



General Manager  
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7b(1)

## TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: February 27, 2020

RE: **Approving Increase to Journeyman Lineman Hourly Premium Incentive from \$8.50 to \$15.25 and Authorizing Early Negotiation of New General Government and KPU Collective Bargaining Agreements with I.B.E.W., Local 1547 to Replace Those That Expire December 31, 2020**

At its meeting of August 22, 2019, the City Council directed my office to advise the I.B.E.W, Local 1547 Assistant Business Manager of the City's request to reopen the current collective bargaining agreements between the City of Ketchikan and the International Brotherhood of Electric Workers, Local 1547 to address issues associated with Journeyman Lineman retention and the I.B.E.W. retirement plan contribution rates.

Over the last several months, my office has met with representatives of I.B.E.W, Local 1547 to explore options to address these concerns. The parties last met on February 7, 2020 at which time the City proposed a draft Memorandum of Agreement providing for an increase of the hourly premium incentive for Journeyman Linemen from \$8.50 to \$15.25. The anticipated annual cost of the increase, excluding overtime, is \$137,000. As a result of existing vacancies, sufficient funding is available in the Electric Division's 2020 Personnel Services and Benefits Accounts to fund the increase to the hourly premium incentive.

As an increase to the hourly premium incentive is only a partial means of addressing the retention and retirement concerns raised by the Journeyman Linemen, the City also proposed to begin negotiations by March 1, 2020 of new General Government and KPU collective bargaining agreements to replace those that expire December 31, 2020. As indicated in the attached correspondence from Assistant Business Manager Robert Stamm, I.B.E.W, Local 1547 declined to agree to the increase to the hourly premium incentive. The union is, however, open to commencing negotiations for new collective bargaining agreements by March 15, 2020.

Based on prior experience, my office believes that negotiations for new collective bargaining agreements may take an extended period of time. In the interim, retention and retirement issues raised by Electric Division's Journeyman Linemen remain unaddressed. As a result of four Journeyman Lineman positions being vacant, the Electric Division's current staffing consists of three Journeyman Linemen and one

Apprentice. KPU can ill afford further vacancies if rate payers are not to be subjected to what could become major service disruptions due to insufficient staffing.

Section 25.2 of Article 25 of the current collective bargaining agreement states:

“Nothing contained herein shall prohibit the Employer, at its sole discretion, from paying wages and/or benefits in excess of those provided herein.”

Under the present circumstances of I.B.E.W., Local 1547 declining to agree to an adjustment to the hourly premium incentive, I believe the City has to move forward unilaterally as a show of good faith that the City is attempting to address the retention and retirement issues that the Journeyman Linemen have raised. Coupled with a commitment to commence early collective bargaining for new General Government and KPU contracts, I believe the City can demonstrate its commitment to addressing these concerns by increasing the Journeyman Lineman hourly premium incentive to \$15.25.

Should Councilmembers have questions and/or concerns regarding this approach, my office has scheduled an executive session [see agenda statement 15b(1)]. If the City Council elects to approve the proposed actions as presented, the executive session will not be necessary.

A motion has been prepared for City Council consideration.

### **RECOMMENDATION**

Pursuant to Section 25.2 of Article 12 of the current collective bargaining agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and I.B.E.W., Local 1547, it is recommended the City Council adopt the motion directing the General Manager to increase the Journeyman Lineman hourly premium incentive from \$8.50 to \$15.25 effective March 1, 2020; authorizing funding from the Electric Division's 2020 Personnel Services and Benefits Accounts; and directing the General Manager to advise I.B.E.W., Local 1547 of the City's agreement to immediately begin negotiations of new General Government and KPU collective bargaining agreements to replace those that expire December 31, 2020.

**Recommended Motion:** Pursuant to Section 25.2 of Article 12 of the current collective bargaining agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and I.B.E.W., Local 1547, I move the City Council direct the General Manager to increase the Journeyman Lineman hourly premium incentive from \$8.50 to \$15.25 effective March 1, 2020; authorize funding from the Electric Division's 2020 Personnel Services and Benefits Accounts; and direct the General Manager to advise I.B.E.W., Local 1547 of the City's agreement to immediately begin negotiations of new General Government and KPU collective bargaining agreements to replace those that expire December 31, 2020.

