

CLERK'S OFFICE

APPROVED

2-14-12

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

Prepared by: Employee Relations

For Reading: January 31, 2012

Date: _____

**ANCHORAGE, ALASKA
AR NO. 2012-36**

A RESOLUTION APPROVING THE LETTER OF AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE ANCHORAGE MUNICIPAL EMPLOYEES ASSOCIATION REGARDING IMPLEMENTATION OF THE KRONOS AND SAP OPERATING SYSTEMS PLUS VARIOUS ADMINISTRATIVE ISSUES

Whereas, the Municipality of Anchorage (MOA) and the Anchorage Municipal Employees Association (AMEA) are parties to a Collective Bargaining Agreement (CBA) approved by the Assembly on December 2, 2008 (AR 2008-266); and

Whereas, the Municipality of Anchorage requested contract language changes to support the Kronos and SAP systems; and

Whereas, several areas of dispute regarding administration of contract provisions have arisen; and

Whereas, a Letter of Agreement (AMEA-012)(LOA), attached as Exhibit A, resolving these issues was presented and approved by AMEA membership; and

Whereas, Anchorage Municipal Code section 3.70.130 requires the Assembly to approve an amendment, including this LOA to a CBA, before it takes effect; and

Whereas, it is in the best interest of the MOA and AMEA to foster good labor management relationships; and

Whereas, the Administration recommends approval of this LOA, as detailed in the accompanying Assembly Memorandum; now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. The Letter of Agreement, (AMEA-012), is hereby approved 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 14th day of February 2012.


Chair of the Assembly

ATTEST:


Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 100-2012

Meeting Date: January 31, 2012

1 **FROM: MAYOR**
2
3 **SUBJECT: A RESOLUTION APPROVING THE LETTER OF**
4 **AGREEMENT BETWEEN THE MUNICIPALITY OF**
5 **ANCHORAGE AND THE ANCHORAGE MUNICIPAL**
6 **EMPLOYEES ASSOCIATION REGARDING THE**
7 **IMPLEMENTATION OF THE KRONOS AND SAP**
8 **OPERATING SYSTEMS PLUS VARIOUS**
9 **ADMINISTRATIVE ISSUES**

10
11 The Municipality of Anchorage (MOA) and the Anchorage Municipal Employees
12 Association (AMEA) signed a Letter of Agreement (LOA) amending the Collective
13 Bargaining Agreement (CBA) ratified by the Assembly on December 2, 2008 (AR 2008-
14 266). The LOA (AMEA-012) is attached to the Assembly Resolution.

15
16 The Letter of Agreement was provided to the Anchorage Internal Audit Department
17 which determined the changes to have no significant cost impact and no 'SEE' is being
18 attached.

19
20 The Kronos and SAP systems track items in a structured manner which will help the
21 Municipality run more efficiently over the long term. The current CBA contains provisions
22 which would require significant manual tracking of records. The LOA addresses
23 implementation of the Kronos and SAP Operating Systems, including and in addition to
24 the following:

- 25
26
- Leave Bank
 - Leave For Association Business
 - Holidays
 - Holiday Hours Calculation for Part-Time Employees
 - Non-cashable Leave
 - Family Medical Leave Act and Alaska Family Leave Act
 - Upward Classification
 - Annual Pay Step Advancement
 - Meal Period and Meal Period Allowance
 - Rehire
 - Standby Pay
 - Measurement of Length of Service
 - Appointments – Probationary Period
 - Clock In and Clock Out
 - Shift Differential
 - Pay Shortage Correction Timeframe
- 37
38
39
40
41

1
2 Changes to the CBA are set forth in the attached LOA, which has been ratified by the
3 AMEA membership. The effective date of the changes depends on system changeovers.
4

5 Changes effective retroactive to January 1, 2012.
6

7 The Municipality spends a significant amount of time manually tracking excess leave
8 days and hours worked because of contract qualifiers affecting the end of probation or
9 adjustments to anniversary dates. The changes reduce these inefficiencies and include:
10

