CITY OF SAN JOSE AND AEA (Unit 43)
CITY PACKAGE PROPOSAL "C"

PERIOD OF MEMORANDUM OF AGREEMENT

July 1, 2011 – June 30, 2013 (See attached)

WAGES

See attached

HEALTHCARE COST SHARING

See attached

HEALTHCARE CO-PAYS

See attached

HEALTH AND DENTAL IN LIEU

See attached

HEALTHCARE DUAL COVERAGE

See attached

SIDE LETTERS

- Retirement Benefits for current and new employees (See attached)
- Layoff (See attached)
- Supplemental Retiree Benefit Reserve (SRBR) (See attached)
- Subsidy for Public Transit (See attached)
- Sick Leave Payout (See attached)
- Contracting Out (See attached)
- Grievance – Fiscal Year 2010-2011 Additional Retirement Contributions (See attached)

DISABILITY LEAVE SUPPLEMENT

See attached

VACATION SELLBACK

See attached

REOPENER

In the event that the City reaches a settlement with any other employee unit covering the time period of this Agreement that has an ongoing total compensation reduction of less than ten percent (10%), in any form or manner, this agreement will reopen on the subject of total compensation and the parties will meet and confer to determine how the difference between a 10% ongoing total compensation reduction and the lesser amount agreed to with any other employee unit will be provided.

This provision will also apply in the event the City reaches a settlement which does not include the roll back of any general wage increase (not including any step and/or merit increases), as authorized by the City Council on November 25, 2010, received by any employee unit in Fiscal Year 2010-2011.

This provision will not apply to any changes made to any employee unit which occurs as the result of an interest arbitration award that is the result of contested issues resolved only via a full evidentiary hearing and substantive briefing.

This proposal is submitted in an attempt to reach a settlement. In the event the proposal is not accepted, the City reserves the right to modify, amend and/or add proposals.

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.

This contract expires on June 30, 2013. It is mutually agreed that the first meeting of the parties will be held no later than fifteen (15) calendar days after the City or Association receives notice from the other, which may be any date after January 1 of the year in which the current contract terminates.

This language is intended to replace the language in:

- *Article 2 of the AEA (43) Memorandum of Agreement*

CITY PROPOSAL – WAGES

Proposed Language:

Effective June 26, 2011, all salary ranges for employees holding positions in classifications assigned to **[Union]** shall be decreased by approximately 10.1%. This will result in the top and bottom of the range of all classifications represented by **[Union]** being 10.1% lower. All employees will receive a 10.1% base pay reduction.

This language is intended to replace the language in:

- *Article 10.1 through Article 10.1.6 of the AEA (Unit 41/42) Memorandum of Agreement.*
- *Article 10.1 through Article 10.1.6 of the AEA (Unit 43) Memorandum of Agreement.*
- *The section entitled "Salary/Additional Retirement Contributions" in the AMSP Benefit & Compensation Summary*
- *The section entitled "Salary/Additional Retirement Contributions" in the CAMP Benefit & Compensation Summary*

Note:

The City will "undo" one-time and ongoing additional employee retirement contributions that offset the City's retirement contribution rates and stop "one-time" base rate concessions made in Fiscal Year 2010-2011 effective June 25, 2011.

CITY PROPOSAL – HEALTHCARE COST SHARING

Proposed Language:

Effective pay date July 1, 2011, the City pays eighty-five percent (85%) of the cost of the lowest priced plan for the employee or the employee and dependent coverage and the employee pays fifteen percent (15%) of the premium for the lowest priced plan. If the employee selects a plan other than the lowest priced plan, the employee pays the difference between the total cost of the selected plan and the City's contribution towards the lowest priced plan.

