COUNCIL AGENDA: 02-15-05
ITEM: 3.7(b)

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Alex Gurza

SUBJECT: See Below

DATE: February 10, 2005

Approved

Date 2/11/05

SUBJECT: AGREEMENT WITH THE ASSOCIATION OF ENGINEERS AND ARCHITECTS, INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS, LOCAL 21 (AEA), UNIT 043

RECOMMENDATION

Adoption of a resolution approving the terms of a Memorandum of Agreement with the Association of Engineers and Architects, International Federation of Professional and Technical Engineers, Local 21, Unit 043, and authorizing the City Manager to execute the agreement with a term of February 1, 2005 through June 30, 2007.

BACKGROUND

On March 25, 2004, the Association of Engineers and Architects (AEA) voted to affiliate with International Federation of Professional and Technical Engineers, Local 21 (IFPTE). In June of 2004, the City and AEA began negotiations on a new Memorandum of Agreement. On February 1, 2005, the City and AEA reached a tentative agreement on a three-year Memorandum of Agreement. The agreement was ratified by the AEA membership on February 4, 2005.

ANALYSIS

The following is a summary of the tentative agreement between the City of San Jose and AEA/IFPTE, Local 21 (Unit 043). This summary highlights the major tentative agreements reached during negotiations. Since the parties negotiated an entirely new contract, the tentative agreement contains many provisions that are similar to other labor contracts.

Summary of the major agreements includes:

Term February 1, 2005 through June 30, 2007.

Wages	Maintain current salaries in effect as of February 1, 2005. 1.5% general wage increase effective July 3, 2005. 3.75% general wage increase effective July 2, 2006.
Professional Development	Effective July 1, 2005, the City will reimburse each employee 100% of expenses incurred, up to $1,400.00 per fiscal year, for textbooks, college accredited courses, non-college accredited courses, Continuing Education units, Adult Education classes, workshops, membership dues in professional associations, professional licenses and professional certificates.
Management Performance Program	For appraisals covering the period of July 1, 2004- June 30, 2005, employees are eligible for performance-based pay increases as outlined in The Management Performance Program, Section 4.02 of the City Policy Manual.
Professional Membership Program	Each employee is eligible for reimbursement for membership fees or dues paid for the maintenance of a license required to perform employee's job and for dues paid for membership in one additional job-related professional association.
Medical Benefits	Effective in January 2006, increase employees' maximum contribution for medical insurance from $25.00 to $50.00 per month. Effective in January 2007, increase employees' maximum contribution for medical insurance from $50.00 to $100.00 per month.
Dental Benefits	Effective in January 2006, introduce a cost sharing for dental benefits that includes 100% City paid for lowest priced plan and 95% City paid, 5% employee paid for other plans.
Health & Dental-In-Lieu	Employees who qualify for and participate in the payment-in-lieu of health and/or dental insurance program will receive 50% of the City's contribution toward their health and/or dental insurance at the lowest cost single or family plan if the employee is eligible for family coverage.
Life Insurance	The City shall pay the full premium for employee coverage equal to two (2) times the employee's annual salary.

Vacation

Vacation accrues at the following rate for each paid hour:

- 1-5 years of service = .05875 (120 hours annually)
- 6-14 years of service = .07750 (160 hours annually)
- 15+ years of service = .09625 (200 hours annually)

Up to 240 hours may be carried over from one calendar year to the next. At the end of each calendar year, employees may sell back up to 80 hours of earned, unused vacation if employee took five (5) consecutive days of vacation and/or holiday leave the previous calendar year.

Executive Leave

Employees will receive forty (40) hours of executive leave per payroll calendar year with supervisor approval. Forty (40) additional hours may be available for recognition of outstanding performance as part of the Management Performance Program, upon Departmental Director approval.

Sick Leave

Sick leave shall accrue in an amount equal to the number of hours worked, excluding overtime, multiplied by a factor of .04616.

Sick Leave Payout

Members of the Federated Retirement System who qualify to receive a payout of a portion of their unused earned sick leave, will receive the payout at the rate of:

- 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

If employee's balance is >1,200 hours, employee is also eligible for a payout of 75% of the value of sick leave in excess of 1,200 hours that is earned but unused during the two years prior to retirement.

Disability Leave

If required to be absent from work due to a work related illness or injury, employees may receive a supplement which, when added to the Workers' Compensation Temporary Disability, equals 85% of the employee's base salary. After 1560 hours (nine months), 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 or she is claiming DLS.

Higher Class Pay Employees, with Department and City Manager approval, may be assigned to work in a higher classification for a period of time not to exceed 12 months and be compensated at a rate that is at least (2) salary rates higher in the salary range schedule, approximately equal to 5%. The employee shall not receive the rate of compensation, unless the assignment is for a minimum of three (3) consecutive months.

PUBLIC OUTREACH

Not applicable.

COORDINATION

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

COST IMPLICATIONS

There is no ongoing increased annual direct cost of this agreement in the first year. The ongoing increased annual direct cost of the 1.5% increase in the second year is $99,017. The ongoing increased annual direct cost of the 3.75% increase, plus an additional .25% in premium pay, in the third year is $268,006. The changes to the health and dental cost-sharing formula will not take effect until January 2006 and January 2007. The actual change to City/employee costs will be based upon the health and dental rates established by the chosen providers for the 2006 and 2007 calendar years, which are not available at this time.

Alex Gurza
Director of Employee Relations