



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jennifer Schembri

SUBJECT: SEE BELOW

DATE: June 18, 2021

Approved

Date

06/18/21

SUBJECT: APPROVAL OF THE TERMS OF AN AGREEMENT WITH THE ASSOCIATION OF LEGAL PROFESSIONALS (ALP) FOR THE TERM OF JULY 1, 2021 THROUGH JUNE 30, 2024

RECOMMENDATION

Adopt a resolution approving the terms of a collective bargaining agreement between the City and the Association of Legal Professionals (ALP) for the term of July 1, 2021 through June 30, 2024, and authorizing the City Manager to execute the agreement with those terms.

OUTCOME

Adoption of the resolution and authorization to execute an agreement would result in a collective bargaining agreement between the City and the Association of Legal Professionals (ALP) and authorize the City Manager to execute an agreement with a term of July 1, 2021 through June 30, 2024.

BACKGROUND

The City of San José's collective bargaining agreement with the Association of Legal Professionals (ALP) will expire on June 30, 2021. This unit is comprised of employees in the City Attorney's Office in the classifications of Senior Deputy City Attorney, Senior Deputy City Attorney I-IV, Deputy City Attorney I-IV, Legal Services Manager, Senior Legal Analyst, and Associate Deputy City Attorney. This unit also currently represents both classified and unclassified employees.

In May 2021, negotiations with ALP on a successor agreement commenced and, on or about June 16, 2021, the City and ALP reached an overall Tentative Agreement on the terms to be contained in the successor Memorandum of Agreement (MOA) between the City and ALP.

The Tentative Agreement on a successor MOA is pending ratification by the ALP membership. ALP will notify the City of the ratification results prior to the June 29, 2021, 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, 2021 through June 30, 2024

Pensionable General Wage Increase Fiscal Year 2021-2022
3.0% general wage increase effective June 27, 2021, all salary ranges for employees holding positions in classifications assigned to ALP shall be increased by 3.0%. This will result in both the top and bottom step of the pay range being increased by approximately 3.0%.

Fiscal Year 2022-2023
3.0% general wage increase effective the first full pay period of Fiscal Year 2022-2023, all salary ranges for employees holding positions in classifications assigned to ALP shall be increased by approximately 3.0%. This will result in both the top and bottom step of the pay range being increased by approximately 3.0%.

Fiscal Year 2023-2024
3.0% general wage increase effective the first full pay period of Fiscal Year 2023-2024, all salary ranges for employees holding positions in classifications assigned to ALP shall be increased by approximately 3.0%. This will result in both the top and bottom step of the pay range being increased by approximately 3.0%.

One-time Non-Pensionable Lump Sum Bonus In recognition of work performed during the COVID-19 pandemic, a \$1,000 one-time, non-pensionable lump sum payment shall be made to full-time employees holding positions in classifications assigned to ALP effective June 27, 2021. To receive the one-time, non-pensionable lump sum payment, a full-time employee must have been employed in an ALP represented position on May 11, 2021, and still be employed in an ALP represented position effective June 27, 2021.

In recognition of work performed during the COVID-19 pandemic, a one-time, non-pensionable lump sum payment shall be made to part-time ALP-represented employees as follows:

Benefit Level	Amount of One-Time Non-Pensionable Lump Sum Payment
30.00 – 34.00 Hour Benefit Level	\$750
25.00 – 29.00 Hour Benefit Level	\$625
20.00 – 24.00 Hour Benefit Level	\$500
Part-Time Unbenefited Employees	\$250

To receive the one-time, non-pensionable lump sum payment, a part-time employee must have been employed in an ALP represented position on May 11, 2021, and still be employed in an ALP represented position effective June 27, 2021. In addition, a part-time unbenefited employee must have worked at least 520 hours from May 3, 2020, through May 1, 2021, and must still be employed in an ALP represented position effective June 27, 2021.

