

Sponsored by: Mayor Eberhart
Introduced: December 8, 2014

ORDINANCE NO. 5962, AS AMENDED

**AN ORDINANCE RATIFYING A LABOR AGREEMENT BETWEEN
THE CITY OF FAIRBANKS AND THE AFL-CIO CRAFTS COUNCIL
AND AMENDING THE 2015 GENERAL FUND OPERATING BUDGET**

WHEREAS, the three-year collective bargaining agreement between the City of Fairbanks and the AFL-CIO Crafts Council, effective January 1, 2014 through December 31, 2016, includes "reopener" provisions for wages and benefits for years two and three (2015 and 2016); and

WHEREAS, the AFL-CIO and City Administration have reached a tentative agreement on 2015 wages and benefits, plus other administrative changes to the CBA which incorporate the labor goals of the City Council and are consistent with the terms of other recently adopted labor contracts.

WHEREAS, the City 2015 operating budget will be amended to include the increased expenditures as reflected in the attached fiscal note.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

SECTION 1. That the attached Letter of Agreement, detailing wage and benefit terms for 2015 and other administrative changes to the original 2014 – 2016 collective bargaining agreement between the City and the AFL-CIO Crafts Council, is hereby ratified.

SECTION 2. That this ordinance becomes effective upon ratification of the Letter of Agreement by the AFL-CIO Crafts Council bargaining units.

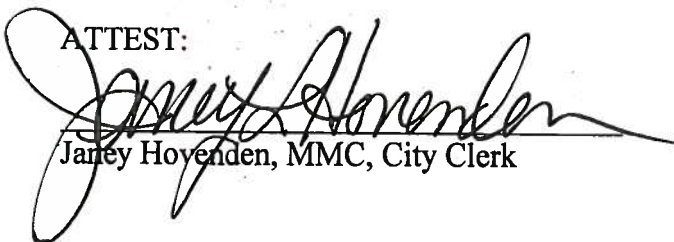
SECTION 3. That once ratified, the terms of the Letter of Agreement are effective starting January 1, 2015.



John Eberhart, City Mayor

AYES: Matherly, Cleworth, Walley, Staley, Gatewood
NAYS: None
ABSENT: Pruhs
ADOPTED: January 05, 2015

ATTEST:


Janey Hoyenden, MMC, City Clerk

APPROVED AS TO FORM:



Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 5962

Abbreviated Title: Ratifying 2015 AFLCIO CBA

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes X No

2) additional support or maintenance costs? Yes No X

If yes, what is the estimate?

3) additional positions beyond the current adopted budget? Yes No X

If yes, how many positions?

If yes, type of positions? (F - Full Time, P - Part Time, T - Temporary)

II. FINANCIAL DETAIL:

ESTIMATED EXPENDITURES	FY 2015	FY 2016		Total
Wages & benefits 2.5% on the package	\$112,275	\$112,275		\$224,550
Change in pay scale	\$4,283	\$4,283		\$8,566
				\$0
				\$0
				\$0
				\$0
				\$0
TOTAL	\$116,558	\$116,558		\$233,116
ESTIMATED FUNDING SOURCES	FY 2015	FY 2015		Total
General Fund	\$116,558	\$116,558		\$233,116
Capital Fund				\$0
Federal Grant				\$0
State Grant				\$0
Local Contract				\$0
Cash Match				\$0
In-Kind Match				\$0
Other				\$0
TOTAL	\$116,558	\$116,558	\$0	\$233,116

Ordinance No. 5962, as Amended

Reviewed by Finance Department:

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Initial JNS

Date 12/4/2014

Letter of Agreement

City of Fairbanks (COF)

and

Fairbanks AFL-CIO Crafts Council (the Union)

(Updated 12/31/2014)

The three-year collective bargaining agreement between the City of Fairbanks and the AFL-CIO Crafts Council, effective January 1, 2014 through December 31, 2016, included “reopener” provisions for wages and benefits for years two and three (2015 and 2016).

The City Administration and AFL-CIO have reached a tentative agreement on 2015 wages and benefits, plus other administrative changes to the January 1, 2014 CBA.

