



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Alex Gurza

SUBJECT: SEE BELOW

DATE: May 22, 2009

Approved

Date

5/22/09

SUBJECT: AGREEMENT WITH THE ASSOCIATION OF BUILDING, MECHANICAL AND ELECTRICAL INSPECTORS (ABMEI)

COUNCIL DISTRICT: N/A
SNI AREA: N/A

RECOMMENDATION

Adoption of a resolution approving the terms of an agreement with the Association of Building, Mechanical and Electrical Inspectors (ABMEI) and authorizing the City Manager to execute the agreement with a term of June 28, 2009 to June 27, 2010.

OUTCOME

Adoption of the resolution and authorization to execute this agreement would implement an agreement between the City and ABMEI to reduce the regular work hours for all employees represented by ABMEI by 10% for Fiscal Year 2009-2010. The savings generated from the reduction in work hours will be utilized to save jobs and reduce the number of layoffs for employees represented by ABMEI during Fiscal Year 2009-2010.

BACKGROUND

The City of San Jose has a labor agreement with the bargaining unit, ABMEI. ABMEI represents approximately fifty seven (57) full time positions including, Building Inspectors and Building Inspector Supervisors.

The current Memorandum of Agreement is in effect until December 10, 2009. This Tentative Agreement is a supplement to the full agreement in the form of a side letter. All the terms of the existing MOA will remain in effect except for those that are modified by this side letter which is attached. This Tentative Agreement was ratified by the membership on May 20, 2009.

ANALYSIS

The following is a summary of the Tentative Agreement, attached hereto, between the City of San Jose and ABMEI:

Term

June 28, 2009 through June 27, 2010

- Reduced Work Week** The normal work schedule for full-time employees is forty (40) hours per work week. Effective June 28, 2009, all employees represented by ABMEI will temporarily reduce their regular work week hours by 10% for Fiscal Year 2009-2010.
- Compensation, Leave Accruals and City Seniority** The annual compensation, sick leave accruals, vacation accruals and seniority will be reduced in correlation with the reduced work hours for all employees represented by ABMEI. This means that, employees will earn approximately 10% less wages, sick leave, vacation and City Seniority during Fiscal Year 2009-2010.
- Retirement Contributions** Retirement contributions are paid by employees and the City at the established rates as a percentage of base salary. During the term of this agreement, it is the intent that both the City and the employees represented by ABMEI will continue to make contributions to the Retirement System for all paid hours and all regular hours that employees represented by ABMEI would have worked, but did not as a result of this agreement, which equates to eight (8) hours per pay period. However, this is subject to review by the Federated Retirement Board and the City Attorney's Office.
- Training Side Letter** Exhibit II in the current ABMEI MOA is a side letter agreement to provide twenty-four (24) hours of technical training per fiscal year during non-regular work time. During the term of this agreement, any training will occur during regular work hours and will not result in any employee working additional hours above the reduced work week schedule or overtime.

EVALUATION AND FOLLOW-UP

Staff does not anticipate any follow-up actions necessary at this time.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criterion 2. This memorandum will be posted on the City's website for the June 9, 2009, Council Agenda.

COORDINATION

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

COST IMPLICATIONS

The one-time direct cost savings of the ABMEI agreement is approximately \$565,232. The City's retirement contributions for the hours not worked will be approximately \$104,271 resulting in a net one-time savings of \$460,961.



Alex Gurza
Director of Employee Relations

For questions please contact Alex Gurza, Director of Employee Relations, at (408) 535-8150.

**CITY OF SAN JOSE
AND
ASSOCIATION OF BUILDING, MECHANICAL & ELECTRICAL INSPECTORS
(ABMEI)
REDUCED WORK WEEK TENTATIVE SIDE LETTER AGREEMENT**

Reduced Work Week

1. The normal work schedule for full-time employees is forty (40) hours per work week. Effective June 28, 2009, all employees represented by ABMEI will temporarily reduce their regular work week hours by 10% for Fiscal Year 2009-2010.
2. A 10% reduction in work hours equates to 36 hours per work week. However, employee schedules will include a total of nine (9) work days per pay period. Employees may request any work schedule so long as the weekly scheduled hours do not exceed 40 hours and the total hours equals 72 for the pay period. The Department Director or Designee will have final approval over the regularly scheduled hours of work for each employee.

Healthcare Benefits

3. During this temporary reduction in work hours, employees will continue to receive health and dental insurance in accordance with the current MOA, so as long as the employee works or is in paid status for 36 hours per work week or 72 hours per pay period.

Compensation, Leave Accruals and City Seniority

4. The annual compensation, sick leave accruals, vacation accruals and seniority will be reduced in correlation with the reduced work hours for all employees represented by ABMEI. This means that, employees will earn approximately 10% less wages, sick leave, vacation and City Seniority during Fiscal Year 2009-2010. It is the intent of the parties that no employee shall be authorized or permitted to work hours in excess of this agreement that would result in any one employee earning City Seniority in excess of 72 hours per pay period during Fiscal Year 2009-2010.

Retirement Contributions

5. Retirement contributions are paid by employees and the City at the established rates as a percentage of base salary. During the term of this agreement, it is the intent that both the City and the employees represented by ABMEI will continue to make contributions to the Retirement System for all paid hours and all regular hours that employees represented by ABMEI would have worked, but did not as a result of this agreement, which equates to eight (8) hours per pay period. However, this is subject to review by the Federated Retirement Board and the City Attorney's Office.

**CITY OF SAN JOSE
AND
ASSOCIATION OF BUILDING, MECHANICAL & ELECTRICAL INSPECTORS
(ABMEI)
REDUCED WORK WEEK TENTATIVE SIDE LETTER AGREEMENT**

Training Side Letter Agreement

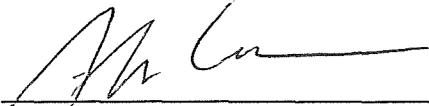
6. Exhibit II in the current ABMEI MOA is a side letter agreement to provide twenty-four (24) hours of technical training per fiscal year during non-regular work time. During the term of this agreement, any training will occur during regular work hours and will not result in any employee working additional hours above the reduced work week schedule or overtime.

Term and Expiration

7. This agreement shall be in effect once it has been both ratified by the ABMEI membership and approved by the City Council, and shall expire June 27, 2010.

FOR THE CITY

FOR THE UNION



Alex Gurza
Director of Employee Relations



Tom Brim
President, ABMEI

5/19/09

Date

5-19-09

Date



Gina Donnelly
Deputy Director of Employee Relations



Patrick Skillsky
Secretary, ABMEI

05/19/09

Date

5-19-09

Date