Professional Development Program – Increase to \$1,300 and Proration for Part-Time Employees

Each eligible employee may be reimbursed for up to \$1,300 (increase from \$1,000) per fiscal year (July 1 – June 30), pro-rated for part-time employees, for the purchase of textbooks required for an approved course, college accredited courses, non-college accredited courses, continuing education units, adult education classes, workshops, seminars, travel expenses, memberships in professional associations, professional licenses and professional certificates which are either related to and is beneficial for the work of the employee’s current City position or occupation, must satisfy a continuing education requirement of the employee’s current City position or occupation or must prepare the employee for advancement/promotion to positions of greater responsibility in the City that is within the employee’s current trade or business.

A total of \$600 (increase from \$500), of the \$1,300 annual maximum may be reimbursed for professional materials that include professional books and professional magazine subscriptions, professional books to prepare for certifications or licensing, and other learning materials (learning/training software, videos, etc.) for educational purposes provided that the materials relate to and are beneficial for the work of the employee’s current City position or occupation or are required of the employee’s current City position or occupation.

Effective June 27, 2021, the City will reimburse each eligible part-time benefited employee 100% of expenses incurred, up to the maximum amounts per fiscal year listed below, pursuant to the terms and conditions

of the Professional Development Program for employees represented by ALP as described in the City Policy Manual’s Professional Development Program.

<u>Scheduled Work Hours per Week</u>	<u>Maximum Reimbursement for Part-Time <u>Benefited</u> Employees</u>	<u>Maximum Reimbursement for Professional Material</u>
35-39.9 hours	\$1,300.00	\$600.00
30-34.9 hours	\$975.00	\$450.00
25-29.9 hours	\$812.50	\$375.00
20-24.9 hours	\$650.00	\$300.00
Less than 20 hours	\$0.00	\$0.00

Executive Leave Proration

Effective the first pay period of payroll calendar year 2022, when an employee is hired or promoted into a position eligible for executive leave, the leave will be prorated during the first year dependent upon the hire date.

<u>Start Date in Position</u>	<u>Hours of Executive Leave</u>
January 1 – February 28	40 hours
March 1 – April 30	32 hours
May 1 – June 30	24 hours
July 1 – August 30	16 hours
September 1 – October 31	8 hours
November 1 – End of Payroll Calendar Year	0 hours

Effective the first pay period of payroll calendar year 2022, an employee who is promoted into an ALP-represented classification will have the number of Executive Leave hours they receive upon promotion reduced on an hour-for-hour basis based on their usage of Personal Leave and/or Executive Leave within the same payroll calendar year.

Effective the first pay period of payroll calendar year 2022, an employee on a reduced work week schedule will receive executive leave as indicated in the chart below, even if the actual hours worked exceed that amount.

Scheduled Work Hours per Week	Benefit Level	Hours of Executive Leave
35-39.9 hours per week	100%	40 hours
30-34.9 hours per week	75%	30 hours
25-29.9 hours per week	62.5%	25 hours
20-24.9 hours per week	50%	20 hours
Less than 20 hours per week	Unbenefited	None

Details related to Executive Leave, including details related to tracking absences less than four hours, are contained in City Policy Manual Section 4.2.4, Executive Leave and Absence Policy. Notwithstanding any provision in Section 4.2.4 of the City Policy Manual to the contrary, work schedule flexibility as well as the ability to avoid tracking or charging absences less than four hours to an employee's paid leave balance are subject to supervisory approval.

Bereavement Leave All leave must be used within 30 (increase from 14) calendar days following the death of an applicable relative.

Technology Stipend Effective as soon as practicable, eligible employees will receive a monthly Technology Stipend in the amount of \$80. This shall be in lieu of any Cellular and/or Data Plan Stipend that any employee may be receiving or have been eligible for.

Any employee who leaves a position in which they are receiving the Technology Stipend will cease to receive the Technology Stipend. This will occur whenever an employee is transferred, promoted, reassigned, or otherwise leaves the specific position in which the employee was authorized to receive the Technology Stipend.

City-Paid Parental Leave Pilot Project Effective as soon as practicable, the City and ALP agree to conduct a City-Paid Parental Leave Pilot Project ("Pilot Program").