THE CITY AND AFL-CIO HEREBY AGREE AS FOLLOWS:

Article 23. SCHEDULE “A” WAGES, Sections 23.1, 23.2, and 23.4 are amended as follows:

Section 23.1 – The following language shall be added to Section 23.1:

Effective January 1, 2015, employees will receive a 2.5% increase to the 2014 package rate.

Section 23.2 – The current provision shall be replaced with the following language:

23.2 Application of the Package Rate Concept. The parties recognize that computing a full package rate, in which actual wages, health care, and pension costs are computed on the basis of annual compensable hours, is a more accurate method of reflecting the actual cost to the City. The parties agree that future percentage increases will be applied to the package rate. Except as provided in this section or in addenda specifically addressing allocation, each Local may allocate the package rate to wages, pension, and health and welfare as it sees fit.

- (A) The Pension Protection Act of 2006 requires an annual actuarial status determination for multiemployer pension plans. An actuarial finding that a pension plan is underfunded can trigger, depending on the severity of the underfunding, the implementation of a plan to improve the funding and/or rehabilitate the plan. Because the funding improvement/rehabilitations plans mandated by the Pension Protection Act impose certain mandatory contributions to underfunded pension plans, the parties agree that the allocation discretion of Article 23.2 will need to be limited to

insure compliance with the requirements of the Pension Protection Act and any improvement/rehabilitation plan.

- (B) Upon notification of a finding of underfunding, the parties agree to promptly meet and confer regarding the underfunded plan. Generally, the provisions of an improvement/rehabilitation plan must be implemented only after the CBA then in place expires. The parties may agree to implement the provisions of the improvement/rehabilitation plan earlier than required if the parties determine it would be advantageous to do so. The parties will prepare a separate addendum for each pension plan found to be underfunded. During the term of any addendum, the parties agree to meet and confer if either party believes there has been a change in circumstances that would warrant amendment of the addendum.
- (C) Any increase to the contribution rate for an underfunded pension plan required under an improvement/rehabilitation plan must be paid out of the package rate negotiated by the parties. The City will not be required to provide any additional funds or make any additional contributions to a pension plan above the negotiated package rate amount. No portion of the package rate may be allocated to any other purpose unless and until contributions and supplemental contributions to the underfunded pension plan have been satisfied.
- (D) If at any point, the underfunded pension plan emerges from its underfunded status and additional contributions under an improvement/ rehabilitation plan are no longer required, the allocation restrictions imposed by this section will be lifted.

Section 23.4 – the current provision shall be replaced with the following language:

23.4 Office Manager and Dispatcher Rates:

The Office Manager positions, if used by the City, will be paid at a wage rate to be agreed upon by the City and Union in light of the skills and qualifications of the selected employee(s). The IUOE Dispatcher shall be paid at ninety (90%) percent of scale. The assistant dispatcher will be paid at seventy (70%) of scale.

Article 3. EMPLOYER-UNION RELATIONS, Sections 3.2(a) and (b) are amended and Section 3.11 is added as follows:

- 3.2 (a) The Union assumes the responsibility to supply the City with competent qualified workers with no discrimination of race, sex, sexual orientation, age, color, religion, disability, genetic

information or national origin for those classifications listed in Article 23 of this Agreement. Recognizing the mutual benefits derived from the process of democratic collective bargaining, the City will not discourage new employees from joining the Union. The City may reject any employee it finds unsatisfactory.

3.2 (b) It is hereby agreed that there shall be no discrimination by the City, or the Union, against any employee because of race, sex, sexual orientation, age, color, religion, disability, genetic information or national origin or because of membership in or lawful activity on behalf of the Union. To the extent allowed by law, the City further agrees to give priority of hire and job tenure to residents of the Fairbanks, Alaska, area when such possess the requisite skills and abilities and are available.

