



November 13, 2019

Borough Assembly;

Employee compensation, including pay and benefits, is the largest component of negotiating a collective bargaining agreement. In early 2020, the Petersburg Borough will be opening negotiations with our largest union, Petersburg Municipal Employees Association, or PMEA. Unfortunately, there are increasing signs that Petersburg is falling behind in wages. In the past, Borough staff has utilized a process of comparing the compensation of our employees to similar communities in Alaska. Based upon this comparison, recommendations were made to the Borough Assembly for the purpose of establishing a negotiating position with PMEA and for the Department Heads. While not perfect, the process has provided a baseline for our discussions with PMEA, and the Assembly.

In discussing and evaluating our previous negotiation process, Assembly Member Lynn mentioned his belief that this informal process needs to be replaced in this case with a formal study completed by professionals in this field. Staff agrees. A study done by experts will be more easily defensible with the public, the employees and the Union, and give the Assembly a more thorough view of where we stand on this important issue. While the study will not tie the hands of the Assembly, it will help us outline specifically where changes will need to be made to keep our compensation competitive with the current market.

After a review of available options, we recommend awarding a compensation study to Public Sector Personnel Consultants (PSPC) for the not to exceed cost of \$22,500. This study will provide compensation comparisons for our PMEA and Department Head positions. This study will help staff and the Assembly prepare for the upcoming negotiations and provide information vital for the decisions that will need to be made.

Thank you for your support.

Stephen Giesbrecht