

S B

372

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 1/27/88 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: C&RA

\*\*FISCAL NOTE(S) ATTACHED \_\_\_\_\_ \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

1/26/88  
Mr. President:

DATE TURNED INTO OFFICE 4/6/88

State Affairs

Committee considered SB 372

relating to the applicability of the Public Employment Relations  
Act to municipalities and political subdivisions

and recommended:

- replace with CS \_\_\_\_\_  same title
- attached amendment(s) and  new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_
- letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

*Ken ...*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS

*Rich Kelly (No Rec)*  
*Joe ... (Do NOT Pass)*  
\_\_\_\_\_  
\_\_\_\_\_

*Tom ...*  
Chairman signature and recommendation

Committee Backup Attached

Alaska State Legislature

SENATOR KEN FANNING  
PO BOX 80929  
COLLEGE, ALASKA 99708



PO. BOX V—STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3880

Senate

MEMORANDUM

TO: Senator Mitch Abood

FROM: Senator Ken Fanning *KF*

DATE: February 5, 1988

SUBJ: Public Employment Relations Act (PERA) and SB 372

*RECEIVED*  
*FEB 5 1988*  
*C*  
*W*

In response to several queries I have had from legislators regarding SB 372 and the effect it will have on Alaskan communities, I would like to provide you with a synopsis of the bill and some backup materials. Briefly, what SB 372 will do is allow any municipality or political subdivision to either opt in or out of PERA, the Public Employment Relations Act. Currently all but seven communities in Alaska have opted out of PERA. This bill would provide the opportunity for the remaining seven communities to opt out of PERA if they so desire. Likewise, if a community had opted out of PERA some time ago, this would allow that community to opt back in.

The bill in no way prohibits collective bargaining. In fact, the communities we have contacted (who have opted out of PERA) have adopted their own local ordinances which include collective bargaining, and in some cases, binding arbitration. Based on our research, this bill does not introduce a new concept, it merely reinforces the intent of the original Act, that of providing a framework for the bargaining process between public employers and employees, while at the same time, giving local governments control of their own affairs.

If you have any questions regarding SB 372, please feel free to call and speak with me or Gail Thibodeau of my staff (3880).

Bill No. Senate Bill 372

Date February 2, 1988

Title "An Act relating to the applicability of the Public Employment Relations Act to municipalities and political subdivisions."

Contact: Eileen Plate  
465-2700

This legislation repeals Section 4, Chapter 113, SLA 1972, which permits municipalities and political subdivisions to elect not to be covered by the Public Employment Relations Act; and replaces it with language that permits municipalities and political subdivisions to opt in, or out, of PERA coverage at will, subject to a lapse of three years between each action.

Under this bill, political subdivisions who are currently under PERA coverage would have the opportunity to opt out by adopting an ordinance or resolution to that effect. Similarly, as is provided under current law, political subdivisions who opted out in 1972 could rescind that exemption and come under PERA coverage. The only restriction placed on exercising one option or the other is that three years must have elapsed since the time an option was last exercised.

This has no practical effect on those political subdivisions who elected to opt out when PERA was passed in 1972. They may presently rescind that action by ordinance or resolution and come within coverage of PERA, as the City of Fairbanks did in 1983. However, this bill would allow those political subdivisions currently under PERA to exempt themselves from coverage, an option that does not currently exist.

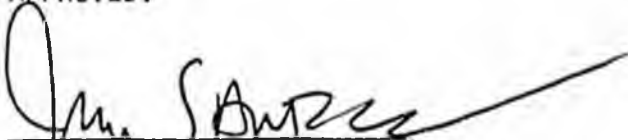
The municipality or political subdivision could, at its discretion, therefore rescind rights previously extended to employees without any participation by the workers in that decision. This clearly goes against the intent of the act which is to promote harmonious employer/employee relationships. The provisions of this bill are, therefore, contrary to the principals upon which collective bargaining laws are premised.

There are presently six communities that are covered by PERA - City of Fairbanks, Fairbanks North Star Borough, City of Petersburg, Ketchikan Gateway Borough, City of Unalaska, and City of Nome. These communities could, under this bill, exempt themselves and discontinue the collective bargaining relationship at the expiration of existing contracts.

This bill is not in the interest of good management and labor relations; and the Department is opposed to it.

There is no fiscal impact on the Department.

APPROVED:

  
Jim Sampson, Commissioner  
Department of Labor

**POSITION PAPER/**Department of Labor

FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: "An Act relating to Public  
Employment Relations Act.."  
Sponsor: Fanning  
Requestor: State Affairs

Agency Affected: Labor  
BRU: Labor Standards and Safety  
Components: Wage and Hour

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Tom Stuart Director *Stuart* Phone: 264-2452  
Division: Labor Standards and Safety Date: 2/2/88

Approved by Commissioner: Jim Sampson *Sampson* Date: 2/2/88  
Agency: Labor

Distribution (by preparer) :

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

**SPONSOR STATEMENT**  
**for Senate Bill 372**

The purpose of this bill is to clarify the conditions under which a municipality or political subdivision may opt in or out of PERA, the Public Employment Relations Act. Section 4 of Chapter 113, SLA 1972 indicates that PERA applies to all boroughs and political subdivisions of the state, "unless the legislative body of the political subdivision, by ordinance or resolution, rejects having its provisions apply." It seems clear that the legislature intended to give full control to the local governments, allowing them to decide whether or not they wished to come under the provisions of PERA, however the courts have not interpreted that provision of the law the way the legislature intended.

This bill merely clarifies the intent of the original 1972 law by giving a municipality or political subdivision the choice to either opt in or out of PERA. The Mat-Su Borough, Anchorage, Juneau, and Kenai have opted out of PERA; In fact, only seven communities in Alaska are currently covered by PERA. Passage of this bill would provide the opportunity for all local governments in Alaska to be on an equal footing - allowing them to retain local control of their bargaining process. This bill does not preclude collective bargaining, but rather allows the local governments, not the State of Alaska, to set the parameters.

In 1983 when Fairbanks chose to opt back into PERA, Alaska's economy was in good shape. The state's budget was \$600 million more for FY83 than it was for FY88. That, of course, also affected the revenues available to Fairbanks. Now the economic picture has changed, and communities across the state are tightening their belts. Binding arbitration, a measure mandated by PERA, can be extremely costly to local governments. In Fairbanks those employees who, under PERA, were mandated to go to binding arbitration, took substantively smaller pay and benefit reductions than those taken by other municipal employees. Since the city cannot, under PERA, achieve equitable and necessary pay cuts, they must resort to layoffs. Last year the City laid off 105 employees; an additional 42 layoffs are expected this year. We only have 300 employees - 1/2 the work force has been cut. It's bleak. This bill would give local governments the flexibility needed to ensure that all city and municipal employees would receive fair treatment.

While the legislation should be noncontroversial - in that it only clarifies current law, and while there are only seven communities in our state covered by PERA - those who oppose local option will undoubtedly protest loudly. This bill is supported by the Alaska Municipal League, which is composed of 135 municipal members.

## SYNOPSIS OF SB 372

Section 1 (a) allows a municipality or a political subdivision to exempt itself from the provisions of PERA (the Public Employment Relations Act) by adopting an ordinance or resolution. If the municipality or political subdivision are not currently covered by PERA, this allows them to adopt the provisions of PERA through an ordinance or resolution.

Section 1 (b) mandates that a municipality or political subdivision who either adopt PERA or opt out of PERA, as provided for in Section 1(a), may not change their status for at least three years following that action.

Section 2 repeals a non-codified section of the original Public Employment Relations Act (PERA) that defines which political subdivisions are to be covered by the Act. SB 372 more clearly spells out this provision of PERA, so the old language is no longer needed.



P.O. Box 23, Craig, Alaska 99921

(907) 826-3275 ✓ ↗

FEB 22 1988

February 16, 1988

Senator Ken Fanning  
Box V  
Juneau, Ak 99811

Dear Senator Fanning:

This is to support your efforts in passing SB 372, a bill to allow a municipality or political subdivision of the state to either opt in or out of PERA.

The City of Craig supports the efforts to clarify the issues as proposed by the bill, and supports the concept of "local control" and "local options" wherein the people most affected by the actions are the ones who make the choices.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. Palmer", written over a horizontal line.

David Palmer  
Executive Assistant to the Mayor



# Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-4801

BOROUGH ASSEMBLY

February 24, 1988

Senator Ken Fanning  
Pouch V, State Capitol  
Juneau, Alaska 99811

Dear Senator Fanning:

We did participate in the teleconference on SB372, February 17, and enforced our view of local control. Lee Hall our personnel officer testified at that time. We currently are not under PERA and enjoy a very good relationship with our employees local union, but believe strongly for municipalities to have the options available to them.

Thank you for bringing this to our attention so that we may participate.

Sincerely,

A handwritten signature in cursive script that reads "Dorothy A. Jones".

Dorothy Jones  
Mayor

Senator John B. (Jack) Coghill  
Alaska State Legislature

File ✓  
PERA

Box V  
Juneau, Alaska 99811  
(907) 465-4797

Box 55028  
North Pole, Alaska 99705  
(907) 488-0862



MEMORANDUM

FEB 10 1988

TO: Senator Ken Fanni

FROM: Senator Jack Coghill

DATE: February 9, 1988 Relations Act (PERA)

RE: Public Employment Relations Act (PERA) and SB 372

Thank you very much for sending me a copy of SB 372. I will do everything I can to help support this bill.

# STATE OF ALASKA

## DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX 1149  
JUNEAU, ALASKA 99802-0700  
PHONE: (907) 465-2700

March 8, 1988

Ms. Carol Horos  
Professional Assistant  
State Affairs Committee  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

Dear Carol:

As you requested last week, following is a summary of the cases handled by the Department during the last three years which have gone to binding arbitration for final resolution.

1. Operating Engineers Local 302 vs. Fairbanks Municipal Utility System (1985).

Union asking: 4% wage increase plus 50¢/hr. health and welfare  
City offering: 2.6% wage increase  
Award: 4% wage increase

2. Fairbanks Police Employees Association vs. City of Fairbanks (1985).

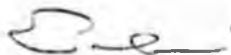
Union asking: 8.5 to 22% wage increase  
City offering: 2.6% wage increase  
Award: 2.6% wage increase

3. Fairbanks Police Employees Association vs. City of Fairbanks (1986)

Union asking: 3.1% wage increase  
City offering: wage freeze  
Award: 3.1% wage increase

If you have any questions or need additional information, please let me know.

Sincerely,



Eileen Plate  
Legislative Liaison

EP/gw  
06703

PUBLIC OPINION MESSAGE

✓ F20

DEAR: SENATOR FANNING

NAME: ANNE M. SMITH  
TITLE:  
ADDRESS: 1903 CAPITOL AVE.  
CITY: FAIRBANKS ZIP: 99709  
PHONE: 456-5576

BILL NO: SB 372  
SUBJECT: APPLICABILITY OF PERA TO MUNICIPALITIES  
MESSAGE: FOR THE RECORD, I URGE YOU TO SUPPORT SB 372. RESEARCH BY ITA SHOWS  
EMPLOYEE REPRESENTATIVES IN FAIRBANKS LACKED INCENTIVE TO NEGOTIATE IN GOOD  
FAITH BECAUSE OF BINDING ARBITRATION BACK PROCEDURES. DEMANDS MADE BY  
ASSOCIATIONS AND CONCESSIONS GIVEN BY MANAGEMENT REFLECTED IN RESULTING  
CONTRACT VERIFY THIS FACT.

EOM-FZ

POMID: 07145414  
DATE: 02/18/88  
TIME: 14:54:14  
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ABOOD  
HENSLEY  
JOSEPHSON  
UEHLING

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PUBLIC OPINION MESSAGE

6TV

DEAR: SENATOR FANNING

NAME: JIM WEIDNER  
TITLE:  
ADDRESS: 5479 CHSR  
CITY: FAIRBANKS ZIP: 99712  
PHONE: 488-6366  
BILL NO: SB 372  
SUBJECT: APPLICABILITY OF PERA TO MUNICIPALITIES  
MESSAGE: I SUPPORT SB 372 AND URGE PROMPT PASSAGE. EOM/MJO

POMID: 07120612  
DATE: 02/16/88  
TIME: 12:06:12  
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ABOOD  
HENSLEY  
JOSEPHSON  
UEHLING  
HALFORD  
KELLY  
STURGULEWSKI  
SZYMANSKI  
ZHAROFF

61 ✓

PUBLIC OPINION MESSAGE

DEAR: SENATOR FANNING

NAME: ANNE M. SMITH  
 TITLE:  
 ADDRESS: 1903 CAPITOL AVE.  
 CITY: FAIRBANKS  
 PHONE: 456-5576  
 BILL NO: SB 372  
 SUBJECT: APPLICABILITY OF PERA TO MUNICIPALITIES  
 MESSAGE: MUNICIPALITIES, ESPECIALLY FAIRBANKS, NEED TO REGAIN CONTROL OF  
 LOCAL SPENDING. PERA'S BINDING ARBITRATION PROVISION HAS HAMSTRUNG LOCAL  
 GOVERNMENT. I URGE YOU TO SUPPORT SB 372 ALLOWING LOCAL GOVERNMENT TO  
 OPT OUT OF PERA. EOM/MJO

POMID: 07105001  
 DATE: 02/03/88  
 TIME: 10:50:01  
 LIONAME: FAIRBANKS LIO

COPIES: SENATORS

- HALFORD
- KELLY
- STURGULEWSKI
- SZYMANSKI
- ZHAROFF
- BINKLEY
- DUNCAN
- FISCHER
- HENSLEY
- UEHLING
- JONES
- JOSEPHSON
- KERTTULA
- FAIKS
- RODEY
- ELIASON
- FAHRENKAMP
- COGHILL
- ABOOD

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PUBLIC OPINION MESSAGE

*gt ✓*

DEAR: SENATOR FANNING

FEB 5 1988

NAME: FRANCIS ROSS  
TITLE:  
ADDRESS: 337 HAGELBARGER AVE.  
CITY: FAIRBANKS ZIP: 99712  
PHONE: 457-2439  
BILL NO: SB 372  
SUBJECT: APPLICABILITY OF PERA TO MUNICIPALITIES  
MESSAGE: LOCAL GOVERNMENT NEEDS MORE CONTROL. WE NEED TO BE ABLE TO OPT  
IN OR OUT OF PERA.

POMID: 07082221  
DATE: 02/03/88  
TIME: 08:22:21  
LIONAME: FAIRBANKS LIO

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PUBLIC OPINION MESSAGE

61V

DEAR: SENATOR FANNING

NAME: ANN ROBERTS  
TITLE:  
ADDRESS: 2821 TOTEM DRIVE  
CITY: FAIRBANKS  
PHONE: 479-6375

ZIP: 99709

FEB 3 1988

BILL NO: SB 372  
SUBJECT: APPLICABILITY OF PERA TO MUNICIPALITIES  
MESSAGE: PLEASE SUPPORT THE PEOPLE'S RIGHT TO CHOOSE. IF WE CAN OPT INTO PERA, WE SHOULD BE ABLE TO OPT OUT! PERA DOESN'T ADEQUATELY ADDRESS DECLINING REVENUES. WITH BINDING ARBITRATION FREEZING INFLATED WAGES, WE'RE FORCED TO LAY OFF EMPLOYEES RATHER THAN CUT BACK WAGES A LITTLE AND KEEP EVERYONE WORKING.

POMID: 07082425  
DATE: 02/03/88  
TIME: 08:24:25  
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

FAIKS  
JOSEPHSON  
KERTTULA  
RODEY  
STURGULEWSKI  
COGHILL  
DUNCAN  
ELIASON  
FISCHER  
ZHAROFF  
FAHRENKAMP  
KELLY  
SZYMAWSKI  
UEHLING  
HALFORD  
BINKLEY  
HENSLEY  
JONES  
ABOOD

PUBLIC OPINION MESSAGE

GTV

FEB 3 1988

DEAR: SENATOR FANNING

NAME: MARLENE LEAK  
TITLE:  
ADDRESS: 771 8TH AVE.  
CITY: FAIRBANKS  
PHONE: 452-1015  
BILL NO:  
SUBJECT: SB372

ZIP: 99701

MESSAGE: IT IS ONLY PROPER FOR A MUNICIPALITY TO HAVE THE OPTION TO  
DISASSOCIATE ITSELF FROM PERA, UPON THE VOTE OF ITS ELECTED REPRESENTATIVE BODY,  
SINCE ADOPTING PERA WAS OPTIONAL AND NOT MANDATORY TO BEGIN WITH. ALL  
EMPLOYEES ARE PROTECTED BY STATE LABOR LAWS IN THE ABSENCE OF PERA.

POMID: 07093029  
DATE: 02/03/88  
TIME: 09:30:29  
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ABOOD  
HENSLEY  
JOSEPHSON  
UEHLING

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0  
7

PUBLIC OPINION MESSAGE

6TV

DEAR: SENATOR FANNING

FEB 3 1988

NAME: DOUG DIMBAT  
TITLE:  
ADDRESS: 135 LAKE DRIVE  
CITY: NORTH POLE  
PHONE: 488-9694  
DILL NO:  
SUBJECT: SB 372  
MESSAGE: I BELIEVE THE LEGISLATURE SHOULD APPROVE FOR LOCAL GOVERNMENTS TO  
OPTED OUT OF PERA.

ZIP: 99705

EOM-FZ

POMID: 07100149  
DATE: 02/03/88  
TIME: 10:01:49  
LIONAME: FAIRBANKS LIO

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05 ✓

PUBLIC OPINION MESSAGE

DEAR: SENATOR FANNING

NAME: KATE DESROCHERS  
TITLE:  
ADDRESS: P.O. BOX 61056  
CITY: FAIRBANKS  
PHONE: 474-8821

SEP 5 1988  
ZIP: 99706

BILL NO:  
SUBJECT: SB 372  
MESSAGE: FAIRBANKS VOTERS SHOULD BE ABLE TO CHOOSE FOR OR AGAINST PERA  
AS OUR ECONOMY DICTATES. FAIRBANKS CANNOT AFFORD PERA AND BINDING ARBITRA-  
TION AT THIS TIME.

EOM-FZ

PMID: 07200310  
DATE: 02/02/88  
TIME: 20:03:10  
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ABOOD  
HENSLEY  
JOSEPHSON  
UEHLING

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PUBLIC OPINION MESSAGE

DEAR: SENATOR FANNING

OT ✓  
FEB 3 1988

NAME: GEORGE DESROCHERS  
TITLE:  
ADDRESS: PO BOX 60456  
CITY: FAIRBANKS ZIP: 99706  
PHONE: 479-6652  
BILL NO: SB 372  
SUBJECT: APPLICABILITY OF PERA TO MUNICIPALITIES  
MESSAGE: I WOULD LIKE TO HAVE YOU PASS THIS BILL. THE REASON BEING IS  
THAT THE LOCAL GOVERNMENT NEEDS MORE CONTROL OVER THE PERA. GIVE THEM THE  
OPTION OF BEING IN IT OR OUT OF IT. EOM/MJO

POMID: 07085701  
DATE: 02/03/88  
TIME: 08:57:01  
LIONAME: FAIRBANKS LIO

COPIES: SENATORS


ABOOD  
HENSLEY  
JOSEPHSON  
UEHLING

Alaska  
MUNICIPAL  
League

TELEPHONE  
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

TO: Senator Mitch Abood, Chair  
Members of the Senate State Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: February 3, 1988

SUBJECT: SB 372 - Applicability of Public Employment Relations Act to municipalities and political subdivisions

On behalf of its 135 municipal members, the Alaska Municipal League supports SB 372, allowing municipalities and political subdivisions of the State to exempt themselves from the Public Employees Relations Act (PERA).

The AML's support is based on the language contained in the 1988 AML Policy Statement adopted by the membership at its annual meeting in Anchorage in November 1987:

1. Alaska Public Employees Labor Relations Act: The League strongly opposes any legislation that would force municipalities to be subject to the provisions of the Alaska Public Employees Labor Relations Act. The League opposes, just as strongly, any legislative efforts to dictate the provisions of local public employee labor relations ordinances. The League supports legislation to allow each municipality to reject or withdraw from the terms of the Alaska Public Employees Labor Relations Act at any time. The scope of decisions as to local government finance and labor policies is best left to the local governing body.

The bill would clarify existing exemptions provided by Section 4, Chapter 113, SLA 1972 which allowed municipalities to opt out of PERA by ordinance or resolution when the Act was first passed. The bill would place this into statute but would also allow municipalities and political subdivisions to change their status after three years.

While not opposed to collective bargaining, the membership supports each community's ability to determine its own process of dealing with its employees based on their unique circumstances. The AML is opposed to the State dictating provisions of local public employee relations ordinances. I have attached a policy paper developed by the AML Legislative Committee in 1986.