The terms and conditions of the Pilot Program shall be as follows:

- Effective for births, adoptions or foster care placements that occur after the implementation of the Pilot Program, full-time employees shall be eligible for City-Paid Parental Leave for a maximum of one (1) week consisting of up to forty (40) hours of continuous paid time off for the following City-Paid Parental Leave reasons:

- a) The birth of a child of the employee or the employee's registered domestic partner.
- b) The placement, through adoption or foster care, of a minor child with the employee or the employee's registered domestic partner

In addition to the forty (40) hours of continuous paid time off, full-time employees shall also be eligible use up to 120 hours of their available sick leave for City-Paid Parental Leave reasons

- "Child" means a biological, adopted, or foster child who is under 18 years of age.
- An individual may be eligible for City-Paid Parental Leave on any day in which he or she is unable to perform his or her regular or customary work because of one or more City-Paid Parental Leave reasons.
- To be eligible for the City-Paid Parental Leave an employee must have passed probation and completed at least 2,080 hours of service from the most recent date of hire.
- Employees must complete a Leave of Absence Application 30 days prior to the commencement of leave where possible and submit required documentation upon request by the City. Requests for City-Paid Parental leave are subject to approval by the employee's Department Director/designee.
- City-Paid Parental Leave shall be provided once per payroll calendar year. City-Paid Parental Leave is not an accrued benefit and not subject to pay out upon termination of employment. Thus, employees are not paid out their City-Paid parental Leave when they leave the City and City-Paid Parental Leave may not be carried over beyond the end of the last day of pay period 26 for each payroll calendar year. City-Paid Parental Leave is a "use it or lose it" benefit based on the payroll calendar year. The payroll calendar year begins the first day of pay period one and ends the last day of pay period 26.
- All leave provided under this Pilot Program runs concurrently with qualifying leave under the federal Family and Medical Leave Act and California Family Rights Act.

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- City-Paid Parental Leave and the use of available sick leave balances for City-Paid Parental Leave reasons must be used and completed no later than 12 months from the birth or placement of a child.

Bilingual Pay (Side Letter Agreement) The City of San Jose and ALP agree to continue discussions related to the City's Bilingual Pay Policy and related MOA provisions.

Telecommuting ALP and the City Attorney will follow the process and guidelines provided in City Policy Manual, Section 4.2.14, Flexible Workplace Policy. The City will provide advance notice of any changes to the Flexible Workplace Policy that are subject to the meet and confer process.

Resuming On-Site Work Safely (Side Letter Agreement) The City will continue to provide ALP with advance notice on issues concerning COVID-19 that are subject to the meet and confer process, including changes to the city/state or county guidelines.

CONCLUSION

It is recommended that the City Council adopt the Administration's recommendation outlined in this memorandum which would allow the City Manager to execute an agreement with the terms of a collective bargaining agreement between the City and ALP with a term effective July 1, 2021, through June 30, 2024.

EVALUATION AND FOLLOW-UP

No further follow-up action with the Council is expected at this time.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the June 29, 2021 City Council Meeting.

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COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

The increased cost of the 3.0% general wage increase effective June 27, 2021 is approximately \$328,000 in all funds, of which \$244,000 is in the General Fund. The ongoing costs for the increases related to paid parental leave is estimated to be approximately \$8,200. In addition, the one-time \$1,000 lump sum non-pensionable payment will cost approximately \$41,250. The costs related to the increase in PDP and the implementation of a Technology Stipend total approximately \$55,800. These increased costs will be offset by a decrease in the Salaries and Benefits Reserve and/or an alternative funding source; the recommended budget actions will be brought forward for City Council approval as part of a future budget process.

The ongoing increased cost of the 3.0% general wage increase effective the first full pay period of Fiscal Year 2022-2023 is approximately \$338,000, of which \$251,000 is in the General Fund. The ongoing increased cost of the 3.0% general wage increase effective the first full pay period of Fiscal Year 2023-2024 is approximately \$348,000, of which \$259,000 is in the General Fund. These ongoing increases will be factored into the annual development of the 2022-2023 Base Budget.

