



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Alex Gurza

SUBJECT: SEE BELOW

DATE: September 4, 2012

Approved

Date

9/4/12

SUBJECT: APPROVAL OF THE TERMS OF AN AGREEMENT ON SICK LEAVE PAYOUT WITH THE ASSOCIATION OF MAINTENANCE SUPERVISORY PERSONNEL, IFPTE LOCAL 21 (AMSP).

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

RECOMMENDATION

Adopt a resolution approving the terms of an agreement on Sick Leave Payout between the City and the Association of Maintenance Supervisory Personnel, International Federation of Professional and Technical Engineers, IFPTE Local 21 (AMSP), effective September 30, 2012.

OUTCOME

Adoption of the resolution and authorization to execute an agreement would result in an agreement between the City of San Jose and the Association of Maintenance Supervisory Personnel, IFPTE Local 21 (AMSP), such that any employee hired on or after September 30, 2012 and represented by AMSP, shall not be eligible for any Sick Leave Payout, and maintaining the current Sick Leave Payout benefit for employees hired on or prior to September 29, 2012 and represented by AMSP, as provided for in the Benefit and Compensation Summary for AMSP, for Fiscal Year 2012-2013. Sick Leave Payout for employees hired on or prior to September 29, 2012, shall be subject to negotiations on successor agreements in 2013.

EXECUTIVE SUMMARY

The City of San Jose and AMSP reached a Tentative Agreement on August 28, 2012, on Sick Leave Payout, such that any employee hired on or after September 30, 2012 and represented by AMSP, shall not be eligible for any Sick Leave Payout. In addition, the current Sick Leave Payout benefit for employees hired on or prior to September 29, 2012 and represented by AMSP, shall remain status quo as provided for in the Benefit and Compensation Summary for AMSP, for Fiscal Year 2012-2013 and shall be subject to negotiations on successor agreements in 2013.

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The City Administration is recommending approval of the Tentative Agreement for Sick Leave Payout, subject to the ratification of the Tentative Agreement by AMSP. AMSP is holding a ratification meeting on September 5, 2012.

BACKGROUND

AMSP currently represents approximately 85 full time budgeted positions. This unit includes employees in classifications such as Maintenance Superintendent and Maintenance Supervisor.

As part of the agreement on a successor Benefit and Compensation Summary with AMSP that achieved a 10% ongoing total compensation reduction and eventual elimination of the Disability Leave Supplement and Vacation Sellback, the City and AMSP agreed to continue negotiations on other reforms that were approved by the City Council, including Sick Leave Payout.

Generally, Sick Leave Payout is a benefit provided to full-time employees whereby the employee, at the time of retirement and credited with at least fifteen (15) years of service in the retirement plan, receives a cash payout equivalent to a percentage of any unused and accrued sick leave based on the terms in the MOA or Benefit and Compensation Summary. It should be noted that, since Sick Leave Payout is a benefit negotiated by bargaining unit, an employee is eligible to receive the Sick Leave Payout (if any) that is available to an employee in the bargaining unit that they are in. For example, if an employee moves to a bargaining unit that does not provide any Sick Leave Payout, then the employee would not be eligible for a Sick Leave Payout. For purposes of Sick Leave Payout, an employee hired by the City on or before September 29, 2012, who subsequently moves into a classification in AMSP on or after September 30, 2012, is not considered a new employee so long as there are no breaks in City service and would thus be eligible for the benefits of AMSP.

Beginning in September 2011, the City engaged in negotiations with a coalition consisting of AMSP, as well as the Association of Engineers and Architects (Unit 41/42 and Unit 43), International Federation of Professional and Technical Engineers, Local 21 (AEA), and the City Association of Management Personnel, IFPTE Local 21 (CAMP), pursuant to the side letters on Sick Leave Payout which were part of the successor agreements with each of these bargaining units.

The City and AMSP, along with AEA and CAMP, were unable to come to an agreement on Sick Leave Payout during negotiations and thus reached impasse. In accordance with the City's relevant impasse procedures, the parties engaged in the mediation process beginning in May 2012.

On or about August 28, 2012, the City and AMSP, along with AEA and CAMP, reached a Tentative Agreement on Sick Leave Payout, specifically to eliminate the benefit for employees hired on or after September 30, 2012, and to maintain the benefit for employees hired on or before September 29, 2012, subject to negotiations for a successor agreement in 2013. The Tentative Agreement is subject to ratification by AMSP.

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ANALYSIS

A complete copy of the Tentative Agreement is attached. The following is a summary of the key provisions:

**Sick Leave Payout
– New Employees** Any employee hired on or after September 30, 2012 and represented by AMSP, shall not be eligible for any Sick Leave Payout.

**Sick Leave Payout
– Current Employees** Sick Leave Payout for employees hired on or prior to September 29, 2012, shall remain status quo as provided for in the Benefit and Compensation Summary for the AMSP. Sick Leave Payout for employees hired on or prior to September 29, 2012, shall be subject to negotiations on successor agreements in 2013.

EVALUATION AND FOLLOW-UP

None.

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)**

While this action does not meet any of the criteria listed, this memorandum was posted on the City's website 14 days in advance of the September 18, 2012, City Council meeting.

COORDINATION

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

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COST IMPLICATIONS

There are no anticipated cost implications for Fiscal Year 2012-2013. There will be long term savings associated with the elimination of Sick Leave Payout for employees hired on or after September 30, 2012, and represented by AMSP.

CEQA

CEQA: Not a Project, File No. PP10-069(b), Personnel Related Decisions.



Alex Gurza
Deputy City Manager

For questions please contact Alex Gurza, Deputy City Manager, at (408) 535-8150.

Attachment

**CITY OF SAN JOSE
AND
ASSOCIATION OF MAINTENANCE SUPERVISORY PERSONNEL, IFPTE LOCAL 21
(AMSP)
TENTATIVE AGREEMENT**

SICK LEAVE PAYOUT

Any employee hired on or after September 30, 2012, shall not be eligible for any Sick Leave Payout.

Sick Leave Payout for employees hired on or prior to September 29, 2012, shall remain status quo as provided for in the Benefit and Compensation Summary for the Association of Maintenance Supervisory Personnel, IFPTE Local 21 (AMSP). Sick Leave Payout for employees hired on or prior to September 29, 2012, shall be subject to negotiations on successor agreements in 2013.

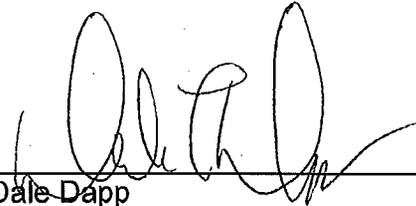
This agreement is still considered tentative and shall not be considered final or binding until ratified by the membership and approved by the City Council. This document sets forth the full agreement of the parties reached during these negotiations on the issue of Sick Leave Payout. Anything not included in this document is not part of the Tentative Agreement.



Alex Gurza
Deputy City Manager

8-28-12

Date



Dale Dapp
President,
Association of Maintenance Supervisory
Personnel, IFPTE Local 21 (AMSP)

8/27/2012

Date



Nancy Ostrowski
Senior Representative,
IFPTE Local 21

Date