This language shall be added under:

- *Article 11.1.2 of the AEA Memorandum of Agreement, Units 41/42 (replaces current Articles 11.1.2, 11.1.3 and 11.1.4)*
- *Article 11.1.2 of the AEA Memorandum of Agreement, Unit 43 (replaces current Articles 11.1.2, 11.1.3 and 11.1.4)*
- *Health Insurance Section of the CAMP Compensation Summary (previous references to cost sharing will be deleted)*
- *Health Insurance Section of the AMSP Compensation Summary (previous references to cost sharing will be deleted)*

CITY PROPOSAL – HEALTHCARE CO-PAYS

Proposed Language:

Effective pay date July 1, 2011, a $25 Co-pay plan shall be implemented for all HMO plans, including the following changes:

a. Office Visit Co-pay shall be increased to $25
b. Prescription Co-pay shall be increased to $10 for generic and $25 for brand name
c. Emergency Room Co-pay shall be increased to $100
d. Inpatient/Outpatient procedure Co-pay shall be increased to $100

This language shall be added under:

- *Article 11.1.5 of the AEA Memorandum of Agreement, Units 41/42 (replaces current Article 11.1.5)*
- *Article 11.1.5 of the AEA Memorandum of Agreement, Unit 43 (replaces current Article 11.1.5)*
- *Health Insurance Section of the CAMP Compensation Summary (previous references to co-pays will be deleted)*
- *Health Insurance Section of the AMSP Compensation Summary (previous references to co-pays will be deleted)*

CITY PROPOSAL – HEALTH AND DENTAL IN LIEU

Proposed Language:

Effective pay date July 1, 2011, employees who qualify for and participate in the payment in-lieu of health and/or dental insurance program will receive the following per pay period:

	Health in-lieu	Dental in-lieu
If eligible for family coverage	$221.84	$19.95
If NOT eligible for family coverage	$89.09	$19.95

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 shall be added under:

- *Article 11.3.2 of the AEA Memorandum of Agreement, Units 41/42 (replaces current Article 11.3.2)*
- *Article 11.3.2 of the AEA Memorandum of Agreement, Unit 43 (replaces current Article 11.3.2)*
- *Health and Dental In Lieu Section of the CAMP Compensation Summary*
- *Health and Dental In Lieu Section of the AMSP Compensation Summary*

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 11.1.6 of the AEA Memorandum of Agreement (Units 41/42) as a new Section*
- *Article 11.1.6 of the AEA Memorandum of Agreement (Unit 43) as a new Section*
- *Health Insurance Section of the CAMP Compensation Summary*
- *Health Insurance Section of the AMSP Compensation Summary*

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 11.2.3 of the AEA Memorandum of Agreement (Units 41/42) as a new Section*
- *Article 11.2.3 of the AEA Memorandum of Agreement (Unit 43) as a new Section*
- *Dental Insurance Section of the CAMP Compensation Summary*
- *Dental Insurance Section of the AMSP Compensation Summary*

Side Letter Agreement

BETWEEN

THE CITY OF SAN JOSE

and

ASSOCIATION OF ENGINEERS AND ARCHITECTS, IFPTE LOCAL 21
(AEA Unit 43)

RETIREMENT REFORM

The City and the Association of Engineers and Architects, IFPTE Local 21 Unit 43 agree to continue meeting and conferring on pension and retiree healthcare benefits for current and future employees, including but not limited to healthcare benefits. The negotiations may include modification of healthcare (medical and dental) plans available to current employees, including but not limited to plan design.

Either the City or AEA Unit 43 may provide notice to the other of its request to continue to meet and confer. Upon such notice, the parties shall continue these negotiations within ten (10) calendar days after the City or AEA Unit 43 receives notice from the other. The City and AEA Unit 43 shall continue to meet and confer in good faith in an effort to reach a mutual agreement.

If the parties are at impasse and no agreement is reached, either party may invoke the impasse procedures in accordance with the applicable provisions under the Employer-Employee Relations Resolution No. 39367. The parties understand that this means that, notwithstanding any other provision in any successor Memorandum of Agreement, the City will have the right to unilaterally implement in the event that no agreement is reached at the conclusion of negotiations and mandatory impasse procedures. In such event, neither party waives any legal rights.

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 AEA Unit 43.

FOR THE CITY:

Aracely Rodriguez Date
Office of Employee Relations

FOR AEA Unit 43:

Nancy Ostrowski Date
Association of Engineers and Architects,
IFPTE Local 21 (AEA Unit 43)

Side Letter Agreement

BETWEEN

THE CITY OF SAN JOSE

and

ASSOCIATION OF ENGINEERS AND ARCHITECTS, IFPTE LOCAL 21
(AEA Unit 43)

LAYOFF

The City or the Association of Engineers and Architects, IFPTE Local 21 (AEA Unit 43) may provide notice to the other of its request to meet and confer on 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 shall meet within ten (10) calendar days after the City or AEA Unit 43 receives notice from the other. The City and AEA Unit 43 shall meet and confer in good faith in an effort to reach a mutual agreement. If the parties are at impasse and no agreement is reached, either party may invoke the impasse procedures in accordance with the applicable provisions under the Employer-Employee Relations Resolution No. 39367. The parties understand that this means that, notwithstanding any other provision in any successor Memorandum of Agreement, the City will have the right to unilaterally implement in the event that no agreement is reached at the conclusion of negotiations and mandatory impasse procedures.

