



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Meeting Agenda

City Council

Thursday, March 20, 2025

6:00 PM

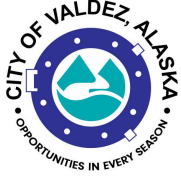
Council Chambers

Work Session - Background on PERA and Collective Bargaining

WORK SESSION AGENDA - 6:00 pm

Transcribed minutes are not taken for Work Sessions. Audio is available upon request.

1. [Work Session: Overview of PERA and Municipal Collective Bargaining](#)



Legislation Text

File #: 25-0118, **Version:** 1

ITEM TITLE:

Work Session: Overview of PERA and Municipal Collective Bargaining

SUBMITTED BY: John Douglas, City Manager

FISCAL NOTES:

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

Mayor Fleming requested a work session to discuss the Public Employment Relations Act (PERA) and possible implications of the City of Valdez allowing for collective bargaining with labor groups. Some Fire Department staff members have expressed an interest in being able to join the Alaska Professional Fire Fighters Association (APFFA). Representatives from the APFFA will be present to speak to the additional training opportunities and benefits afforded to their members.

Currently, the City of Valdez does not engage in any collective bargaining or recognize any labor organizations. PERA is the state law that governs labor relations and when it was adopted local jurisdictions had the opportunity to opt out. The city opted out of PERA first by Resolution in 7214 in 1972 and later by Ordinance 7518 in 1975.

The City of Valdez has the following 3 options moving forward and each has specific implications that would need to be explored further:

1. Opt back into PERA.
2. Create an ordinance to guide collective bargaining locally.
3. Remain as-is (take no action).

The following is the schedule for work session discussion:

- Invited testimony from APFFA representative (10-minute limit for presentation)
- Public comment on PERA/ collective bargaining (5-minutes per person)

- Overview of Legal Memo on Collective Bargaining Options
- Pros and cons of options presented from an HR perspective

Background materials are attached for Council review.

OVERVIEW OF THE PUBLIC EMPLOYMENT RELATIONS ACT¹

The Public Employment Relations Act (PERA) was established by the Alaska Legislature in 1972 as a means to govern public sector labor relations in Alaska. PERA is administered by the Alaska Labor Relations Agency (ALRA), a neutral quasi-judicial agency comprised of a six member volunteer board and three paid employees. PERA originally covered state (including the Alaska Railroad), university, political subdivision, home rule, and borough employees. In 1992, PERA's jurisdiction was expanded to include all public school employees.

In accordance with AS 23.40.255, a political subdivision may reject PERA by ordinance or resolution. However, this opt-out provision does not apply to public schools, and the timeframe to reject PERA is limited. There is no requirement for a political subdivision or an organized borough to report the adoption of an ordinance or resolution rejecting PERA. As such, ALRA only becomes aware of the status of a political subdivision if the issue is raised. Currently there are approximately fourteen political subdivisions that have timely opted out of PERA.

To opt out of PERA jurisdiction a political subdivision must do so timely,² and without intent to interfere with public employees' effort to exercise rights granted under PERA.³ Opting out of PERA does not prevent opting back in. In fact, communities such as the City of Fairbanks, City of Kodiak, City of Wasilla, and City of Seward have all passed ordinances to come under PERA jurisdiction.

PERA was enacted with the purpose of establishing guidelines for public employment relations, to promote harmonious and cooperative relations between government and its employees, and to protect the public by assuring effective and orderly operations of government.⁴ PERA recognizes "the rights of public employees to organize for the purpose of collective bargaining",⁵ requires "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",⁶ and maintains the merit-system principles among public employees.⁷

PERA provides oversight of the representation process. It ensures that public employees can "self-organize and form, join, or assist an organization to bargain collectively through representatives of their own choosing, and engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection."⁸ ALRA determines the unit composition that "assure[s] employees the fullest freedom in exercising the rights guaranteed by AS 23.40.070—23.40.260."⁹ To accomplish this, ALRA determines the unit based on 'such factors

¹ This overview only refers to PERA as contained in AS 23.40.070-23.40.260. Please refer to AS 42.40.705-42.40.890 for a listing of the statutes that govern the Alaska Railroad.

² *Anchorage Mun. Emp. Ass'n v. Municipality of Anchorage*, 618 P.2d 575, 581 (Alaska 1980).

³ *Kodiak Island Borough v. State, Dep't of Lab., Lab. Rels. Agency*, 853 P.2d 1111, 1114 (Alaska 1993).