- 11 • Standardization of a 180 days probationary period for all employees (temporary
12 excluded).
- 13 • Changeover from an hours qualifier to a days qualifier to support SAP.
- 14 • Elimination of adjustment dates for rehires.
- 15 • Elimination of adjustment dates based on leave without pay which is a
16 cumbersome manual process.
- 17 • Establishment of an automatic deduction for the Union Leave Bank reducing and
18 possibly eliminating the need for special paper transactions.
- 19 • Resolution of issues related to meal allowances for non shift work.
20

21 Changes effective upon passage of the Resolution.
22

23 The current CBA contains Seward's Day as a holiday. Employees of other Municipal
24 Unions and non-represented employees no longer have Seward's Day off in order to
25 better serve their customers. In exchange for giving up the Seward's Day holiday,
26 AMEA members will receive eight (8) hours of non-cashable annual leave for full time
27 employees. For part time employees, the replacement of Seward's Day with non-
28 cashable annual leave calculation will be full time equivalency times ten (10) hours.
29

30 Part time employees currently receive holiday pay based on a formula whereby the prior
31 four (4) weeks of hours worked are divided by 160 hours and then multiplied by eight.
32 This formula applies to all holidays and requires manual intervention. The LOA replaces
33 the formula for all holidays remaining in the contract with a full time equivalency
34 multiplied by eight (8) hours calculation which is automatic for the system.
35

36 Changes effective upon implementation of the Kronos Absence Management module.
37

38 Changes addressing with the Family Medical Leave Act and the Alaska Family Leave
39 Act ("Acts") are effective upon the implementation of the Kronos Absence Management
40 module. The changes reinforce that the Municipality will comply with the provisions of
41 the Acts, remove redundant language included in the Acts from the CBA, and help
42 assure process standardization across the Municipality. Additionally, upon
43 implementation of the Kronos Absence Management module, eligible employees will
44 receive a reset of available FMLA/AFLA hours e.g. a 40 hour employee satisfying
45 eligibility will receive 480 FMLA/720 AFLA hours. This is being done to support the
46 conversion to the new module and assure consistent treatment.
47

1 Changes effective upon implementation of Kronos.

2
3 Changes addressing standby pay are effective upon implementation of Kronos. Standby
4 pay is a separate pay from call back pay under Municipal Code and other collective
5 bargaining agreements. The new language incorporates the distinction between standby
6 pay and call back pay consistent with Municipal code.

7
8 Changes effective following two full pay periods after implementation of Kronos.

9
10 The CBA contains penalties for pay shortages if a mistake in pay is discovered. Although
11 the expectation and goal is that pay be correct, should there be a problem, the
12 temporary change will waive the penalty for discrepancies under \$100 (\$50 part time)
13 and allow payment in the next check. For larger amounts the time, before penalty is
14 incurred, is extended to 5 days. Should a system problem occur, a further extension of
15 this change could be granted.

16
17 All other terms and conditions of the AMEA CBA are unchanged by this Agreement and
18 remain in full force and effect.

19
20 **THE ADMINISTRATION RECOMMENDS APPROVAL OF A**
21 **RESOLUTION APPROVING THE LETTER OF AGREEMENT BETWEEN**
22 **THE MUNICIPALITY OF ANCHORAGE AND THE ANCHORAGE**
23 **MUNICIPAL EMPLOYEES ASSOCIATION REGARDING THE**
24 **IMPLEMENTATION OF THE KRONOS AND SAP OPERATING**
25 **SYSTEMS PLUS VARIOUS ADMINISTRATIVE ISSUES.**

26
27
28 Prepared by: Herbert Wilden, Labor Relations Director
29 Approved by: Danielle Fegley, Employee Relations Director
30 Concur: George J. Vakalis, Municipal Manager
31 Respectfully submitted: Daniel A. Sullivan, Mayor

LETTER OF AGREEMENT

by and between

MUNICIPALITY OF ANCHORAGE

and the

Anchorage Municipal Employees Association, Inc.

**Subject: Clarification and Changes Consistent With Kronos Implementation
AMEA-012**

This Agreement is between the Municipality of Anchorage (Municipality) and the Anchorage Municipal Employees Association, Inc. (AMEA). The Municipality and AMEA are parties to a Collective Bargaining Agreement (CBA).

