

**Tentative Agreement
between
PSEA and City and Borough of Sitka
for
FY12 and FY13 Reopener Impasse**

Effective October 1, 2012, Step L shall be added to the matrix in Article 8 Section 1A based on a 2.0% increase from Step K.

Effective October 1, 2012, all PSEA-represented employees move one step on the amended matrix which includes the new Step L. No other step increases shall be granted until such time as a new Agreement is reached.

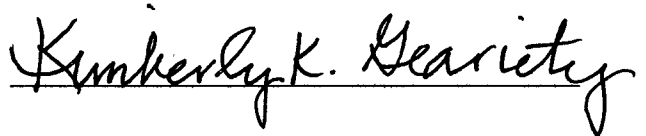
Effective not later than March 22, all PSEA-represented employees shall receive a lump sum payment of \$750.00 less applicable withholdings.

Any fees due and expenses incurred by the interest arbitrator shall be split by the parties.

This resolves all outstanding issues regarding the reopeners in Article 8 Section 1C.

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Date: February 7, 2013

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Date: February 7, 2013

To: Assembly Members

From: Mr. James E. Dinley
Municipal Administrator

Date: February 12, 2013

Subject: PSEA Reopener Settlement for FY12 and FY13
Recommendation: Approval

The 2010-2013 Collective Bargaining Agreement ("Agreement") with PSEA (union representing the Police Department personnel) included two wage reopeners for FY12 and FY13. The Agreement stated the following in Article 8 Section C:

The parties agree to reopen Article 8 to determine the wage rates and step increases for the second and third years of this Agreement. Either party may reopen Article 8 with written notice to the other party between March 1 and March 31 of 2011 and 2012. The parties may mutually agree to reopen other Articles for the purposes of adjusting the Agreement.

In March 2011, PSEA contacted me and requested negotiations begin for a wage increase to be effective July 1, 2011. I requested that the reopener negotiations be deferred until Sitka had final numbers for FY11. PSEA agreed to wait until all of the numbers were in for FY11 and in August 2011 the parties agreed to meet for reopener negotiations on September 22 and 23. The positions in the reopener negotiations at that time were the following:

PSEA:	1 year agreement	4%
	2-year agreement	3%/3%

Sitka: 0% increase for both FY12 and FY13 (wage freeze for both years)

The parties were unable to reach agreement and some time passed until I was notified that PSEA wanted to declare "impasse" and go to mediation as per the ordinance. Sitka was agreeable and the parties participated in mediation with a federal mediator from the Federal Mediation and Conciliation Service office in Seattle. Mediation occurred on June 21, 2012, without success.

Instead, PSEA notified me officially that they wanted to seek resolution to the FY12 and FY13 reopener wage increase issues through interest arbitration (also according to the ordinance). An arbitrator was selected and interest arbitration was originally scheduled for January 8 and 9, 2013. The union postponed the interest arbitration at the last minute and it was rescheduled to February 7 and 8, 2013.

On February 7, the parties met at Centennial Hall in front of the interest arbitrator (Mr. Alan Krebs) but before the hearing began, Arbitrator Krebs asked if the parties wanted to see if they could possibly work out a solution to the impasse. The parties agreed to talk. The parties also outlined to each other their last best offer position (not for a two-year agreement) as follows:

PSEA	FY 12 (effective July 1, 2011)	FY13 (effective July 1, 2012)
	2.5% across the board increase	2.5% across the board increase
	Unfreeze step increases for all which would result in either a 2.5% or 2.0% increase depending on employee's step placement	
	Add "Step L" to the salary schedule to address those employees who are currently at the final step in the schedule	

Sitka	FY 12 (effective July 1, 2011)	FY13 (effective July 1, 2012)
	Zero percent (0.0%) increase	Two percent (2.0%) increase

As the parties talked it became apparent to me and the other Sitka representatives involved that the union was willing to remove its demand for any increase in FY 12 and focus on an increase for FY13. As a result the parties were able to agree to a resolution that sent the interest arbitrator home without a hearing. The parties agreed to the following: 0.0% increase for FY12 and one step increase for FY13¹ effective October 1, 2012 as well as a \$750.00 lump sum payment (less withholdings). The total cost of the package was 2.8%.

In my opinion, this was an acceptable resolution to the reopener impasse because it preserved a wage freeze for FY12 for all employees whose paychecks come from the general fund. It also was justifiable based on what had been previously approved by the Assembly and budgeted (but not spent) for the employees in the ASEA and non-represented groups.

The employees have ratified the FY12 and FY13 Reopener Settlement and now it is up to the Assembly to approve these negotiated retroactive pay adjustments. Sitka's bargaining team and the Administrator unanimously recommend approval of the negotiated settlement to the reopener impasse for FY12 and FY13.

cc: Kimberly K. Gearity, Chief Negotiator
Mark Danielson, HR Director
Jay Sweeney, Finance Director

¹ In addition, 'Step L' was added to the salary schedule.
PSEA and Sitka Reopener Settlement Assembly Memo
February 12, 2013
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