

# **Municipality of Anchorage**

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## **Revisions to AMC 3.70**

**Assembly Work Session February 15, 2013**

# Background

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- Recognize the Assembly's ultimate responsibility to the citizens of Anchorage to effectively budget and control spending
- Upgrade code to contemporary standards and best practices
- Assure compliance with federal and state regulations
- Improve fiscal health

# Driving Factors to Change

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- Guidance needed for upcoming labor negotiations
- Internal focus on improving business processes since 2009
- Establish uniformity of Municipal benefits (ie healthcare, holidays)
- Fair, Consistent, Simple, Standardized

# Clarifications and Misconceptions

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- Does not eliminate public unions
- Does not amend, alter or void any existing labor agreement
- No reduction in base wages
- No impact to “step increases” within classification pay range
- Service recognition & longevity pay “grandfathered” into program
- Unions can opt out of Municipal benefit programs

# Presentation on Ordinance

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# Pay Enhancements

3.70.020

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- **Service Recognition/Longevity**
    - Employees currently in program continue to obtain increases
  - **Performance Improvement or Step Program (PIP/PSP)**
    - This does not eliminate probation and annual step progression
    - Many different programs exist for departments to manage
    - Advancement in program is capped

# Pay Enhancements - Specialty Pay

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- **Specialty pay programs**

- Specialty pay limited to job specific requirements. Determined at classification:
  - Based on work performed
  - Based on requirements in order to perform the work
- Special licenses and certification required by state or federal agencies in order to perform specialized work is unchanged
  - Example: The state requires firefighters performing ems duties to have an EMT certification
  - Example: Certain licenses are required for plumbing inspectors

# Impacts to Classification

3.70.060

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- **Clarifications to definition of supervisor and confidential employees**
    - Supervisor added time and attendance as a clarification
      - Supervisors responsible and accountable for this function
  - **Classification position evaluations**
    - Review prior to each CBA expiration
    - Evaluate any discrepancies
    - If necessary, seek clarification from Employee Relations Board



# Managed Competition

3.70.090

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- **Build program carefully**
  - **Exclusions: Direct law enforcement and direct fire protection services, including EMS**
  - **Experiences of other cities**
    - Seattle, 23 services = 10 remained in-house, 8 provide a mix
    - Phoenix, Program ensures that public employees offered a fair chance
    - Philadelphia, 13 services = \$16.4 million/annual savings
    - Indianapolis, Produced \$28 million/annual savings

# Clarify Impasse Resolution

3.70.110

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- **Neutral mediation**
    - Cost sharing
    - Attempt to reach agreement voluntarily
  - **Neutral Fact finding**
  - **Findings released to Public**
  - **Assembly**
    - Accept either parties' LBO in its entirety
  - **Negotiations may continue throughout process**

# Courts Have Ruled

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- Striking by ANY group could be a significant disruption to services to public
- United Federation of Postal Clerks v. Blount (US 1971)
- Anchorage Education Ass'n v. Anchorage School District, 648 P.2d 993 (Alaska 1982)
- Alaska Supreme Court: the “political process” and public participation provide numerous avenues for public unions to control the process:
  - ***Kenai Peninsula Borough Sch. Dist. v. Kenai Peninsula Ed. Ass'n*, 572 P.2d 416, 419-20 (Alaska 1977). See also *City & Borough of Sitka v. Int'l Broth. of Elec. Workers, Local Union 1547*, 653 P.2d 332, 337 (Alaska 1982).**

# City & Borough of Juneau 44.10.100 & 110

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- 44.10.100 - Assembly decision conclusive. **If, upon conclusion of negotiation and after use of mediation and factfinding as appropriate, no agreement is reached, all questions and disputes shall be referred to the assembly for final determination. The assembly shall thereupon hold a hearing upon the matters in controversy on at least seven days' notice unless such notice is waived by the bargaining representative and the management representative, and, after hearing both parties, reach final determination of the issues. This determination shall be final and conclusive and binding upon both parties subject to the requirements of [section 44.10.170](#).**
- (Serial No. 73-40, § 3, 1974)
- 44.10.110 - Strike prohibited. **Employees may not engage in strikes. Upon a finding by the City and Borough manager that employees are engaging or about to engage in a strike, the assembly may petition or order a petition to the superior court for an injunction, restraining order or such other order as may be appropriate.**
- (Serial No. 73-40, § 3, 1974; Serial No. 75-12, § 5, 1975)

# Standardization of Benefit Programs 3.70.170

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- **Goal: Standardization**
- **Flexibility to negotiate benefits exists**
- **Establish a competitive suite of benefits for employees**
- **Consistent MOA contribution across all unions/employees**
- **Consistent benefit program for all unions/employees**

# Benefit Program Complexities

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- **Over 680+ combinations of eligibility to maintain benefit programs for MOA sponsored plans and non-sponsored**
- **Health- 6 Unions participate**
  - 10 different health plans
  - 3 groups choose to offer Opt-Out
- **Voluntary life/AD&D**
  - 13 levels of coverage
- **Voluntary short term disability**
  - 6 levels of benefit coverage