Again, the AML supports SB 372, and urges its passage.

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672  
5528 SSTA SB 372 1100

Position Paper  
of  
AML Legislative  
Subcommittee on Education  
March 1986

RE: Proposed Legislation Relating to Local Governments  
and Alaska Public Employees Labor Relations Act.

The 1986 Alaska Municipal League Policy, Part VIII, Local Government Powers, Section B(1), Alaska Public Employees Relations Act states "the League strongly opposes any legislation which would force municipalities to be subject to the provisions of the Alaska Public Employees Labor Relations Act. In addition, the League opposes just as strongly, any legislative efforts to dictate the provisions of local public employees labor relations ordinances. The League supports legislation to allow each municipality at anytime to reject or withdraw from the terms of the Alaska Public Employees Relation Act." In addition, Section B(2) states, that the League also opposes any legislation which forces municipalities to develop collective bargaining procedures ending in strike or binding arbitration. The following is in support of the League position:

1. Binding arbitration/PERA limits the authority of the Council/Assembly. If wages are set by binding arbitration, the Council/Assembly has to work any arbitration wage increases into the budget. If it is necessary to make cuts, cuts must be made in areas other than the arbitrated wages. The Council/Assembly would no longer have the authority to determine wages or control budgets.
2. Arbitrators tend to be from outside and do not have to deal with the overall budget or raise the funds to finance employee costs.
3. Municipal employees do have recourse -- the election process. They can influence voters to elect Council/Assembly members supportive of their positions. Also, employees still have the right to form employee organizations.
4. Each municipality is unique and should be allowed to handle collective bargaining in a manner that fits the community. Large communities have employee circumstances that are very different from small, and rural is different than urban. In addition, most of our local governments in Alaska are small, population under 1000, and there are not many staff members in any one category. This makes collective bargaining extremely impractical.
5. The provisions of PERA or binding arbitration are costly. There is the cost of the negotiation process itself. Municipalities in general do not have excess staff or staff time to prepare bargaining positions. Cost of hiring a negotiator is beyond most local budgets.

# City of Soldotna

P.O. Box 409 • 177 North Birch • Soldotna, Alaska 99669 • Phone: 262-9107



February 11, 1988

Alaska Senate State Affairs Committee  
c/o Senator Ken Fanning  
P.O. Box V - State Capital  
Juneau, Alaska 99811

*DHL DELIVERY*

Re: SB 372

Ladies and Gentlemen:

I would like to add my name to the growing list of municipal officials who have supported Senator Ken Fanning's effort to provide an opportunity for municipalities to opt out of PERA.

The Soldotna City Council recently reconsidered whether we should opt back into PERA and unanimously concluded that we should retain the right to govern our labor relations at the local level. I am enclosing a few pages of our local collective bargaining ordinance. The preamble to the ordinance and Section 2.30.020 set forth our findings as to why we think a local collective bargaining ordinance is more appropriate to our particular situation.

Our ordinance prohibits closed shops and strikes, but it also provides a binding arbitration procedure as the final step of the collective bargaining process if all other impasse resolution steps fail. In Soldotna, however, our voters will be the final arbitrators. Final and best offers will be put to the test of a referendum at the next general election.

I encourage you to approve SB 372 and to oppose any legislative effort that would force municipalities to be subject to provisions of PERA.

Sincerely,

A handwritten signature in cursive script that reads "Dolly M. Farnsworth".

Dolly M. Farnsworth  
Mayor of Soldotna

Enclosure (1)

cc: Senator Paul Fischer  
Representative Mike Navarre  
Representative C.E. Swackhammer  
Scott Burgess, Executive Director, Alaska Municipal League

## Chapter 2.30

### COLLECTIVE BARGAINING

#### Sections:

2.30.010	Declaration of Policy
2.30.020	Legislative Findings
2.30.030	Rights of Employees
2.30.040	Employee Relations Board
2.30.050	Collective Bargaining Unit
2.30.060	Exemptions from Collective Bargaining
2.30.070	Representatives and Elections
2.30.080	Collective Bargaining
2.30.090	Mediation and Fact Finding
2.30.100	Final Determination of Disputed Issues
2.30.110	Grievance Resolution
2.30.120	Prohibited Activities
2.30.130	Unfair Labor Practices
2.30.140	Agreement
2.30.150	Reservation of Management Rights
2.30.160	Funding
2.30.170	Payroll Deduction for Dues & Fees
2.30.180	Definitions

#### 2.30.010 Declaration of Policy.

A. The Soldotna City Council hereby declares that it is the policy of the City to promote harmonious and cooperative relations between the government and its employees and to protect the public by assuring orderly and effective operations of government. The City Council desires to govern its labor relations at a local level and, therefore, continues to exempt the City from application of the provisions of Chapter 113, SLA 1972 (Article 2 of AS 23.40, known as the Public Employment Relations Act) as prescribed in prior resolutions and actions.

B. The City's labor relations policies are to be effectuated (1) by recognizing the right of employees to organize for the purpose of collective bargaining under this Chapter, (2) by negotiating according to this Chapter with employee organizations on matters of wages, hours, and other terms and conditions of employment, and (3) by maintaining merit system principles among City employees.

C. Nothing in this Chapter shall be construed so as to make membership in any union or other employee organization a condition of employment with the City, nor to allow an agency shop, closed shop or union shop arrangement.

2.30.020 Legislative Findings. The Soldotna City Council makes the following legislative determinations in support of its reasons for adopting a local ordinance concerning collective bargaining, rather than being bound by the State's "Public Employee Relations Act":

A. The City of Soldotna provides essential public services including police protection, street repair, snow removal, water, sewer and other services critical to public health, safety and convenience.

B. Granting City employees the right to strike pertaining to wages, benefits and working conditions may be construed as granting employees the right to override the authority of the local governing body, and, as a first class municipality, the City of Soldotna desires its authorities, as provided by Alaska Constitution and statutes, to be broadly construed.

C. Employees of the City of Soldotna, being agents of the City and serving only public purposes, are entirely different from employees in the private sector and a strike by them could contravene the public welfare and paralyze the City and endanger the public health, safety and convenience.

D. Since the terms of employment of City employees include economic obligations and commitments which under this Code can only be determined by the City Council, granting a right to strike would, in effect, permit employees to place undue pressure and influence on the City Council by striking. The City Council may be influenced to accede to the demands of the employees in order to protect the public from the affect of a strike, even though the concessions granted in so doing may be against the public interest. Employees should not be allowed to place the local government in such a dilemma.

E. Unlike private enterprise, the City of Soldotna does not perform its public functions and activities for profit. Thus, purely economic considerations may not appropriately be the most important considerations and should not be allowed to become the most important through public employee labor relations law and ordinances.

F. For the foregoing reasons, a strike or a work stoppage by public employees should not be condoned or permitted.

G. The efficient operation of the City and harmonious labor relations between the City and its employees will best be served when each individual employee has the maximum freedom possible to choose individually whether to affiliate with other employees or a labor organization for the purpose of collective bargaining.

H. The interests of the majority of the City employees should not infringe on the interests of the minority provided the interests of the majority can be accomodated.

I. Because the City of Soldotna has a long-standing set of personnel procedures and ordinances which, for the most part, have resulted in stable and harmonious labor relations, the public interest would be best served by permitting each individual employee the right to choose to continue to be subject to the existing personnel policies and procedures (as they may be amended from time to time), thus permitting each employee the widest freedom to choose while at the same time permitting those who wish to collectively bargain the right to do so. The City realizes that this approach could be construed as a possible violation under Section 8(a)(1) of the National Labor Relations Act in the private sector, but also realizes, for reasons set forth in this Chapter, that the City has the right to determine its own labor relations policies, and has determined, as a legislative matter, that the greatest freedom of choice for individual employees serves the public interest.

J. The City Council realizes its obligation never to surrender the power of taxation as set forth in Alaska Statutes. The City Council determines that the accountability of the City Council to the public can only be maintained if this power to tax remains exclusively with the City Council. Since the commitment of public monies in the form of wages, benefits and working conditions can result in a tax adjustment, the City Council determines that it is essential that the City Council approve any collective bargaining agreement before it can become effective. Because of the budget requirements set forth in Alaska Statutes, and in order to preserve the public's opportunity to be heard on the budget, any collective bargaining agreement which would result in a change in the amounts budgeted for City employees must be concluded in time for the changes to be considered in the annual budget prior to the end of the fiscal year.

K. The City Council finds that it would disrupt the orderly operation of the City if collective bargained agreements were to expire at any time other than the close of the fiscal year.

L. In recognition of certain commitments made by the City in a "memorandum of understanding" pertaining to wages, benefits and working conditions for a term beginning July 1, 1987, the City Council herein represents that in the event any employees affected thereby engage in collective bargaining that the provisions of this memorandum of understanding shall serve to establish the minimum standards upon which any such bargaining will be based during the term of the "memorandum of understanding".

2.30.030 Rights of Employees. City employees may self-organize and form, join or assist an organization for the purpose of collective bargaining through representatives of their own choosing in accordance with the terms and conditions of this Chapter.

2.30.040 Employee Relations Board.

A. There is hereby established an Employee Relations Board which shall administer the policy established by this Chapter and shall have duties which shall include but are not limited to:

- (1) Determining the units appropriate to collective bargaining;
- (2) Certifying or decertifying employee organizations as exclusive representatives;
- (3) Conducting representation elections; and

(4) Handling the procedures for resolution of disputes and grievances, as provided in this Chapter.

B. The Employee Relations Board shall consist of three members. One member shall be appointed by the Mayor and confirmed by the City Council. One member shall be appointed by the City's employees pursuant to appropriate procedures devised by the employees' collective bargaining agent(s). If there is no collective bargaining agent, the employee member shall be elected by a majority of the City's employees under election procedures to be administered by the City Clerk. The third member shall be chosen by and mutually acceptable to the other two board members.

(1) The term of office of Employee Relations Board members shall be three years and shall run with the term of the Mayor.

(2) Members of the Employee Relations Board must be residents of the City of Soldotna. Members of the Board may not be employees of the City, nor members of any labor organization which represents or is attempting to represent City employees.

(4) Upon a finding by the City Council that employees are engaging or are about to engage in a strike or other concerted cessation of work, the City Council may petition the Courts for an injunction, restraining order or other such order as may be appropriate. The City Council may file a petition with the Courts without first submitting an unfair labor practice complaint to the Employee Relations Board.

**B. Agency shop. Closed Shop or Union Shop Arrangements.**

(1) No collective bargaining agreement shall contain terms which mandate affiliation with a designated labor organization as a prerequisite to employment or as condition of continued employment with the City.

(2) Neither the City nor any City employee shall discriminate against any employee solely by reasons of that employee's exercise of this right to choose whether or not to affiliate with a labor organization, although differences between terms and conditions of employment set forth in the City Personnel Code and those terms and conditions set forth in a collectively bargained agreement that result in differential treatment will not be a violation of this section.

(3) Each new employee shall, likewise, have the right to choose between the Personnel Code and any collectively bargained agreement after being offered a position, but before beginning work.

2.30.100 Final Determination of Disputed Issues.

A. If, upon conclusion of negotiation and after use of mediation and fact finding as appropriate, no agreement is reached, the City Council shall formulate a last best offer. The offer shall be reduced to writing and represent the proposed collective bargaining agreement for a term not to exceed three years.

B. If the Employee Organization is not satisfied with the last best offer of the City Council, the Employee Organization shall formulate its last best offer. This offer shall, likewise, be reduced to writing and represent the Employee Organization's proposed collective bargaining agreement for a term not to exceed three years.

C. The Council shall thereupon hold a public hearing on the proposed collective bargaining agreements, on at least seven days' notice. At the conclusion of the hearing, the Council shall either approve the Employee Organization's last best offer; or, submit the last best offer of each party to a referendum of the Soldotna voters at the next general election. The results of the election shall be binding for the period of the agreement upon both parties, who in the interest of facilitating the prompt resolution of any and all labor disputes shall forebear from any judicial appeal of the decision.

(1) The question submitted at the election shall be substantially in the following form: "To resolve an impasse between the City and an Employee Organization over a collective bargaining agreement, each party has been asked to submit its last best offer to public referendum. Which offer shall be approved?"

The City Council's last offer.

The Employee Organization's last offer.

"

(2) The Clerk shall publish, with the regular notice of election, a summary, in 300 words or less, of the last best offers of the City and the Employee Organization, as prepared by a representative of each party, with a notice that copies of the full text of the last best offers of each party are available at the Office of the Clerk.

2.30.110 Grievance Resolution. Except as these provisions may be modified for covered employees by the terms of a collective bargaining agreement, employee grievances shall be handled according to Section 2.28.260 of the Soldotna Municipal Code.

2.30.120 Prohibited Activities.

A. Strikes or Other Concerted Cessation of Work.

(1) No City employee shall have the right to strike.

(2) A strike is defined as a concerted failure to report for duty, a willful absence from work, a stoppage of work, or an abstinence from the full and proper performance of duties for the purpose of inducing or coercing a change in working conditions or compensation. The term strike includes any refusal to perform regular duties while other City employees, or any other persons, are engaged in picketing or any other work stoppage, slowdown or refusal.

(3) An employee shall be subject to discipline, according to the City's Personnel Code, for an unauthorized absence from work or a failure or refusal to perform regular duties in a full and proper manner whether or not the unauthorized absence, action or inaction is in relation to a strike.

CITY OF SOLDOTNA, ALASKA

ORDINANCE NO. 447

(As Amended October 21 and December 2 and Adopted December 16, 1987)

AN ORDINANCE CONCERNING COLLECTIVE BARGAINING WITH CITY EMPLOYEES

---

WHEREAS, the 1972 Alaska State Legislature adopted the "Public Employee Relations Act" and provided that it would be applicable to all political subdivisions, unless political subdivisions took action within six months after its effective date to exempt themselves from this Act; and,

WHEREAS, the Soldotna City Council voted to reject application of the "Public Employee Relations Act" pursuant to Resolution No. 72-17, adopted August 24, 1972; and,

WHEREAS, on consideration of this subject again on July 5, 1979, the Soldotna City Council rejected a request to rescind Resolution No. 72-17; and,

WHEREAS, it has been reported that some of the City's employees may want to affiliate with a labor organization for the purpose of collective bargaining with the City; and,

WHEREAS, the City Council is aware of the right of employees to join a union and to become subject to terms of a collectively bargained agreement;

WHEREAS, the Soldotna City Council desires to grant employees the right to become covered by a collectively bargained agreement, but under terms of a local ordinance, rather than by terms of the "Public Employee Relations Act", in order to retain local control over labor relations and to codify provisions on issues which might be in dispute among the various courts; and,

WHEREAS, the City Council wishes to make known some of its reasons for adopting a local ordinance concerning collective bargaining, rather than being bound by the State's "Public Employee Relations Act", now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOLDOTNA, ALASKA AS FOLLOWS:

Section 1. Chapter 2.30 is hereby added to the Soldotna Municipal Code to read as follows:

FAIRBANKS



CITY OF FAIRBANKS

*Office of City Manager*  
410 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701  
907-452-1881

February 3, 1988

Senator Ken Fanning  
P.O. Box V  
Juneau, Alaska 99811

RE: Support of Senate Bill #372

Dear Senator:

The City of Fairbanks has suffered economically, like the rest of the State, with the recent downturn in the economy. The City of Fairbanks attempted to reduce costs, to live within its means, through meaningful labor negotiations intended to reduce wage and benefit costs.

Due to the State's Public Employment Relations Act, the City's ability to reduce wage and labor rates is extremely limited. The Governor, likewise laboring under the terms and conditions of PERA, has found it nearly impossible to gain any meaningful reduction in wages and benefits in spite of the critical fiscal dislocation that governmental units in the State of Alaska have been experiencing.

While the City subscribes to the collective bargaining process, I can only point to the examples of the City's and State's bargaining results, under PERA, as an indictment of the PERA system. The ability of the City and the State to reduce wage costs is an impossible task under the procedures established by the PERA legislation.

Localities should be allowed to opt out or exempt themselves from the framework established by PERA. Local municipalities or political subdivisions should be allowed to establish its own rules and regulations to govern collective bargaining procedures. Local municipalities must gain control of its fiscal destiny, and be allowed to set wage and benefit rates at levels affordable to the local residents ability to pay. As Mayor of the City of Fairbanks, I wholeheartedly support SB372 as an act to give control of city finances back to the municipal government officials.

Very truly yours,

BILL WALLEY  
Mayor, City of Fairbanks

# Municipality of Anchorage

## MEMORANDUM

ANCHORAGE

RECEIVED

February 2, 1987  
Discussion Review

DATE: February 1, 1987  
TO: Lee Nunn, Executive Manager Government Affairs  
THRU: Glenn Lundell, Employee Relations Director  
FROM: Personnel Director *NRN*  
SUBJECT: Senate Bill No. 372

As requested, I have reviewed the proposed amendment to AS 23.40 under Senate Bill 372 to add a proposed new section, 23.40.235. The effect of this proposal would be to give municipalities and political subdivisions of the State to option to elect exemption from the provisions of PERA if they had missed the window period originally provided in the act or were currently covered and wished to withdraw.

The immediate impact of this legislation on Anchorage would be negligible as the Municipality has elected to withdraw from PERA and is not covered by the terms of that act. I would, however, recommend our commenting favorably on the proposed legislation as it provides flexibility to local governments that does not currently exist. Employers under PERA who wish to enact a local labor relations ordinance to govern their bargaining currently cannot do so but could under this proposal. Conversely, those finding administration of a local ordinance too onerous could opt to come under PERA. The three year minimum status period proposed under 23.40.235 (b) provides a good vehicle for insuring some stability in employee relations while providing the local governments the flexibility in policy decision-making proposed under 23.40.235(a).

While I support this proposed legislation I am concerned about another piece of proposed PERA legislation that is currently in the House Judiciary Committee. That bill is CSHB 170 which proposes the addition of a new section 23.40.075 would have the net effect of requiring coverage under PERA for municipalities or political subdivisions who do not either provide their employees the right to strike or final and binding arbitration as the last step in the negotiation process. The effect of this proposed change is that municipalities (including Anchorage) who do wish to control their employee relations through local ordinance must provide their employees either the right to strike or binding arbitration to settle negotiation impasses. If they do not do so, their PERA exemptions would no longer be valid and their employee relations would have to be governed by PERA.

Currently our labor ordinance AMC 3.70 does provide the proposed impasse resolution mechanisms so we would not come under PERA if CSHB 170 were to pass in its present form. If, however, we found that those mechanisms were not effective for us or responsive to the interests of the community and wished to replace them with other options such as advisory arbitration which is also commonly used in the public sector, we could not do so.

In summation, I would recommend support or at least positive monitoring of SB 372. I would recommend opposition to CSHB 170. If further information or recommendations on these bills is desired, please let me know.



*City of Petersburg*  
*P. O. Box 329*  
*Petersburg, Alaska 99839*

FEB 1 1988

January 29, 1988

Senator Fanning  
 P.O. Box V  
 Juneau, Alaska 99811

Dear Senator Fanning:

This letter is a follow-up to a discussion that I had with your aide, Mrs. Gail Thibodeau concerning the City of Petersburg's experience under the Public Employees Relations Act of 1972 (PERA).

Prior to my initial discussion with Ms. Gail Thibodeau, I became aware of your Senate Bill #372 through the Alaska Municipal League. I was very pleased to see that there is the possibility of some relief from this oppressive piece of legislation.

As you are aware, the Charter of the City of Petersburg authorized the institution of a "home rule" municipality. In other words, the citizens of Petersburg in a "charter election" chose to maintain as much "local control" over their own affairs as was possible under the state law at that time. Since our Charter was adopted by these voters, there has been no single piece of state legislation that has had, as oppressive an impact on this fundamental concept (local control) as the Public Employee Relations Act of 1972 (PERA).

The problem with PERA has been this single opt-out "window" and the courts restrictive interpretation of this concept.

As a practical matter PERA gave Petersburg six months from the time of its passage, to opt-out.

In my opinion, this "single window of time" was totally inadequate for a City Council to digest the implications of PERA, and opt-out in an intelligent manner. In other words, with our own collective bargaining ordinance.

Coincidentally, during this time the "International Brotherhood of Electrical Workers" were actively "signing up" employees in our electric utility. Our City Council reacted to this "perceived threat", rather than the more fundamental issues, and passed a resolution to opt-out of PERA. The courts later interpreted this opt-out as invalid, because it was done concurrently with the unionizing efforts.