CEQA

Not a Project, File No. PP17-010, City organizational and administrative activities resulting in no changes to the physical environment.



JENNIFER SCHEMBRI
Director of Employee Relations
Director of Human Resources

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

Attachment A – ALP Tentative Agreement

**2021 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

TERM

- July 1, 2021 – June 30, 2024

WAGES

- Fiscal Year 2021-2022

In recognition of work performed during the COVID-19 pandemic, a \$1,000 one-time, non-pensionable lump sum payment shall be made to full-time employees holding positions in classifications assigned to ALP effective June 27, 2021. To receive the one-time, non-pensionable lump sum payment, a full-time employee must have been employed in an ALP represented position on May 11, 2021, and still be employed in an ALP represented position effective June 27, 2021.

In recognition of work performed during the COVID-19 pandemic, a one-time, non-pensionable lump sum payment shall be made to part-time ALP represented employees as follows:

Benefit Level	Amount of One-Time Non-Pensionable Lump Sum Payment
30.00 – 34.00 Hour Benefit Level	\$750
25.00 – 29.00 Hour Benefit Level	\$625
20.00 – 24.00 Hour Benefit Level	\$500
Part-Time Unbenefited Employees	\$250

To receive the one-time, non-pensionable lump sum payment, a part-time employee must have been employed in an ALP represented position on May 11, 2021, and still be employed in an ALP represented position effective June 27, 2021. In addition, a part-time unbenefited employee must have worked at least 520 hours from May 3, 2020, through May 1, 2021, and must still be employed in an ALP represented position effective June 27, 2021.

3% general wage increase effective June 27, 2021. Effective June 27, 2021, all salary ranges for employees holding positions in classifications assigned to ALP shall be increased by approximately 3%.

- Fiscal Year 2022-2023

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

- Fiscal Year 2023-2024

3% general wage increase effective the first full pay period of Fiscal Year 2023-2024. Effective the first full pay period of Fiscal Year 2023-2024, all salary ranges for employees holding positions in classifications assigned to ALP shall be increased by approximately 3%.

**2021 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

CITY COUNTERPROPOSAL – PROFESSIONAL DEVELOPMENT PROGRAM

12.1 The City will reimburse each eligible full-time Association employee for up to at least ~~\$1,300~~\$1,000 per fiscal year for certain professional development costs in accordance with City’s “Professional Development Program – Association of Legal Professionals of San Jose (“ALP”)", as set forth in Section 4.3.6 of the City Policy Manual on the Effective Date. The amount set forth for professional materials shall increase to ~~\$600~~\$500 per fiscal year.

12.1.1 The City will reimburse each eligible part-time benefited employee one-hundred percent (100%) of expenses incurred, up to the maximum amounts per fiscal year listed below, pursuant to the terms and conditions of the Professional Development Program for employees represented by ALP as described in the City Policy Manual’s Professional Development Program.

<u>Scheduled Work Hours per Week</u>	<u>Maximum Reimbursement for Part-Time Benefited Employees</u>	<u>Maximum Reimbursement for Professional Materials</u>
<u>35-39.9 hours per week</u>	<u>\$1,300.00</u>	<u>\$600.00</u>
<u>30-34.9 hours per week</u>	<u>\$975.00</u>	<u>\$450.00</u>
<u>25-29.9 hours per week</u>	<u>\$812.50</u>	<u>\$375.00</u>
<u>20-24.9 hours per week</u>	<u>\$650.00</u>	<u>\$300.00</u>
<u>Less than 20 hours per week</u>	<u>\$0.00</u>	<u>\$0.00</u>

12.2 Temporary employees *are not eligible* for this benefit.

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CITY PROPOSAL – TECHNOLOGY STIPEND

City Proposed Language:

Effective as soon as practicable, eligible employees will receive a monthly Technology Stipend in the amount of \$80. This stipend shall be in lieu of any Cellular and/or Data Plan Stipend that any employee may be receiving or have been eligible for.

