

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Employee Relations
For Reading: August 17, 2010

CLERK'S OFFICE
APPROVED

Date: 8-31-10
ANCHORAGE, ALASKA
AR NO. 2010-233

1 **A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE**
2 **COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF**
3 **ANCHORAGE AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS,**
4 **LOCAL 302.**

5
6 **WHEREAS;** a Collective Bargaining Agreement (CBA) between the Municipality of
7 Anchorage (MOA) and the International Union of Operating Engineers, Local 302
8 (L302) was ratified by the Assembly on October 14, 2008 (AR 2008-186); and
9

10 **WHEREAS,** CBA Article 6.1.1, Health Insurance, allows either party to reopen the
11 agreement for Union Health and Welfare Trust contributions; and
12

13 **WHEREAS,** the MOA and L302 prepared a Letter of Agreement, attached hereto as
14 **Exhibit A,** amending the CBA to provide for an increase in Union Health and Welfare
15 Trust contributions; and
16

17 **WHEREAS,** Anchorage Municipal Code section 3.70.130 requires Assembly approval
18 of amendments with a financial consequence to a CBA; and
19

20 **WHEREAS,** the Administration recommends ratification and approval of this
21 negotiated amendment to the L302 CBA as set forth in the accompanying Assembly
22 Memorandum; now, therefore,
23

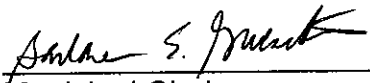
24 **THE ANCHORAGE MUNICIPAL ASSEMBLY RESOLVES:**

25
26 **Section 1.** The Letter of Agreement (L302-003) between the Municipality of
27 Anchorage and the International Union of Operating Engineers, Local 302, attached
28 hereto as **Exhibit A,** and described more fully in the Assembly Memorandum, is
29 hereby ratified by the Assembly.
30

31 **Section 2.** This resolution shall become effective immediately upon its passage
32 and approval by the Assembly.
33

34 PASSED AND APPROVED by the Anchorage Assembly this 31st day of
35 August, 2010.

36
37 
38 _____
39 Chair

39 ATTEST:
40
41 
42 _____
Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AM Number: 2010-233

Title: A RESOLUTION RATIFYING A LETTER OF AGREEMENT,
 AMENDING THE COLLECTIVE BARGAINING AGREEMENT
 BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE
 INTERNATIONAL UNION OF OPERATING ENGINEERS,
 LOCAL 302.

Sponsor: Employee Relations
 Preparing Agency: Employee Relations
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:	(In Thousands of Dollars)			
	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
Operating Expenditures				
1000 Personal Services	\$0	\$0	\$0	\$0
2000 Non-Labor				
3900 Contributions				
4000 Debt Service				
TOTAL DIRECT COSTS:	\$0	\$0	\$0	\$0
Add: 6000 Charges from Others				
Less: 7000 Charges to Others				
FUNCTION COST:	\$0	\$0	\$0	\$0
REVENUES:				
CAPITAL:				
POSITIONS: FT/PT and Temp				

PUBLIC SECTOR ECONOMIC EFFECTS:

Pursuant to Article 6.1.1, a \$90 increase per covered employee was allowable for the Plan year beginning the first full pay period following July 1, 2009 and was previously cost out and reported in the Summary of Economics Effects accompanying AR 2008-186. The total of the 2009 and 2010 increases equals the \$90 allowable increase in MOA contributions agreed upon under the Collective Bargaining Agreement that was ratified by the Assembly on October 14, 2008 (AR 2008-186).

PRIVATE SECTOR ECONOMIC EFFECTS:

None

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

Validated by OMB: _____ Date: _____

Recommended by George J. Vakalis , Municipal Manager

Approved by Mayor Sullivan

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Enterprise Activities

AM Number: 2010-233

Title: A RESOLUTION RATIFYING A LETTER OF AGREEMENT,
 AMENDING THE COLLECTIVE BARGAINING AGREEMENT
 BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE
 INTERNATIONAL UNION OF OPERATING ENGINEERS,
 LOCAL 302.