The implementation of the Kronos system offers the Municipality the opportunity to standardize systems some beneficial to employees and others which may have minimal negative impact. This Letter of Agreement provides employees the opportunity to participate in all the changes prior to the next negotiation date. Additionally there are some miscellaneous issues included which the Municipality and Union have previously discussed.

1) Article 1.1 effective January 1, 2012 definition of Anniversary Date is replaced with:

Anniversary Date - Anniversary date means the day of the month following completion of the probationary period.

2) Article 4.5:1 effective January 1, 2012 is replaced with:

4.5.1 Leave Bank. The Municipality will maintain an Association Leave Bank to be managed by the Association. The account will be funded automatically in amount of two (2) hours of cashable annual leave from every Association member no later than January 31 of each year. The Central Payroll Office will be responsible for ensuring the leave is distributed to the Association Leave Bank. There is no maximum accrual of hours in the bank and the hours are non cashable.

Upon advanced written notice, the Association may waive the automatic leave funding on any given year for all employees. Notification of waiving the automatic leave funding must be received by the Central Payroll Office no later than December 15th so that the leave transfer is not processed in January of the following year. The Municipality will provide an accounting of the leave balance in the bank. Granting of Association leave will require approval of the Association only.

Time off for Association business shall not count as hours worked for the purpose of determining overtime eligibility within the workweek. The Municipality will incur no additional cost as the result of union leave usage. Only the President of the Association or his/her designee may approve the use of leave from the Association Leave Bank. The Association shall identify such designee(s) in writing.

3) Article 4.5.2 effective January 1, 2012 is replaced with:

4.5.2 Leave for Association Business. An employee elected or properly appointed to perform duties on behalf of the Association may take annual leave, leave from the leave bank, or leave without pay to perform Association duties.

If leave without pay (LWOP) is taken, the employee will not lose longevity nor seniority status because of time absent for periods which do not exceed thirty (30) days. If duties require a longer period of time, the employee may be granted a leave of absence not to exceed three (3) years and shall not lose his or her established seniority. During such absence, the employee may be replaced with a temporary or substitute employee as appropriate. The Application for leave of absence must be made through the Association and requires prior approval of the Director of Employee Relations, or his or her designee.

4) Article 7.1 effective on Assembly approval of this Letter of Agreement item D Seward's Day is deleted.

5) Article 7.1.4 effective on Assembly approval of this Letter of Agreement is replaced with:

7.1.4 Holiday Hours Calculation for Part-Time Employees. Holiday hours for part-time employees will be based on Full Time Equivalency (FTE). FTE means an employee normally scheduled to work forty (40) hours during the work week. A FTE of 1.0 means the employee is equivalent to a full-time employee. A FTE of less than 1.0 means the employee is a part-time employee (e.g., a 20 hour per week employee has 0.5 FTE and will receive 4 holiday hours).

6) New Article 7.1.7 Non Cashable Leave added:

In the first full pay period after Assembly ratification, and in the first full pay period of each calendar year thereafter, regular full time employees employed on January 1 will receive eight (8) hours of non cashable annual leave, and part time employees employed on January 1 will receive an amount of non cashable annual leave equal to the employee's Full Time Equivalency times ten (10) hours.

7) Article 7.9 effective on implementation of the Kronos Absence Management module will be replaced with:

7.9.1 Family Leave. It is the policy of the Municipality to comply with the provisions of the Alaska Family Leave Act (AFLA), AS 23.10.500-23.10.550 and the Family Medical Leave Act (FMLA) of 1993 (Public Law 103-3). Leave as described in FMLA, AFLA, or both is referred herein as family leave.

7.9.2 Family Leave Requirements.

Family leave shall be granted to eligible employees in accordance with the requirements of FMLA and/or AFLA, except to the extent that other leave options provide a leave benefit more generous to employees than FMLA and/or AFLA.

7.9.3 Coordination with Other Leave.

- a) Employees requesting family leave shall first exhaust their eligible paid leave before utilizing leave without pay. However, at the employee's discretion, a maximum of eighty (80) hours of cashable annual leave may remain in the employee's leave account.
- b) Injury leave due to a serious health condition is considered family leave because of a serious health condition that makes the employee unable to perform the functions of the job.
- c) Employees who have exhausted their family leave may request leave without pay under the provisions of section 7.8. The leave without pay may be requested by an employee and may be approved by the director upon recommendation of the agency head. The period of family leave will count toward the maximum periods of leave without pay available.