Any employee who leaves a position in which they are receiving the Technology Stipend will cease to receive the Technology Stipend. This will occur whenever an employee is transferred, promoted, reassigned, or otherwise leaves the specific position in which the employee was authorized to receive the Technology Stipend.

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CITY PROPOSAL – EXECUTIVE LEAVE

29.1 Employees will receive forty (40) hours of executive leave per payroll calendar year with supervisor approval. Forty (40) additional hours may be available, upon City Attorney approval, for recognition of outstanding performance as part of the Management Performance Program. Executive leave that is not used by the end of the payroll calendar year does not accrue or carry over to the following year.

29.2 Effective the first pay period of payroll calendar year 2022, when an employee is hired or promoted into a position eligible for Executive Leave, the leave will be prorated during the first year dependent upon the hire date.

<u>Start Date in Position</u>	<u>Hours of Executive Leave</u>
<u>January 1 – February 28 (February 29 on a Leap Year)</u>	<u>40 hours</u>
<u>March 1 – April 30</u>	<u>32 hours</u>
<u>May 1 – June 30</u>	<u>24 hours</u>
<u>July 1 – August 31</u>	<u>16 hours</u>
<u>September 1 – October 31</u>	<u>8 hours</u>
<u>November 1 – End of Payroll Calendar Year</u>	<u>0 hours</u>

29.2.1 Effective the first pay period of payroll calendar year 2022, an employee who is promoted or demoted into an ALP-represented classification will have the number of Executive Leave hours they receive upon promotion or demotion reduced on an hour-for-hour basis based on their usage of Personal Leave and/or Executive Leave within the same payroll calendar year.

29.3 Effective the first pay period of payroll calendar year 2022, an employee on a reduced work week schedule will receive executive leave as indicated in the chart below, even if the actual hours worked exceed that amount.

<u>Scheduled Work Hours per Week</u>	<u>Benefit Level</u>	<u>Hours of Executive Leave</u>
<u>35-39.9 hours per week</u>	<u>100%</u>	<u>40 hours</u>
<u>30-34.9 hours per week</u>	<u>75%</u>	<u>30 hours</u>
<u>25-29.9 hours per week</u>	<u>62.5%</u>	<u>25 hours</u>
<u>20-24.9 hours per week</u>	<u>50%</u>	<u>20 hours</u>
<u>Less than 20 hours per week</u>	<u>Unbenefited</u>	<u>None</u>

~~29.2~~ When an employee is hired into a position eligible for executive leave, the leave may be prorated during the first year dependent upon the hire date.

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29.429.3 Executive leave is not an accrued benefit and unused leave does not carry over from year-to-year.

29.529.4 The City Attorney shall administer executive leave in accordance with the City's Executive Leave and Absence policy, as set forth in Section 4.2.4 of the City Policy Manual in effect on the Effective Date. Further details related to Executive Leave, including details related to tracking absences less than four hours, are contained in that policy. Notwithstanding any provision in Section 4.2.4 of the City Policy Manual to the contrary, work schedule flexibility as well as the ability to avoid tracking or charging absences less than four hours to an employee's paid leave balance are subject to supervisory approval.

29.629.5 Reimbursement/contribution is prorated for part-time employees based on hours scheduled as follows:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

**2021 CITY OF SAN JOSE – ALP NEGOTIATIONS
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CITY PROPOSAL– BEREAVEMENT LEAVE

City Proposed Language:

35.1 Each full-time or benefited part-time employee shall be granted bereavement leave with full pay for up to forty (40) hours to attend to the customary obligations arising from the death of any of the following relatives of such employee or employee’s spouse or employee’s domestic partner.