Sponsor: Employee Relations
 Preparing Agency: Employee Relations
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:	(In Thousands of Dollars)			
	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
Operating Expenditures				
1000 Personal Services	\$0	\$0	\$0	\$0
2000 Non-Labor				
3900 Contributions				
4000 Debt Service				
TOTAL DIRECT COSTS:	\$0	\$0	\$0	\$0
Add: 6000 Charges from Others				
Less: 7000 Charges to Others				
FUNCTION COST:	\$0	\$0	\$0	\$0
REVENUES:				
CAPITAL:				
POSITIONS: FT/PT and Temp				

PUBLIC SECTOR ECONOMIC EFFECTS:

Pursuant to Article 6.1.1, a \$90 increase per covered employee was allowable for the Plan year beginning the first full pay period following July 1, 2009 and was previously cost out and reported in the Summary of Economics Effects accompanying AR 2008-186. The total of the 2009 and 2010 increases equals the \$90 allowable increase in MOA contributions agreed upon under the Collective Bargaining Agreement that was ratified by the Assembly on October 14, 2008 (AR 2008-186).

PRIVATE SECTOR ECONOMIC EFFECTS:

None

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

Validated by OMB: _____ Date: _____

Recommended by George J. Vakalis , Municipal Manager

Approved by Mayor Sullivan



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 436-2010

Meeting Date: August 17, 2010

1 **FROM: MAYOR**

2
3 **SUBJECT: A RESOLUTION RATIFYING A LETTER OF AGREEMENT,**
4 **AMENDING THE COLLECTIVE BARGAINING**
5 **AGREEMENT BETWEEN THE MUNICIPALITY OF**
6 **ANCHORAGE AND THE INTERNATIONAL UNION OF**
7 **OPERATING ENGINEERS, LOCAL 302.**
8

9 The Municipality of Anchorage (MOA) and the International Union of Operating
10 Engineers, Local 302 (L302) are parties to a Collective Bargaining Agreement
11 (CBA).
12

13 This bargaining unit has 142 regular MOA employees in the Maintenance and
14 Operations Department, Solid Waste Services, Merrill Field and the Port of
15 Anchorage.
16

17 Article 6.1.1 of the CBA, Health Insurance, allows either party to reopen this
18 agreement for the purpose of Union Health and Welfare Trust contributions.
19

20 Pursuant to Article 6.1.1, the MOA agreed to pay health and welfare cost
21 increases up to \$90 per covered employee for the Plan year beginning the first
22 full pay period following July 1, 2009. Effective July 1, 2009, the actual increase
23 was \$68.50, which is \$21.50 less than the \$90 maximum allowable increase.
24

25 The MOA and L302 have discussed that the difference, \$21.50, between the
26 CBA allowable increase of \$90 and the actual 2009 increase of \$68.50, shall be
27 the amount of the MOA contribution increase for 2010. The total of the 2009 and
28 2010 increases equals the \$90 allowable increase in MOA contributions agreed
29 upon under the Collective Bargaining Agreement.
30

31 The Letter of Agreement provides as follows:
32

- 33 • The Municipality shall increase its' contribution to the International Union
34 of Operating Engineers Local 302/Employers Health and Security Fund by
35 \$21.50 per covered employee, for a total contribution per qualifying
36 employee of \$1,116.
- 37 • Each covered employee shall contribute \$45.00 per month.
38
39

- The total combined monthly contribution shall be \$1,161.

All other terms and conditions of the L302 CBA are unchanged by this Agreement and remain in full force and effect.

THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 302.

Prepared by: Employee Relations Department
Approved by: Nancy B. Usera, Director, Employee Relations
Concur: George J. Vakalis, Municipal Manager
Respectfully submitted: Daniel A. Sullivan, Mayor

LETTER OF AGREEMENT

by and between

MUNICIPALITY OF ANCHORAGE

and the

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 302

Subject: Health Insurance Reopener

Number: L302-003

This Agreement is between the Municipality of Anchorage (Municipality) and the International Union of Operating Engineers, Local 302 (L-302). The Municipality and L-302 are parties to a Collective Bargaining Agreement (CBA). Article 6.1.1 of the CBA, Health Insurance, allows either party to reopen this agreement for the purpose of Union Health and Welfare Trust contributions.