Eligible paid leave includes the following: Cashable annual leave, cashable sick, non cashable annual, non cashable sick.

7.9.4 Benefit Entitlement.

Health coverage for employees on family leave shall be maintained on the same basis as such coverage is available to an employee who is actively at work during the first twelve (12) weeks in the measuring period. Employees on extended family under AFLA (beyond twelve (12) weeks in the measuring period) may receive (or pay) for such health coverage in a manner prescribed by the director.

7.9.5 Replacement of Employee on Family Leave.

Employees on family leave may be replaced by temporary or substitute employees depending on the needs of the agency and the duration of the family leave. Employees shall resume their positions upon completion of family leave.

Note: Upon implementation of the KRONOS Absence Management module, eligible employees will receive a reset of available FMLA/AFLA hours e.g. a 40 hour employee satisfying eligibility will receive 480 FMLA/720 AFLA hours. The effective date is expected to be in the second or third quarter 2012.

8) Article 9.1.7.A effective January 1, 2012 is replaced with:

A. Upward Reclassification. In any case where a position is reclassified upwards, the pay step of the employee occupying the position shall be that step in the new range providing for one (1) step incremental increase. Length of service dates remain unchanged and no probationary period shall be required.

Anniversary dates shall remain unchanged unless the new step is Step 1, in which case, the anniversary date shall be extended by one hundred and eighty (180) calendar days.

9) Article 9.1.10.B effective January 1, 2012 is replaced with:

B. Annual Pay Step Advancement. Pay step advancements after completing the probationary period follow successful completion of one (1) year of service for employees and annually thereafter, until the maximum step of the pay range has been reached.

10) Article 9.1.18.A effective January 1, 2012 is replaced with:

A. For Work Before and/or After a Scheduled Shift. All employees scheduled to work a shift of eight (8) hours or more, and required to report to work a cumulative minimum of two (2) hours continuous with and before and/or after the regularly scheduled shift, shall be paid twelve dollars (\$12.00) as meal allowance, and shall be given and must take a paid meal period of one (1) hour at the regular factored straight time hourly rate. An additional meal allowance and meal period as defined shall be paid for each additional four (4) hours worked thereafter.

The employee's normally scheduled work hours (minimum of 8) will be used for assessing and paying the meal period and meal allowance entitlement for an employee working a shift outside of that regularly scheduled.

The option to take the time off or have it added to their time report, but not both, shall be available subject to operating requirements. The meal period(s) shall not be counted as hours worked for purposes of determining eligibility for meal allowances.

(Note: This language will be applied to current open grievances.)

11) Article 9.1.13 effective January 1, 2012 is replaced with:

9.1.13 Rehire. A former employee may be rehired at the same pay or step he or she had before separation, or any lower pay or step in the range determined by the appointing authority. When rehired in the same, a parallel, or a lower class series, when approved in advance by the Director of Employee Relations, the employee may be paid at the rate which best reflects prior creditable Municipal service. Consideration shall be given to experience and education acquired since leaving Municipal employment. The employee must serve a probationary period, but shall not be entitled to a probationary increase unless he or she did not receive one in previous employment, or unless he or she is hired at Step 1.

12) Article 9.1.19 effective on implementation of Kronos is replaced with:

9.1.19 Standby Pay. In cases where it is found necessary to have employees remain available for work after regularly scheduled hours, on scheduled days off, or on holidays, the supervisor may schedule qualified AMEA personnel for standby duty. All standby duty shall be scheduled on a rotation basis by seniority; provided, the employee or employees are qualified to perform the work which may be required. Such employees shall receive two (2) hours' pay at the straight time rate for each workday, or portion thereof, spent in standby status. When standby duty results in call-back pay, separate payment will be made for standby duty.

13) Article 9.3.2 effective January 1, 2012 will be replaced with:

9.3.2 Measurement of Length of Service. The length of service for an employee who remains continuously employed by the Municipality shall be measured from the date of that employee's initial appointment to Municipal employment for leave accrual rate, longevity pay entitlement, and seniority excluding:

1. Every day between the employee's layoff date and recall date with the Municipality;
2. Time spent by the employee in a temporary position, unless that employee moved directly from such temporary position to a regular position without a break in service.