- Parent/Step parent
- Spouse/Domestic partner
- Child/Step child
- Brother/Sister
- Step Brother/Step Sister
- Half Brother/Half Sister
- Grandparent/Step-grandparent
- Grandchild
- Great grandparent
- Son/daughter in-law
- Brother/sister in-law
- Step-great grandparents

35.2 All leave must be used within thirty (30) fourteen (14) calendar days following the death of an eligible person as described in Section 35.1. Under extreme circumstances, the thirty (30) fourteen (14) day requirement may be waived by the City Attorney. The decision of the City Attorney shall be final with no process for further appeal.

35.3 The City Attorney shall otherwise administer bereavement leave, and Association members shall have the right to bereavement leave, in accordance with the City’s Bereavement Leave policy, as set forth in Section 4.2.5 of the City Policy Manual in effect on the Effective Date.

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CITY COUNTERPROPOSAL – TELECOMMUTING

City Proposed Language:

~~Representatives of the City Attorney's Office management team will meet with representatives of the Association for the purposes of discussing telecommuting and alternative work schedules for employees represented by the Association in the City Attorney's Office, in a Labor Management Committee (LMC). LMCs are not authorized to meet and confer, to create contractual obligations, to modify the Memorandum of Agreement, or to authorize any practice in conflict with existing contracts, rules, City policies, or the City Attorney's discretion.~~

ALP and the City Attorney will follow the process and guidelines provided in City Policy Manual, Section 4.2.14, Flexible Workplace Policy. The City will provide advance notice of any changes to the Flexible Workplace Policy that are subject to the meet and confer process.

SIDE LETTER AGREEMENT

BETWEEN
THE CITY OF SAN JOSE
AND
THE ASSOCIATION OF LEGAL PROFESSIONALS OF SAN JOSE (ALP)

City-Paid Parental Leave Pilot Program

Effective as soon as practicable, the City of San Jose ("City") and the Association of Legal Professionals of San Jose (ALP) agree to conduct a City-Paid Parental Leave Pilot Project ("Pilot Program").

The terms and conditions of the Pilot Program shall be as follows:

- Effective for births, adoptions or foster care placements that occur after the implementation of the Pilot Program, full-time employees shall be eligible for City-Paid Parental Leave for a maximum of one (1) week consisting of up to forty (40) hours of continuous paid time off for the following City-Paid Parental Leave reasons:
 - a) The birth of a child of the employee or the employee's registered domestic partner.
 - b) The placement, through adoption or foster care, of a minor child with the employee or the employee's registered domestic partner

In addition to the forty (40) hours of continuous paid time off, full-time employees shall also be eligible use up to 120 hours of their available sick leave for City-Paid Parental Leave reasons

- "Child" means a biological, adopted, or foster child who is under 18 years of age.
- An individual may be eligible for City-Paid Parental Leave on any day in which he or she is unable to perform his or her regular or customary work because of one or more City-Paid Parental Leave reasons.
- To be eligible for the City-Paid Parental Leave an employee must have passed probation and completed at least 2,080 hours of service from the most recent date of hire.
- Employees must complete a Leave of Absence Application 30 days prior to the commencement of leave where possible and submit required documentation upon request by the City. Requests for City-Paid Parental leave are subject to approval by the employee's Department Director/designee.
- City-Paid Parental Leave shall be provided once per payroll calendar year. City-Paid Parental Leave is not an accrued benefit and not subject to pay out upon termination of employment. Thus, employees are not paid out their City-Paid parental Leave when they leave the City and City-Paid Parental Leave may not be carried over beyond the end of the last day of pay period 26 for each payroll calendar year. City-Paid Parental Leave is a "use it or lose it" benefit based on the payroll calendar year. The payroll calendar year begins the first day of pay period one and ends the last day of pay period 26.
- All leave provided under this Pilot Program runs concurrently with qualifying leave under the federal Family and Medical Leave Act and California Family Rights Act.

- City-Paid Parental Leave and the use of available sick leave balances for City-Paid Parental Leave reasons must be used and completed no later than 12 months from the birth or placement of a child.

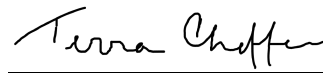
This Agreement is considered part of the tentative agreement for a successor MOA between the parties. This Agreement shall become effective only as part of the overall tentative agreement for a successor MOA, when signed by all parties below, ratified by ALP and approved by the City Council.

