PERIOD OF MEMORANDUM OF AGREEMENT

July 1, 2011 – June 30, 2012 (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

VACATION SELLBACK

See Attached

SICK LEAVE PAYOUT

See Attached

DISABILITY LEAVE

See Attached

HOLIDAY CLOSURE

See Attached

RELEASE TIME

See Attached

COST OF REQUESTING LIST OF ARBITRATORS

See Attached

CONTRACTING OUT

TBD

VACATION HOUSEKEEPING

See Attached

HOUSEKEEPING

See Attached

SIDE LETTERS

- Retirement Benefits for current and new employees
- Layoff
- Supplemental Retiree Benefit Reserve (SRBR)
- Subsidy for Public Transit

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, 2012. 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, 2012. 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*
- *Article 5.1 through Article 5.1.6 of the IBEW Memorandum of Agreement*

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 5.5.1 of the IBEW Memorandum of Agreement (replaces current Article 5.5.1)*
- *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 5.5.2 of the IBEW Memorandum of Agreement (replaces current Article 5.5.2)*
- *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 5.5.4.2 of the IBEW Memorandum of Agreement (replaces current Article 5.5.4.2)*
- *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 5.5.5 of the IBEW Memorandum of Agreement as a new Section*
- *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*
- *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 5.6.2 of the IBEW Memorandum of Agreement as a new Section*
- *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*
- *Article 5.4.1 of the ABMEI Memorandum of Agreement (replaces Section 5.4.1)*

CITY PROPOSAL – VACATION SELLBACK

Proposed Language:

Effective June 26, 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*

CITY PROPOSAL – SICK LEAVE PAYOUT

Proposed Language

Effective July 1, 2011, no employee shall be eligible for a sick leave payout.

This language is intended to replace the language in:

- *Articles 18.2 through 18.4 of the ABMEI Memorandum of Agreement, in addition to any other changes approved by City Council on April 27, 2010, via the Sick Leave Payout proposal in the City's Last, Best and Final Offer.*
- *Articles 8.4 through 8.4.1.6 of the AEA (Unit 41/42) Memorandum of Agreement.*
- *Articles 8.4 through 8.4.1.6 of the AEA (Unit 43) Memorandum of Agreement.*
- *The section entitled "Sick Leave Payout" in the AMSP Benefit and Compensation Summary.*
- *The section entitled "Sick Leave Payout" in the CAMP Benefit and Compensation Summary.*
- *Articles 18.2 through 18.5 of the IBEW Memorandum of Agreement.*

CITY PROPOSAL – DISABILITY LEAVE SUPPLEMENT

Effective June 26, 2011, Disability Leave Supplement (DLS) is eliminated. Any employee receiving DLS as of June 25, 2011, will no longer be eligible to receive DLS starting June 26, 2011. Employees will only be eligible to receive Workers' Compensation Temporary Disability.

The following Articles shall be eliminated:

- *Article 19 through Article 19.9.1, and Article 18.1.3.1 through Article 18.1.3.2, of the ABMEI Memorandum of Agreement, in addition to any other changes approved by City Council on April 27, 2010, via the Disability Leave Supplement proposal in the City's Last, Best and Final Offer.*
- *Article 8.6 through Article 8.6.10, Article 8.3.3, and Article 8.3.5, in the AEA (Units 41/42) Memorandum of Agreement.*
- *Article 8.6 through Article 8.6.10, Article 8.3.3, and Article 8.3.5, in the AEA (Unit 43) Memorandum of Agreement.*
- *The section entitled "Disability Leave" in the AMSP Benefit and Compensation Summary.*
- *The section entitled "Disability Leave" in the CAMP Benefit and Compensation Summary.*
- *Article 19 through Article 19.10.1, Article 18.1.2.1, and Article 18.1.2.3 of IBEW Memorandum of Agreement.*

CITY PROPOSAL – HOLIDAY CLOSURE

Proposed Language:

The City Manager or designee may determine that all non-essential City operations close for a Holiday Closure during the Christmas and New Year's holiday. In such event, employees shall be encouraged to take time off; however, it shall not be a requirement.