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.

FOR THE CITY:

Aracely Rodriguez Date
Office of Employee Relations

FOR AEA Unit 43:

Nancy Ostrowski Date
Association of Engineers and Architects,
IFPTE Local 21 (AEA Unit 43)

Side Letter Agreement

BETWEEN

THE CITY OF SAN JOSE

and

ASSOCIATION OF ENGINEERS AND ARCHITECTS, IFPTE LOCAL 21
(AEA Unit 43)

SUPPLEMENTAL RETIREE BENEFIT RESERVE (SRBR)

The City and the Association of Engineers and Architects, IFPTE Local 21 (AEA Unit 43) agree to discuss the Supplemental Retiree Benefit Reserve (SRBR) program in the Federated City Employees' Retirement System.

Either the City or AEA Unit 43 may provide notice to the other of its request to discuss the SRBR program. Upon such notice, the parties shall continue these discussions within ten (10) calendar days after the City or AEA Unit 43 receives notice from the other.

To the extent that any change to the SRBR program is a mandatory subject of bargaining, the City and AEA Unit 43 shall meet and confer in good faith in an effort to reach a mutual agreement. If the parties are at impasse and no agreement is reached on those issues that are a mandatory subject of bargaining, either party may invoke the impasse procedures in accordance with the applicable provisions under the Employer-Employee Relations Resolution No. 39367. The parties understand that this means that, notwithstanding any other provision in any successor Memorandum of Agreement, the City will have the right to unilaterally implement in the event that no agreement is reached at the conclusion of negotiations and mandatory impasse procedures.

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.

FOR THE CITY:

Aracely Rodriguez Date
Office of Employee Relations

FOR AEA Unit 43:

Nancy Ostrowski Date
Association of Engineers and Architects,
IFPTE Local 21 (AEA Unit 43)

Side Letter Agreement

BETWEEN

THE CITY OF SAN JOSE

and

ASSOCIATION OF ENGINEERS AND ARCHITECTS, IFPTE LOCAL 21
(AEA Unit 43)

SUBSIDY FOR PUBLIC TRANSIT

The City and the Association of Engineers and Architects, IFPTE Local 21 (AEA Unit 43) 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.

Either the City or AEA Unit 43 may provide notice to the other of its request to discuss the programs available to employees that provide subsidies for public transit. Upon such notice, the parties shall continue these discussions within ten (10) calendar days after the City or AEA Unit 43 receives notice from the other.

To the extent that any change to the programs may be a mandatory subject of bargaining, the City and AEA Unit 43 shall meet and confer in good faith in an effort to reach a mutual agreement. If the parties are at impasse and no agreement is reached, either party may invoke the impasse procedures in accordance with the applicable provisions under the Employer-Employee Relations Resolution No. 39367. The parties understand that this means that, notwithstanding any other provision in any successor Memorandum of Agreement, the City will have the right to unilaterally implement in the event that no agreement is reached at the conclusion of negotiations and mandatory impasse procedures.

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 AEA Unit 43.

FOR THE CITY:

Aracely Rodriguez Date
Office of Employee Relations

FOR AEA Unit 43:

Nancy Ostrowski Date
Association of Engineers and Architects,
IFPTE Local 21 (AEA Unit 43)

Side Letter Agreement

BETWEEN

THE CITY OF SAN JOSE

and

ASSOCIATION OF ENGINEERS AND ARCHITECTS, IFPTE LOCAL 21
(AEA Unit 43)

SICK LEAVE PAYOUT

The City and the Association of Engineers and Architects, IFPTE Local 21 (AEA Unit 43) agree to continue meeting and conferring on sick leave payout (Article 8.4 through Article 8.4.1.6) for current and future employees.

