4-7c
4/6/11
1:36 p.m.

2011 ABMEI - CITY OF SAN JOSE NEGOTIATIONS
ABMEI PACKAGE PROPOSAL (SUMMARY)

April 6, 2011
PROPOSAL #2

PERIOD OF MEMORANDUM OF AGREEMENT
July 1, 2011 – June 30, 2013 (see City proposal)
Term: 24 months

WAGES
Accept City proposal dated March 9, 2011 (attached)

HEALTH INSURANCE COST SHARING
Continue 85/15 cost sharing per the terms of the April 27, 2010 Last, Best and Final Offer

HEALTH INSURANCE DUAL COVERAGE
Continue to prohibit employees from simultaneous coverage for medical benefits per the terms of the April 27, 2010 Last, Best and Final Offer and accept City proposal dated March 9, 2011 (attached)

HEALTH CARE HMO PLAN DESIGN
Continue co-pays per the terms of the April 27, 2010 Last, Best and Final Offer

HEALTH AND DENTAL IN LIEU
Accept City proposal dated March 9, 2011 (attached)

SICK LEAVE PAYOUT
Modify contract language imposed per the April 27, 2010 Last, Best and Final Offer (attached)

DISABILITY LEAVE SUPPLEMENT
Eliminate disability leave supplement. Instead City to pay for lowest cost plan of Voluntary Long Term Disability Insurance (attached)

OVERTIME CALCULATION
Revise contract language to modify the definition of "Hours Worked" (See language in ABMEI Proposal)

SIDE LETTERS
- Retirement benefits for future employees and retiree healthcare for current and future employees
- Layoffs
- Supplemental Retiree Benefit Reserve (SRBR)
- Subsidy for Public Transit
- Sick Leave Payoff
- Training

In the event that this package proposal is not accepted in its entirety, ABMEI reserves the right to modify, amend, withdraw and/or add proposals.

CITY PROPOSAL: PERIOD OF MEMORANDUM OF AGREEMENT

Proposed Language:

This Agreement shall become effective July 1, 2011 except where otherwise provided, and shall remain in effect through June 30, 2013. No amendment or change to the provisions of this Agreement shall be valid or binding unless reduced to writing and signed by duly authorized representative(s) of the parties.

It is the mutual desire of the parties to conclude the meet and confer process as early as possible prior to the expiration of this Agreement. Therefore, it is agreed that the parties will exchange initial written proposals no later than the first day of ~~August~~ February immediately prior to the expiration of this agreement.

The parties shall then set the first meeting of the meet and confer process at their mutual convenience as soon thereafter as possible. At this first meeting the parties may establish a final date for submission of additional proposals.

This language is intended to replace the language in:

- *Article 1 of the ABMEI Memorandum of Agreement*

City of San Jose
March 16, 2011

A contract term of two years provides both the employee and the City a more predictable basis for budgeting purposes. It also allows the parties sufficient time to meet and confer on the many significant issues deferred during these contract negotiations and identified in the Side Letters to this agreement.

CITY PROPOSAL – WAGES

Proposed Language:

Effective June 27, 2010, all salary ranges for employees holding positions in classifications assigned to ABMEI (Union Code 03/031) shall be decreased by approximately 4.65%.

Effective June 26, 2011, all salary ranges for employees holding positions in classifications assigned to ABMEI (Union Code 03/031) shall be decreased approximately by an additional 5.45%. This will result in the top and bottom of the range of all classifications represented by ABMEI (Union Code 03/031) being an additional 5.45% lower. All employees will receive an additional 5.45% base pay reduction.

This language is intended to replace the language in:

- *Article 5.1.1 of the ABMEI Memorandum of Agreement (replaces Section 5.1.1 as approved by the City Council on April 27, 2010, via the Pay proposal in the City's Last, Best, and Final Offer)*

City of San Jose
March 9, 2011

The membership of ABMEI has made significant sacrifices during the past 24 months in an effort to avoid additional layoffs and to address the City's budget deficits (including 26 unpaid furlough days and a 5% reduction in base wages). The 10.1% wage reduction contained in this proposal is the primary component in achieving the City Council's objective of a 10% reduction in overall compensation.

