

LETTER OF AGREEMENT
By and Between
MUNICIPALITY OF ANCHORAGE (MOA)
and the
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1547
(IBEW Mechanics)
Number: IBEW Mechanics - 001

Re: Health Insurance Opt-Out

The Municipality of Anchorage (MOA) is offering an opportunity for its employees represented by the International Brotherhood of Electrical Workers, Local 1547 (IBEW Mechanics) to participate in an opt-out program that currently allows non-represented employees, executives, and Anchorage Municipal Employee Association members who have alternative health insurance to waive medical insurance coverage under the Municipal health plan and receive a financial incentive, in exchange.

Pursuant to this Agreement, the MOA agrees to allow IBEW Mechanic employees to participate in the opt-out program in 2012. A special opt-out enrollment period will be conducted for 14 calendar days following Assembly approval of this agreement, with the opt-out incentive to be effective the first full pay period in the month following this special opt-out enrollment period.

The terms and conditions of the opt-out program, including the financial incentive, are established by the Municipality and are non-negotiable. The financial incentive for 2012 is \$350 per month, which is \$175 semi-monthly. The Municipality, at its' sole discretion, may modify or discontinue the program in subsequent years.

Additionally, IBEW Mechanics, with the assistance of the MOA, agrees to promote cost-containment features such as use of generic drugs, wellness and prevention benefits, and utilization of in-service providers of the MOA health plans to IBEW Mechanic members who choose to continue to participate in the MOA health plans, rather than participate in the opt-out pilot program.

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.

AGREED TO AND SIGNED FOR BY:

Municipality of Anchorage:

IBEW Mechanics:

Danielle Fegley 10/25/11
 Danielle Fegley Date
 Director, Employee Relations

Daniel Repasky 10/25/11
 Daniel Repasky Date
 Business Representative