Compounding this, the court ruling did not address the rest of the employees, and whether or not, they were under PERA also, or under our existing ordinance. Ultimately, another large union

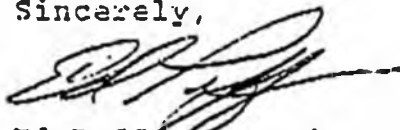
used this issue to organize the remaining employees and file suit against the city on the issue of "partial opt-out" or equity. After many thousands of dollars of legal expenses and employee consternation the court in 1987 ruled that there could not be a "partial opt-out" and consequently all our employees are under PERA.

Consequently, due to PERA we now have two large outside unions, IBEW and APEA. Their "leadership" and their expectations comes from outside Petersburg, the process is controlled by outside state agencies that are use to dealing with state issues and state resources.

Consequently, the Petersburg taxpayer and rate payer has "lost control" of the single largest expenditure in their annual budget.

Please let me know if I can be of any future assistance in your effort to amend PERA.

Sincerely,



Ed Pefferman, City Manager  
City of Petersburg

cc: Senator Jones  
Representative Taylor  
Representative Sund

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 3, 1988

SUBJECT: Applicability of PERA to municipalities  
(SB 372)

TO: Senator Ken Fanning

FROM: Teresa B. Cramer *TBC*  
Legislative Counsel

You have asked several questions concerning the effect of SB 372 on the right of a municipality or a political subdivision to decide to withdraw from coverage under the Public Employment Relations Act.

1. Can a municipality reject coverage under PERA?

The right to withdraw from coverage is established in temporary law, sec. 4, ch. 113, SLA 1972, which states:

This Act [enacting the Public Employment Relations Act] is applicable to organized boroughs and political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision, by ordinance or resolution, rejects having its provisions apply.

A municipality can reject coverage under PERA. To do so, the city council or borough assembly adopts an ordinance or resolution.

There are limits to a municipality's power to reject the application of the PERA. In an early case considering sec. 4, State v. City of Petersburg, 538 P.2d 263 (Alaska 1975), the state supreme court held that the city council of Petersburg could not validly adopt a resolution rejecting the application of PERA to its employees after members of the city council had learned that certain employees were engaged in collective bargaining organizational activity. The court noted, id. at 267,

Senator Ken Fanning  
Page 2  
February 3, 1988

The critical point beyond which the right and power of the City to reject the Act become subordinated to the rights of the employees granted by the same legislation must be ascertained. We hold that the analysis must turn on both the substantiality of the organizational activities undertaken by the employees and the extent of the City's awareness of those activities. Prior to becoming aware of substantial organizational activity, the City could have exempted itself from the applicability of the PERA without interfering with the right of the employees to organize. Rejection of the PERA after becoming aware of such activity constitutes a gross and impermissible interference with the employees' freedom to choose which collective bargaining association should represent them.  
(Footnote omitted)

In a later case, the court permitted a city to reject the application of PERA even though the city's employees had earlier expressed an interest in membership in a union. In City & Bor. of Sitka v. International Brotherhood of Electrical Workers, 653 P. 2d 332 (Alaska 1982), Sitka had passed an ordinance in 1973, exempting the municipality from PERA under sec. 4. For many years before the ordinance was considered and passed, the plaintiff union in the case, IBEW, had attempted to have the city recognize it as representing certain city employees. The court upheld the exemption, distinguishing the situation from the Petersburg case by stating that Petersburg is limited to its factual setting. The court noted, id. at 335, that

there is not evidence in the record of any organizational activities occurring between PERA's effective date, September 5, 1972, and the passage of the exemption ordinance, July 10, 1973. Thus, in contrast to Petersburg, the employees in Sitka were not acting in reliance on rights granted them by PERA.

Although it held that Sitka had effectively exempted itself from PERA under sec. 4, the court did find that Sitka had failed to abide by the terms of its city charter and that therefore it would be required to recognize employee organizations under the terms of the charter.

In Anchorage Municipal Employees Assoc. v. Municipality of Anchorage, 618 P.2d 575, (Alaska 1980); considering whether the newly formed Municipality of Anchorage could properly

exempt itself from PERA in 1975, more than three years after PERA took effect, the court noted that the exemption option contained in sec. 4 was not limited to a period of time. The court stated, *id.* at 579, that the Petersburg decision

does not deprive a newly formed municipality of the option to reject PERA, so long as it does so promptly after its formation and without interfering with the employees' exercise of their established rights.

While sec. 4 does not grant unlimited ability to reject application of the PERA, as long as the legislative body of the municipality or political subdivision acts reasonably promptly after its employees gain collective bargaining rights under PERA and as long as it is not attempting, in adopting the rejection, to interfere with ongoing collective bargaining activity that is based on the PERA rights, the exemption will be upheld.

2. If a municipality is covered by an ordinance or resolution establishing a system of negotiation with employees, are there limitations on the municipality's power to amend the ordinance or resolution?

PERA does not limit the municipality's power to amend its own municipal law. In City of Fairbanks v. Fairbanks AFL-CIO, 623 P.2d 321 (Alaska 1981), the court held that a personnel ordinance which was adopted after the city had a collective bargaining system in place, and which limited the subjects of the existing collective bargaining system, did not violate PERA.

However, the terms of a collective bargaining contract may dictate when a change in the municipal system may take effect. In City of Fairbanks v. Fairbanks Fire. Union, 623 P.2d 339 (Alaska 1981), the city had adopted a resolution establishing a system of employee bargaining and had negotiated a collective bargaining agreement that provided for automatic renewal from year to year unless one party notified the other of intent to change the terms. The agreement required that notice be given at least 90 days before the termination date of the contract. The city adopted a personnel ordinance that differed from the bargaining agreement in probationary periods, sick leave, annual leave, and other areas. However, the adoption

Senator Ken Fanning  
Page 4  
February 3, 1988

occurred less than 90 days before the termination of the contract. The court held that the change was ineffective for the next contract year but would apply to contracts in the years after that.

3. If a municipality rejects coverage under PERA, can it later reverse its decision and come within PERA?

I have found no cases addressing this issue. However, the policy set out in PERA and supported in the court opinions is to favor collective decision-making in matters affecting wages and working conditions. AS 23.40.070 states, in part,

. . . it is the public policy of the state to promote harmonious and cooperative relations between government and its employees and to protect the public by assuring effective and orderly operations of government. These policies are to be effectuated by

(1) recognizing the right of public employees to organize for the purpose of collective bargaining;

(2) requiring public employers to negotiate with and enter into written agreements with employee organizations on matters of wages, hours, and other terms and conditions of employment;

(3) maintaining merit-system principles among public employees.

Although sec. 4, ch. 113, SLA 1972, does not specifically permit a municipality to elect to resume coverage under PERA, it is probable that a court would hold that the policy statement supports a finding that the law implicitly permits a municipality to do so.

If I may be of further assistance, please advise.

TBC:gc  
WKG1:061

- an agreement reached if requested by either party, but these obligations do not compel either party to agree to a proposal or require the making of a concession;

(2) "election" means a proceeding conducted by the labor relations agency in which the employees in a collective bargaining unit cast a secret ballot for collective bargaining representatives, or for any other purpose specified in secs. 70 - 260 of this chapter;

(3) "labor relations agency" means the state personnel board with regard to the state and employees of the state, and means the Department of Labor with regard to all other public employees and all other public employers;

(4) "organization" means a labor or employee organization of any kind in which employees participate and which exists for the primary purpose of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment and conditions of employment;

(5) "public employee" means any employee of a public employer, whether or not in the classified service of the public employer, except elected or appointed officials or teachers or noncertificated employees of school districts;

(6) "public employer" means the state or a political subdivision of the state, including without limitation, a town, city, borough, district, board of regents, public and quasi-public corporation, housing authority or other authority established by law, and a person designated by the public employer to act in its interest in dealing with public employees;

(7) "terms and conditions of employment" means the hours of employment, the compensation and fringe benefits, and the employer's personnel policies affecting the working conditions of the employees; but does not mean the general policies describing the function and purposes of a public employer.

- Sec. 23.40.260. SHORT TITLE. Secs. 70 - 260 of this chapter may be cited as the Public Employment Relations Act.

- Sec. 3. AS 09.43.010 is amended to read:

Sec. 09.43.010. ARBITRATION AGREEMENTS VALID; APPLICATION OF CHAPTER. A written agreement to submit an existing controversy to arbitration or a provision in a written contract to submit to arbitration a subsequent controversy between the parties is valid, enforceable and irrevocable, except upon grounds which exist at law or inequity for the revocation of a contract. However, this chapter does not apply to a labor-management contract unless it is incorporated into the contract by reference or its application provided for by statute.

- Sec. 4. This Act is applicable to organized boroughs and

political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision, by ordinance or resolution, rejects having its provisions apply. ]

• Sec. 5. AS 23.40.010 is repealed.

Chapter No. 113  
Session Laws of Alaska  
1972

'88 02/16 16:07

☎ 907 262 1892 KENAI PENIN BORO

02



# KENAI PENINSULA BOROUGH

BOX 650 • SOLDOTNA, ALASKA 99689  
PHONE 262-4441

TO Senator Ken Fanning  
State Affairs Committee

DATE 2-16-88  
SUBJECT SB 372

**MESSAGE**

The Kenai Peninsula Borough opted out of the Public Employment Relations Act (PERA) in 1972.

We favor SB 372 allowing municipalities to opt in or out of PERA.

SIGNED Don Gilman, Borough Mayor

**REPLY**

SIGNED

DATE

RECIPIENT - Please sign and return pink copy

Feb. 15, 1988

Senator Ken Fanning:  
PO Box V  
Juneau, AK 99811

Dear Senator Fanning:

We strongly urge you to amend the Public Employees Relations Act (PERA) to mandate that any arbitration process take into account economic realities in arriving at a settlement. We would find it unconscionable that an arbitrator could impose a settlement that would not include the ability of a municipality or the State to pay for the agreement. We would also like the arbitration process to include input concerning market-based salaries as part of the accounting for economic realities. We are happy to see our public sector employees be well paid for their efforts but, see no reason to pay much more than what is needed to attract and retain good workers.

Sincerely,  
*Ronald A. Johnson*  
Ronald A. Johnson  
2113 Jack St.  
Fairbanks, Alaska 99709

cc. Sen Abood, Rep. Adams, Rep. Boyer, Sen. Coghill, Rep. Davis,  
Sen. Fahrenkamp, Sen Faiku, Rep. Frank, Rep. Grussendorf,  
Sen. Halford, Rep. Koponan, Rep. Miller

*Shirley Talbot*, 1400 Raven Drive, Fair, AK. 99709

*Dr. Robert R. Logan* 7300 Chena Hot Springs Rd. Fairbanks, AK. 99712

*Dr. Yeung-nan Chieh* 1737 UNIVERSITY DR. Apt. G-61, Fairbanks, AK 99709

*J Butch Obrien* 3266 Bluebird Ave. Fairbanks, AK 99709

*Rayette Powell* 5002 Dartmouth #14, Fbks, AK 99709  
*John Mout* 1621 W. Kenai Dr. Fair, AK 99709

*John Murray* 1129 Popovich Dr. Fair Ak. 99709

*Goetz* 15 Kistiwake Dr. Fair Ak 99701

*Tom Kinney* 112 Nilgub, Fairbanks, AK 99712

*Ed* POB 81497 (1642 TARDON DR) Fairbanks, AK. 99708

Alaska Municipal League  
Policy Statement

**1988**



Adopted at the Business Meeting  
of the 37th Annual Local Government Conference  
of the  
**ALASKA MUNICIPAL LEAGUE**  
Anchorage, Alaska  
November 13, 1987

and an amendment to the statutes governing these codes that would allow municipalities adopting these codes to provide for a transition period regarding licensing and certification requirements for plumbers and electricians working within their boundaries. The League supports the adoption of the national codes as the standards for Alaska.

9. Authorities: The League opposes any effort by the Legislature to restrict the method of establishment, form, powers, or other features of municipal port or other authorities. The League supports legislation that would clarify the authority of municipalities to form public corporations, authorities, and similar public entities through which they may exercise a power.

#### B. PUBLIC EMPLOYEE LABOR RELATIONS

1. Alaska Public Employees Labor Relations Act: The League strongly opposes any legislation that would force municipalities to be subject to the provisions of the Alaska Public Employees Labor Relations Act. The League opposes, just as strongly, any legislative efforts to dictate the provisions of local public employee labor relations ordinances. The League supports legislation to allow each municipality to reject or withdraw from the terms of the Alaska Public Employees Labor Relations Act at any time. The scope of decisions as to local government finance and labor policies is best left to the local governing body.

2. Binding Arbitration: The League opposes legislation imposing binding arbitration on local governments and school districts. Binding arbitration hinders local elected officials' ability to determine their personnel costs and prevents local governments from having complete control of determining the local tax rate. The scope of decisions with regard to what local government can afford for labor is best left to the local bodies possessing that knowledge.

#### C. UNORGANIZED BOROUGH

The League urges the Legislature to address the organization of the unorganized borough.

#### D. TRIBAL COUNCIL/LOCAL GOVERNMENT RELATIONS

The League supports and encourages efforts on the part of the Legislature and other concerned parties to address tribal/local government relations.

#### E. FORMATION OF NEW MUNICIPALITIES

1. State Policies: The League supports state policies that encourage rather than discourage the formation of new municipalities.

2. Funding: The League strongly supports legislation to provide adequate funds to assist in the study of the feasibility of forming new municipalities and in the unification and/or consolidation of borough and city governments. The League also supports increasing funds for the formation of newly organized municipalities.



Alaska Public  
Employees Association **APEA**

State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

MEMORANDUM

TO: Senator Mitch Abood, Chairman  
Senate State Affairs Committee

FROM: Cherie Shelley *CS*  
APEA

SUBJECT: Senate Bill 372

DATE: February 2, 1988

The Alaska Public Employees Association (APEA) is adamantly opposed to Senate Bill 372, which strikes at the heart of collective bargaining for municipal employees.

APEA represents municipal employees covered under the Public Employee Relations Act in Ketchikan Gateway Borough, City of Petersburg, City of Fairbanks and Fairbanks North Star Borough. SB 372, if allowed passage could effectively destroy collective bargaining for these municipal employees. The legislation would allow municipal governments which have opted for coverage under PERA to now opt-out, leaving employees relations in a vacuum. Management would be free to unilaterally set wages and other working conditions.

In 1972 the legislature found that joint-decision making is the modern way of administering government, including municipal government. If public employees are granted the right to share in the decision-making process affecting wages and working conditions, they are more responsive and better able to exchange ideas, and information in operations with their administrators. Accordingly government is made more effective. PERA provides the legal structure for such process.

CS/jm

Fairbanks Field Office  
825 College Road  
Fairbanks, AK 99701  
Telephone: (907) 458-5412

Anchorage Field Office  
833 Gambell Street, Suite A  
Anchorage, AK 99501  
Telephone: (907) 274-1688

Juneau Field Office  
227 4th Street  
Juneau, AK 99801  
Telephone: (907) 586-6305

**RICK L. RASMUSSEN, ESQ., P.S.**

3288 ADAMS DRIVE, SUITE 103 • FAIRBANKS, ALASKA 99709-6058

FEBRUARY 1, 1988

Senate State Affairs Committee  
Room 423, Capitol Building  
P.O. Box V  
Juneau, AK 99811

RECEIVED  
FEB 1 1988

Attn: Senators Ken Fanning (R) Dist. K-A ,  
Mitch Abood (R) Dist. G-A (Chair),  
Willie Hensley (d) Dist. L,  
Rick Uehling (R) Dist. H-P (Vice-Chair),  
and Senator Joe Josephson (D) Dist. H-A

SB 372

RE: SB 372

Dear Senators:

I've been an unwilling member of APEA since July of 1985. After meeting all the qualifications for pre-employment and meeting all academic standards for my profession and finally after a lengthy interview process, I get hired, to later find that I had 10 working days in which to join an organization I neither heard of or knew anything about; set the stage for my continual efforts to thwart their efforts.

Municipal employees, including Policemen/women, Firefighters, and Public Service employees be it State and/or Municipal should not form Union-like organizations for collective bargaining for two main reasons. I' protects those who do not really produce as an employee, but hide behind the grievance process and the other has to do with wages. Some of my fellow coworkers without a college degree are making as much, if not more, money than I was when I first graduated in 1980 (undergraduate). This is not fair, nor equitable, and I hope this Senate Bill 372 gets passed, hands down.

Thank you.

Sincerely,

RICK L. RASMUSSEN, Esq.

R.L.R./ur

ENCLOSURE

# **APEA Members of Municipalities and Political Subdivisions**

## **Senate Bill 372 is important to you.**

SB 372, introduced by Senator Ken Fanning (R) District K-A, is a direct attack on collective bargaining. . . .

**If it passes it will:**

- Allow municipalities and political subdivisions to adopt an ordinance or resolution to exempt itself from the Public Employment Relations Act. PERA guarantees your legal right to bargain and the grievance process.
- In addition, a municipality or political subdivision that exempts itself under the language in this bill may not change its status for at least three years.

APEA has fought long and hard to protect PERA for its members.

## **The Fight Goes on and We Need Your Help.**

The bill was introduced on January 26. It is scheduled for a hearing in **Senate State Affairs** on February 3. The time span between the bill's introduction and a scheduled hearing is unusually short. **This means that SB 372 will move fast.**

**There's no time to waste!**

Let the members of the Senate State Affairs Committee know that you object to the passage of this bill. Tell them that SB 372 is an attack on collective bargaining.

### **Senate State Affairs Committee Members**

Mitch Abood (R) Dist. G-A (Chair)

Rick Uehling (R) Dist. H-B (Vice-Chair)

Willie Hensley (D) Dist. L

Joe Josephson (D) Dist. H-A

Ken Fanning (R) Dist. K-A

If one of these senators represents your district, then contact him directly.

If not, either call, send a telegram, or a public opinion message to the chairman. **Do it Today!**

State Affairs Committee: (907) 465-4522 – Room 423, Capitol Bldg., P.O. Box V, Juneau, AK 99811

Public Opinion Message: (907) 465-4648

## **Alaska Public Employees Association**

January 28, 1988

# Fairbanks Fire Fighters Association

LOCAL 1324

P.O. BOX 1739

FAIRBANKS, ALASKA 99707

Senator Mitch Abood, Chairman  
Senate State Affairs Committee  
P.O. Box V  
Juneau, AK 99811

February 1, 1988

FEB 1 1988

Dear Senator Abood:

The majority of the members of Fairbanks Fire Fighters Local 1324 have directed me to communicate our position on PERA and binding arbitration to the Interior Delegation.

Prior to 1973, the Fire Fighters of the Fairbanks Fire Department were not recognized as a bargaining unit. Local 1324 tried to strike and gain recognition. The city had a court injunction issued. From 1973 to 1983, local 1324 was recognized and negotiated contracts on the city's pleasure and convenience. The only recourse for emergency service bargaining units was the courts. PERA with binding arbitration was adopted in 1983 by the City Council. Since 1983 we have negotiated two contracts and have yet to go to binding arbitration or the courts on contract negotiation disputes. With PERA it is in the best interests of all parties to negotiate in good faith with reasonable requests. Neither party wants to go to arbitration as the results are unpredictable. Since 1983 the local political manipulations have not had as direct an impact on contract negotiations. The emergency service contracts are not as easily negotiated in the media. The emergency services are the core services of the city and should be insulated to some extent from the rapidly shifting views of special interest groups and political interests. The events surrounding negotiations and tax issues in 1987 are a classic example of why PERA and binding arbitration are necessary. During the contract negotiations in 1987 the Council was constantly approached by special interest groups demanding wage reductions. The media seemed to heighten the controversy. When our contract was signed September 1, 1987, some special interest groups were vocal with their displeasure of the negotiation process, blaming PERA because their lobbying had not achieved the results they wanted in the contract. Monday, January 25, 1988, a resolution brought before the City Council died for lack of a second.

Fairbanks Fire Fighters Local 1324 believes in PERA and binding arbitration and has strived to understand it and negotiate within the guidelines set down in the law. We are determined to oppose any attempt to weaken or discontinue the City's involvement in PERA. We believe that PERA is best for us and the public in the long term. We appreciate the efforts of those that support our views on this issue and encourage those that do not to communicate with us so that we might present our position in more detail.

Sincerely,

  
Rocky Duncan, President, Local 1324

# ★ Fairbanks North Star Borough

809 Pioneer Road

P.O. Box 1267

907 452-4761

FEB 4 1988

RECEIVED

①

February 1, 1988

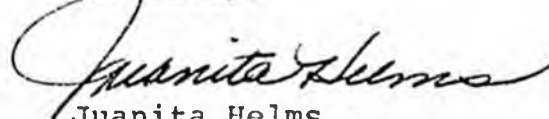
Honorable Mitch Abood  
Chairman  
Senate State Affairs Committee  
P.O. Box V  
Juneau, AK 99811

SB 372 Applicability  
OF PERM TO  
MUNICIPALITIES

Dear Senator Abood:

I urge you to defeat SB 372. As a strong supporter of collective bargaining, I see this bill as the beginning of the end for public employee collective bargaining.