CITY PROPOSAL – HEALTHCARE DUAL COVERAGE

Proposed Language:

An employee may not be simultaneously covered by City-provided medical benefits as a City employee and as a dependent of another City employee or retiree.

This language shall be added under:

- *Article 5.3.1 of the ABMEI Memorandum of Agreement (replaces Section 5.3.1)*

Proposed Language:

An employee may not be simultaneously covered by City-provided dental benefits as a City employee and as a dependent of another City employee or retiree.

This language shall be added under:

- *Article 5.4.1 of the ABMEI Memorandum of Agreement (replaces Section 5.4.1)*

City of San Jose
March 9, 2011

CITY PROPOSAL: HEALTH AND DENTAL IN LIEU

Proposed Language:

5.5.4 A City employee who receives healthcare coverage as a dependent of another City employee or retiree shall be deemed not eligible for family coverage.

This language modifies Article 5.5.4 as contained in the April 27, 2010 "Last, Best and Final Offer"

City of San Jose
March 9, 2011

SICK LEAVE PAYOUT

18.2 Sick leave payoff shall be given to each fulltime employee at the time of retirement or death under one of the following conditions:

18.2.1 Federated Retirement Plan:

The employee is:

18.2.1.1 A member of the Federated Retirement Plan, and

18.2.1.2 Retired under the provisions cited in the plan, and

18.2.1.3 Credited with at least fifteen (15) years of service in this retirement plan, or

18.2.1.4 Credited with at least ten (10) years of service prior to a disability retirement.

18.2.2 Terminated Employee with Vesting Rights

The employee has:

18.2.2.1 Terminated service with the City, and

18.2.2.2 Retained vesting rights in a retirement system according to provisions in the SJMC, and

18.2.2.3 Following such termination, qualifies for retirement and retires under the provisions cited in the code and

18.2.2.4 Has at the time of retirement credit for at least fifteen (15) years of service in the applicable retirement plan.

18.2.3 Death During Service

The estate of any fulltime employee who dies while in City service and prior to retirement, even though the employee is not credited with at least fifteen (15) years of service in any applicable retirement plan.

18.2.4 Death of Terminated Employee

The estate of any fulltime employee who:

18.2.4.1 Had terminated service with the City but had retained vesting rights in a retirement system according to provisions in the SJMC, and

18.2.4.2 Dies prior to becoming eligible for retirement allowances as cited under provisions of the SJMC, and

18.2.4.3 Has at the time of death credit for at least fifteen (15) years of service in the applicable retirement plan.

18.3 Payout shall be determined as follows:

18.3.1 If an eligible fulltime employee, as defined in subsection 18.2 above, at the time of their retirement or death has earned, unused sick leave hours, the employee shall be paid the equivalent of a specified percent of their hourly rate of pay at the time of retirement, termination or death, whichever comes first, multiplied by the total number of the employee's accumulated and unused hours of sick leave as of the date of the employee's retirement or death ~~in accordance with 18.3.1.1~~.

18.3.2~~1.1~~ Less than 400 hours: Hours accumulated x 50% of final hourly rate

400-799 hours: Hours accumulated x 60% of final hourly rate

800-1200 hours: Hours accumulated x 75% of final hourly rate

~~18.3.1.2 Distribution of payouts to eligible employees, in accordance with 18.3.1 above, who retire before June 27, 2010, shall be made no later than February 1, 2011~~

~~18.3.2 Effective June 27, 2010, if an eligible full-time employee, as defined in subsection 18.2 above, at the time of their retirement or death has earned, unused sick leave hours, the employee shall be paid the equivalent of a specified percent of their hourly rate of pa at the time of retirement or death, which ever comes first, multiplied by the total number of employee's accumulated and unused hours of sick leave as of the date of the employee's retirement or death in accordance with 18.3.2.1~~

~~18.3.2.1 Less than 400 hours: Hours accumulated x 50% of final hourly rate~~

~~400-1200 hours: Hours accumulated x 60% of final hourly rate~~

18.3.3 ~~Employees hired on or after June 28, 2010, if an eligible full-time employee, as defined in subsection 18.2 above, at the time of their retirement or death has earned, unused sick leave hours, the employee shall be paid the equivalent of a~~