3.11 Work-Study Job Training Program. Recognizing the value of the High School Work Based Learning programs, the parties agree to a partnership program by which the City with local high schools for the purpose of work-study job training. Students participating in work-study opportunities, whereby they work with City employees covered by this CBA, will be exempted from membership in the Union and will not be eligible for wages and benefits provided under this CBA. Participation in this program is viewed as a learning opportunity and is not intended to displace staffing levels. If the Work-Study Memorandum of Agreement between the City of Fairbanks and the Fairbanks North Star Borough School District is terminated, this Work-Study section will also terminate. Either party may propose termination of this Work-Study section at any time. The parties agree to accept termination proposals only after the Mayor (or designee) and the Union's primary bargaining representative have attempted in good faith to remedy the grievance related to the termination proposal.

The parties agree that the intent of this program is not to displace Temporary or Regular workers from the Public Works Department. The Work-Study Job Training Program This LOA shall remain in effect unless the AFL-CIO Crafts Council gives thirty (30) days written notice of its desire to cancel the agreement. The Crafts Council agrees that it will not arbitrarily cancel the LOA. Furthermore, before the Crafts Council may send a notice of cancellation, it agrees to meet with the City and make a 'good faith' effort to resolve problem(s).

Article 6. WORKING RULES, a correction is made to Section 6.3(d) and Section 6.11 is amended as follows:

6.3 OVERTIME

(d) In the last sentence, December 1st shall be changed to December 31st

6.11 CALL OUT. If an employee is called by a Public Works supervisor to report to work on a scheduled day off, the employee will be paid a minimum of two (2) hours at the applicable overtime rate. All work over 2 hours will be paid in ¼ hour increments. De minimis time (such as answering a phone call) will be paid in ¼ hour increments.

Article 7. HOLIDAYS, Section 7.1 is amended as follows:

7.1 The following days shall be considered holidays: New Year's Day, Dr. Martin Luther King, Jr. Day (which shall be observed as a floating holiday in the same manner as a personal holiday), President's Day, Memorial Day, Fourth of July (Independence Day), Labor Day, Alaska Day (which shall be observed as a floating holiday in the same manner as a the personal holiday; not on the actual date of the State holiday) Veteran's Day, Thanksgiving Day and Christmas Day. Floating holidays must be used in the year accrued or otherwise lost without cash value, and such other days as the City Council, by resolution may fix for City employees.

By: _____
John Eberhart
City Mayor

By: _____
Lake Williams, Business Manager, AFL-CIO

Date: _____

Date: _____

Attachment 1
(Updated 12/31/2014)

Summary of Changes to Base Wage Rates based on Deletion of Packer Driver, Lead, Foreman
and General Foreman 'Grandfather' Rules*

**City of Fairbanks - AFL-CIO Craft Council
2015 Wage Schedule**

Classifications	2014 Package Rate	2.5%	2015 PACKAGE Rate	Health	Pension	CAF/ Legal	Wage
General Foreman	52.6176	1.3154	53.9330				
Office Manager							
942							
<i>Foreman</i>	48.2175	1.2054	49.4229				
<i>Lead</i>	45.2500	1.1313	46.3813				
<i>Packer Drivers</i>	43.1628	1.0791	44.2419				
Laborer	40.0264	1.0007	41.0271				
Eng. Tech	40.0163	1.0004	41.0167				
Survey Party Chief	43.1526	1.0788	44.2314				
302							
<i>Foreman</i>	48.2227	1.2056	49.4283				
<i>Lead</i>	45.2487	1.1312	46.3799				
Operator	43.1680	1.0792	44.2472				
Mechanic	43.1680	1.0792	44.2472				
Dispatcher							
Asst. Dispatcher							
959							
<i>Custodian</i>	37.9712	0.9493	38.9205				
<i>Warehouse/Rec. Coor'd</i>	42.9447	1.0736	44.0183				
Parts Person/ Expeditor	42.8736	1.0718	43.9454				
Inventory Spec.	40.1128	1.0028	41.1156				
Various							
Trade Spec. Foreman							
<i>Trade Spec. Lead</i>	46.4200	1.1605	47.5805				
Trade Spec. (eg 1243, 375, 15)	43.5132	1.0878	44.6010				

* GF'd employees receiving \$2.72/hour longevity pay will continue to receive that amount without application of CPI to that number(Witt, Hanson).