Either the City or AEA Unit 43 may provide notice to the other of its request to meet and confer. Upon such notice, the parties shall continue these negotiations within ten (10) calendar days after the City or AEA Unit 43 receives notice from the other. The City and AEA Unit 43 shall meet and confer in good faith in an effort to reach a mutual agreement. If the parties are at impasse and no agreement is reached, either party may invoke the impasse procedures in accordance with the applicable provisions under the Employer-Employee Relations Resolution No. 39367. The parties understand that this means that, notwithstanding any other provision in any successor Memorandum of Agreement, the City will have the right to unilaterally implement in the event that no agreement is reached at the conclusion of negotiations and mandatory impasse procedures.

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 AEA Unit 43.

FOR THE CITY:

Aracely Rodriguez Date
Office of Employee Relations

FOR AEA Unit 43:

Nancy Ostrowski Date
Association of Engineers and Architects,
IFPTE Local 21 (AEA Unit 43)

Side Letter Agreement

BETWEEN

THE CITY OF SAN JOSE

and

THE ASSOCIATION OF ENGINEERS AND ARCHITECTS, IFPTE LOCAL 21
(AEA Unit 43)

CONTRACTING OUT

The City agrees to meet and confer with AEA Unit 43 prior to contracting out work currently performed by bargaining unit members whenever such contracting out would result in material reduction of work done by bargaining unit members or would have significant adverse impact on bargaining unit work. It is agreed that position reductions, which result in lay-off of employees in the bargaining unit constitute significant impact on bargaining unit work.

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 AEA Unit 43.

FOR THE CITY:

Aracely Rodriguez Date
Office of Employee Relations

FOR AEA:

Nancy Ostrowski Date
Association of Engineers and Architects,
IFPTE Local 21 (AEA Unit 43)

Side Letter Agreement

BETWEEN

THE CITY OF SAN JOSE

and

ASSOCIATION OF ENGINEERS AND ARCHITECTS, IFPTE LOCAL 21
(AEA Unit 43)

GRIEVANCE

On October 21, 2010, the Association of Engineers and Architects, IFPTE Local 21 (AEA Unit 43), filed a grievance and advanced it to arbitration related to the additional retirement contributions being made by employees represented by AEA Unit 43. Per the agreement for Fiscal Year 2010-2011 between the City and AEA Unit 43, employees represented by AEA Unit 43 were to make additional retirement contributions to reduce the City's required retirement contributions as part of a total compensation reduction. As the additional retirement contributions to be made by employees represented by AEA Unit 43 could not be immediately implemented, AEA Unit 43 subsequently challenged the additional retirement contributions as calculated by the City.

As part of the overall agreement on a successor Memorandum of Agreement, AEA Unit 43 agrees to withdraw the grievance that was advanced to arbitration with regard to the additional retirement contributions with prejudice and forego any other remedy, including, but not limited to, litigation regarding the additional retirement contributions as calculated by the City.

This Agreement is tentative and shall become effective only as part of the overall agreement on a successor agreement between the City and AEA Unit 43.

FOR THE CITY:

Aracely Rodriguez Date
Office of Employee Relations

FOR AEA Unit 43:

Nancy Ostrowski Date
Association of Engineers and Architects,
IFPTE Local 21 (AEA Unit 43)

CITY PROPOSAL – DISABILITY LEAVE SUPPLEMENT

Proposed Language:

8.6 Disability Leave

8.6.1 Disability Leave Supplement Disability Leave Supplement (DLS) is the benefit provided pursuant to this Article, which, when added to Workers' Compensation Temporary Disability (WCTD) results in providing employees 85% of their regular base salary. Effective June 24, 2012, employees shall no longer be eligible to receive DLS.

8.6.2 Eligibility for Disability Leave Supplement A full-time employee who is required to be absent from work due to a job-related injury or industrial illness who receives WCTD payments pursuant to Division I or Division 4 of the California Labor Code is eligible for DLS, excluding ineligible causes listed in Section 8.6.4. In the event an employee is not eligible for WCTD payments because of the statutory waiting period, DLS shall not be paid for such a waiting period. The employee may use sick leave to cover the waiting period.

8.6.2.1 After the initial three day waiting period has been met, and the employee otherwise qualifies for DLS, the employee may utilize DLS for absences required for medical visits related to the injury after his/her return to work if he/she is unable to schedule such visits on non-work hours. DLS for such intermittent absences is subject to authorization by the Workers' Compensation Section. In no event may DLS exceed the limit specified in Section 8.6.6.