~~specified percent of their hourly rate of pa at the time of retirement or death, which ever comes first, multiplied by the total number of employee's accumulated and unused hours of sick leave as of the date of the employee's retirement or death in accordance with 18.3.3.1~~

~~18.3.2.1 0-750 hours: hours accumulated x 25% of final hourly rate.~~

18.4 ~~Employees are only eligible for one sick leave payout while employed by the City of San Jose, including breaks in employment.~~ Use of previously accumulated sick leave hours:

For purposes of determining the total number of accumulated and unused hours of sick leave of a fulltime employee at the time of the employee's retirement or death, unused sick leave from prior periods of employment with the City shall be used. Previously accumulated sick leave shall be credited to the employee for use during an employee's current employment period.

18.5 The above sections shall become effective March 15, 2011.

ABMEI PROPOSAL: DISABILITY LEAVE SUPPLEMENT

Proposed Language:

Effective June 26, 2011, employees shall no longer be eligible to receive DLS.

Effective June 26, 2011, The City will pay the full premium cost of the lowest cost plan for employee for Voluntary Long Term Disability Insurance. If an employee selects a plan other than the lowest priced plan, the employee shall pay the difference between the total cost of the selected plan and the City's contribution towards the lowest priced plan for employee.

ARTICLE 6 HOURS OF WORK AND OVERTIME

Proposed Language:

6.6 An employee authorized or required to work overtime who works in excess of eight (8) hours per day, or ten (10) hours per day if assigned to a work schedule of four (4) ten (10) hour work days, or in excess of forty (40) hours per work week, shall be compensated at the rate of one and one half (1 1/2) times the employee's hourly rate, except when such excess hours result from a change in such employee's work week or shift or from the requirement that such employee fulfill his/her work week requirement.

6.6.1 Notwithstanding 6.6 above, any employee who works in excess of twelve consecutive hours shall be compensated at the rate of two (2) times the employee's hourly rate for all hours worked in excess of twelve (12) consecutive hours.

6.6.2 ~~For overtime work, volunteers will be asked for first, whenever possible.~~ For overtime work, volunteers will be asked for first. If there are no volunteers, we will be given 48 hours notice for mandatory overtime. If overtime is cancelled less than 48 hours before mandatory overtime is to be worked, we will get paid for half the mandatory overtime that was required or one-half (1/2) hour which ever is greater.

6.6.2.1 Exception: 48 hour notice is not required for natural disaster (i.e. earthquake, flood, etc.).

6.8 Time spent on paid sick leave, disability leave, holiday leave, vacation leave, military leave, compensatory time off duty, or other authorized paid leave shall ~~be deemed time worked for purposes of this Article~~ not be considered as time worked for the purpose of overtime calculations contained in this Article.

This change in language addresses the City's concern regarding the inclusion of "paid time off" as "hours worked" in the calculation of overtime, while providing employees the same protections afforded by State law to all hourly wage-earners.

ABMEI PROPOSAL: SIDE LETTER LANGUAGE

RETIREMENT REFORM

ABMEI maintains that the rights of current employees with regard to pension benefits and retiree healthcare benefits vested on the day that they were hired and are vested rights and are not within the scope of bargaining, nor are changes thereto within the City's ability to impose after impasse.

Without waiving the rights of any of the employees represented by ABMEI to continue to maintain that position and to retain their vested rights, ABMEI agrees that it will continue to discuss issues regarding these benefits with the City, including impact upon current employees of any proposed second or different tier of benefits to future employees, the City's view of its legal authority to negotiate changes to these vested rights, as well as a possible opt-in to second tier benefits, if established for new employees (at the employee's sole discretion).

The City and ABMEI agree to continue to meet and confer on pension benefits and retiree healthcare benefits for future employees.

This Agreement is tentative and shall become effective only as part of the overall agreement on, and only during the term of, a successor agreement between the City and ABMEI.