The Municipality and the L-302 have agreed to the following:

Effective the first month following Assembly approval, the Municipality shall increase the Municipality's contribution to the International Union of Operating Engineers Local 302/ Employers Health and Security Fund by \$21.50, per covered employee. Accordingly, effective the first month following Assembly approval, through June 30, 2011, the Municipality shall contribute \$1116.00 per month for each regular employee and the employee shall contribute \$45.00 per month, for a combined contribution of \$1161.00.

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.

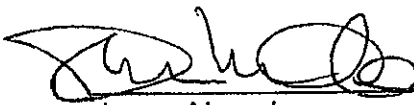
- B. Section 3.70.130 requires Assembly approval of all modifications and amendments, no matter how denominated.
- C. Absent Assembly approval as required by section 3.70.130, any modification or amendment, no matter how denominated, shall be deemed null and void, and any payments made shall be recoverable 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.

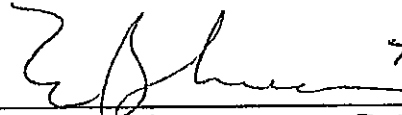
AGREED TO AND SIGNED FOR BY:

I.U.OE., LOCAL 302

MUNICIPALITY OF ANCHORAGE



Jason Alward Date
Business Representative 7/27/2010



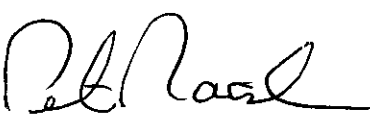
Nancy Bear Usera Date
Director, Employee Relations 7/29/10

ref. AR 2010-233

Municipality of Anchorage MEMORANDUM

DATE: August 31, 2010

TO: Members of the Assembly

FROM: Director, Internal Audit 

SUBJECT: Operating Engineers, Local 302 Contract Cost Validation

2010 AUG 30 PM 3:08
 CLEMENS OFFICE
 M.O.A

The terms of the 2008 Operating Engineers' labor contract ratified by the Assembly on October 14, 2008 provide for a Municipal contribution of \$90 per covered employee per month, effective July 1, 2009. However, in 2009 the Union only utilized \$68.50 of the \$90. This agreement will add the remaining \$21.50 to the Municipal contribution starting in September, 2010.

Since the total \$90 contribution rate was already priced out in the 2008 contract, the following costs are presented for information only. The Statement of Economic Effects (SEE) provided by the Administration accurately present the economic cost of "\$0".

Based on our review and analysis, the following table presents our estimated cost resulting from the \$21.50 increase per covered employee to the Municipal contribution to the Operating Engineers Local 302/Employers Health and Security Fund.

The Enterprise Activities affected include Solid Waste Services, Port and Merrill Field. See the attached schedules for detailed computations.

	<u>Street Maintenance</u>	<u>Enterprise Activities</u>
2010 (Effective 09/01/2010)	\$ 7,310	\$ 4,902
2011	\$ 21,930	\$ 14,706
2012	\$ 21,930	\$ 14,706
2013 (Through 06/30/2013)	<u>\$ 10,965</u>	<u>\$ 7,353</u>
TOTAL	\$ 62,135	\$ 41,667

SUMMARY OF TOTAL ESTIMATED COST OF OPERATING ENGINEERS CONTRACT CHANGES

NOTE: The following costs are presented for information only. The increased costs for 2010 through 2013 were used in the costing of the current labor contract.
Street Maintenance

PERIOD	EMPLOYER CONTRIBUTIONS TO HEALTH PLAN	INCREASE OVER BASE PERIOD	
Base Year (2009)	\$1,116,390.00		
2010	\$1,123,700.00	\$7,310.00	New rate effective 09/01/2010
2011	\$1,138,320.00	\$21,930.00	
2012	\$1,138,320.00	\$21,930.00	
2013	\$569,160.00	\$10,965.00	Through 06/30/2013
		62,135.00	TOTAL INCREASE IN EMPLOYER COSTS
		1.96%	TOTAL PERCENT INCREASE IN EMPLOYER COST

HEALTH PLAN CONTRIBUTIONS: Based on \$5 Regular employees

The MOA currently contributes \$1,094.50 per month and the employee contributes \$45.00 per month.

