

To: Assembly Members

From: Mr. James E. Dinley
Municipal Administrator

Date: January 24, 2013

Subject: IBEW Collective Bargaining Agreement for 2013-2015
Recommendation: Approval

IBEW's Agreement for 2011-2012 expired on December 31, 2012. IBEW opened bargaining for a successor agreement in October and Sitka's bargaining team met with the IBEW a couple of times during the past three months. In addition, there were a series of emails and a teleconference regarding the parties' position in negotiations.

The only issue on the table was wages (Article 14) for the next three (3) years.¹ The initial proposals from the Union focused on the increased cost of living in Sitka using the federal cost-of-living (CPI) figures for Anchorage adjusted for Sitka. However, in the opinion of the Sitka negotiators and the Administrator, relying on CPI in 2014 and 2015 (even with a minimum and maximum set) was not in Sitka's best interest and would be too difficult for budgeting purposes.

Instead, Sitka counter-proposed a firm increase for each year and the parties were able to reach agreement on the following pay increase for the 2013-2015 Agreement:

- 2.5%; 2.5%; and 2.5% effective January 1 of each calendar year of the Agreement;² and
- the employees would receive a one-time signing bonus of \$500.00 less withholding upon approval of the Agreement.

The employees have ratified the new Agreement and now it is up to the Assembly to approve the 2013-2015 collective bargaining agreement with its pay increases. Sitka's bargaining team and the Administrator unanimously recommends approval of the IBEW 2013-2015 collective bargaining agreement with its pay increases of 2.5% each year.

cc: Kimberly K. Geariety, Chief Negotiator
Chris Brewton, Utility Director
Mark Danielson, HR Director
Jay Sweeney, Finance Director

¹ There were a couple of other proposed minor changes in the existing labor agreement raised by the Union but those were quickly abandoned by the Union and the parties signed off on the existing language of the Agreement in all Articles except for Article 14 (Wages).

² IBEW's last pay increase was January 1, 2012 and equaled one and one-half percent (1.5%). Also, IBEW-represented employees did not receive the two-percent (2%) pay increase effective July 1, 2012 that was paid to the APEA non-represented and the non-represented employees.