Sincerely,



Juanita Helms  
Borough Mayor

JH:rlf

cc: Members, Senate State Affairs Committee  
Interior Delegation

TESTIMONY TO SENATE STATE AFFAIRS COMMITTEE

SENATE BILL 372

February 3, 1988

My name is Barry Haight. I represent the Fairbanks Fire Fighters Association and I am also a professional fire fighter. The Fairbanks Fire Fighters oppose S.B. 372 and support the right of municipal employees to bargain collectively. That support includes binding arbitration as the appropriate method of impasse resolution for public safety employees.

While Fairbanks had originally opted out of the Public Employee Relations Act; bargaining of sorts continued with some employee groups. Then in the fall of 1983 due to discord; and lack of uniformity in dealing with employees, the City Council voted unanimously to place the City under PERA. Today you have before you legislation proposing to change that law as a solution to a local issue. We maintain that changing state law is not the answer and will not solve the local problem.

According to news reports, Fairbanks' Mayor requested this legislation so the City can avoid going to binding arbitration with police and fire fighters. He claims this is necessary because an arbitrator won't award pay and benefit concessions in favor of the City. Then the assertion is made that layoffs of fire and police personnel will be the result. Such statements and conclusions are not based on fact or experience and leave out relevant information.

I would like to take a couple minutes and provide some of that information to this committee.

The Fairbanks Fire Fighters have negotiated only one contract with the City since coming under PERA. That contract was amicably concluded five months ago without impasse or arbitration. It was approved by the City Council and not vetoed by the Mayor. It is remarkable that while negotiations were in progress, the Mayor was making public demands for concessions that were not made by the City's actual negotiator.

I think it is important for the committee to know agreements reached with the fire fighters contained wage and benefit concessions. In fact, all City employee groups have made a variety of wage, benefit and reduction of hours concessions.

Staffing levels in both the police and fire departments have been less than adequate for nearly a decade. In 1979 fire fighters and policemen were laid off and attrition by nonreplacement was begun and continues to date. The lack of public safety employees in Fairbanks today is not simply the result of the current revenue crisis. To attempt to draw a connection between lack of fire fighters and binding arbitration is deceptive and untrue. The present City Mayor has opposed hiring the proper number of fire fighters for almost six years, and this includes those years when huge amounts of shared revenue were available from the state and federal government.

The Fairbanks City Council does not share this negative view of binding arbitration or bargaining and rejected a resolution opposing binding arbitration at the January 25th council meeting. The resolution died for lack of a second.

Fairbanks has a local problem and part of that problem is revenue. While other communities have that same revenue problem they have reacted differently to it. Unlike Fairbanks they have a sales tax, and unlike Fairbanks their property taxes are considerably more than 2.8 mills.

Two Budget Committees selected and appointed by the Mayor within the last two years have urged increases in local effort for revenues. These recommendations were shelved and twice the council's efforts at raising local revenues were vetoed by the Mayor.

City employees are doing their part; in addition to wage and benefit concessions, other noncontractual money saving work arrangements have been accomplished. Now all that is needed is a property tax increase of less than one mill to deterr further layoffs and start Fairbanks off in a more positive direction for the future.

Senate Bill 372 will not solve our problem. It will add to the mistrust and may deterr voluntary cooperation between employee groups and local government.

We ask you to allow Fairbanks to solve its own difficulties and not pass S.B. 372 from committee.

RECEIVED

FEB 16 1988



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

**ANCHORAGE REGIONAL OFFICE**

1411 W 33RD AVENUE  
ANCHORAGE, ALASKA 99503  
(907) 274-0536

**JUNEAU OFFICE**

105 MUNICIPAL WAY, SUITE 302  
JUNEAU, ALASKA 99801  
(907) 586-3090

**FAIRBANKS REGIONAL OFFICE**

2118 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701  
(907) 456-4435

February 4, 1988

To: Sen. Mitch Abood, Chair  
Members, Senate State Affairs Committee

Re: SB 372; "An Act relating to the applicability of the  
Public Employment Relations Act to municipalities and  
political subdivisions."

NEA-Alaska opposes SB 372 in its present form.

The Legislature has established that collective bargaining for public employees is public policy and in the interests of more effective government; AS 23.40.070.

It is our feeling that providing for political subdivisions to have the opportunity to opt out of PERA absent a requirement that they provide for collective bargaining through a local ordinance similar to PERA would only lead to instability in employer/employee relationships and the high probability of additional and unnecessary litigation between the parties.

Further, for the Legislature to send out a message to political subdivisions that it is now permissible for them to opt out of PERA would be inconsistent with the original purpose and intent of PERA and would compromise the rights which have been established for public employees.

If the Committee is of a mind revise or modify SB 372, we encourage that you give serious consideration to mandating the applicability of PERA to all political subdivisions, including school districts for non-certificated employees, unless they have adopted a local ordinance or resolution similar to PERA which establishes the right of employees to organize and negotiate their terms and conditions of employment.

Thank you for your consideration of our concerns.

Respectfully submitted,

Bob Manners  
Executive Secretary

RECEIVED  
FEB 29 1988

(Senator or Representative)  
Pouch V  
Juneau, Alaska 99811

Dear (Senator or Representative)

As a member of the labor force in the Matanuska-Susitna Borough, I am concerned for the need to have House Bill 170 passed and made into law, and to have Senate Bill 372 defeated.

Public employees all over this State have the right to collective bargaining. I feel ALL employees are entitled to participate in formulating decisions that pertain to their employment. It is intolerable that the State of Alaska would have different standards for various groups of people. Alaska Statute Sec.23.40.670 DECLARATION OF POLICY clearly states reasons why ALL employees should be included.

".....joint decision-making is the modern way of administering government. ....become more responsive and better able to exchange ideas and information on operations with their administrators. Accordingly government is made more effective. ....best way to harness and direct the energies of public employees eager to have a voice in determining their conditions of work, to provide a rational method for dealing with disputes and work stoppages, to strengthen the merit principle where civil service is in effect and to maintain a favorable political and social environment. The legislature declares that it is the public policy of the state to promote harmonious and cooperative relations between government and its employees and to protect the public by assuring effective and orderly operations of government.

In closing, I urge appropriate action from you on this legislation - Pass HB 170 and Defeat SR 372.

Thank you.  
Sincerely,

*Sherry L May*  
HCO 3 Box 8438-2  
PALMER 99645

*Coll. BARGAINING Municipalities School*

*Applicability of PERA to municipalities*

RECEIVED

FEB 29 1988

Pouch V  
Juneau, Alaska 99811

*Collective Bargaining; Municipalities/Schools*

Dear Senator Ahood,

As a member of the labor force in the Matanuska-Susitna Borough, I am concerned for the need to have House Bill 170 passed and made into law, and to have Senate Bill 372 defeated.

Public employees all over this State have the right to collective bargaining. I feel ALL employees are entitled to participate in formulating decisions that pertain to their employment. It is intolerable that the State of Alaska would have different standards for various groups of people. Alaska Statute Sec. 23.40.070 DECLARATION OF POLICY clearly states reasons why ALL employees should be included.

".....joint decision-making is the modern way of administering government. ....become more responsive and better able to exchange ideas and information on operations with their administrators. Accordingly government is made more effective. ....best way to harness and direct the energies of public employees eager to have a voice in determining their conditions of work, to provide a rational method for dealing with disputes and work stoppages, to strengthen the merit principle where civil service is in effect and to maintain a favorable political and social environment. The legislature declares that it is the public policy of the state to promote harmonious and cooperative relations between government and its employees and to protect the public by assuring effective and orderly operations of government.

In closing, I urge appropriate action from you on this legislation - Pass HB 170 and Defeat SB 372.

Thank You.

Sincerely,

June Perry

*P.O. Box 870449  
WASILLA 99687*

SB 462 *Signature*

SENATOR MITCH ABOOD  
STATE AFFAIRS COMMITTEE  
POUCH V  
JUNEAU ALASKA 99811

DEAR SENATOR MITCH ABOOD,

AS A MEMBER OF THE LABOR FORCE IN THE MATANUSKA-SUSITNA BOROUGH, I AM CONCERNED FOR THE NEED TO HAVE HOUSE BILL 170 PASSED AND MADE INTO LAW, AND TO HAVE SENATE BILL 372 DEFEATED.

PUBLIC EMPLOYEES ALL OVER THIS STATE HAVE THE RIGHT TO COLLECTIVE BARGAINING. I FEEL ALL EMPLOYEES ARE ENTITLED TO PARTICIPATE IN FORMULATING DECISIONS THAT PERTAIN TO THEIR EMPLOYMENT. IT IS INTOLERABLE THAT THE STATE OF ALASKA WOULD HAVE DIFFERENT STANDARDS FOR VARIOUS GROUPS OF PEOPLE. ALASKA STATUTE SEC. 23.40.070 DECLARATION OF POLICY CLEARLY STATES REASONS WHY ALL EMPLOYEES SHOULD BE INCLUDED.

"..... JOINT DECISION-MAKING IS THE MODERN WAY OF ADMINISTERING GOVERNMENT. ....BECOME MORE RESPONSIVE AND BETTER ABLE TO EXCHANGE IDEAS AND INFORMATION ON OPERATIONS WITH THEIR ADMINISTRATORS. ACCORDINGLY GOVERNMENT IS MADE MORE EFFECTIVE. ....BEST WAY TO HARNESS AND DIRECT THE ENERGIES OF PUBLIC EMPLOYEES EAGER TO HAVE A VOICE IN DETERMINING THEIR CONDITIONS OF WORK, TO PROVIDE A RATIONAL METHOD FOR DEALING WITH DISPUTES AND WORK STOPPAGES, TO STRENGTHEN THE MERIT PRINCIPLE WHERE CIVIL SERVICE IS IN EFFECT AND TO MAINTAIN A FAVORABLE POLITICAL AND SOCIAL ENVIRONMENT. THE LEGISLATURE DECLARES THAT IT IS THE PUBLIC POLICY OF THE STATE TO PROMOTE HARMONIOUS AND COOPERATIVE RELATIONS BETWEEN GOVERNMENT AND ITS EMPLOYEES AND TO PROTECT THE PUBLIC BY ASSURING EFFECTIVE AND ORDERLY OPERATIONS OF GOVERNMENT.

IN CLOSING, I URGE APPROPRIATE ACTION FROM YOU ON THIS LEGISLATION- PASS HB 170 AND DEFEAT SB 372.

THANK YOU.  
SINCERELY,

CLAUDIA DOLFI  
POB 52  
SUTTON, AK 99674

# Alaska State Legislature

FAIRBANKS

1098 LAKEVIEW TERRACE  
FAIRBANKS, ALASKA 99701  
(907) 456-6473

JUNEAU

P.O. BOX V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3466

REPRESENTATIVE  
MARK BOYER

HOUSE FINANCE COMMITTEE



## House of Representatives

### MEMORANDUM

TO: Senator Mitch Abood, Chairman  
Senate State Affairs Committee

FROM: Representative Mark Boyer *MB*

SUBJECT: SB 372

DATE: February 22, 1988

RECEIVED  
FEB 22 1988

I believe the attached memorandum from Brian Phillips, City Manager of the City of Fairbanks, will clarify the City's position with regard to SB 372, and rectify any misapprehension of that position which may have been engendered by Mayor Walley's testimony of February 17. I would greatly appreciate it if you would read Mr. Phillips' comments into the committee record of SB 372.

*SB 372*

*MB*

ET/MAC B-on. about-1988  
into record-

City of Fairbanks

MEMORANDUM

TO: Honorable Mayor, and City Council Members,  
City/FMUS Department Heads  
Union Business Agents & Stewards

FROM: BRIAN C. PHILLIPS, City Manager

SUBJECT: Public Employment Relations Act (as23.40)

DATE: February 16, 1988

The City Council on January 25, 1988 defeated, by non-advancement, a resolution opposing the continuance of certain PERA provisions. I interpret this policy setting action to be the City Council's support, by majority, for a status quo relative to the provisions of PERA. Therefore, unless otherwise legislated by the Fairbanks City Council, this office and all department heads of the City will refrain from giving any new written or oral testimony, recommendations, or interviews relative contrary to this policy position.

Over 60% of the City's \$80.7 million dollar budget involves unionized personnel covered under this act; This directive affecting City employed personnel is intended to clarify this City's status quo position on PERA, relative to the recent action by the Fairbanks City Council, and to once again build upon the positive working relationship between the City and our employees.



BRIAN C. PHILLIPS  
City Manager

BCP/sam

cc: Interior Delegation

**PUBLIC  
EMPLOYEES**



**AL J. BAFFONE, SR.**  
BUSINESS MANAGER  
SECRETARY-TREASURER

**DON VALESKO**  
PRESIDENT  
ASSISTANT BUSINESS MANAGER

**HEADQUARTERS**

2510 Arctic Blvd.  
Anchorage, Alaska 99503

208 Wendell, Room 205  
Fairbanks, Alaska 99701

701 W. 9th Street  
Juneau, Alaska 99801



February 25, 1988

RECEIVED

FEB 29 1988

Applicability of  
PERA TO  
MUNICIPALITIES

Senate State Affairs Committee  
STATE OF ALASKA  
P.O. Box V  
Juneau, Alaska 99811

Dear Senators:

Local 71 would like to go on record as being against Senate Bill 372 (SB 372) and the unethical handling of the February 17, 1988 teleconference. Never before have I seen such an injustice as the one perpetrated by the sponsor of this bill.

At the teleconference there was greater than a 5-1 ratio of people against SB 372, with thirty-three (33) against the bill and six (6) people for it. Senator Fanning, in an effort to support his attack on public employees, solicited the testimony of private interest groups. This is supported by his requesting two (2) separate sign-in sheets: one for the bill and one against it. He then hand-picked from these lists who was to testify in an effort to make it appear that testimony was equal. Adding insult to injury, Donna Gilbert, who signed in after myself and approximately twenty-five other individuals, was one of the first to testify. This is clearly a misuse of the teleconference system by Senator Fanning.

If you were to support this bill, you would be going on record as supporting Senator Fanning's attack on public employees and organized labor.

Sincerely,

David L. Lambert  
Business Representative  
Interior Region

Senate State Affairs Committee: Senator Abood - Chairman  
Senator Uehlings - Co-chairman  
Senator Hensley - member  
Senator Josephson - member  
Senator Fanning - member

**JUNEAU**  
DON ROULEAU  
(907) 596-6993

**ANCHORAGE**  
JENNIE DAY PETERSON/GARLAND WARREN  
(907) 276-7211

**FAIRBANKS**  
DAVID L. LAMBERT  
(907) 452-5024



EDUCATION SUPPORT STAFF ASSOCIATION  
2118 Cushman Street  
Fairbanks, Alaska 99701  
(907) 452-2023

RECEIVED  
FEB 22 1988

**CONFERENCE TESTIMONY**

S.B. 372

1:30 p.m.  
February 17, 1988

SENATE STATE AFFAIRS COMMITTEE

~~I am writing in opposition to SB 372~~

*Pera* *[Signature]*

This bill, as I read it, would cause utter chaos in labor/management relations and could virtually eliminate all collective bargaining in our political subdivisions. Why? Because if a political subdivision chose to opt out of PERA (under the provisions of this bill) there is not a procedure for continuing a collective bargaining relationship once existing agreements have expired. Once existing agreements have expired, the collective bargaining process and other labor/management relations cease to exist, at least in any form that provides some semblance of equality. This bill in effect disenfranchises thousand of public employees from the decision-making and problem-solving processes now provided by law.

Senator Fanning told us here in Fairbanks last Saturday, February 13, that none of the above would occur if SB 372 is enacted into law.

The driving forces for the recent attacks on PERA are based on misinformation and misconceptions.

<cont>



# Alaska State Legislature

Please enter into the record my testimony to the SENATE STATE AFFAIRS  
committee name

committee on BILL #372 , dated FEBRUARY 17, 1988  
bill/subject

SENATE BILL #372 IS A DIRECT ATTACK ON COLLECTIVE BARGAINING. PERA QUARANTEES OUR RIGHTS TO BARGAIN AND TO USE THE GRIEVANCE PROCESS,

SINCE WE HAVE FOUGHT LONG AND HARD TO PROTECT OUR RIGHTS UNDER PERA WE PROTEST THE PASSAGE OF THIS BILL,

JIM CANARY - CHAPTER CHAIR APEA KETCHIKAN GATEWAY BOROUGH

LEE VOLLMER - SAC DELEGATE APEA KETCHIKAN GATEWAY BOROUGH

SHERRIE SLICK - S. E. EXECUTIVE BOARD APEA  
MEMBER APEA - KETCHIKAN GATEWAY BOROUGH

Signed: \_\_\_\_\_

Testifier

ALASKA PUBLIC EMPLOYEES ASSOCIATION

Representing (Optional)

Address

Phone No.

SENATE BILL 372, testimony

DATE: 17 February 1988

By: Donald A. Callahan, Jr.  
475 Halvorson Rd.  
Fairbanks, Alaska 99709  
907-479-2678

Occupation: <sup>Registered</sup> Paramedic-Firefighter  
Fairbanks Fire Dept.

I am testifying against the passage of this bill.

The reason I am against this bill is that it will destroy the effectiveness of our small union organizations in the state. Our Union, the International Association of Fire Fighters, Local 1324, has 40 members. If this bill passes we will have little recourse in dealing with disputes with our employer. We do not have the right to strike and even if we did, our small number would have little effect towards our goals. There has been talk by some that the right to strike should be given to police and fire employees. We feel the public <sup>safety</sup> employees have a moral obligation not to strike even if the legal right was given.

At this time under PERA, if an impasse in contract negotiations or other disputes arise, an arbitrator is selected by the State Department of Labor to hear both sides and make a legal decision. The impasse will then be settled. Without PERA the employer has no legal motivation to complete contract negotiations or to settle other contract disputes if he does not want to. This would especially be true with small public safety unions with little economic strength or membership clout.

PERA may not be needed for contract enforcement between an employer and a large union such as Teamsters or the Operating Engineers who have a healthy treasury and large body of members. When they strike the loss of their work force is immediately felt by the community. Fire and police employees do not have these same privileges.

In his presentation of this bill, Senator Fanning has stated its passage will insure city and municipal employees that they will be given fair and beneficial treatment. Unfortunately there is evidence that this would not be true. In a work session of the Fairbanks City Council, on November 25th, 1985, the present City Attorney stated and I quote, "We used to dictate to the unions how it would be, but now it is easy for them to file an Unfair Labor Practice with PERA." So I ask you, without PERA where will we resolve unfair labor practices? (In 1979 City Management unilaterally declared that our union contract was void and placed all city employees under a new city personnel ordinance. The fire chief immediately issued a memorandum which eliminated 13 negotiated benefits that the employees had under contract. Many of these items were not of a monetary nature and we believe they would have adversely effected the operation of the department. He further stated in that memo that more changes were forthcoming. It was later determined that the contract was valid and so these changes were not made.)

I am in a unique position as a government employee. I used to be in top management of the City and was a non-union employee. I do not have a history of a strong union affiliation. I was City Engineer for three years and Public Works Director for about one and a half years in charge of all City facilities maintenance except for the Municipal Utilities System. At the beginning of that period the city work force was non-union. My workers went for approximately three years without a raise in pay while wages in the private sector were going up 10 percent or more per year in the private sector due to pipeline activity. I made appeals to City Council through the City

Manager to make wage concessions to the employees so they would not unionize. No concessions were made and the city employees formed and joined various unions.

I believe this bill has been brought to you in the legislature for one reason. It is an attempt by a few individuals to solve a local financial crisis by appealing to you at the state level to enact vindictive legislation. Our city council realizes that the elimination of PERA is not the answer to our local financial problems. In their last council meeting the resolution to support passage of Senate Bill 372 was presented by one member of the council. His resolution died because it did not receive a second by any of the other five members. This indicates to me that they did not support the repeal of PERA.

The passage of the PERA bill would force small local unions such as our local police and fire department union to join forces with the large unions in the State in order to maintain our effectiveness. I believe our small union groups are much more responsive to our city's needs.

I ask you to let this local issue be resolved at the local level where it belongs. Please vote against Senate Bill 372.

*Richard Callahan*

*This testimony was presented verbally at the teleconference on 17 February 1988.*

*R. D. C.*

Let me begin by stating that I am against Senate Bill 372. I have been a voting resident of Fairbanks since 1973 and an employee of the Fairbanks City Fire Department since 1981.

There has been much said in many circles about PERA and what it means to so many people. I thank you for the opportunity to express my opinions.