FOR THE CITY:

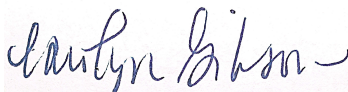
 6/16/2021

Jennifer Schembri Date
Director of Human Resources
Director of Employee Relations

FOR THE UNION:

 6/16/21

Terra Chaffee Date
President, ALP

 6/16/2021

Carolyn Gibson Date
Senior Executive Analyst

**2021 CITY OF SAN JOSE – ALP NEGOTIATIONS
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CITY PROPOSAL – HOUSEKEEPING

City Proposed Language:

31.1 Members of the Federated City Employees’ Retirement System hired on or before September 29, 2012, who retire with at least fifteen (15) years of service are eligible to receive, upon retirement, payout for a portion of their unused earned sick leave at the rate of:

Accrued Sick Leave Hours	Sick Leave Payout
0 – 399 Hours	50% of final hourly rate
400 – 799 Hours	60% of final hourly rate
800 – 1,200 Hours	75% of final hourly rate

31.2 Effective June 22, 2013, for the purposes of sick leave payout, an employee’s sick leave balance and hourly rate shall be frozen. This means that an employee will receive no more in sick leave payout after having met the requirements contained herein than they would have been entitled to on June 22, 2013. Any sick leave usage after June 22, 2013, will come first from the sick leave balance accrued after June 22, 2013. An employee will continue to accrue sick leave after June 22, 2013, but it may not be used for sick leave payout purposes.

For example, if an employee’s hourly rate is \$40 and their sick leave balance is 1000 hours on June 22, 2013, if they meet eligibility requirements, they shall receive payout of their sick leave balance at the time of retirement using the formula above, but no more than 1000 hours and at an hourly rate of no more than \$40. This will occur even if the employee has subsequently earned more than 1000 hours in sick leave or received a pay increase so that their hourly rate is higher than \$40. In this example, if the employee does not have available sick leave to use that was accrued after June 22, 2013, and uses sick leave and reduces their sick leave balance on June 22, 2013, to 800 hours, they will only be entitled to a sick leave payout of 800 hours, regardless of any sick leave accrued after June 22, 2013. This means that if sick leave payout hours are reduced by usage, they are not able to be reestablished in the sick leave balance subject to payout.

~~**31.3** If an employee’s sick leave balance as of June 22, 2013, is greater than 1,200 hours, the employee may also be eligible for a payout of 75% of the value of sick leave in excess of 1,200 hours earned prior to June 23, 2013, but unused in the prior two (2) years to retirement. In order to receive a payout of hours greater than 1,200, the sick leave hours must be earned prior to June 23, 2013, and unused in the prior two (2) years to retirement. All sick leave hours will be paid out at the employee’s hourly rate as of June 22, 2013. No employee will be eligible for a sick leave payout over 1,200 hours after June 22, 2013.~~

~~For example, if an eligible employee retires on June 22, 2014 (one year after the sick leave payout was frozen), the employee would receive a payout of 75% of the sick leave earned but unused from June 22, 2012 to June 22, 2013. The employee would only receive one year of payment because, during the second~~

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~~year period prior to retirement (June 23, 2013 — June 22, 2014), the employee would not have earned any sick leave eligible for payout.~~

31.331.4 Employees hired on or after September 30, 2012, shall not be eligible for any sick leave payout.

31.431.5 Part-time and temporary employees ***are not eligible*** for this benefit.

31.531.6 Agreement to the changes to Sick Leave Payout in this Article 31 shall not be considered a waiver by the City, the Association or the employees represented by the Association, of any rights or assertions each may have regarding any issue related to Sick Leave Payout, including but not limited to any rights or assertions related to any vested rights employees may or may not have related to Sick Leave Payout as modified herein and/or before such modification.

31.631.7 Nothing in this section is intended to expand either party's rights, which each may have, regarding Sick Leave Payout.