



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jennifer Schembri
Margaret McCahan

SUBJECT: SEE BELOW

DATE: June 21, 2018

Approved D. D. S. L. Date 6/21/18

SUBJECT: APPROVAL OF THE TERMS OF AN AGREEMENT WITH THE ASSOCIATION OF BUILDING, MECHANICAL AND ELECTRICAL INSPECTORS (ABMEI), FOR THE TERM OF JULY 1, 2018 THROUGH JUNE 30, 2023

REASON FOR ADDENDUM

The City's collective bargaining agreement with the Association of Building, Mechanical and Electrical Inspectors (ABMEI) expires on June 30, 2018. The City and ABMEI did not reach a tentative agreement on a successor contract until June 19, 2018. The successor contract has been negotiated to commence on July 1, 2018. To ensure that the terms of the agreement on a successor contract are effective on July 1, 2018, this item should be added to the last City Council meeting of Fiscal Year 2017-2018 on June 26th.

RECOMMENDATION

It is recommended that the City Council approve the following action:

- a) Adopt a resolution approving the terms of a collective bargaining agreement between the City and the Association of Building, Mechanical and Electrical Inspectors (ABMEI) for the term of July 1, 2018, through June 30, 2023, and authorizing the City Manager to execute an agreement with those terms.

OUTCOME

Adoption of the resolution and authorization to execute an agreement would result in a collective bargaining agreement between the Association of Building, Mechanical and Electrical Inspectors (ABMEI) and authorize the City Manager to execute an agreement with a term of July 1, 2018, through June 30, 2023, with those terms.

June 21, 2018

Subject: Approval of the terms of an Agreement with the Association of Building, Mechanical and Electrical Inspectors (ABMEI), for the term of July 1, 2018 through June 30, 2023

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BACKGROUND

The City of San Jose's collective bargaining agreement with the Association of Building, Mechanical and Electrical Inspectors (ABMEI) will expire on June 30, 2018. ABMEI currently represents approximately 85 full-time equivalent positions. This unit includes employee job classifications such as Building Inspector Combination, Building Inspector Combination Certified I/II/III/Senior, and Building Inspector Supervisor I/II.

In March 2018, negotiations with ABMEI on a successor agreement commenced, and on or about June 19, 2018, the City and ABMEI reached an overall Tentative Agreement on the terms to be contained in the successor Memorandum of Agreement (MOA) between the City and MEF.

The Tentative Agreement is pending ratification by the ABMEI membership. ABMEI will notify the City of the ratification results prior to the June 26, 2018, City Council meeting.

ANALYSIS

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

Term	July 1, 2018 through June 30, 2023
Ongoing Non-Pensionable Compensation Increase	Effective July 1, 2018, all salary ranges for employees holding positions in classifications assigned to ABMEI shall receive an approximate 5% ongoing non-pensionable compensation increase.
General Wage Increase	<p>Effective June 30, 2019, all salary ranges for employees holding positions in classifications assigned to ABMEI will receive a pensionable base pay increase of approximately 3.0%. This will result in both the top and bottom step of the pay range being increased by approximately 3.0%.</p> <p>Effective June 28, 2020, all salary ranges for employees holding positions in classifications assigned to ABMEI will receive a pensionable base pay increase of approximately 3.0%. This will result in both the top and bottom step of the pay range being increased by approximately 3.0%.</p> <p>Effective the first pay period of Fiscal Year 2021-2022, all salary ranges for employees holding positions in classifications assigned to ABMEI will receive a pensionable base pay increase of approximately 3.0%. This will result in both the top and bottom step of the pay range being increased by approximately 3.0%.</p>

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**General Wage Increase
(cont'd)**

Effective the first pay period of Fiscal Year 2022-2023, all salary ranges for employees holding positions in classifications assigned to ABMEI will receive a pensionable base pay increase of approximately 3.0%. This will result in both the top and bottom step of the pay range being increased by approximately 3.0%.

Premium Pay

Employees shall receive a professional achievement incentive of 1.5% (paid biweekly) in addition to their base salary as follows. In order to receive the professional achievement incentive, the employee must hold commercial certifications in all four trade areas (Building, Plumbing, Mechanical and Electrical). This non-pensionable ongoing premium pay becomes effective the first full pay period after the date of an approved application is received by the Payroll Department. Employees who hold and maintain commercial certifications in all four trade areas (Building, Plumbing, Mechanical and Electrical) will be eligible to receive this non-pensionable ongoing premium pay.

Bilingual Pay

Each employee who meets the above eligibility requirements shall be compensated for performing oral communication or sign language duties at the rate of sixty dollars (\$60) per biweekly pay period or for performing written and oral translation duties at the rate of eighty dollars (\$80) per biweekly pay period for each pay period actually worked.