The legislation Senator Fanning introduced as SB-372 reminds me of the days of the horse and carriage. When His Lordship's carriage carrying Mr. Randolph had it's lantern boy running ahead to light his way through the halls of our state legislature. It also carries with it a reminder of the days of the sweatshops and imported labor. If a governing body and those who work for them to provide vital services; and here I refer to Police protection, Fire protection, water and power distribution, and sewage removal; if these workers do not have a method to break an impasse during collective bargaining - then there is truly no bargaining process.

Fairbanks's city mayor stands alone among the elected government leaders of this municipality in trying to return to those days of yesteryear. By that, I mean he does not have the support of the city council in his action or statements on, about, or involving PERA. This is evidenced by the city council's refusal to even consider a resolution supporting a bill to change PERA. Such a resolution died before our city council in January of 1988 for lack of a second.

An example of the dark times can be seen in the statement made by the city attorney during a budget work session on November 25 1985. Under pressure from the city mayor and others, not all of whom are apart of our local government, he said, "we use to dictate to the unions now it would be...".

Gentlemen, we in Police and Fire have been thru this before. In 1983 the city voted unanimously to go under PERA. Our present mayor did not then, nor does he now have the fortitude and backing for an outright VETO. Instead he tries to convince you of untruths or half truths by means of insinuations and vague statements which when faced with the facts he will either rudely cut you off on his radio talk show or reply "That is not really what I meant".

This bill is clearly a partisan issue? It is anti-union, designed by those persons intent on union busting and denying the employees that provide vital services to the public the opportunity to enjoy job security and the ability to plan for the future of their families; their children's future. All the while we risk ourselves in fires and hostile or violent situations not experienced by legislators, store owners, normal homemakers, or the tourists we protect. Yet the people (the public) wants- NO -they expect us to be there when they call. We are not allowed to- NO -we are forbidden "TO STRIKE". We can not say;

"NO- we are not coming- your house will just have to burn"

"NO- I will not save your child from the flood of 1967 or, the earthquake of 1964, or the ill happenings of tomorrow".

We are expected to risk our lives for them and those they hold dear. Yet a simple matter of the right to collective bargaining with binding arbitration as a last resort is too much to give us in return. How can we be expected to concentrate on giving professional service and responding to our citizens emergency needs while wondering if we will be the ones to loose our homes, our futures, and our jobs through the whims of one person who can arbitrarily change the terms and conditions of our employment to cover up their inability to properly manage our city. Gentlemen, we are human and such thoughts as these play on our minds while a bill, like SB-372, is alive in our state's legislature.

It astounds me why our local issue of city personnel manning is drug through the halls of our state legislature by our mayor and (under his direction) the city manager. What astounds me more is why an Alaskan Senator would pick up on this issue and introduce legislation unless it is designed to bolster his views of:

- 1) not hiring local Alaskan residents
- 2) anti-union practices and union busting
- 3) pro oil company sympathies.

I believe Mr. Fanning would do better by spending his time at our capital, short as it will be, in trying to increase state oil revenues to the people of the state of Alaska.

I am opposed to SB-372 because of the dire consequences it will have on me and my family and the potential down grading of services the citizens of our city will receive should it be enacted into law. I urge you to kill this bill now before it costs the life of one of us.

Thank you,

Cliff Mercer



# Alaska State Legislature

Please enter into the record my testimony to the State Affairs  
 committee name  
 committee on SB 372, dated 2/18/88  
 bill/subject

I favor SB 372 because it makes PERA optional for municipal governments: the level of government closest to the individual. Although Fairbanks's mill rate has been 2.8 since 1985, the assessed value of Fairbanks has roughly doubled since 1983; and though Fairbanks has done well previously with state and federal assistance, it is facing a budget deficit in excess of \$1.5 million.

The private sector and union members, public sector without binding arbitration and the private union members, have to face the vagaries of the economy. The 1st class public employees have the privilege of wage and benefit increases regardless of the ability of the rest of the local economy to pay. This situation is supported by the union leaderships which seem quite willing to rob Union Member Peter to pay Union Member Paul.

PERA has had the effect of raising 1st class wages and benefits out of proportion to the rest of the local economy. This is similar to the situation in the book Animal Farm in which the elite determined that all citizens of animal farm were equal, but some were more equal than others. Just like PERA.

Signed: Marlene M. Leak, D.P.M.

Testifier Marlene M. Leak, D.P.M.

self

Representing (Optional)

771 8th Avenue, Fairbanks AK 99701

Address

(907) 452-1015

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate Bill 372  
 committee name  
 committee on PERA, dated 2/17/88  
 bill/subject

Please add my testimony for  
 Senate House Bill 372.

It is HIGH time we CHOSE methods  
 TO SAVE MONEY ON these COSTS.  
 KEEP it SIMPLE - KEEP IT  
 LOCAL !

Thank you

Signed: Angie Kruckenberg ANGIE  
 KRUCKENBERG  
 Testifier

Representing (Optional)

PO Box 10449

Fairbanks

Address

907-457-6270

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the State Affairs  
committee name

committee on Bill 372, dated 02-17-88  
bill/subject

*that protect*  
If everything was always fair + reasonable we would not need labor unions, contracts or Federal Labor Laws. There are ~~not~~ state labor laws employees that work for municipalities. As law enforcement we need protection from the local political arm, and find it hard to believe that anyone can support strikes by Police + Firefighters.

Collective bargaining + binding arbitration has not been unfair to the city. It has provided stability that is needed, and should not change.

Signed: \_\_\_\_\_

Sublet Scooter Welch  
Testifier

Fairbanks Police Dept. Employees Assoc.  
Representing (Optional)

156 7th Ave  
Address

459-6500  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the State Affairs  
committee name  
committee on SB 372, dated February 17, 1988  
bill/subject

*Refer to attached, please.*

Signed: Gayle Lynn Schoenbrun  
Testifier

self  
Representing (Optional)

440 Shannon Drive, Fairbanks, Ak  
Address

452-8683  
Phone No.

TESTIMONY ADDRESSING SENATE BILL 372

TELECONFERENCE 2/17/88

My name is Kayle Schoenborn and I am here to testify in opposition to this bill. I have been with the Fairbanks Fire Department for seven years. For half of those years I have worked under the threat of layoff and have actually received two layoff notices. As a public employee I am tired of being held responsible for Fairbanks' revenue problems. There is a serious issue that goes beyond the misplaced blame suffered by public employees: the question of the public's safety.

In 1974, the Fairbanks Fire Department funded sixty-seven firefighting positions. Those sixty-seven protected 214 million dollars in property. The thirty-three firefighters we have today protect one billion, seventy-three million dollars in property. Our population has grown proportionately in those fourteen years. Our department is down by more than half.

The safety of the citizens of this community has become a political issue. The lives and property of the people we are charged to protect are seriously jeopardized. I am witnessing a degradation of my profession and a deadly decline in the quality of protection we are being allowed to give. I urge you to consider the welfare of the people who gave you the privilege of office.

It's embarrassing to see Fairbanks' dirty linen being aired in Juneau, this is a local issue generated by a vocal, regressive radical special interest group. To clear up any misconceptions, please consider: The City Council opposes this bill; a resolution to support it could not even muster a second. The City Manager is not supporting this bill. The Borough Mayor opposes this bill.

A ridiculous cliché has become a buzzword in Fairbanks: if the unions don't take concessions, there will be layoffs. Late last year a contract was signed with the city and the firefighters. The council approved it; the mayor did not veto it, the negotiations were amicable and there was no binding arbitration. The document contained wage and benefit reductions, as did all the city contracts signed recently.

HB 372 aims to remove the one mechanism which places both negotiating parties on equal footing: binding arbitration. Without some form of impasse resolution, collective bargaining is useless. Management can dictate. The right to bargain fairly was a hard-won democratic freedom. One of the underlying themes in this bill is an elitist desire to control and subjugate the worker: union busting.

I urge you to defeat this bill and seek a simple solution to our revenue woes: direct the oil companies to pay their fair share. It has been some legislators' stance for years to court the oil companies'

favor, oftentimes in exchange for fat campaign donations. This obeisance is costing every Alaskan, but most particularly the worker. I ask that you examine the dishonest motives beneath this piece of legislation and defeat it.

Thank you for allowing me to speak.

Kayle Schoenborn, 440 Shannon Drive, Fairbanks, Ak



# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs  
 committee name  
 committee on S.B. # 372, dated February 17, 1988  
 bill/subject

*See attached copy*

Signed: *Dandra L. ...*  
 Testifier  
*Anchor ... Dept. ...*  
 Representing (Optional)  
*P.O. Box 2214 Anchorage AK 99507*  
 Address  
*484-2415*  
 Phone No.

1  
Testimony to Senate State Affairs Committee  
Senate Bill #372  
February 17, 1988

My name is Sandra Trisone. My husband is a professional firefighter. Along with the Fairbanks firefighters, I oppose Senate Bill #372 and support the right of municipal employees to bargain collectively. My support includes binding arbitration as the best method of impasse resolution for public safety employees. Without impasse resolution there is no future for collective bargaining.

State Senator Ken Tanning was quoted in The Daily Newsminer (1-28-88) that "The legislation will help promote fiscal stability while at the same time it will ensure city and municipal employees

2-

"at they will be given fair and  
- equal treatment." This is the same  
Senator that does not support local hiring.  
Senator Manning "thinks" if municipal  
governments can't reduce pay and benefits  
for their police and firemen, their only  
option is to lay people off. This is not  
the answer due to the fact that the  
City Employees cannot give enough to solve  
Fairbanks problem. The City of Fairbanks problem  
is not Pay or high wages. It is the City's  
refusal to replace declining state and  
federal revenues with taxes.

The City has created the illusionment  
of five personnel having cushiony jobs. This is  
not a fact. There are continuous threats of

lay off even after cuts. The Fire Dept. personnel, excluding management and clerical, has dropped fourteen<sup>(14)</sup> positions from 1986 to 1988. At this time there are thirty-three<sup>(33)</sup> positions left to protect the city. It is my opinion that both Fire and Police Dept. have too high of a management and clerical personnel.

The Fire and Police staff have been drastically reduced to the point that the public's safety has already been compromised. The Public Safety Employees contract not only deals with pay and benefits, but with employee safety which has been widely disregarded by City Management.

I would also like to address the facts of striking. First, it is unacceptable to fireman professionally. Secondly it is unacceptable to the courts, and most importantly is unacceptable to their public. Yet the honorability and high moral standards of these employees have gained them the instability of a future work place, unsafe work conditions and continuous attempts to circumvent proper negotiating tactics by Mayor Bill Walley and a handful of local anti tax reactionaries. Please vote against Senate Bill #372.

Jander J. Thorne  
 P.O. Box 2214  
 Fairbanks, Ak. 99707



# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs  
 committee name  
 committee on SB 372, dated 2-17-88  
 bill/subject

Mr. Chairman:

I am here today to express the opinion of the local Letter Carriers Union on SB372. Our NALC local has voted unanimous opposition to this legislation, which would undermine collective bargaining for local public employee unions.

Federal unions, like mine, have laws similar to PERA to protect our rights. Previous to 1971 we did not. PERA represents an equitable protection for workers and management, in the best tradition of fair bargaining.

NALC 4491 urges you vote against this bill.

Signed: Lois G. Mitchell (vice president)

Testifier  
National Association of Letter Carriers 4491

Representing (Optional)  
315 5th Ave Fairbanks AK 99701

Address  
wk 479-6975 hm 452-8820

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs  
committee name  
committee on S.B. 372, dated February 17, 1988  
bill/subject

Signed George W. Brown  
Testifier

Representing (Optional)

P.O. Box R2046 Fairbanks, AK 99708

Address

479-4413

Phone No.

TESTIMONY TO SENATE STATE AFFAIRS COMMITTEE

SENATE BILL 372

February 17, 1988

My name is George Bacon. For the past sixteen years I have been employed at the City of Fairbanks Fire Department. I am here to speak in opposition to Senate Bill 372.

Senator Fanning, the bill's sponsor, has been quoted in the Fairbanks Daily News-Miner of Jan 28, 1988 as saying, "The legislation will help promote fiscal stability while at the same time, it will ensure city and municipal employees that they will be given fair and beneficial treatment." I would take issue with that statement. I have read and re-read Senate Bill 372 and I have yet to find reference to fiscal stability nor have I found anything that ensures me, as a public employee, that I will be given fair and beneficial treatment. Quite the opposite.

I was a participant in contract negotiations with the City of Fairbanks prior to the city's adoption of PERA in 1983. I prefer to call this process "collective begging". It lasted for a year and a half. During this time I was painfully aware that the city's choice to participate was entirely their own. I also knew that there was no acceptable provision for impasse resolution. This arrangement precluded even basic equality amongst the participants. Certainly, this did not feel fair nor beneficial to me.

This Bill is also contrary to the declaration of policy contained in Sec 23.40.070 of the Public Employment Relations Act, which states in part:

".... The legislature declares that it is the public policy of the state to promote harmonious and cooperative relations between government and its employees and to protect the public by assuring effective and orderly operations of government....."

This Bill in fact is a first step in reversing this public policy because it certainly does nothing to strengthen or enhance it. It is further my opinion that this Bill, does nothing to ensure beneficial treatment for the public employee nor does it act to stabilize local revenues.

In citing the poor local revenue picture as reason for this legislation, supporters are laying down a smoke screen to hide the real issue. The issue plain and simple is their desire to engage in union busting and eliminate collective bargaining for public employees. I find the notion that public employees are to blame for the lack of a local revenue policy not only preposterous and inaccurate but personally offensive.

We do in fact have a local revenue problem and it deserves a local solution. The solution is not a continuation of the practice of "public employee bashing" as represented by this Bill. I believe that there exists on behalf of the Borough mayor and a majority of the City council a recognition that PERA is not the problem that it is being made out to be. The Borough mayor

has gone on record as opposing this Bill. The City of Fairbanks City council failed to second a measure that would have supported this Bill. I would ask you to make that same recognition and not pass Senate Bill 372 out of committee.



# Alaska State Legislature

Please enter into the record my testimony to the STATE AFFAIRS  
 committee name  
 committee on SB 372, dated 17 FEB 88  
 bill/subject

SEE ATTACHMENT CONSISTING OF 4 PAGES

- 2 PAGES OF TYPED TESTIMONY
- 2 PAGE OF NEWSPAPER ARTICLES

Signed: Mike Nielsen  
 Testifier

Representing (Optional)  
POB 73297 - FAIRBANKS AK 99707  
 Address  
459-6500(W) 479-5496(H)  
 Phone No.

TESTIMONY IN OPPOSITION TO SB 372, INTRODUCED BY KEN FANNING

By: Mike A. Nielsen

I am fortunate to have such a unique perspective of the Public Employment Relations Act (PERA). For several years I represented the Police Employee's Association and most recently I represented the City in negotiations with the Police Association. I have held several offices within the Association including president and chief negotiator. During the last four years I have been on the City's management team as a command-staff officer within the police department and primary City negotiator on the police contract.

During my 13 years with the City, I have had the opportunity to evaluate the collective bargaining process with and without the benefit of PERA and from both the employee's and management's point of view. In the early 70's the employees were under the City Personnel Ordinance. In 1975 it was necessary to raise wages nearly 50% in order to retain and attract qualified police officers. This was the dawning of collective bargaining. Later the City allowed all contracts to expire and forced the employees back under the Personnel Ordinance. Many grievances resulted and finally in 1983 the City realized the benefits of collective bargaining and opted to come under PERA rather than duplicate the existing State system with one of its own. Quite clearly, it is in the best interest of all parties, including the tax paying public, to conduct collective bargaining within the parameters of PERA.

Our City's mayor would have you believe PERA is evil and contrary to the public's interest. This is not true as I will explain.

STATEMENT: The mayor and some other City officials have claimed Class One Employees have a "strangle hold" on the City because of binding arbitration under PERA. The mayor goes further saying it is impossible for the City to reduce wage and benefit cost under PERA.

FACT: There have only been two (2) occasions that the City and its employees have gone to binding arbitration. The City won one and the Police Association received a 3.1% cost of living adjustment in the other. This is hardly a strangle hold! Neither the mayor nor anyone else has shown any examples of this alleged "strangle hold". Both the City and its employees recognize the obligation to bargain fairly.

FACT: Class One Employees have received smaller NOT larger wage increases after PERA. The employees do NOT have a strangle hold on the City as misrepresented by the Mayor. The recent 1987-1989 Police Contract which was negotiated without arbitration, has numerous concessions including a pay cut for 1987-88 and only a three percent (3%) cost of living increase in 1989. The cost of living for 1987 alone exceeded three percent (3%). Other benefit reductions include no longevity pay (10% savings) for new hires, reduced certification pay, less holidays, recall minimum reduced to one hour, reduced clothing and cleaning allowances (\$2,700 savings). The mayor has stated this contract is the best contract the City has ever negotiated with the Police Association, particularly with respect to management rights. I have to agree with this last claim. The Association made major concessions in this area. This is another example of how binding arbitration benefits the City also.

FACT: Without PERA the City took advantage of its employee's lack of protection; resulting in numerous grievances and law suits; disruption of service and violation of the principles of collective bargaining when employees were forced under the City's Personnel Ordinance.

FACT: Class One Employee Contracts contain the same or in many case less benefits than other employee contracts. Surely if Class Ones had a strangle hold they would have equal or greater benefits.

STATEMENT: The mayor claims the arbitrator cannot consider the economic condition of the City while making a decision.

FACT: The arbitrator not only can but SHOULD AND DID consider the economic condition of the City when making his decision. The arbitrator based his decision in part on the mayor's comments that the City had money and was not in financial trouble when awarding the 3.1% COL increase for 1985/86. (See attached articles from the Fairbanks Daily News Minor.)

STATEMENT: Anchorage is not under PERA.

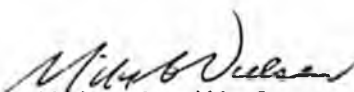
FACT: Anchorage DOES have PERA in the form of it's own ordinance. The Anchorage version of PERA also allow for binding arbitration with its Class One Employees.

If harmony, stability and cooperative relations between the City and its employees are still important in maintaining public protection through effective and orderly operation of government, then you must void SB 372.

If the principles of collective bargaining were valid in 1972 then they are valid today and will be valid in the future. The only way to safeguard these principles for municipal employees against abuse by local government, is to include them in PERA and require municipalities to comply with PERA.

Thank you for the opportunity to express my view point and please support collective bargaining for ALL of Alaska's public employees by voting NO on SB 372.

Sincerely,

  
Mike A. Nielsen

## Proposed police pact before council again

A proposed three-year contract with Fairbanks Police Department rank-and-file employees that includes a 4.38 percent raise in 1989 was the subject of a two-hour closed meeting by the Fairbanks City Council Monday night.

The council recessed after midnight, intending to resume meeting in private at 7 a.m. today to take up discussion on the status of two other contract negotiations. An evaluation of the city manager apparently will be delayed until after the next regular council meeting, May 18.

Before breaking Monday night, the council returned to public session and without objection advanced the police contract ordinance to public hearing and second reading.

Earlier in the evening, Councilman John Immel had indicated he would vote against advancing the ordinance to approve the contract. Councilman Lowell Purcell moved to postpone action until after the executive session.

The proposed contract would set a 1.21 percent wage cut, total, over 1987 and 1988, but then give police employees a raise in the third year. New hires would no longer receive longevity pay up to 10 percent over base pay, they would receive less certification

pay and have less leave time. Shift premiums would be raised in 1988 and 1989, and employees would give up one personal holiday and take reduced court and recall time and reduced clothing and cleaning allowances.

Last November, a state arbitrator ordered the city to pay \$86,196.37 back pay to about 55 members of the police bargaining unit. The pay had been part of a contract provision allowing a wage opener in 1985. The arbitrator's finding was that Fairbanks police workers were paid less than in Anchorage, the city had ability to pay the 3 percent increase and economic arguments should have applied only to 1985 and the first half of 1986.

Still in negotiations are contracts with city firefighters and the Operating Engineers. The latter is at impasse and a federal mediator met with both sides in an unsuccessful attempt to get talks moving.

During the council's regular meeting prior to the executive session, an ordinance to offer early retirement incentive pay to city police sergeants only was advanced for consideration May 18. Council members questioned why only one group of employees is being given the offer. City Manager Brian Phillips said it was part of a binding arbitration decision.

# Walley turns against downtown hotel

By SUSAN FISHER  
Staff Writer

Eliminating the "bar block" spurred private construction downtown, Fairbanks Mayor Bill Walley said Friday, but he no longer believes a first-class hotel should be built at the western end of that block.

"I am no longer for a hotel project" there, Walley said, citing the opening of the Regency Hotel on Tenth Avenue and Sophie Station off University Avenue and Airport Way as taking a good share of any prospective market.

Walley is seeking a third term as mayor, and faces opponents Randall Wallace, Robert Taylor and Ruth Burnett in the Oct. 7 election. Walley appeared Friday before the Farthest North Press Club.