If a department participates in the Holiday Closure and the employee elects to participate in the Holiday Closure using the Holiday Closure payroll code, the employee will be required to pay retirement contributions on any Holiday Closure hours and will not accrue vacation or sick leave while taking Holiday Closure time off.

Employees will continue to accrue seniority while using the Holiday Closure payroll code as though they were at work.

This language is intended to replace the language in:

- *Articles 16.7 and 16.7.1 of the ABMEI Memorandum of Agreement*
- *Articles 16.7 of the IBEW Memorandum of Agreement*

This language shall be added as:

- *Article 8.1.4 of the AEA (Unit 41/42) Memorandum of Agreement*
- *Article 8.1.4 of the AEA (Unit 43) Memorandum of Agreement*
- *Holiday Closure in the CAMP Benefit and Compensation Summary*
- *Holiday Closure in the AMSP Benefit and Compensation Summary*

CITY PROPOSAL – RELEASE TIME

Proposed Language

City Paid Union Release Time (URT). The designated bargaining unit representative(s) shall use the City Paid Union Release Time (URT) payroll code for any paid time off eligible for release time from regular City duties to attend authorized meetings. The designated bargaining unit representative(s) shall not receive compensation for meetings that may occur outside their regular work hours, inclusive of any unpaid lunch period.

This language shall be added as:

- *New Article 31.1 of the ABMEI Memorandum of Agreement*
- *Article 6.3.2.3 of the AEA (Unit 41/42) Memorandum of Agreement*
- *Article 6.3.3 of the AEA (Unit 43) Memorandum of Agreement*
- *New section entitled "Release Time" in the AMSP Benefit and Compensation Summary*
- *New section entitled "Release Time" in the CAMP Benefit and Compensation Summary*
- *Article 12.8.10 of the IBEW Memorandum of Agreement*

CITY PROPOSAL – ARBITRATION COST OF REQUESTING LIST OF ARBITRATORS

Proposed Language:

The parties may mutually agree upon the selection of the arbitrator or the (Employee Organization/Union/Organization) shall request from the State of California Conciliation Service, to provide a list of seven (7) persons qualified to act as arbitrators. The (Employee Organization/Union/Organization) shall notify the Municipal Employee Relations Officer that such request is being made.

Any costs associated with obtaining a list from the State of California Conciliation Service shall be paid by the (Employee Organization/Union/Organization).

This language is intended to replace the language in:

- *Article 12.6.3 of the ABMEI Memorandum of Agreement*
- *Article 18.3.4.3 of the AEA (Units 41/42) Memorandum of Agreement*
- *Article 18.3.4.3 of the AEA (Unit 43) Memorandum of Agreement*
- *Article 12.6.3 of the IBEW Memorandum of Agreement*

CITY PROPOSAL – VACATION HOUSEKEEPING

Proposed Language:

8.2.1 Vacation accrues at the following rate for each paid hour (either worked or paid absence or holiday closure):

- 1-5 years of service = 120 hours annually for full-time employees
- 6-14 years of service = 160 hours annually for full-time employees
- 15+ years of service = 200 hours annually for full-time employees

This language is intended to replace the language in:

- *Article 8.2.1 and Article 8.2.3 of the AEA (Unit 43) Memorandum of Agreement.*

CITY PROPOSAL – HOUSEKEEPING

Proposed Language:

Table of Contents
Replace "Maintenance of Membership" with "Maintenance in Membership"

Eliminate Article 3.1.5 through Article 3.1.5.3

Article 10.3.3
Remove "which is at least two (2) salary rates (steps) higher in the salary range schedule"

Article 11.6
Replace "Section 4.3.2" with "Section 4.3.3"

Eliminate Article 12 through Article 12.5

Article 17.1
Replace "salary step reduction" with "salary reduction"

Article 17.2
Replace "Step Reduction" with "Salary Reduction"

Eliminate Article 20.3

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.

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.

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 41/42)

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 41/42)

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)