⁴ AS 23.40.070.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ AS 23.40.080

⁹ AS 23.40.090

as community of interest, wages, hours, and other working conditions of the employees involved, the history of collective bargaining, and the desires of the employees. Bargaining units shall be as large as is reasonable, and unnecessary fragmenting shall be avoided.”¹⁰ PERA also allows for wall to wall units that include supervisors, except at the state level.¹¹

Once the appropriate unit is established, ALRA conducts an election to determine the exclusive representative.¹² After the exclusive representative is elected, negotiations may begin.¹³ Upon completion of negotiations, PERA requires that the agreement shall be reduced to writing and may not exceed three years.¹⁴ Additionally, the agreement shall include “a pay plan designed to provide for a cost-of-living differential between salaries paid employees residing in the state and employees residing outside the state”¹⁵ and “shall include a grievance procedure which shall have binding arbitration as its final step. Either party to the agreement has a right of action to enforce the agreement by petition to the labor relations agency.”¹⁶ With the exception of school districts and regional educational attendance areas, the monetary terms of any agreement entered into under PERA are subject to funding through legislative appropriation.¹⁷

In the event bargaining breaks down, PERA allows multiple mechanisms for review. A party may file an unfair labor practice under AS 23.40.110 or a petition to enforce the agreement under AS 23.40.210 and 8 AAC 97.510 with the ALRA. As a neutral agency, ALRA conducts an investigation and determines whether there is merit to the charge. If there is merit to the charge, an administrative hearing before a three member board panel is conducted.¹⁸ Formal decisions of the agency are maintained on the agency website for reference.

Additionally, PERA also allows ALRA to conduct informal resolution of cases,¹⁹ mediations,²⁰ strike class determinations,²¹ impasse determinations,²² order advisory arbitration,²³ and resolve disputes concerning the composition of an established unit.²⁴

Since this document is only designed to provide a high level overview of PERA, please review the Agency’s *Pamphlet No. 900*²⁵ for a full listing of all the statutes and regulations that govern PERA and ALRA.

¹⁰ *Id.*

¹¹ 8 AAC 97.090

¹² AS 23.40.100

¹³ 8 AAC 97.210

¹⁴ AS 23.40.210

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ AS 23.40.215

¹⁸ AS 23.40.130, 8 AAC 97.340, and 8 AAC 97.350

¹⁹ AS 23.40.120 and 8 AAC 97.230

²⁰ AS 23.40.190 and 8 AAC 97.270

²¹ AS 23.40.200

²² AS 23.40.190 and 8 AAC 97.270

²³ 8 AAC 97.280

²⁴ 8 AAC 97.050

²⁵ <http://labor.alaska.gov/laborr/forms/pamphlet900.pdf>

F/ALRA/FORMS/PERA Overview rev. 9/2018

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Elise Sorum-Birk

From: John Douglas
Sent: Wednesday, March 12, 2025 9:56 AM
To: Elise Sorum-Birk
Subject: Fw: Public Employment Relations Act and AK Labor Relations Agency info
Attachments: Public Employment Relations Act info.pdf

See email from PERA below and attached.

Get [Outlook for iOS](#)

From: Relations, Labor (DOL sponsored) <labor.relations@alaska.gov>
Sent: Monday, March 3, 2025 4:13:56 PM
To: John Douglas <JDouglas@ValdezAK.Gov>
Subject: Public Employment Relations Act and AK Labor Relations Agency info

John,

You asked me to provide the City of Valdez with information about opting back in to the Public Employment Relations Act (PERA) and coming under the jurisdiction of the Alaska Labor Relations Agency (ALRA). Attached is some information with some background and links to specific documents on our website.

ALRA is a quasi-judicial, neutral agency that does not charge fees for services. These services include:

- Determination of unit composition
- Representation elections (union recognition) and oversight of the representation process
- Investigation and resolution of unfair labor practice complaints
- Investigation and resolution of petitions to enforce collective bargaining agreements
- Conducts hearings
- Issues decisions and orders
- Conducts informal and formal mediation
- Makes strike class determinations
- Makes impasse determinations
- Orders Advisory Arbitration

Here is a link to the Agency's website where you can find additional information

<https://labor.alaska.gov/laborr/home.htm>

Here is a link to the statutes and regulations that comprise PERA

<https://labor.alaska.gov/laborr/forms/pamphlet900.pdf?date=10-2-24>

Informational pamphlets and our annual reports can be found here <https://labor.alaska.gov/laborr/forms.htm>

Here is a link to our most recent annual report <https://labor.alaska.gov/laborr/forms/23annrptfinal.pdf>

Opt out status information https://labor.alaska.gov/laborr/forms/PERAstat_web.pdf

Please contact us with any additional questions you may have.

Nicole Thibodeau
Hearing Examiner/Administrator
Alaska Labor Relations Agency

3301 Eagle Street, suite 206
Anchorage, AK 99503
(P) 907.269.4895
(F) 907.269.4898

[Click here to sign up for the Agency newsletter](#)

Here are some pros and cons of the City of Valdez joining the Alaska Public Employment Relations Act (PERA):

Pros:

1. Collective Bargaining Framework:

- Provides a clear, legal framework for collective bargaining, which can lead to improved labor relations and more predictable negotiations.