**Educational and
Professional Incentives**

Permanent employees serving a promotional probationary period shall be eligible for the Educational and Professional Program.

Union Release Time

The designated bargaining unit representative(s) shall use the City Paid Release Time (URT) payroll code for any paid time off eligible for release time from regular City duties to attend authorized meetings. Upon request by the City, the bargaining unit representative(s) shall provide the City with a general explanation of the business conducted when the URT code is used.

Reopeners

During the term of the contract, the City and MEF agree that to the extent that they arise during the term of the contract, the parties agree to meet and confer over potential changes to City's healthcare program.

EVALUATION AND FOLLOW-UP

No additional follow up action with the City Council is expected at this time.

HONORABLE MAYOR AND CITY COUNCIL

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PUBLIC OUTREACH

This memorandum will be posted on the City's website in advance of the June 26, 2018, City Council Agenda.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

This agreement was not coordinated with any board or commission.

COST SUMMARY/IMPLICATIONS

The ongoing non-pensionable compensation increase equivalent to approximately 5% of an employee's base pay as of July 1, 2018, will be approximately \$457,000 in FY 2018-2019. The budget actions for 2018-2019 will be brought forward for City Council approval in a future budget process in 2018-2019. The increases in the General Fund will be offset by a corresponding decrease to the Salaries and Benefits Reserve, and the increases to the special funds will generally be offset by corresponding decreases to the unrestricted ending fund balance in those funds or an alternative funding source. The ongoing increased cost of the 3% general wage increase effective June 30, 2019, is approximately \$451,000. The ongoing increased cost of the 3% general wage increase effective June 28, 2020, is approximately \$464,000. The ongoing increased cost of the 3% general wage increase effective the first pay period of Fiscal Year 2021-2022, is approximately \$478,000. The ongoing increased cost of the 3% general wage increase effective the first pay period of Fiscal Year 2022-2023, is approximately \$493,000.

The ongoing maximum increased cost of the professional achievement premium pay for ABMEI is estimated to be approximately \$164,000, if all employees in ABMEI were eligible for the professional achievement premium pay. Based on the number of employees who may be eligible for the premium pay effective July 1, 2018, the ongoing increased cost is estimated to be approximately \$47,000.

The ongoing maximum increased cost of the changes to the bilingual premium pay for ABMEI is estimated to be approximately \$81,000 if all employees in ABMEI were eligible for bilingual pay.

HONORABLE MAYOR AND CITY COUNCIL

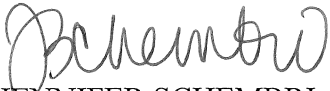
June 21, 2018

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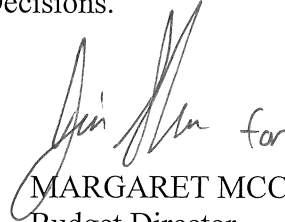
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CEQA

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



JENNIFER SCHEMBRI
Director of Employee Relations



MARGARET MCCAHAN
Budget Director

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

Attachment A – ABMEI Tentative Agreement

**2018 ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

TERM

- July 1, 2018 – June 30, 2023

WAGES

Fiscal Year 2018-2019

- 5% ongoing non-pensionable compensation increase effective Fiscal Year 2018-2019. Effective July 1, 2018, all employees holding positions in classifications assigned to ABMEI shall receive an approximate 5% ongoing non-pensionable compensation increase.

Fiscal Year 2019-2020

- 3% general wage increase effective Fiscal Year 2019-2020. Effective June 30, 2019, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 3%.

Fiscal Year 2020-2021

- 3% general wage increase effective Fiscal Year 2020-2021. Effective June 28, 2020, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 3%.

Fiscal Year 2021-2022

- 3% general wage increase effective Fiscal Year 2021-2022. Effective the first pay period of Fiscal Year 2021-2022, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 3%.

Fiscal Year 2022-2023

- 3% general wage increase effective Fiscal Year 2022-2023. Effective the first pay period of Fiscal Year 2022-2023, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 3%.

PREMIUM PAY

- Premium Pay (See Attached)
- Bilingual Pay (See Attached)

HOUSEKEEPING

- Non-Generic Prescriptions (See Attached)
- Employee Commute Benefit Program (See Attached)

EDUCATION AND PROFESSIONAL INCENTIVES

- Educational and Professional Incentives (See Attached)

**2018 ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

UNION RELEASE TIME

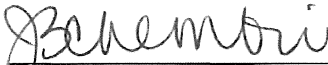
- Union Release Time (See Attached)

RE-OPENERS

- City Medical Benefits Reopener (See Attached)

** This agreement is considered tentative and shall not be considered final or binding until ratified by union members and approved by the City Council. This document sets forth the full agreements of the parties reached during these negotiations. Anything not included in the document is not part of the Tentative Agreement.*