8.6.3 Eligibility for Disability Leave Supplement Linked to Temporary Disability If the Workers' Compensation Appeals Board of the State of California or any judicial court should determine that the employee is not entitled to Temporary Disability (WCTD) compensation, the employee shall not be entitled to Disability Leave Supplement (DLS) benefits. Under such circumstances, any DLS moneys paid to the employee by the City must be returned to the City within one year.

8.6.4 Ineligible Causes for Disability Leave An employee shall not be eligible for disability leave, and shall not receive DLS if the injury or illness that causes the absence results from:

- An act of gross negligence of such employee
- Any work voluntarily undertaken by employee from which he/she has been prohibited from engaging in as determined by a City physician, prior to the date of injury.

8.6.5 Ineligibility if Offer and Decline of Modified Duty DLS shall not be provided if the City offers the employee employment at identical or similar salary, within the employee's medical limitations, and the employee refuses or fails to accept duty for which he/she is physically qualified.

8.6.6 Maximum Term of Disability Leave Supplement The employee will receive DLS benefits equal to the amount of money which, when added to the WCTD equals 85% of what the employee would have earned at the position from which he/she is disabled for one of the following time periods, whichever is shortest:

- The time the employee is medically required to be absent due to a work-related injury or illness, after the required three day waiting period.

- The period of time WCTD is payable to the employee under the Workers' Compensation provisions of Division 1 or Division 4 of the Labor Code of the State of California.

- Effective June 26, 2011, an employee will be eligible to receive DLS for a maximum of three (3) months (or 520 hours if not continually absent) for any current or future work-related injury or illness. Any employee who has exceeded three (3) months (or 520 hours if not continually absent) as of June 26, 2011, will no longer be eligible to receive DLS.

8.6.7 Time Limit for DLS Eligibility Effective June 26, 2011, after 520 hours of DLS, the employee is entitled to no additional compensation for the injury or illness. No employee shall be eligible for DLS five (5) years after the date of the onset of the injury or illness for which he/she is claiming DLS.

8.6.8 Disability Leave Supplement is in Lieu of Regular Compensation Employees who receive WCTD and DLS compensation do not receive their regular salary. DLS as described in this Article is in lieu of regular compensation.

8.6.9 Requirement of Evidence Proving Temporary Disability The Director of Finance is responsible for determining eligibility for DLS. In making this determination, the Director may require the employee to provide proof of injury or illness, proof that the injury or illness will last, and proof of other relevant matters as determined by the Director. The Director may require the employee to submit to a medical examination by a physician selected by the City.

8.6.10 Termination of Disability Leave An employee who is unable to return to full time regular duty following the expiration of any and all leave provided in this Article and the integration of accrued vacation and of Sick Leave as

provided in Section 8.3 and with Workers' Compensation may be separated from City service.

8.6.11 Integration After the maximum time limit specified in Article 8.6.6, the integration of an employee's available leave will occur in the following order: (1) accrued Vacation hours, and (2) accrued Sick Leave once Vacation has been exhausted.

- In no event shall an employee receive an amount, including any Workers' Compensation Temporary Disability payments, in excess of the employee's regular base salary.

This language is intended to:

- *Replace Article 8.6 through Article 8.6.10, and eliminate Article 8.3.3 and Article 8.3.5, in the AEA (Units 41/42) Memorandum of Agreement.*
- *Replace Article 8.6 through Article 8.6.10, and eliminate Article 8.3.3 and Article 8.3.5, in the AEA (Unit 43) Memorandum of Agreement.*

CITY PROPOSAL – VACATION SELLBACK

Proposed Language:

Effective December 24, 2011, the Vacation Sellback program is eliminated.

Employees shall not be allowed to accrue vacation in excess of two (2) times their annual vacation accrual rate. Once the maximum accumulation has occurred, vacation will cease to accrue until the employee's vacation balance has fallen under their maximum vacation accrual amount. Any employee who is already above two (2) times their annual vacation rate will cease from accruing vacation until they have used enough vacation to bring them below their maximum accrual amount.

This language is intended to replace the language in:

- *Article 8.2.2 of the AEA (Unit 41/42) Memorandum of Agreement*
- *Article 8.2.2 of the AEA (Unit 43) Memorandum of Agreement*