# Benefit Program Complexities

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- **Life/AD&D- MOA Paid**
  - 4 levels of coverage ranging from \$10k to \$200K
- **Long term disability – MOA Paid**
  - Monthly payment cap varies depending on Union, or group
- **Administrative fee \$5**
  - Intended to be paid by employee, MOA picks up in most cases
- **Employee assistance program – MOA paid**
  - Inconsistent across employees

# Standardize Leave Programs

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- **Uniform leave donation program**

- Simplifies donations to all employees
- 6 qualified programs, 3 non-qualified programs
- Resolves complicated taxation issues
- Complies with federal regulations, IRS

- **Standard leave cash in process**

- Maximum leave balances paid out at single point of time

- **Consistency with longer term absences**

- Personal, education, military, medical leave w/out pay, FMLA/AFLA

- **Consistency with shorter term absences**

- Blood donation, jury duty, court leave



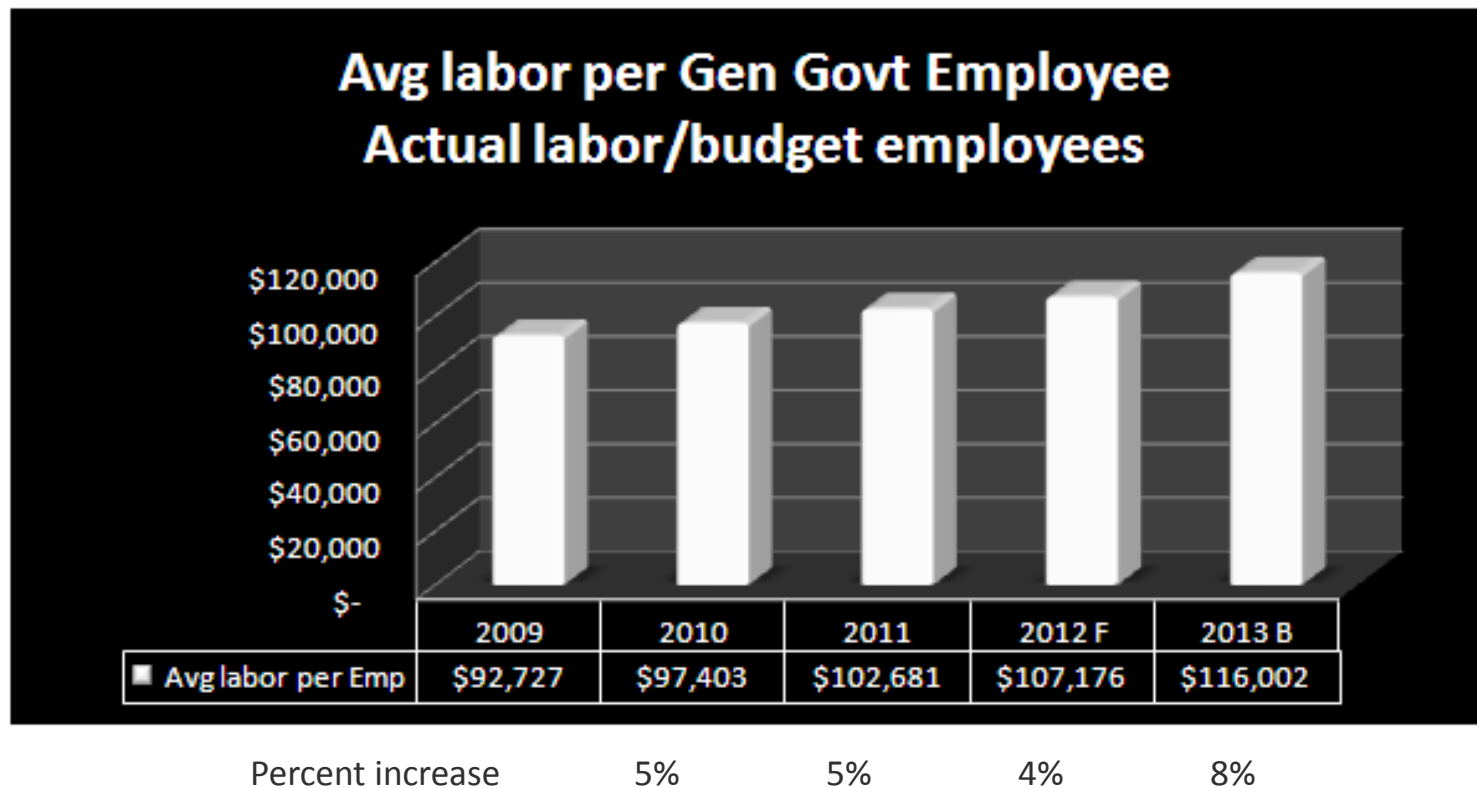
# FLSA Overtime Complexities

3.70.170

- **Examples of variations of overtime**
  - 2x for all overtime at IBEW
  - 2x for APDEA on 2<sup>nd</sup> day off
  - 1.5x outside of regularly scheduled shift
  - 1.5x out of 40/week with a variation of varying holidays
- **Call ins and call backs “guaranteed inconvenience hours”**
  - Inconsistent across unions – between 2 and 5 hours
  - IAFF and IBEW does not address scheduled hours

# Sustainability of Labor

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# Closing Discussion

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