His statement on the hotel comes as the Fairbanks Development Authority continues its efforts to secure a commitment from a developer based on interest by architects, a mortgage finance company and the

Sheraton chain. The FDA plans by December to make a decision on building an underground and surface parking lot in the middle of the block.

The "bar block" is a reference to the block bounded by First and Second avenues and Cushman and Lacey streets. A string of bars was acquired by the FDA and demolished in anticipation of a first-class hotel being built.

Walley said the removal of the bars, though, prompted major private construction downtown. He pointed to the Nerco Mineral Building and the First Interstate Bank building.

Tanana Valley Community College's plan to locate in the Chena Building on the eastern end of that block, and the new parking structure should entice private development at the western end. Walley said he's privately met with resource-related businesses encouraging them to consider locating managerial and maintenance personnel in Fairbanks.

The mayor also soundly re-

futed any references to a city budget deficit. He said the city does not have a deficit because it has a \$5 million permanent fund, which only voters can approve spending, a \$2.6 million balance in the sales tax fund and perhaps other surplus funds. But as the 1986 budget stands, there remains a projected shortfall of \$2.15 million between approved expenses and expected income, following the city manager's announcement this week that \$2 million is being cut.

"The city is in awfully good shape. We have not put on a sales tax. The property tax is now 2.8 mills—that's the lowest property tax of any city in Alaska. You might find one that's lower, but I don't think you will," Walley told reporters.

He said city residents' property taxes have not been raised in his four years as mayor. Walley also said that with Gov. Bill Sheffield's defeat in the primary, he expects the successor will resume an emphasis on

state assistance to municipalities.

As a former borough assemblyman, Walley said he introduced some of his own tax cap proposals, though none as restrictive as the Fairbanks Tax Alliance's Proposition 3 initiative. A city council-approved alternative, Proposition 1, would allow the council to raise local taxes to make up state and federal funding cuts, which the alliance's proposal would not. Walley said he will vote for Proposition 1.

Asked what would happen if voters approve both propositions, the mayor said he wasn't sure, and probably lawyers would have to decide.

Walley also refuted Bob Taylor's charge that two utility board members have at least an apparent conflict of interest in considering a recommended sale of the telephone utility. One of them, Frank DeLong, used to own an interest in Acme Electric. Walley said DeLong no longer has that interest, and the



**BILL WALLEY**  
Market dwindles

mayor said none of the members has a conflict, and there is a pronounced mix of views and philosophies on the board. The mayor appoints those members.

The part-owner of KFAR radio, Walley also announced Friday that he and his partners plan to put KWLF-FM on the air this October or November, and that they've invested in a \$75,000, 10-kilowatt transmitter for KFAR.

PUBLIC OPINION FORM

POM's are limited to 25-50 words. These messages are transmitted via omnicom to Juneau by our staff on a time-available basis.

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DATE 2-17-88

NAME Martin E. Gutowski

REPRESENTING FNSB - APEA

MAILING ADDRESS Box 80187

College ZIP 99708

PHONE (HOME) 488-0927 (WORK) 452-4761 X260

TO: Senate State Affairs Committee (members)

REGARDING: SB 372

MESSAGE: I am opposed to the possible option this bill gives to municipalities to overtly de-certify by legislation the collective bargaining rights afforded to public employees. This bill represents state sanctioned union busting!

SIGNATURE M. E. Gutowski



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_

committee name

committee on SB 372, dated 2-17-88

bill/subject

WE ALL HEARD DONNA GILBERT FROM FBRS. STATE SHE (AND OTHERS) WERE IN FAVOR OF SB 372 SO THEY COULD USE THE (OFF OUT) AS A HAMMER TO GET WHAT THEY WANT OR ELSE. WITH STAFF CUTBACKS YET DEMAND OF SAME WORK LOAD, WE DON'T FEEL THE STRESS OF NOT KNOWING FROM ONE WEEK TO NEXT IF WE'RE GOING TO BE IN OR OUT OF PERA. THE UNION EMPLOYEES AT T.N.S.G. HAVE NOT HAD A PAY RAISE 4 YRS. NOW AND HAVE A CURRENT CONTRACT THROUGH 6-30-90 WITH NO BASE SALARY PAY RAISE. I AM AGAINST SB 372.

Signed: \_\_\_\_\_

Testifier

Representing (Optional)

Address

Phone No.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

PUBLIC OPINION FORM

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DATE 2-17-88

NAME Martin E. Gutoski

REPRESENTING FNSB - APEA

MAILING ADDRESS Box 80197

College ZIP 99708

PHONE (HOME) 488-0927 (WORK) 452-4761 X260

TO: Senate State Affairs Committee (members)

REGARDING: SB 372

MESSAGE: "I am opposed to the possible option  
this bill gives to municipalities to overtly  
de-certify by legislation the collective  
bargaining rights afforded to public employees.  
This bill represents state sanctioned union busting!

SIGNATURE M. E. Gutoski

BILL: SB 372

02:05 PM 01/27/88

NAME:

TITLE: "AN ACT RELATING TO THE APPLICABILITY OF THE PUBLIC EMPLOYMENT RELATIONS ACT TO MUNICIPALITIES AND POLITICAL SUBDIVISIONS."

PRIME SPONSOR: FANNING

CURRENT STATUS: (S) STA

STATUS DATE: 01/26/88

01/26/88	(S)	2030	READ THE FIRST TIME - REFERRAL(S)
01/26/88	(S)	2030	STA, THEN CRA

\*\*\*\*\*

1 IN THE SENATE

2

SENATE BILL NO. 372

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

FOR AN ACT ENTITLED: "AN ACT RELATING TO THE APPLICABILITY OF THE PUBLIC  
 EMPLOYMENT RELATIONS ACT TO MUNICIPALITIES AND POLITICAL  
 SUBDIVISIONS."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* SECTION 1. AS 23.40 IS AMENDED BY ADDING A NEW SECTION TO READ:

11 SEC. 23.40.235. EFFECT ON MUNICIPALITIES AND POLITICAL SUB-  
 12 DIVISIONS. (A) A MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE  
 13 MAY ADOPT AN ORDINANCE OR RESOLUTION TO EXEMPT ITSELF FROM AS 23.40.-  
 14 070 - 23.40.260. A MUNICIPALITY OR POLITICAL SUBDIVISION THAT EXER-  
 15 CISES ITS EXEMPTION POWER MAY RESCIND THE EXEMPTION BY ADOPTION OF AN  
 16 ORDINANCE OR RESOLUTION. THE EXEMPTION OR RESCISSION DOES NOT AFFECT  
 17 THE TERMS OF AN EXISTING COLLECTIVE BARGAINING AGREEMENT.

18 (B) A MUNICIPALITY OR POLITICAL SUBDIVISION THAT EXEMPTS ITSELF  
 OR RESCINDS ITS EXEMPTION UNDER (A) OF THIS SECTION MAY NOT CHANGE ITS  
 20 STATUS UNDER THIS SECTION FOR AT LEAST THREE YEARS.

21 \* SEC. 2. SECTION 4, CH. 113, SLA 1972, IS REPEALED.



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_

committee name

committee on SB 372, dated 2-17-88

bill/subject

WE ALL HEARD DOWN GILBERT FROM FBKS. STATE  
SHE (AND OTHERS) WERE IN FAVOR OF SB 372 SO THEY COULD  
USE THE (OFF OUT) AS A HAMMER TO GET WHAT THEY  
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BE IN OR OUT OF PERA. THE UNION EMPLOYEES AT  
F.N.S.G HAVE NOT HAD A PAY RAISE IN 4 YRS.  
NOW AND HAVE A CURRENT CONTRACT THROUGH 6-30-90  
WITH NO BASE SALARY PAY RAISE. I AM AGAINST  
SB 372.

Signed: \_\_\_\_\_

Testifier

Representing (Optional)

Address

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs  
committee name

committee on SB 372, dated February 17, 1988  
bill/subject

As a past Vice President and President of the Fairbanks Police Dept. Employees Assoc., I participated in contract and wage negotiations with the City of Fairbanks. The negotiations occurred prior to the City of Fairbanks' participation in PERA (1980-1981).

Prior to PERA the negotiations were not collective bargaining because the city simply offered what they wanted and the police employees had no recourse. The professionalism of the police employees resulted in no job actions such as strikes and lock-outs. This led to a great deal of frustration on the part of police employees. Fortunately we did receive pay and benefit increases due to the previous economy. This was also a result of very low wages paid during the early 1970's and the increases were somewhat of a catch-up situation.

Now in the face of poor economic conditions allowing the city to opt out of PERA could result in drastic wage and benefit cuts, and probably lead to the city not negotiating future contracts with police employees.

Lower wages and benefits would reduce the quality of people hired as police officers in Fairbanks. The lower quality applicants would result in increased citizens complaints, civil rights complaints and costly lawsuits against the city. Lower professional ethics could also encourage police corruption.

Signed: Frank W. Collette Jr. Frank W. Collette Jr.

Testifier

Fairbanks Police Dept Employees Assoc

Representing (Optional)

P.O. Box 821 Fairbanks AK 99707

Address

4-24-0514

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the SENATE STATE AFFAIRS  
committee name

committee on SB 372, dated 2-17-86  
bill/subject

MY NAME IS DON ALLMOND, SR. PERA DOES WORK. IN ECONOMIC HARD TIMES, CITY EMPLOYEES HAVE DONE MORE THAN THEIR PART WITH CONCESSIONS. I PERSONALLY HAVE SUFFERED A 32% WAGE & BENEFIT CUT IN ORDER TO HELP OUR CITY. THIS WAS DONE WHILE UNDER PERA. TO ALLOW OPTING IN AND OUT OF PERA WOULD TAKE THE FULL INTENT AND BACKBONE OUT OF ANY MEANINGFUL COLLECTIVE BARGAINING. IT IS CLEARLY A UNION BUSTING MOVE. WITHOUT PERA, LOCAL GOVERNMENT EMPLOYEES WOULD BE SUBJECT TO EXTREME PHILOSOPHICAL CHANGES AT ALMOST EVERY LOCAL COUNCIL ELECTION. PERA ALLOWS LOCAL GOVERNMENT EMPLOYEES THE STABILITY REQUIRED TO BE TREATED FAIRLY. UNLIKE THE PRIVATE SECTOR, WE DO NOT HAVE THE PROFIT SHARING OR ADVANCEMENT INCENTIVE THAT THE PRIVATE SECTOR OFFERS. ALL GOVERNMENT EMPLOYEES WANT ARE A DECENT WAGE, WORKING CONDITIONS AND RETIREMENT PLAN. WITHOUT PERA, WE WOULD NOT HAVE ANY WORKING STABLE LABOR GUIDELINES.

Signed: [Signature]  
Testifier

DON ALLMOND, SR.  
Representing (Optional)

SELF  
Address

1103 NENANA ST, FUNKS, AK 99709

Phone No. 479-4913



# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs Committee  
 committee name  
 committee on PERA SB 372, dated Feb. 17, 1988  
 bill/subject

see attached copy!

Signed: John K. Gilmore  
 Testifier

Representing (Optional)

P.O. Box 2214 Fols AK. 99707

Address

488-2415

Phone No.

# Testimony to Senate State Affairs

Senate Bill 372

February 17, 1988

My name is John Frisone. I've been a professional Fire Fighter for fourteen and one half years and a resident of the Fairbanks Area for over seventeen years. I strongly oppose S.B. 372 and support the right of municipal employees to bargain collectively. Without binding arbitration as a vehicle for impasse resolution there is no future for collective bargaining between Public Safety employees and the City of Fairbanks.

The right to strike is not a viable solution. We feel that striking is not morally acceptable to public safety employees, not acceptable at all to the public, and would not be allowed by the courts.

Senator Fanning, in a January 28, 1988 Daily News Miner article promises fair and beneficial treatment to municipal employees. Myself and

others have fought long and hard to achieve just the treatment Senator Fanning alludes to. And its called PERA. In 1983 the City council voted unanimously to place the City under PERA. This action was not vetoed by the existing mayor. I have much more faith in the text of PERA than in the word of an Alaskan Senator who does not support local hire.

In the face of State and Federal revenue sharing reductions Fairbanks has a local problem. One of misguided leadership and fallen revenue. MANY other communities within our State have had to deal with simular revenue reductions. Their healthy approach was to pull up their suspenders and pay their own way. Unlike Fairbanks they chose to share the responsibilities by imposing sales

taxes, and paying more than 2.8 mills in property taxes. In the past two years Budget Committees and Council persons have urged increases in revenues.

Only to be vetoed by the City Mayor. As late as January a resolution to opt out of PERA was dropped by the City Council for failure of a second.

On the other end of the spectrum, city employees have been concessionary during these hard times in wages, benefits, and unfortunately margins of safety.

I would like to urge you all to once more make Fairbanks a place of pride, where the community carries its own weight.

Please do not pass S.B. 372 from this committee.

Thanks!

John K. Johnson  
P.O. Box 2214  
Fairbanks, AK. 99707



# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs  
committee name

committee on SB 372, dated 2/17/88  
bill/subject

I was present at the Wednesday teleconference but did not have an opportunity to testify.

I speak on behalf of approximately 300 employees of the City of Fairbanks and the Fairbanks North Star Borough who are APEA members and covered by collective bargaining agreements.

- 1) Public employees want the right to share in decision-making regarding wages and working conditions because it makes for a more effective and stable government.
- 2) Allowing local governments to opt out of PERA disrupts the power balance collective bargaining brings to labor management relations.
- 3) The Fairbanks City Council does not support changes to PERA as evidenced by proposed Resolution 2936 that failed due to lack of a second.
- 4) In a letter dated February 1, 1988, Juanita Helms, ENSB Mayor, urged Senator Atwood to defeat SB 372 because "as a strong supporter of collective bargaining, [she] sees this bill as the beginning of the end for public employee collective bargaining."
- 5) In a memorandum dated Feb 16, 1988, Fairbanks City Manager Brian Phillips interpreted the City Council's action of on resolution 2936 to be "the City Council's support, by →

Signed: Bett Schaffhauser BETT SCHAFFHAUSER  
Testifier /

Alaska Public Employees Association  
Representing (Optional)

825 College Rd Fairbanks 99701  
Address

456-5412  
Phone No.

majority, for a status quo relative to the provisions of PERA." "This directive affecting City employed personnel is intended to clarify this City's status quo position on PERA."



# Alaska State Legislature

Please enter into the record my testimony to the State affairs  
 committee name  
 committee on SB 372, dated 2-17-1988  
 bill/subject

Dear Senator Abood and Committee Members

I ask you to oppose Senate Bill 372. I am a Class I public employee of the Fairbanks Fire Department. The legislature and the court system have determined that the function of myself and similar public safety employees is vital enough to a community to dispense with normal collective bargaining rights such as job actions and strikes. Therefore, I will be ordered by the court to return to work if I should strike. This occurred some years ago in Fairbanks.

Other employees enjoy the right to collectively bargain and to negotiate fair contracts agreeable to both sides. In the event that agreement cannot be found, the employees have the right to say "we are unwilling to work under these conditions" and to strike if need be.

Our functions are such that job actions such as this cannot be tolerated, for if Class I employees strike, lives and property will be in jeopardy. This I can understand and accept. But by denying my right to these actions you are denying me a right that other citizens enjoy. In effect I would be a second class citizen. What reaction did the legislators have when they were ordered back into session some years ago and the Alaska State Troopers were sent out to force them to comply?

We are not asking for the right to strike. We are asking to be able to negotiate a fair agreement. If such agreement cannot be met it SHOULD go to a FAIR and UNBIASED arbitrator selected by BOTH sides. If PERA is not available, then there is nothing to prevent municipalities from dictating conditions of employment.

In answer to some testimony presented during the tele-conference by Mayor WALLY, I offer a Memorandum from our Fire Chief dated 16 July 1979. This memorandum confirms verbal notification that the City of Fairbanks no longer recognizes the provisions of the contract between themselves and the Firefighters Local 1324. Changes in employment conditions included ("but were not limited to") changes in pay rates, annual leave, sick leave, grievance procedures, longevity, overtime rates and probationary periods. Union dues would no longer be collected. The union was no longer recognized and seniority rights for layoff purposes were no longer recognized. So much for honoring contracts.

Continued

Signed: Eric James Holmann  
 Testifier

Representing (Optional)  
656 7th Avenue Fairbanks Alaska 99701  
 Address  
479-5294  
 Phone No.

Testimony of Eric Mohrmann

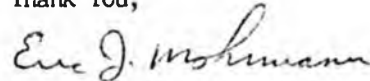
SB 372

Page 2.

If we don't learn from the past we are doomed to repeat it. In Alaska we don't even have to learn from the past. We can look at the current situation in smaller communities across the state and see that the rights of the public safety employees have been abrogated by cities that have opted out of PERA.

I urge you to defeat this bill in your committee. Since when in this country has the rights of the many or powerful been sufficient to take away the rights of the few or weak?

Thank You,



Eric J. Mohrmann



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_

committee name

committee on PERA SB372, dated 2/17/88  
bill/subject

*I want to voice my opinion in opposition  
to the bill I feel it is unfair.*

Signed: *William L. Tolson*  
Testifier

Representing (Optional)

PO Box 55187 N. Pt. AK 99705

Address

(907) 485-0276

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs  
 committee name  
 committee on S.B. 372, dated February 17, 1988  
 bill/subject

I wish to register my opposition to SB 372, which would gut PERA.

Public employees aren't responsible for the economic crisis local and state governments are now experiencing. You should not attempt to solve that problem by taking benefits away from workers. Public employees have been responsive to the fiscal crisis and have voluntarily contributed to the solution. This was done through and within the framework of collective bargaining. Obviously, collective bargaining does not preclude such cooperation. Public employees are concerned citizens and taxpayers, too.

It is dishonest to ignore the fact that this bill will allow a city or borough to deny employees the right to collective bargaining. Management will then be free to unilaterally set wages and other working conditions. This is a clever and insidious maneuver that strikes at the heart of collective bargaining. Pleading your intent for this bill is irrelevant; it is the results that count.

Giving public employees a right to share in decision-making regarding wages and working conditions makes a more effective government. Even the legislature has recognized this. Demoralizing employees is counter-productive for everyone.

Allowing local governments to opt out of PERA disrupts the power balance collective bargaining brings to labor-management relations.

Passage of this bill will totally destabilize employer/employee relations. Any time the assembly or city council meets, they will be able to--with one stroke of the pen, with no forewarning to employees--completely change the structure of the relationship. Why do you want to do this? Do you hate public employees so much?

I urge you to reconsider the consequences of this bill and kill it as a piece of harmful legislation. Please do not regress the status of public employees by removing the PERA guarantee of collective bargaining.

Thank you.

Signed: *Rachel Boyd*  
 Testifier

\_\_\_\_\_  
 Representing (Optional)  
 P.O. Box 75306, Fairbanks, AK 99707  
 \_\_\_\_\_  
 Address  
 452-4761 x260 wk 452-7509 hm  
 \_\_\_\_\_  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs  
 committee name  
 committee on #372, dated 2/17/88  
 bill/subject

Defeat of this bill and preserving  
 PERA will maintain the integrity of  
 negotiations between employees and  
 management (City and Borough).

Deadlock positions can be resolved by  
 binding arbitration, & therefore  
 recommend defeat of this bill 372.

Signed: Ray Womack  
 Testifier

Representing (Optional)  
P.O. Box 1287 Fairbanks AK 99707  
 Address  
488-9804  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs  
committee name

committee on Senate Bill 372, dated Feb. 17, 1988  
bill/subject

We the workers of the Fairbanks North Star Borough  
and the City of Fairbanks and all workers covered  
under PERA must unite now to defeat Bill 372  
which will return our Collective Bargaining Rights to  
the "Dark Ages" where we had no voice in  
how we were paid or treated on the job.  
Hordes of "Political Appointees" will be able to take  
our jobs away when we lose the protection of our  
Unions and Employees Associations.

We must fight for our right to Collective  
Bargaining which is our right in a free  
Society.

We must and will defeat Senate Bill 372  
and all the Legislators who support it.  
You have my word I will work for that.

Please! Help us preserve our Job Rights as  
outlined under PERA.

Signed: A. Elvire Womack

Testifier

I work for Fairbanks North Star Borough  
Representing (Optional)

My address: PO Box 1287, Fairbanks, Ak. 99707  
Address

Home: 488-9804  
Phone No.