FOR THE CITY:


 6/19/18

Jennifer Schembri Date
Director of Employee Relations


 6.19.18

Marco Mercado Date
Assistant to the City Manager, OER

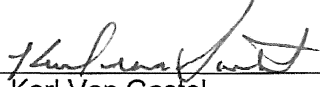
FOR THE UNION:

 6-19-18

Ron Davis Date
ABMEI

 6.19.18

Don Lindsey Date
ABMEI

 6/19/18

Karl Van Gastel Date
ABMEI

**2018 CITY OF SAN JOSE – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

CITY PROPOSAL – PREMIUM PAY

City Proposed Language:

ARTICLE 5.16 PREMIUM PAY

5.16 Premium Pay

Employees shall receive a professional achievement incentive of 1.5% (paid biweekly) in addition to their base salary as follows. In order to receive the professional achievement incentive, the employee must hold commercial certifications in all four trade areas (Building, Plumbing, Mechanical and Electrical). This non-pensionable premium pay becomes effective the first full pay period after the date of an approved application is received by the Payroll Department.

2018 CITY OF SAN JOSE – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT

CITY PROPOSAL – BILINGUAL PAY

City Proposed Language:

ARTICLE 5.12 BILINGUAL PAY

- 5.12.4 Each employee who meets the above eligibility requirements shall be compensated for performing oral communication or sign language duties at the rate of ~~twenty-nine dollars (\$29)~~ sixty dollars (\$60) per biweekly pay period or for performing written and oral translation duties at the rate of ~~forty dollars (\$40)~~ eighty dollars (\$80) per biweekly pay period for each pay period actually worked.

**2018 CITY OF SAN JOSE – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

CITY PROPOSAL TO ABMEI – HOUSEKEEPING – NON-GENERIC PRESCRIPTIONS

City Proposed Language:

ARTICLE 5 WAGES AND SPECIAL PAY

5.3 Health Insurance

5.3.1 The City will provide health coverage for eligible full-time employees and their dependents in accordance with one of the available plans. All available plans have a 4-tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren), and Family).

5.3.1.1 An employee may not be simultaneously covered by City-provided medical benefits as a City employee and as a dependent of another City employee or retiree.

5.3.2 The City pays eighty-five percent (85%) of the cost of the lowest priced Non-Deductible HMO plan for the employee or the employee and dependent coverage and the employee pays fifteen percent (15%) of the premium for the lowest priced Non-Deductible HMO plan. If the employee selects a plan other than the lowest priced Non-Deductible HMO plan, the employee pays the difference between the total cost of the selected plan and the City's contribution toward the lowest priced NonDeductible HMO plan.

5.3.3 The Kaiser Permanente Deductible 1500 HMO Benefit Plan will be available to employees represented by ABMEI in addition to existing plan options.

5.3.4 Co-pays for Non-Deductible HMO plans shall be as follows:

- a. Office Visit Co-pay shall be \$25.
- b. Prescription Co-pay shall be \$10 for generic and ~~\$25~~-\$30 for brand name.
- c. Emergency Room Co-pay shall be \$100.
- d. Inpatient/Outpatient Procedure Co-pay shall be \$100.

**2018 CITY OF SAN JOSE – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

CITY PROPOSAL TO ABMEI – HOUSEKEEPING – EMPLOYEE COMMUTE BENEFIT PROGRAM

City Proposed Language:

ARTICLE 33 EMPLOYEE COMMUTE BENEFIT PROGRAM

The Employee Commute Benefit Program shall be as follows:

- 33.1 Full-time, and part-time employees who worked an average of twenty (20) or more hours per week within the previous calendar month, shall be eligible to participate in the Employee Commute Benefit Program. Seasonal workers and Airport employees are not eligible to participate in the Employee Commute Benefit Program; the Airport provides its own separate employee commute program.
- 33.2 Participation in an Employee Commute Benefit Program through the Santa Clara Valley Transit Authority ("VTA") ~~Eco-Pass Program~~ will be available to eligible employees, subject to the terms of the Employee Commute Benefit Program as defined in Article 33.1.
- 33.3 Pursuant to the Employee Commute Benefit Program, eligible employees shall be allowed to use pre-tax dollars ("Pre-Tax Payroll Deduction Program") to pay for transit service beyond those provided by VTA. The administrative fees of the Pre-Tax Payroll Deduction Program will be paid for by the City. The Pre-Tax Payroll Deduction Program shall enable employees to use pre-tax dollars to pay for non-VTA transit services, which may include, but are not limited to, Caltrain, the Hwy 17 Express Bus, and BART.