# DRAFT

## MEMORANDUM OF AGREEMENT

Between

CITY OF KETCHIKAN/KETCHIKAN PUBLIC UTILITIES

And

THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1547

The International Brotherhood of Electrical Workers, Local 1547 (IBEW) and the City of Ketchikan/Ketchikan Public Utilities mutually agree that in order to attract and retain qualified Journeyman Lineman the hourly incentive of eight dollars and fifty cents (\$8.50), will be increased by six dollars and seventy-five cents (\$6.75) to fifteen dollars and twenty-five cents (\$15.25) an hour for all employees within this classification only; this is in addition to any cost of living increases that have been agreed to per the collective bargaining agreement.

The City of Ketchikan/Ketchikan Public Utilities has agreed to apply the premium of fifteen dollars and twenty-five cents (\$15.25) per hour to the Lineman Apprentice wage scale.

This MOA will become effective with the first day of the new pay period after execution.

In addition the City of Ketchikan and Ketchikan Public Utilities have agreed to commence negotiations, including ground rules that are acceptable to both parties, with IBEW no later than March 1, 2020, for new collective bargaining agreements to replace those that expire December 31, 2020.

This agreement is exclusive to the Journeyman Lineman and Lineman Apprentice positions. No other terms or conditions of the Agreement are waived or modified.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

City of Ketchikan/Ketchikan Public Utilities

IBEW, Local 1547

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Karl Amylon  
City/General Manager

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Robert Stamm  
Assistant Business Manager



International Brotherhood of Electrical Workers  
Local 1547

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DAVE REAVES  
BUSINESS MANAGER • FINANCIAL SEC. • TREAS.

KNUTE ANDERSON  
PRESIDENT



February 18, 2020

Karl Amylon  
334 Front St.  
Ketchikan, AK 99901

RE: Response to proposal dated February 7, 2020

Dear Karl:

The IBEW is in receipt of your proposal dated February 7, 2020 regarding the hiring and retention of KPU lineman. The IBEW understands the importance of this specific issue; however, our goal is to resolve the additional topics as stated in our previous proposals along with the lineman issues.

The IBEW also understands the urgency in this matter and believes the most effective solution is to commence negotiations as early as the parties agree for both the KPU and COK CBA's as has been suggested prior. We will include the Cities proposal regarding Linemen in that negotiation.

We propose that the parties exchange opening letters by March 15, 2020, and that negotiations will commence as soon as the schedule allows. The intent is to get all outstanding issues resolved at one time and move forward with providing all employees safe, and equitable employment and to keep providing the City of Ketchikan with the services they expect.

Please let me know at your earliest convenience if you would like to move forward or if you would like to discuss further.

Sincerely,

Robert Stamm  
Assistant Business Manager

## **ARTICLE 25**

### **GENERAL PROVISIONS**

25.1 Any and all Agreements, previously entered into by the parties hereto are in all things mutually cancelled and superseded by this Agreement.

**25.2 Nothing contained herein shall prohibit the Employer, at its sole discretion, from paying wages and/or benefits in excess of those provided herein.**

25.3 The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the parties hereto, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of any or all of the parties at the time they negotiated or signed this Agreement. The parties further agree, however, that this Agreement may be amended by the mutual consent of the parties in writing at any time during its term.

25.4 Should any article, section or provisions herein contained be rendered or declared invalid by reason of any existing or subsequently enacted statute or other law, or by the decree of judgment of any court of competent jurisdiction, the invalidation of such article, section or provision will not affect the remaining portions hereof and such other parts and provisions will remain in full force and effect. Upon the invalidation of any article, section or provision hereof, the parties will meet and negotiate the parts and provisions concerned within thirty (30) days from the date the fact of such invalidation is communicated to them; provided, however, that the parties may mutually agree to extend the time for such negotiations.

## **ARTICLE 26**

### **TERM OF AGREEMENT**

26.1 This Agreement shall become effective at 12:01 a.m., on January 1, 2015, and shall continue in full force and effect through and including 11:59 p.m. December 31, 2017, and shall continue in full force and effect from year to year thereafter, unless notice of desire to amend this Agreement is served by either party upon the other at least ninety (90) days prior to the date of expiration. If notice to amend is given, negotiations shall commence within thirty (30) days following the date of the notice, and this Agreement shall remain in effect until the terms of a new or amended Agreement are agreed upon; provided, however, that if a notice to amend is timely given, either party may at any time thereafter notify the other in writing of its desire to terminate this Agreement as of a date stated in such notice to terminate, which date shall not be earlier than the date of expiration, and shall be at least ten (10) days subsequent to the giving of such notice to terminate.