# Alaska State Legislature

*Senate State Affairs JB*  
~~Community Affairs~~

Please enter into the record my testimony to the \_\_\_\_\_ committee name

committee on HB 372 (PERA), dated 1-26-88  
bill/subject

My name is John Baus. I am a Police Detective and have been directly employed and engaged in Law Enforcement in Interior Alaska for nearly twenty years. I've worked for the City as a contract employee with and without binding arbitration, and under the Personnel Ordinance. We have enjoyed fair and equitable negotiations over the years on both sides of the bargaining table. There have been times when agreement could not be reached on certain items. Because the City and Fairbanks Police Department Employees Association have agreed to binding arbitration, a third, disinterested party, have settled these matters. Two (2) matters have been settled; one on behalf of the City, and one on behalf of the FPDEA.

The Fairbanks City Council decided to put the issue of revenue in the hands of the voters. The result has been a reduction in services because of employee layoffs, furthering the economic decline in the Fairbanks Area. This had nothing at all to do with arbitration as some Interior Taxpayers Association members would have you believe. The Police Department is still struggling with insufficient personnel to accomplish its goals of citizen safety and timely response.

By allowing the City to opt out of PERA now would undermine employees ability to share in the decision making process, which is the reason the Legislature passed this law in the first place. You, as legislators recognized that Government is made more effective when employees and administrators can exchange information and ideas about operating Government. This give and take between Employer and Employee serves to better protect the public by assuring cost efficient and dependable operation of Government.

Before the City recognized the FPDEA as a collective bargaining unit, the working conditions were some of the worst imaginable. The Turn-over rate for Police employees was extremely high. People were fired from their positions at the whim of the Administration. Human rights and civil rights violations were common. Lawsuits because of inadequate training or improper behavior were litigated regularly.

Class I Employees, namely, Police and Fire Personnel, do not have and do want to have the right to strike. Because no other means of effective and fair collective bargaining is available to this class of employee, collective bargaining backed up with binding arbitration is absolutely necessary. Binding arbitration works for both sides in a dispute. This procedure has been refined over the years and serves to protect the interests of Employee and Employer.

FINALLY, I URGE YOU TO PUT AN END TO THIS LEGISLATION AND TO KILL SB 372.

Signed:

Testifier  
*John Baus*

Representing (Optional)  
*364 Andy Drive Fairbanks Alaska*

Address  
*456-3132*

Phone No.

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672  
5529 SSTA SB 372 - SB 383



# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs  
committee name  
committee on SB 372, dated February 17, 1988  
bill/subject

My name is Tim Beck, President of the Alaska Public Employees Assoc. I object to SB372 and urge its defeat. It is a strongly divisive issue usually not argued on merit or logic but emotion from its supporters. Historically public employees have foregone opportunities to better paying positions in return for the security offered through public employment. By delving into P.E.R.A. (AS23.40) SB372 is lending instability to local governments. It's a "quick fix" bill to allow budgets to be balanced on the backs of public employees. Nothing, I repeat, nothing, replaces the benefits achieved by proper management and planning of local governments. Currently the local Borough Assembly and City Council have final approval of all contracts now. All this bill does is allow for continuation of poor management and policies, knowing if there's a problem, just take it from the employees. We object strongly to that stance.

See attached position statements from local government leaders, either elected or staff representatives.

Signed: \_\_\_\_\_

Testifier

Alaska Public Employees Association

Representing (Optional)

825 College Road

Address

Fairbanks, Alaska 99701

456-5412

Phone No.

MEMORANDUM

TO: Honorable Mayor, and City Council Members,  
City/FMUS Department Heads  
Union Business Agents & Stewards

FROM: BRIAN C. PHILLIPS, City Manager

SUBJECT: Public Employment Relations Act (as23.40)

DATE: February 16, 1988

The City Council on January 25, 1988 defeated, by non-advancement, a resolution opposing the continuance of certain PERA provisions. I interpret this policy setting action to be the City Council's support, by majority, for a status quo relative to the provisions of PERA. Therefore, unless otherwise legislated by the Fairbanks City Council, this office and all department heads of the City will refrain from giving any new written or oral testimony, recommendations, or interviews relative contrary to this policy position.

Over 60% of the City's \$80.7 million dollar budget involves unionized personnel covered under this act; This directive affecting City employed personnel is intended to clarify this City's status quo position on PERA, relative to the recent action by the Fairbanks City Council, and to once again build upon the positive working relationship between the City and our employees.



BRIAN C. PHILLIPS  
City Manager

BCP/sam

cc: Interior Delegation

Introduced by: Council Member Cleworth  
Date: January 25, 1988

RESOLUTION NO.2936

*Failed 1-25-88*

A RESOLUTION OPPOSING CONTINUANCE OF PERA PROVISIONS FOR BINDING ARBITRATION FOR MUNICIPALITIES.

WHEREAS, THE CURRENT PROVISION IN THE ALASKA Public employees Act (PERA) providing for binding arbitration of labor disputes for certain classes of public employees applies to the City of Fairbanks; and

WHEREAS, said provision for binding arbitration takes away from local government the ability to determine its own future and goals with any degree of certainty, deprives the public of final authority over municipal labor terms and policies and gives the power of binding the public to important financial decisions and labor policies to a third party who is not answerable in any manner to the public; and

WHEREAS, it would be within the best interest of the city to be free of the binding arbitration provision of PERA.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, that it is opposed to the continuance of said binding arbitration provision and strongly recommends the amendment of PERA to delete this provision and its applicability to municipal governments.

PASSED and APPROVED this 25th day of January, 1988.

BILL WALLEY, Mayor

ATTEST:

NORMA J. MARKS, Acting City Clerk

# Fairbanks North Star Borough

809 Pioneer Road · P.O. Box 1267 · Fairbanks, Alaska 99707 · 907 452-4761

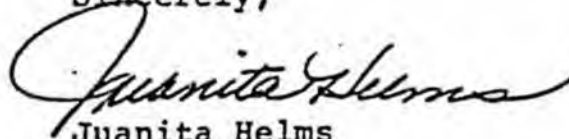
February 1, 1988

Honorable Mitch Abood  
Chairman  
Senate State Affairs Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Abood:

I urge you to defeat SB 372. As a strong supporter of collective bargaining, I see this bill as the beginning of the end for public employee collective bargaining.

Sincerely,



Juanita Helms  
Borough Mayor

JH:rlf

cc: Members, Senate State Affairs Committee  
Interior Delegation





# Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs *W B*  
~~COMMERCE AFFAIRS~~  
 committee name

committee on HB 372 (PERA), dated 1-25-88  
 bill/subject

I am writing ~~the~~ letter as there was not time allotted for all to testify at the teleconference on Feb. 17, 1988. I have been a police officer for 13 years with the City of Fairbanks and have been under both programs (in PERA and out of PERA) during that time. The City of Fairbanks opted to go into PERA after the city allowed ~~the~~ employees to negotiate contracts with the City. Since that time binding arbitration with the police department has occurred on two occasions. The city has won one of the cases and the employees have won a case. The remainder of the bargaining has been both fair and equitable to both sides, with contracts being signed without binding arbitration.

Since the City of Fairbanks has decided not to raise revenue, they have attacked the public employees as the "bad guys" who have caused all the revenue problems with in the city of Fairbanks. This is simply not the case at all. The city of Fairbanks has known for two years that they were going to be short revenues if they continued to sit back and do nothing while they paid out salaries to ~~the~~ employees. Concessions have been made with the city to alleviate the money crunch. The police department took a ten percent pay cut in wages to help out the city in the time of crisis. Since that time however; Brian Phillips the City Manager for the City of Fairbanks has publicly stated that in order to balance the budget then PERA must be stricken from the books. While it would be nice to be able to trust the City of Fairbanks, realistically that is not possible as they have proven time and time again that they would take advantage of their employees. With all the special interest groups that have formed since this issue began, I don't see how the City could be fair with out binding arbitration. Several groups have singled out the public employee as the problem that has caused the cities around the state of Alaska to face monetary problems. I don't see the public employee as the whole problem that the state is facing. State and local government employees spend ~~the~~ money within the state just like private employees. The more money there is the more money is spent. These special interest groups would like to see government employees work for "peanuts". When considering this bill please don't consider the selfish few but the vast majority of loyal government workers who are ~~Signed~~ trying to make this state a better place to live and grow.

Testifier

PAUL A. Keller *PAK*

Representing (Optional)

4448 STANFORD DR.

Address

479-0764

Phone No.

IN THE MATTER OF THE ARBITRATION	)	ARBITRATOR'S
MATTER	)	
	)	OPINION
CITY OF FAIRBANKS	)	
	)	AND
AND	)	
	)	AWARD
FAIRBANKS POLICE DEPARTMENT	)	
EMPLOYEES ASSOCIATION	)	
	)	

HEARING SITE: CITY COUNCIL CHAMBERS  
 410 Cushman Street  
 Fairbanks, Alaska 99701

HEARING DATE: 9:00 am October 16, 1986

ARBITRATOR: Dennis Geary  
 P.O. Box 1536  
 Fairbanks, AK 99707

APPEARING FOR THE CITY OF FAIRBANKS:  
  
 HOMER JONES, DEPUTY CITY ATTORNEY  
 410 Cushman Street  
 Fairbanks, Alaska 99701

APPEARING FOR THE FAIRBANKS POLICE DEPARTMENT EMPLOYEES ASSOCIATION:  
  
 Gerald Laparle, Esq.  
 100 Cushman Street  
 Fairbanks, AK 99701

INTRODUCTION

At a hearing in Fairbanks, Alaska on October, 14, 1986, the parties acknowledged that this Wage Reopener had been processed in accordance with the agreement between the City of Fairbanks (City) and the Fairbanks Police Department Employees Association (FPDEA). The Wage Reopener was properly in arbitration and within the jurisdiction of the arbitrator to make a

Alaska Department of Labor  
 Labor Standards & Safety Division  
 675 Seventh Avenue, Station J  
 Fairbanks, Alaska 99701

Alaska Department of Labor  
Labor Standards & Safety Division  
675 Seventh Avenue, Station J  
Fairbanks, Alaska 99701

final and finding decision, as set forth in the Working Agreement between the City and FPDEA (Agreement). Accordingly, full opportunity was afforded both FPDEA and the City to present opening statements, offer exhibits, examine and cross-examine witnesses, and otherwise to make known the relevant evidence, their positions and arguments to the arbitrator. The arbitrator accepted seven (7) exhibits from FPDEA and thirteen (13) exhibits from the City. The record was reopened on October 28, 1986 by the arbitrator to obtain and enter into the record applicable portions of the Agreement. Those who testified included Norman Brake, President of FPDEA, and Paul Taylor, University of Alaska. The parties argued closing oral arguments and waived the submission of post hearing briefs. The arbitrator tape-recorded the proceedings to supplement his written notes.

#### ISSUE

The parties directed the arbitrator to determine what, if any, adjustments to compensation should be made for the period of January 1, 1986 through December 31, 1986.

#### APPLICABLE CONTRACT PROVISION

##### CITY - FPDEA WORKING AGREEMENT

- 1.1 This agreement shall become effective January 1, 1984 and shall remain in effect until December 31, 1986. Any retroaction contained herein will affect only those employees covered by this Agreement and actually employed by the City on the precise date this Agreement

Alaska Department of Labor  
Labor Standards & Safety Division  
675 Seventh Avenue, Station J  
Fairbanks, Alaska 99701

is signed by the City and the Fairbanks Police Department Employee's Association. This Agreement shall be opened annually, on or before the 1st day of November of each calendar year. The purpose of such reopening shall be to determine adjustments to compensation only and matters mutually agreed upon.

#### POSITION OF FPDEA

FPDEA has asserted that it should receive a wage increase of 3.1% for the period January 1, 1986, through December 31, 1986. This position is essentially based upon three arguments. First, FPDEA points to a rise in the Consumer Price Index (CPI) of 3.1% covering the period of January, 1985 through January, 1986. Secondly, FPDEA contends that a wage comparison between FPDEA and the Anchorage Police Department (APD) reflects APD members are compensated 8% more than FPDEA members, exclusive of any geographic differential, for work of a similar nature. Finally, FPDEA alleges the City has the ability to pay for the requested wage increases, citing: the recent defeat of the tax cap initiative; mayorial veto of tax increases; public statements by the Mayor and the expert testimony of its witness.

#### POSITION OF CITY

The City has argued for a wage freeze during this third and final year of the contract with FPDEA. The City has proclaimed that the "state of the State" is not good and the City does not currently have the ability to pay wage increases. The City maintains FPDEA wage scales are in line with the other police agencies in the State and there are no "ancient

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Labor Standards & Safety Division  
675 Seventh Avenue, Station J  
Fairbanks, Alaska 99701

wrongs" to be righted. As this contract will expire on 12/31/86, the City has asked that a wage freeze be instituted, leaving all matters for consideration during negotiations on the new contract.

#### DISCUSSION & FINDINGS

Police and fire services are among the most critical services offered by government. The Alaska Legislature recognized this when it mandated binding arbitration for these groups of workers. Binding arbitration, a quid pro quo for a no strike provision, insures that there is no interruption in these services due to labor-management disputes. Arbitrator Carr (FPDEA Exhibit #4) correctly described the nature and character of "interest" arbitration in his 7/16/86 decision. The arbitrator's objective in interest arbitration is to determine what the parties should have agreed upon by negotiation. In addition however, the arbitrator must also consider the relative time frame in which the negotiations were intended to have occurred. In the instant case, negotiations began in the Fall of 1985, and theoretically should have been concluded prior to January 1, 1986. Whatever agreement the parties might have reached, would then have taken effect on that date. I have made my decision based upon these premises.

The Agreement provides that "adjustments to compensation" shall be examined/ negotiated annually. The Agreement does not specify the basis for these adjustments. FPDEA has suggested the CPI would be a valid basis for such adjustments. The City has also asked that I rely on the CPI, but that I consider data generated after 1/01/86. As I have already stated, this Wage

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Labor Standards & Safety Division  
675 Seventh Avenue, Station J  
Fairbanks, Alaska 99701

Reopener should have been decided by 1/01/86, and consideration of trends or data which occurred after 1/01/86 would not be proper. I have therefore determined that the CPI change for the period of January 1985 through January 1986, as submitted by FPDEA, is appropriate for consideration.

In reviewing criteria for determining wage adjustments, comparable worth evaluations are also a proper basis. Police officer's wages, as with any other skilled employee, should reflect the caliber of work expected from such workers. FPDEA and the City have both presented wage comparisons for consideration, and both rely on the comparisons to persuade me their respective positions are at least partially justified. The City has asserted that while FPDEA members are not the highest paid police officers in the State, their pay is "in the ball park". Their graphs depicting initial hourly wages for patrol officers and sergeants, submitted in support of this contention, would tend to bear this out. However, FPDEA contends that a comparison of FPDEA with all other police agencies in the State is improper. FPDEA maintains that a comparison with APD is the proper one and is in keeping with the 1985 decision by Arbitrator Carr. I have also determined this to be the most proper comparison, but do not agree it is the only proper comparison. In this vein FPDEA, through expert testimony, has demonstrated that an approximate 8% wage disparity between APD and FPDEA exists, irrespective of any geographic differential. This disparity varies between job classifications and upon length of service, but is generally indicative of the relationship of wages between FPDEA and APD.

A pivotal consideration in deciding this issue is the City's ability to

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Fairbanks, Alaska 99701

pay. The employer shoulders the burden of producing sufficient evidence to support an inability to pay. The evidence submitted in support of this position must also be something more than speculative. The City has argued that a source of income has been substantially reduced by the current oil price fluxation. While the City has reduced its expenditures and explored alternative funding sources, it has vacilated regarding a steadfast course of action to reduce the budget deficit. By illustration, FPDEA points to Mayor Bill Walley's veto of a proposed sales tax by the City Council, and his public statements (as recent as October 03, 1986) regarding the financial status of the city. The City argued in the hearing that reliance on Mr. Walley's statements while running for re-election, would be irresponsible. However, Mr. Walley's statements were intended to refute charges made by his opponents that the city is in a fiscal crisis. This is the same fiscal crisis alleged by the City in this arbitration. Mayor Walley has pointed to a surplus balance in the sales tax and other surplus funds, with which the City might balance its budget. Consequently, the City has only produced evidence of a temporary inability to pay, which is not sufficient in and of itself to eliminate or reduce an increase warranted by other criteria.

The City has presented no legal bar regarding the City's ability to generate new/additional revenues. FPDEA has pointed to the recent defeat of Tax Cap Initiatives by the voters, which would have presented a restriction to generate additional funds. Evidence submitted during the hearing, from FPDEA's expert witness, and statements from Mayor Walley, reflect

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Labor Standards & Safety Division  
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that the tax rate within the city in recent years has steadily declined at the same time the tax base has increased. The taxing power of the City needs public support, and while that support has not specifically been shown, the Tax Cap defeat is significant. I have therefore determined that the City has failed to demonstrate an inability to pay.

In view of the above, I make the following findings:

1. A change in the CPI is a valid consideration when determining "adjustments" to compensation.
2. The CPI data covering the period of January 1985 through January 1986 is 3.1% and the most appropriate CPI data in consideration of this issue.
3. Comparable worth studies are a valid consideration when determining "adjustments" to compensation.
4. APD is the most proper group with which to compare FPDEA regarding wage rates.
5. APD employees enjoy an approximate 8% advantage in wages over FPDEA employees.
6. The City failed to produce conclusive evidence that it does not have an ability to pay.
7. A wage increase of 3.1% for the period of January 1, 1986 through December 31, 1986 is appropriate for the reasons asserted by FPDEA.

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AWARD

The adjustment to compensation (wages) applicable to all employees in the bargaining unit for the period of January 1, 1986 through December 31, 1986, shall be an increase of 3.1%.

NOVEMBER 12, 1986  
DATED

*Dennis Geary*  
DENNIS GEARY  
ARBITRATOR

TESTIMONY TO SENATE STATE AFFAIRS COMMITTEE  
SENATE BILL 372

April 6, 1988

My name is Barry Haight; I represent the Fairbanks Fire Fighters Association and the Interior Public Employees Coalition. Both organizations maintain strong opposition to Senate Bill 372, and challenge the stated reasons for the introduction of this legislation.

This committee has been told the bill is needed to provide relief for the City of Fairbanks; yet this past week, for a second time, the Fairbanks City Council has refused to support S.B. 372. Nonetheless, S.B. 372 remains before you along with the misleading claims and inaccurate assertions made by some of those who support the bill.

Mr. Chairman, I have a copy of a booklet prepared by the City of Fairbanks and mailed to city residents this past September. Also, a copy of the second and, most recent, arbitrator's decision rendered in a bargaining impasse between the City of Fairbanks and an employee group. I ask that they be entered into the record. I have copied several pages from the city booklet for committee members and would call your attention to certain facts.

On the first page is a graph demonstrating concessions and the percentage amount by bargaining unit. There is no relationship or meaning in the differing amounts nor should one be construed.

Every city union made concessions and dealt with city management independently. Furthermore, the percentage amounts do not tell the whole story. The percentile indicated includes not only base wage but overtime rates, fringe benefits, and, in some cases, contract language affecting work rules and subsequent cost to the city. It has been stated to this committee that because public safety employees did not give enough, further layoffs will be necessary. A look at the second page demonstrates that while the percentage amount given up by fire fighters is, as some would say, only 7% the dollar savings to the city is a substantial \$16,301. per person; very close to the second highest per employee savings in any city department.

On that same page the city told the voter that "These reductions far exceed any cost containment measures by the State, Borough, School District, or other municipalities in the State of Alaska." The following statement was also made: "The City and the employees have acted decisively and expeditiously to lower wage costs to Fairbanks residents."

It has been claimed that because of PERA and resultant wages that Fairbanks residents have been burdened with inordinately high taxes; however, the next graph shows that taxpayers paid only about 1/7 of the cost of all city services. The booklet was signed by the Mayor and five of six Council members.

Yet, this committee has been told lack of employee cooperation is causing otherwise unnecessary layoffs. The process of binding arbitration has been vilified and various assertions made, including:

binding arbitration has occurred numerous times;

arbitrators always find in favor of the union;

arbitrators come from out of state;

arbitrators do not take into account the employers' financial status or ability to pay.

In the first instance, the number of arbitration cases is answered by a summary provided this committee by the Labor Department. The summary reveals three cases. However, I would clarify that by pointing out that the first case listed was not a mandated arbitration, but was voluntarily agreed to by the union and city representatives. Of the remaining two arbitrations; the arbitrator agreed with the city's offer in a 1985 case.

As far as where arbitrators come from and what they take into account, we can find factual information in reading the arbitrator's decision in the last case involving the city--October 1986 with the Fairbanks Police Dept. Employees Association. On the front page of the arbitrator's opinion and award is the name and address of the arbitrator. He is Dennis Geary. He lives in Fairbanks and has done so for 10 years. Starting at the bottom of page 5 Mr. Geary states, and I quote: "A pivotal consideration in deciding this issue is the city's ability to pay."