**2018 CITY OF SAN JOSE – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

CITY PROPOSAL – EDUCATION AND PROFESSIONAL INCENTIVES

City Proposed Language:

ARTICLE 5.9 EDUCATION AND PROFESSIONAL INCENTIVES

5.9 Educational and Professional Incentives

5.9.1 Educational and Professional Program: The City will reimburse each employee one-hundred percent (100%) of expenses incurred, up to \$1000.00 per fiscal year, for registration, tuition, fees, and textbooks for college accredited courses which are either related to or beneficial for the employee's current position or related to or beneficial for a lateral transfer, promotion or other career opportunity within the City service as approved by the Department Director or designee. Of the \$1000.00 amount, up to \$600.00 may be used for code books, code commentary, code related study guides, professional reference books, and professional reference standards, non-college accredited courses, Continuing Education Units, Adult Education Classes, workshops, membership dues in professional associations, professional licenses, and professional certificates which are either related to or beneficial for the employee's current position or related to or beneficial for a lateral transfer, promotion or other career opportunity within the City service, as approved by the Department Director or designee. City Policy Manual Section 4.3.1, Education Reimbursement, outlines additional details of the program.

5.9.1.1 Permanent employees serving a promotional probationary period shall be eligible for the Educational and Professional Program.

2018 CITY OF SAN JOSE – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT

CITY PROPOSAL – UNION RELEASE TIME

City's Proposed Language:

ARTICLE 35 UNION RELEASE TIME


35.1 City Paid Union Release Time (URT). The designated bargaining unit representative(s) shall use the City Paid Union Release Time (URT) payroll code for any paid time off eligible for release time from regular City duties to attend authorized meetings. Upon request by the City, the bargaining unit representative(s) shall provide the City with a general explanation of the business conducted when the URT code is used.

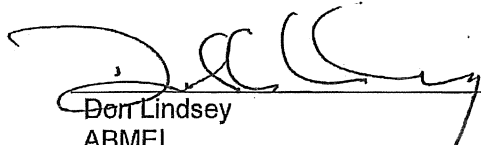
**This agreement is considered tentative and shall not be considered final or binding until a final agreement on all terms has been reached and both ratified by union members and approved by the City Council.*

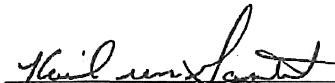
FOR THE CITY:

 5/31/18
Date
Marco Mercado
Assistant to the City Manager, OER

FOR THE UNION:

 5.31.18
Date
Ron Davis
ABMEI

 5.31.18
Date
Don Lindsey
ABMEI

 5/31/18
Date
Karl Van Gastel
ABMEI

SIDE LETTER AGREEMENT

BETWEEN
THE CITY OF SAN JOSE
AND
THE ASSOCIATION OF BUILDING, MECHANICAL AND ELECTRICAL INSPECTORS (ABMEI)

City Healthcare Program Reopener

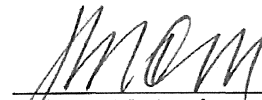
To the extent that they are a mandatory subject of bargaining and arise during the term of the successor Memorandum of Agreement (MOA) between the City of San Jose (City) and the Association of Building, Mechanical and Electrical Inspectors (ABMEI), the parties agree to meet and confer over potential changes to the City's healthcare program.

Either the City or ABMEI may provide notice to the other of its request to discuss potential changes to the City's healthcare program. The parties shall commence the discussions within ten (10) calendar days after the City or ABMEI receive notice from the other.

To the extent that any change to the City's healthcare program is a mandatory subject of bargaining, the parties shall meet and confer in good faith in an effort to reach a mutual agreement. If the parties reach impasse and no agreement is reached on those issues that are a mandatory subject of bargaining, either party may invoke the impasse procedures in accordance with the applicable provisions under the Employer-Employee Relations Resolution No. 39367 and/or the Meyers Milias Brown Act. All mandatory impasse procedures (mediation and factfinding (if requested by ABMEI)) shall be exhausted. The parties understand that this means that, notwithstanding any other provision in the successor MOA, the City will have the right to unilaterally implement in the event that no agreement is reached at the conclusion of negotiations and mandatory impasse procedures.

This Agreement is considered part of the tentative agreement for a successor MOA between the parties, and shall become effective only as part of the overall tentative agreement for a successor MOA, and when signed by all parties below and approved by the City Council. This agreement is effective only during the term of a successor MOA.

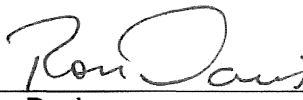
FOR THE CITY:



Marco Mercado
Assistant to the City Manager, OER

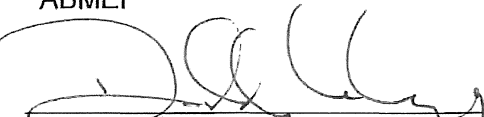
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Karl Van Gastel
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6-19-18
Date