

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, AK

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

November 12, 2007

ACTION REQUIRED

AGENDA ITEM NO. VII.

 Information Only
 X **Motion**
 Resolution
 Executive Session
 Other

TOPIC

Wage and Benefit Package for Non-Represented Employees.

DISCUSSION

Merit increases for non-represented employees of Chugach Electric Association, Inc. (Chugach) were last awarded effective January 1, 2005. In addition, no cost of living adjustments have been provided. The Board of Directors Operations Committee recommends to the Board of Directors that cost of living increases for 2006 and 2007 be awarded to non-represented employees. The retroactive increases for 2006 will be paid on or by December 14, 2007. The retroactive increases for 2007 will be paid on or before January 18, 2008. The Chief Executive Officer will inform the Board each time the retroactive pay is paid to employees. Because of the lengthy amount of time since the last merit increases went into effect, the Operations Committee recommends to the Board of Directors that the merit increases be suspended.

The renewal date for the health insurance, life insurance and short and long term disability insurance plans offered to non-represented employees through the National Rural Electrical Cooperative Association (NRECA) is August 1, 2008. The Operations Committee recommends to the Board of Directors that there be no changes to the NRECA benefit package at the present time.

FISCAL NOTE

The total cost of this recommendation is approximately \$519,942. The cost for 2007 and 2008 is set forth below:

- a. For 2007, the cost of the retroactive increases for 2006 will be \$257,537.
- b. For 2008, the cost of the retroactive increases for 2007 will be \$262,347.

Prepared by Chair Vazquez.

MOTION

Move that the Operations Committee recommend to the Chugach Board of Directors the following for non-represented employees:

1. Approve a 3% retroactive cost of living increase effective January 1, 2006. This retroactive pay is to be paid on or by December 14, 2007.
2. Approve a 3% retroactive cost of living increase effective January 1, 2007. This retroactive pay is to be paid on or by January 18, 2008.
3. Maintain the current NRECA benefit package.
4. Suspend merit increases for non-represented employees for 2006 and 2007.

The Chief Executive Officer will inform the Board of Directors each time the retroactive pay is paid to employees.