Proposed MOA contribution increase is \$21.50 per month beginning the first month following Assembly approval. MOA cost assumes Assembly approval in August 2010.

Year	MOA Contribution	MOA Cost Total
01.01.2009 - 12.31.2009	\$1,094.50	\$1,116,390.00
01.01.2010 - 08.31.2010	\$1,094.50	\$744,260.00
09.01.2010 - 12.31.2010	\$1,116.00	\$379,440.00
01.01.2011 - 12.31.2011	reopener	\$1,138,320.00
01.01.2012 - 12.31.2012	reopener	\$1,138,320.00
01.01.2013 - 06.30.2013	reopener	\$569,160.00

Note: Last three years (reopeners) priced out at \$1,116 per month.

SUMMARY OF TOTAL ESTIMATED COST OF OPERATING ENGINEERS CONTRACT CHANGES

NOTE: The following costs are presented for information only. The increased costs for 2010 through 2013 were used in the costing of the current labor contract.
Enterprise - Solid Waste, Port and Airport

PERIOD	EMPLOYER CONTRIBUTIONS TO HEALTH PLAN	INCREASE OVER BASE PERIOD	
Base Year (2009)	\$748,638.00		
2010	\$753,540.00	\$4,902.00	New rate effective 09/01/2010
2011	\$763,344.00	\$14,706.00	
2012	\$763,344.00	\$14,706.00	
2013	\$381,672.00	\$7,353.00	Through 06/30/2013
		41,667.00	TOTAL INCREASE IN EMPLOYER COSTS
		1.96%	TOTAL PERCENT INCREASE IN EMPLOYER COST

HEALTH PLAN CONTRIBUTIONS: Based on 57 Regular employees
 The MOA currently contributes \$1,094.50 per month and the employee contributes \$45.00 per month.
 Proposed MOA contribution increase is \$21.50 per month beginning the first month following Assembly approval. MOA cost assumes Assembly approval in August 2010.

Year	Contribution	MOA Cost
01.01.2009 - 12.31.2009	\$1,094.50	\$748,638.00
01.01.2010 - 08.31.2010	\$1,094.50	\$499,092.00
09.01.2010 - 12.31.2010	\$1,116.00	\$254,448.00
01.01.2011 - 12.31.2011	reopener	\$763,344.00
01.01.2012 - 12.31.2012	reopener	\$763,344.00
01.01.2013 - 06.30.2013	reopener	\$381,672.00
	Total	

Note: Last three years (reopeners) priced out at \$1,116 per month.

Content ID: 009281**Type:** AR_FundsApprop - Funds Approp Resolution

Title: A RESOLUTION RATIFYING A LETTER OF AGREEMENT, AMENDING THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 302.

Author: cayouettejm**Initiating Dept:** ER**Date Prepared:** 8/5/10 10:26 AM**Director Name:** Nancy B Usera, ER Director**Assembly Meeting Date:** 8/17/10**Public Hearing Date:** 8/31/10

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	8/6/10 10:10 AM	Exit	Joy Maglaqui	Public	009281
MuniManager_SubWorkflow	8/6/10 10:10 AM	Approve	Joy Maglaqui	Public	009281
Finance_SubWorkflow	8/5/10 5:42 PM	Approve	Lucinda Mahoney	Public	009281
OMB_SubWorkflow	8/5/10 1:23 PM	Approve	Cheryl Frasca	Public	009281
ER_SubWorkflow	8/5/10 11:40 AM	Approve	Nancy Usera	Public	009281
FundsAppropWorkflow	8/5/10 10:36 AM	Checkin	Julie Cayouette	Public	009281