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San Jose Police Officers' Association's Initial Proposals for Successor Memorandum of Agreement – April 25, 2011

1. Article 1 (Term): Amend Article 1.1 as follows: "This Memorandum of Agreement (hereinafter, "Agreement") shall become effective July 1, 2011~~10~~, except where otherwise provided, and shall remain in effect through June 30, 2013~~11~~.

2. Article 5 (Wages and Premium Pay): Delete Current Section 5.1, and replace it with the following: Effective July 1, 2011, all persons represented by the SJPOA shall receive a wage decrease of 8%. Effective June 30, 2013, all persons represented by the SJPOA shall receive a wage increase of 3%. The amount represented by this wage concession expressly takes into account two factors: (1) the SJPOA was the first bargaining unit representative to commence, two years ago, contributions toward pre-funding of the full Annual Required Contribution (ARC) for the police retiree healthcare benefits Plan (*see* Article 50) up to 10% of pensionable pay over a five-year period; and (2) the SJPOA did not proceed to arbitration under City Charter Section 1111 for the purpose of seeking a retirement benefit equivalent to that ultimately won by the bargaining unit representative for the firefighters pursuant to Section 1111 arbitration but, instead, voluntarily entered into an Agreement with the City that contained a retirement benefit which, compared to that ultimately won by the firefighters, was and is of less value.

3. Article 22 (Layoffs): Amend Section 22.6.5 as follows: "In no event shall the names of any person laid off pursuant to the provisions of this Article remain on a reinstatement eligible list for a period longer than thre~~ctwo~~ years from the effective date of such person's most recent layoff.

4. Article 31 (Sick Leave): Amend Section 31.2.5.3 as follows: "If a full time employee at the time of his/her service retirement or upon the employee's death has 1200 hours or greater of earned unused sick leave, he/she, or his/her estate, shall be paid a sum of money equal to 100% percent of his/her hourly rate at the time of his/her death or service retirement, whichever is earlier, multiplied by 1200~~the total number of his/her accumulated and unused~~ hours of sick leave as of the date of his/her death or retirement. The City Agrees to indemnify the Association as to any liability arising solely from the implementation of Section 31.2.5.3. The indemnification also extends to the act of Association's cooperation in the defense of this section before any forum.

5. Article 35 (Maintenance of Membership): Add "Agency Shop" provision (precise language to be negotiated).

6. Article 49 (Retirement): Add new section creating new, optional tier for current employees of lesser retirement benefits (precise language to be negotiated): 80% of final average salary (3% after 20 years of service), final three-year average for

pensionable salary, and 2% COLA. Current estimate of cost savings is 87.2 million dollars amortized over 16 years and 109.9 million dollars amortized over 30 years, i.e., 6.7 million reduced from City's contribution rate in fiscal year 2012-13, 6.98 million in 2013-14, 7.28 million in 2014-15, 7.59 million in 2015-16, etc. Estimated decrease in electing employees contribution rate of 4.70%.

7. New Article: Recognition of Police Officers' Procedural Bill of Rights Act (precise language to be negotiated).

8. Accept City's proposals regarding civilianization and San Jose International Airport (beginning in second year of MOA).