Further reading of the arbitrator's findings are instructive and drive to the heart of what is really a local matter. I continue to quote: "The city has argued that a source of income has been substantially reduced by the current oil price fluctuation. While the city has reduced its expenditures and explored alternative funding sources, it has vacilated regarding a steadfast course of action to reduce the budget deficit. By illustration, FPDEA points to Mayor Bill Walley's veto of a proposed sales tax by the City Council, and his public statements (as recent as October 3, 1986) regarding the financial status of the city. The city argued in the hearing that reliance on Mr. Walley's statements while running for re-election, would be irresponsible. However, Mr. Walley's statements were intended to refute charges made by his opponents that the city is in a fiscal crisis. This is the same fiscal crisis alleged by the city in this arbitration." End quote. Some of those same people who denied a fiscal crisis now admit there is one; blame it on the employees and seek legislative relief by overturning 16 years of labor law. Meanwhile, they are also asking this legislature for more money and at the same time, vowing to fight any efforts to raise local revenues. They cap it all off by asking you and the employee to believe they still want to collectively bargain. We don't believe them, and ask you not to pass this bill.

# Mayor Walley sees no reason to panic

By MARGARET NELSON  
Staff Writer

While the city council is pressing for ways to make up a deficit in this year's spending, which latest estimates put at \$4.2 million, Mayor Bill Walley says he doesn't see why everyone is in a panic.

Meanwhile, measures reducing the city council's and mayor's pay and per diem allowances by 20 percent are the first budget cutting measures the council will consider at its meeting Monday. The meeting takes place in city council chambers, 620 Fifth Avenue, beginning at 7 p.m.

Councilman Ted Lehne said today he's introducing those measures, as well as a proposal to increase the city's administrative charges to state grants, as an effort

to start balancing the budget.

"We've got to get on with it," Lehne said. "We've known since we adopted the budget that there would be a deficit and we haven't done much constructive yet. It's way past time."

The projected deficit for this year, according to the latest city figures, could be as high as \$4.2 million. However, City Manager Wally Droz said today it's really too soon to tell if that figure is high or low. Council members Monday asked Droz to give them some recommendations on budget trimming measures. Those recommendations may be forthcoming Monday.

Walley continues to say that the money needed to balance the budget can be raised by tapping un-

(See MAYOR, page 3)

## MAYOR

(Continued from page 1)

designated funds in an unappropriated surplus account totaling \$5.7 million, \$5 million in the Permanent Investment Fund and tax money of more than \$1 million, and by cutting departments by 15 percent, taxing gambling and liquor and increasing bed taxes.

"I can't understand why people are in such a panic," Walley said. However, there's some problems

with using money in the funds Walley mentioned.

The \$5.7 million unappropriated surplus account serves as the city's operating and cash reserve account, said Finance Director Bob Wolting. The city needs most of that reserve to cover, for example, the bi-monthly payroll and bills.

It would take a vote of the people before money could be taken out of Permanent Investment Fund.

## SCHEDULE

**Mayor says it's too regressive**

# Walley vetoes sales tax

By SUSAN FISHER  
Staff Writer

Lacking the five votes necessary to override Mayor Bill Walley's sales tax veto, the Fairbanks City Council is to meet at noon Wednesday to explore other options for balancing the city's 1986 budget.

Walley vetoed a 3 percent sales tax Friday, calling it "the most regressive tax that our people and economy can face" because it puts the most burden on the middle class family consumer.

The mayor, a candidate for governor, is in Anchorage campaigning, but called his instructions to City Clerk Carma Roberson Friday

and was to send his signed veto message by express mail.

Within an hour of Walley's notification, Acting Mayor Ted Lehne called for the work session.

Both Lehne and Councilman Lowell Purcell told the Daily News-Miner they informed Walley they would not vote to override his veto, and Councilman Jerry Norum is expected to miss the June 23 meeting. The six-member council passed the sales tax measure Monday on a 4-2 vote, with Lehne and Norum opposing it.

The council has a number of choices, but the challenge facing it is to find a common ground and a

plan that will escape another veto, Lehne said.

Since January, the city has been operating under a \$23 million calendar-year budget that is expected to exceed income by \$5.6 million. Only half a year remains to close the gap.

But the city also holds some \$6.8 million in its unappropriated fund and has a \$5 million permanent fund, which only voters can approve spending.

In a lengthy veto message, Walley again suggested a gambling tax on bingo games and raffles and a tax on luxury items. He endorsed Lehne's suggested approach of li-

imited taxes, digging into the surplus fund and cutting expenses.

Prior to Monday's sales tax vote, Lehne had proposed alternatives including limited taxes on such items as cigarettes and tobacco products, gasoline and restaurant meals, and raising city garbage collection fees, digging into the unappropriated fund and cutting some expenses.

Friday Lehne had another proposal. He said he would like the council to consider dropping the 4 percent franchise fee charged to Fairbanks Municipal Utilities System, and move instead to a 4 percent  
(See VETO, back page)

## VETO . . .

(Continued from page 1)

electricity tax. Half the city's electric customers are served by Golden Valley Electric Association, and the electricity tax on customers of both utilities would raise more money than the MUS franchise fee does, he said.

Lowell Purcell voted for the sales tax, but said he won't vote to override the veto.

He said the tobacco tax appeals to him, but he can't go along with a gasoline tax at a time when gas prices are so competitive it could drive business outside the city, and he's also reluctant about a restaurant/fast food tax.

"Gambling, I would support a tax like that, although I understand

public pressure pretty well shut that one down last time," he said.

Another option is raising city property taxes. In passing the sales tax, the council Monday set the 1986 mill levy at 2.8 mills.

Walley spoke to that issue in his veto message. If the council can't agree on a plan, he said, "then maybe we should just ask the voter to settle once and for all whether the people would prefer a 3 mill property tax increase or a sales tax."

The mayor pointed to a 1985 advisory vote in which 86 percent of city voters said no to sales tax, and said the sales tax is a burden on businesses, is difficult to collect and drives up costs to consumers.

# Walley would veto 9-mill levy plan

By MARGARET NELSON  
Staff Writer

The city's property tax rate would have to more than triple to fund next year's proposed city budget, City Manager Wally Droz told council members in his annual budget message.

But Mayor Bill Walley says there's no way he'll allow property

taxes to increase that much and that he'll seek cuts in Droz's \$23.8-million spending proposal.

Droz is recommending the city set 1986 spending at \$23,871,507, up about 6 percent from this year's approved budget of \$22.5 million. No deficit is projected, using the projected assessed valuation and 9-mill levy, in Droz's 1986 proposal.

Property taxes for 1986 would pay \$9.6 million of the city's costs.

"It is going to initially take 9 mills to fund this proposed 1986 budget," Droz said in a message included with the budget made available to the six council members and the mayor late last week.

This year city residents paid 2.8 mills in property taxes plus 7.3

mills in borough taxes. The highest city's mill rate was in 1960 when the city levied 18 mills. During the pipeline years of 1973 to 1976 the city's mill rate ranged from 12 to 10 mills. One mill equals \$1 in taxes for each \$1,000 in property value.

Droz this morning said the 6.2-mill increase is needed to cover the proposed budget increase of 6 per-

cent, because of the big drops in city revenues. Chief among those funding sources now drying up are state and federal revenues, plus less interest earned on investments because of the smaller revenue.

In 1984, the city got \$3 million in interest on investments; Droz projects the 1986 interest at \$1.5 million. The city expects state muni-

cipal assistance to drop \$600,000 next year, leaving \$4.2 million. State-shared revenue, estimated at \$3.5 million this year, is expected to drop to \$1.4 million.

"I don't think I'm going to allow a 9-mill levy," Walley said Monday. "I'd veto it in a minute."

"I'm not too happy with that (See BUDGET, back page)

## BUDGET . . .

(Continued from page 1)

budget, Walley said, adding he believes the council can cut another 10 percent in spending from the budget proposal.

Walley plans to announce a schedule of budget meetings at the council's next meeting Monday. In the meantime he says he'll meet with Droz this week to seek ways to cut spending. The council, under state law, must approve the budget by Dec. 15.

In introducing the 1986 budget to the council Droz pointed out several statistics:

- 74 percent of the proposed \$23.8-million budget goes to pay the salaries, wages and benefits of 281 employees. This year's budget included 284.5 employees.
- All employees, with the exception of top management, are

now represented by a union or association and have contracts with the city.

- Income investments were expected to receive \$2.2 million this year. However, in September the city had only received 55 percent of that figure.

- It was estimated that the city's assessed value would reach more than \$1 billion this year. But the city's value only reached \$998 million, resulting in less income for the city.

- The city's busy construction season resulted in the city selling \$286,593 in building permits through the first eight months of 1985. The city had only projected receiving \$250,000 for all of 1985.

Droz said in his budget message that from 1974 to 1980 the city experienced some "slack periods of

tough-to-get revenue" and "tough budgets." He pointed out that from 1974 to 1980 the city levied a property tax ranging up to 11 mills while at the same time levying a 3 percent sales tax.

The most expensive department in the city is the police department, according to the budget document. Police spending is proposed at nearly \$5.7 million, up from this year's \$5.4 million. If property taxes alone funded that department it would take 5.5 mills, Droz estimates.

The next most expensive service the city provides is fire protection. Spending in that department is proposed at \$4.75 million, down from this year's \$4.8 million.

Other major departments are public works with proposed spending at \$3.86 million and engineering with spending at \$1.9 million.

**Sec. 01.10.050. Tense, number, and gender.****NOTES TO DECISIONS**

Quoted in *D.A.W. v. State*, Sup. Ct. Op. No. 2935 (File No. S-169), 699 P.2d 340 (1985).

Cited in *Dunlop v. State*, Sup. Ct. Op. No. 3068 (File Nos. S-923, S-1163), 721 P.2d 604 (1986).

**Sec. 01.10.055. Residency.** (a) A person establishes residency in the state by being physically present in the state with the intent to remain in the state indefinitely and to make a home in the state.

(b) A person demonstrates the intent required under (a) of this section

(1) by maintaining a principal place of abode in the state for at least 270 days or for a longer period if a longer period is required by law or regulation; and

(2) by providing other proof of intent as may be required by law or regulation, that may include proof that the person is not claiming residency outside the state or obtaining benefits under a claim of residency outside the state.

(c) A person who establishes residency in the state remains a resident during an absence from the state unless during the absence the person establishes or claims residency in another state, territory or country, or performs other acts or is absent under circumstances that are inconsistent with the intent required under (a) of this section to remain a resident of this state. (§ 1 ch 67 SLA 1983)

**Sec. 01.10.060. Definitions.** In the laws of the state, unless the context otherwise requires,

(1) "action" includes any matter or proceeding in a court, civil or criminal;

(2) "daytime" means the period between sunrise and sunset;

(3) "month" means a calendar month unless otherwise expressed;

(4) "municipality" means a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough, or a unified municipality;

(5) "nighttime" means the period between sunset and sunrise;

(6) "oath" includes affirmation or declaration;

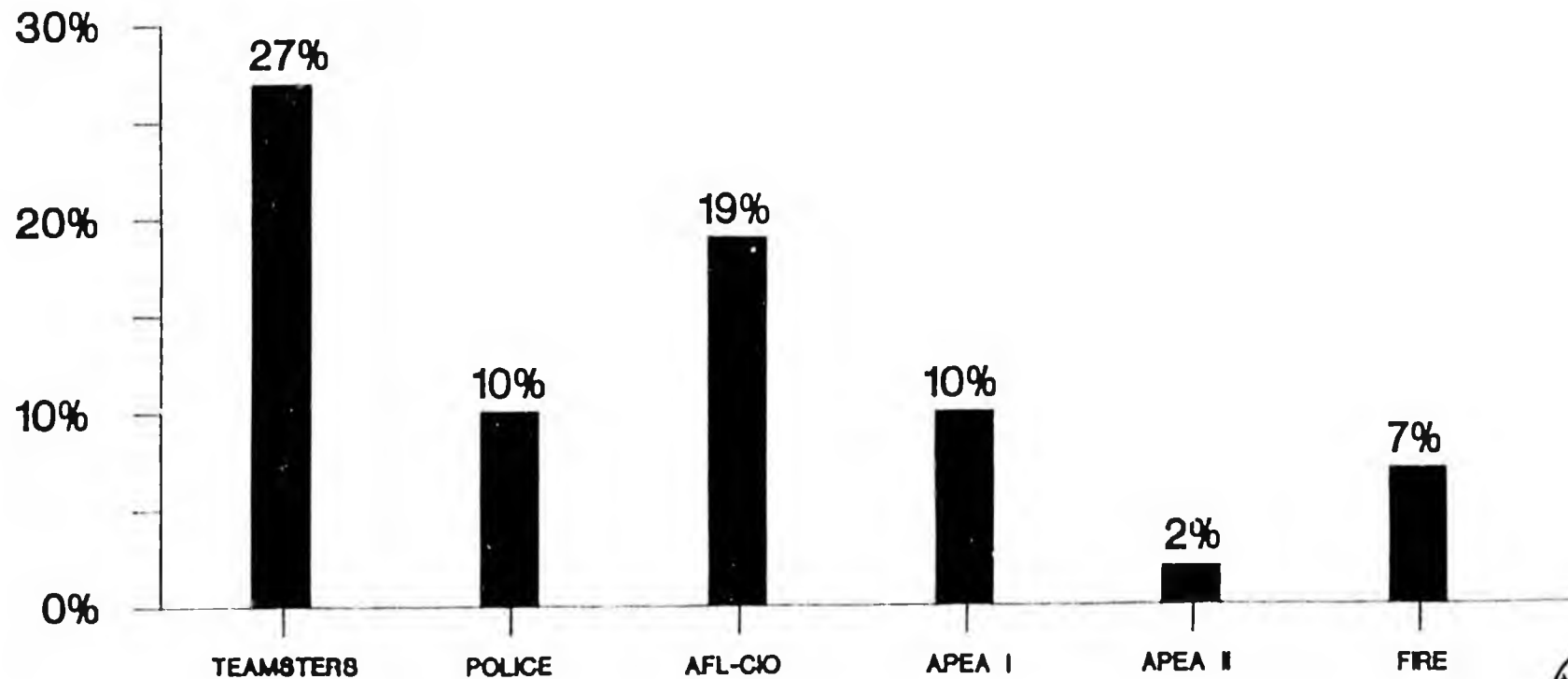
(7) "peace officer" means any officer of the state troopers, members of the police force of any incorporated city or borough, United States marshals and their deputies, and other officers whose duty it is to enforce and preserve the public peace;

(8) "person" includes a corporation, company, partnership, firm, association, organization, business trust, or society, as well as a natural person;

(9) "personal property" includes money, goods, chattels, things in action, and evidences of debt;

(10) "property" includes real and personal property;

# 1987 WAGE RATE REDUCTIONS (AVE.) BY UNION/ASSOCIATION AFFILIATION



NOTE: THESE REDUCTIONS WERE EFFECTIVE BEGINNING FROM JULY TO OCTOBER DEPENDING ON COMPLETION OF AGREEMENT.



Prepared by  
City of Fairbanks  
Engineering Department  
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WR1 9 04



1987 - 1990 WAGE AND BENEFIT REDUCTIONS  
CITY OF FAIRBANKS

Wage rates have been reduced for City employees, significantly in some cases. New hires will likewise be compensated less. Due to the City's fiscal crisis, the five associations and unions representing City employees offered to reduce their wages, a total of \$1,497,554.00. These reductions far exceed any cost containment measures by the State, Borough, School District, or other municipalities in the State of Alaska. The City and the employees have acted decisively and expeditiously to lower wage costs to Fairbanks residents.

# OF EMPLOYEES	ASSOCIATION/UNION	1987	1988	1989	1990	TOTAL WAGE REDUCTION	WAGE REDUCTIONS PER PERSON
5	Teamsters	\$33,797.00	\$31,246.00	\$23,116.00	\$---	\$88,159.00	\$17,632.00
35	Police Dept Assoc.	\$49,280.00	\$32,860.00	\$---	\$---	\$82,140.00	\$2,347.00
39	AFL-CIO	\$197,272.00	\$442,969.00	\$---	\$---	\$640,241.00	\$16,416.00
8	APEA I	\$26,713.00	\$10,686.00	\$---	\$---	\$37,400.00	\$4,675.00
33	APEA II	\$4,308.00	\$25,852.00	\$---	\$---	\$30,160.00	\$914.00
<u>38</u>	<u>Fire Fighters Assoc.</u>	<u>\$121,156.00</u>	<u>\$193,347.00</u>	<u>\$193,347.00</u>	<u>\$111,196.00</u>	<u>\$619,454.00</u>	<u>\$16,301.00</u>
158 <sup>1</sup>		\$432,934.00	\$736,960.00	\$216,463.00	\$111,196.00	<u>\$1,497,554.00<sup>2</sup></u>	

1. There are sixteen (16) non-union administrative employees in addition to the 158 organized employees. The City Manager and his staff have taken a 10% wage reduction.

2. TOTAL WAGE REDUCTIONS BY CITY EMPLOYEE GROUPS: \$1,497,554.00

Note: These reductions were effective beginning from July to October depending on completion of agreement.

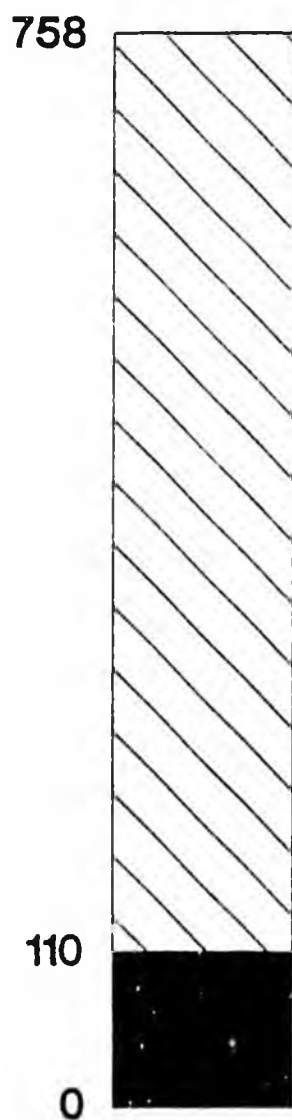
3. Contracts expire in years 1989 and 1990, therefore future wages are not predetermined in 1987.

Take pride in our City of Fairbanks. These wage reductions were given by long tenured City employees, Police officers, Fire fighters, Public Works personnel, all residents of Fairbanks for many years. They have given wage reductions for the opportunity to continue serving and protecting the public's general health, safety, and welfare. It's SERIOUS BUSINESS to them.

September 28, 1987

# PROPERTY TAX SUPPORT

## 1986



THE TOTAL COST PER  
RESIDENT FOR ALL  
SERVICES WAS \$758

RESIDENTS PAID \$110  
IN PROPERTY TAX





# CITY OF FAIRBANKS

410 CUSHMAN ST.  
FAIRBANKS, ALASKA 99701



September 29, 1987



Dear Fellow Citizens:

Over the past few weeks we have received numerous calls from you requesting information regarding the state of our city as we begin to review the City's proposed 1988 budget. You have raised questions, voiced concerns and expressed opinions on the level of law enforcement, fire suppression, road work, snow removal, and related inquiries. We have attempted with the attached information to address some of those concerns and answer some of the questions.



Please take time to read the attached information which has been prepared with your concerns in mind.



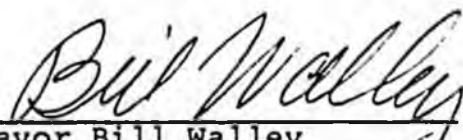
Along with us, please vote on October 6.

Thank you for your time, interest and support of your City of Fairbanks.



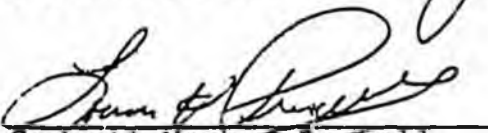
Very truly yours,  
Honorable Mayor and City Council Members  
City of Fairbanks, Alaska



  
Mayor Bill Walley

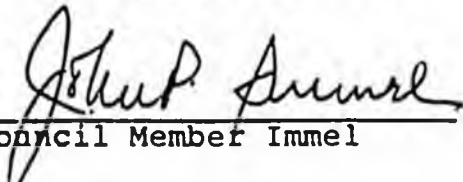
  
Council Member Whitney

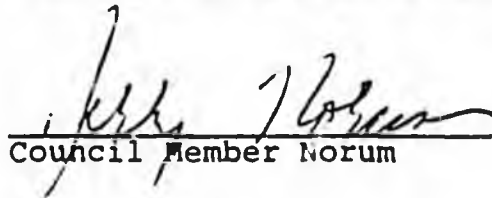


  
Council Member Farcell

  
Council Member Halvarson



  
Council Member Immel

  
Council Member Norum



"The Golden Heart City"