions, the parties agree to reopen this agreement for the purposes of Union Health Insurance Trust contributions for the 2011 and 2012 fiscal years.

The Municipality and the L-71 have agreed to the following:

Effective the first pay period following July 1, 2011 and each year thereafter, the Municipality and the employee shall split the cost increase over the previous year base plan (101) contribution by 50% Municipality and 50% employee, with a maximum Municipality increase of \$75 per month.

The 2011-2012 base benefit cost is \$1500. The increase in cost is \$150. The Municipality and employee increase will be \$75.00 each (Municipality contribution \$1365/employee contribution \$135.00).

Upon sixty days (60) written notice to the Municipality, Employee Relations Director, the Union may increase the employee's monthly contribution.

The parties agree that this agreement satisfies both the 2011 and 2012 reopener.

No other term, article or section of the L-302 CBA is affected by this agreement. Pursuant to AMC 3.70.130 D., each and every collective bargaining contract, agreement, modification, written interpretation, or other change, alteration or amendment, no matter how denominated, shall include a summary of requirements and remedial provisions, and the certification under oath or affirmation by each duly authorized representative signing on behalf of a party. The duly authorized representatives, on behalf of the parties to this agreement, hereby affirm and certify as follows:

- A. This agreement complies with Anchorage Municipal Code section 3.70.130.

- B. Section 3.70.130 requires Assembly approval of all modifications and amendments, no matter how denominated.
- C. Absent Assembly approval as required by section 3.70.130, any modification or amendment, no matter how denominated, shall be deemed null and void, and any payments made shall be recoverable by the Municipality.
- D. Absent Assembly approval as required by section 3.70.130, written clarifications and interpretations within the definition of "administrative letter" are invalid.
- E. Section 3.70.010 prohibits the use of administrative letters to vary the explicit terms of a labor agreement.
- F. Intentional actions in violation of section 3.70.130 are subject to fines and penalties under section 1.45.010.
- G. Remedial actions: In the event the provisions of section 3.70.130 are violated by administrative action, any labor agreement, agreement, modification, written interpretation, or other change, alteration or amendment, no matter how denominated, shall be null and void with no force or effect.

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

AGREED TO AND SIGNED FOR BY:

For L71:

William Meers      5/23/11  
William Meers      Date  
L71 Business Agent

For MOA:

Nancy Bear Usera      5/23/11  
Nancy Bear Usera      Date  
Director, Employee Relations