ABMEI PROPOSAL: SIDE LETTER LANGUAGE

LAYOFF

The City or the Association of Building, Mechanical, and Electrical Inspectors (ABMEI) may provide notice to the other of its request to discuss modifications to the City's layoff process and procedure, including the provisions of the Layoff article in the Memorandum of Agreement. Upon such notice, the parties agree to commence discussions within 15 days after the City or ABMEI receives notice from the other.

This Agreement is tentative and shall become effective only as part of the overall agreement on, and only during the term of, a successor Memorandum of Agreement.

ABMEI PROPOSAL: SIDE LETTER LANGUAGE

SUPPLEMENTAL RETIREE BENEFIT RESERVE (SRBR)

ABMEI maintains that the rights of current employees with regard to supplemental retiree benefit reserve (SRBR) are vested rights and are not within the scope of bargaining, nor are changes thereto within the City's ability to impose after impasse.

Without waiving the rights of any of the employees represented by ABMEI to continue to maintain that position and to retain their vested rights, ABMEI agrees that it will continue to discuss issues regarding these benefits with the City and the City's view of its legal authority to negotiate changes to these vested rights.

The City and ABMEI agree to continue to meet and confer on supplemental retiree benefit reserve (SRBR) for future employees.

This Agreement is tentative and shall become effective only as part of the overall agreement on, and only during the term of, a successor Memorandum of Agreement.

ABMEI PROPOSAL: SIDE LETTER LANGUAGE

SUBSIDY FOR PUBLIC TRANSIT

The City and the Association of Building, Mechanical, and Electrical Inspectors (ABMEI) agree to discuss the programs available to employees that provide subsidy for public transit. Discussions shall include, but not be limited to, modifications to the programs, voucher amounts and elimination of the programs. The parties agree to commence discussions within 15 days after the City or ABMEI receives notice from the other.

This Agreement is tentative and shall become effective only as part of the overall agreement on, and only during the term of, a successor agreement between the City and ABMEI.

ABMEI PROPOSAL: SIDE LETTER LANGUAGE

SICK LEAVE PAYOFF

ABMEI maintains that the rights of current employees with regard to sick leave payout upon retirement vested on the day that they were hired and are vested rights and are not within the scope of bargaining, nor are changes thereto within the City's ability to impose after impasse.

Without waiving the rights of any of the employees represented by ABMEI to continue to maintain that position and to retain their vested rights, ABMEI agrees that it will continue to discuss issues regarding these benefits with the City.

The City and ABMEI agree to continue to meet and confer on sick leave payout for future employees.

This Agreement is tentative and shall become effective only as part of the overall agreement on, and only during the term of, a successor agreement between the City and ABMEI.

ABMEI PROPOSAL: SIDE LETTER LANGUAGE

TRAINING

Purpose

The City and ABMEI recognize the importance of continuing education and the diverse technical training needs of members of the Association of Building, Mechanical and Electrical Inspectors. Therefore, the City shall endeavor to provide employees forty (40) hours of training per fiscal year.

ABMEI shall make recommendations regarding training needs and advise department management and the training committee of specific training opportunities. Employees shall be compensated as specified below for attendance at training.

Hours, Attendance and Compensation

1. Employees shall be provided a minimum of twenty-four (24) hours of technical training per fiscal year, as is relevant to each inspector. Such training shall be scheduled during non-regular work time and compensation for participation in such training shall be as follows:
   - 1.1 The first sixteen (16) hours shall be compensated with pay at the appropriate rate.
   - 1.2 The following eight (8) hours shall be compensated with either pay or compensatory time at the appropriate rate. The department shall determine which method of compensation will be utilized based on the department's ability to pay.
   - 1.3 Attendance at training scheduled during the employee's regularly scheduled time off is voluntary. Employees who do not attend the training sessions shall not receive compensation.
2. Sixteen (16) hours of training may be scheduled at the discretion of the City either during the employee's normal schedule or during regularly scheduled time off.

Trainers

If current ABMEI members are selected to conduct training, they shall be allowed a reasonable amount of release time to prepare training material for each class. If release time is not feasible, a reasonable amount of overtime shall be paid for class preparation.