14) Article 9.4.3 is modified as follows for two pay periods following the implementation of Kronos:

For the two (2) payroll periods following changeover to Kronos, gross amounts less than \$100.00 (\$50.00 for part time) will be paid in the next paycheck and the Municipality will have up to 5 days to make payment for gross amounts of \$100.00 (\$50.00 for part time) or more before the penalty applies. If a systematic problem is discovered, the MOA will notify the Union, explain the situation and the estimated timeframe for correction. A further extension of the pay shortage change would be agreed to if the request is reasonable. The employee remains responsible for bringing the discrepancy forward in a timely manner. Disciplinary decisions involving Kronos (attendance/lateness) will take into account the time necessary to adjust to the new process for these periods.

15) Article 10.3.2 is replaced with the following:

Article 1 0.3.2 Appointments. All appointments to positions in the classified service (including rehires, transfers, demotions, and promotions) shall be made on a probationary basis, except for certain kinds of reinstatements, re-employments, demotions, and transfers, and all temporary appointments and acting assignments, as specified in this Agreement.

Employees shall serve a probationary period of 180 calendar days for employees who are hired on or after January 14, 2012. Employees who are in a probationary status prior to January 14 will be placed in the probationary period (CBA dated January 1, 2008 or this language) which provides the least probationary time.

Temporary appointments shall not serve a probationary period; a temporary employee appointed directly into a regular position shall not have that time counted toward completion of probation.

16) The following are process changes required for the implementation of Kronos and do not require CBA language change. They become effective with the implementation of Kronos. They are incorporated as part of this Letter of Agreement both for communication and that agreement exists between the MOA and the AMEA that they do not violate the CBA:

Clock In/ Clock Out. Issue

Generally employees are not presently clocking in or out. Most employees will be required to clock in and clock out. Different methods will be used depending on the employee's location. The window for timely clock in at the beginning or end of a scheduled shift is 5 minutes. For example, an employee starting at 8:00 AM would need to clock in between 7:55 and 8:05. The system would round the time to 8:00

for payroll purposes. A similar scenario occurs at 5:00 PM. The employee can clock out anytime from 4:55 to 5:05 and the system will round to 5:00 PM for pay purposes. The system rounding does not excuse the employee from clocking in late or clocking out early. Should the employee clock in at a different time the system will round to the nearest 6 minute increment. The tighter tracking and recording may result in appropriate documentation and discipline for tardiness or leaving early. There may also be an impact on leave accrual if punching out early. Clocking out and clocking in will be required for lunch periods but not for break periods.

Shift Differential

AMEA contract Article 8.2.1 and 8.2.2 define the start time for the night shift and swing shift. A night shift can have a start time at or after 11:00 PM but before 4:00 AM. The swing shift can have a start time at or after 3:00 PM but before 11:00 PM. Kronos will only pay shift differential based on the punch in time. This creates a problem if an employee punched in at 10:55 PM for their 11:00 PM shift. Kronos will provide the grace period rounding to 11:00 PM but would only pay the swing shift premium. To resolve this issue, a work rule was established paying shift differential if the punch in is twelve (12) minutes before 3:00 PM or 11:00 PM.

The parties agree this agreement modifies the provisions of the current collective bargaining agreement between the parties.

This letter of agreement represents the entire agreement between the parties on these issues. Any other written or oral compromise, agreement or representation not specifically included herein shall be null and void, without effect.

No other term, article or section of the AMEA CBA is affected by this agreement.

Pursuant to AMC 3.70.130D., 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.

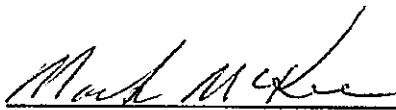
- E. Section 3.70.010 prohibits the use of administrative letters to vary the explicit terms of a labor agreement.
- F. Intentional actions in violation of section 3.70.130 are subject to fines and penalties under section 1.45.010.
- G. Remedial actions: In the event the provisions of section 3.70.130 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 AMEA:

For MOA:


Mark McKee
President, AMEA

1-20-2012
Date


Danielle Fegley
Director, Employee Relations

1-20-2012
Date