U→C
4/29/11

San Jose Police Officers' Association's Second Set of Proposals for Successor Memorandum of Agreement – April 29, 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, 2012~~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 10%, which shall sunset on June 30, 2012 (i.e., wages shall return to the levels that were in effect prior to this temporary, one-year wage decrease). 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 three~~two~~ years from the effective date of such person's most recent layoff."

4. Article 31 (Sick Leave): Add new section to provide as follows: Those employees with accumulated sick leave hours eligible for payout as of July 1, 2011, upon future retirement or death, shall have such hours frozen at the levels existing as of July 1, 2011 (although they and all other employees may continue to accrue sick leave hours solely for the purpose of sick leave usage and/or donation to a catastrophic time bank). Those employees shall be entitled to a payout of such frozen, accumulated hours, in accordance with the aforementioned requirements and provisions of this Article, at an hourly rate of pay not to exceed top step of the rank held as of July 1, 2011, i.e., the date upon which the accumulated hours are frozen. No further accumulation of sick leave hours shall be allowed beyond July 1, 2011 for the purpose of a sick leave payout. The City Agrees to indemnify the Association as to any liability arising solely from the implementation of this section. 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. Article 49 (Retirement): Add new section creating new, second tier of retirement benefits for new employees (precise language to be negotiated): 75% of final average salary (2½% per year) with minimum age of retirement set at 55 and final three-year average to determine pensionable salary. 2% COLA.

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

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

U→C 4/29/11

19.4 Although nothing in this Agreement shall preclude the parties from mutually agreeing to meet and confer or negotiate on any subject within the scope of representation during the term of this Agreement, it is understood and agreed that neither party may require the other party to meet and confer or negotiate on the subject matter covered herein or matters raised during main table negotiations. This provision shall not apply to matters covered by the provisions entitled "Consolidated Arbitration," in the Grievance Procedure herein.