2. Dispute Resolution Mechanisms:

- PERA offers structured mediation and arbitration processes for resolving labor disputes, reducing the likelihood of strikes or other disruptive actions.

3. Employee Protections:

- Ensures that employees have the right to form, join, or assist labor organizations without fear of retaliation, enhancing employee satisfaction and empowerment.

4. Legal Clarity:

- Formalizes employer-employee relationships under a defined legal structure, potentially reducing ambiguity and legal risk.

5. Consistency with Other Municipalities:

- Joining PERA would align Valdez with many other municipalities in Alaska, promoting consistency in labor relations practices.

6. Improved Recruitment & Retention:

- Demonstrating a commitment to fair labor practices could attract skilled workers seeking stable, well-regulated employment environments.

Cons:

1. Loss of Local Control:

- Adopting PERA may limit the city's autonomy in managing labor relations and developing policies tailored to Valdez's unique needs.

2. Increased Costs:

- Collective bargaining agreements under PERA could lead to higher labor costs, including wages, benefits, and legal expenses.

3. Potential for Strikes:

- Although PERA provides dispute resolution mechanisms, it does not entirely eliminate the possibility of strikes or other labor actions.

4. Administrative Burden:

- Implementing and maintaining compliance with PERA's requirements may require additional resources and administrative effort.

5. Reduced Flexibility:

- PERA's structured negotiation processes can make it difficult to quickly implement policy changes or respond to emergencies.

6. Political & Community Resistance:

- Depending on the community's sentiment, adopting PERA may face opposition from certain stakeholders.

CITY OF VALDEZ
RESOLUTION NO. 7214

A RESOLUTION PROVIDING FOR THE REJECTION OF CHAPTER 113, LAWS OF ALASKA 1972, RELATING TO WAGES, HOURS, AND WORKING ARRANGEMENTS.

WHEREAS, Section 4, Chapter 113, Laws of Alaska 1972, political subdivisions of the State may reject to having the provisions of Chapter 113 apply to them, and

WHEREAS, the City Council has determined that the application of Chapter 113 to the City of Valdez is not in the public interest of the City of Valdez.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA:

That all provisions of Chapter 113, Laws of Alaska 1972, relating to wages, hours, and working conditions, are not applicable to the City of Valdez.

PASSED AND APPROVED by the City Council of the City of Valdez, Alaska, this 7th day of August, 1972.

Walter Day
Mayor

ATTEST:

[Signature]
City Clerk

APPROVED AS TO FORM:

HUGHES, THORSNESS, LOWE, GANTZ & CLARK
Attorneys for the City of Valdez

By [Signature]
Kenneth P. Jacobus

Walter Day
Mayor

APPROVED AS TO FORM:

HUGHES, THORSNESS, LOWE, GANTZ & CLARK
Attorneys for the City of Valdez

[Signature]
Kenneth P. Jacobus

CITY OF VALDEZ, ALASKA

ORDINANCE NO. 7518

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, REJECTING THE APPLICATION OF THE PUBLIC EMPLOYMENT RELATIONS ACT TO THE CITY OF VALDEZ.

WHEREAS, Section 4, Chapter 113, S.L.A. 1972, provides that the Alaska Public Employment Relations Act is applicable to organized boroughs and political subdivision of the state, homerule or otherwise, unless the legislative body of the political subdivision, by ordinance or resolution, rejects having its provisions apply, and

WHEREAS, the city council has considered the opinion of the Alaska Supreme Court in the case of State of Alaska v. City of Petersburg, Opinion No. 1175, dated July 24, 1975, and its effect on the City, and

WEEREAS, it is in the public interest for the City to keep its options open so that it can properly react in the future, and not in the public interest to possibly become bound into the provisions of this act, and whatever amendments the legislature might pass in the future, which may result because of the decision of the Alaska Supreme Court.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that:

Section 1. The City of Valdez hereby rejects the application of the Alaska Public Employment Relations Act to the City of Valdez.

Section 2. This ordinance takes affect immediately upon passage and approval.

PASSED AND APPROVED THIS 2nd day of September, 1975.

CITY OF VALDEZ
Emil O. Weigert
Mayor

FIRST READING: 8/18/75
SECOND READING: 9/2/75
ADOPTION: 9/2/75
AYES: 4
NOES: 3
ABSENT: 0
NOT VOTING: 0

ATTEST:
[Signature]
City Clerk

Approved as to Form:
HUGHES, THORSNESS, LOWE,
GANTZ & POWELL, Attorneys
for the City of Valdez

By Kenneth P. Jacobus
Kenneth P. Jacobus

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