



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Aram Kouyoumdjian

SUBJECT: See Below

DATE: June 5, 2026

Approved

Date:

6/5/2026

COUNCIL DISTRICT: Citywide

SUBJECT: Approval of the Terms of an Agreement with the Association of Building, Mechanical and Electrical Inspectors (ABMEI), for the Term of July 1, 2026, through June 30, 2029

RECOMMENDATION

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, 2026, through June 30, 2029, and authorizing the City Manager to execute an agreement with those terms.

SUMMARY AND OUTCOME

Adoption of the resolution will result in a collective bargaining agreement between the City and ABMEI and authorize the City Manager to execute an agreement with a term of July 1, 2026, through June 30, 2029, with those terms.

BACKGROUND

The City of San José's collective bargaining agreement with ABMEI will expire on June 30, 2026. ABMEI currently represents approximately 81 full-time equivalent (FTE) 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 January 2026, negotiations with ABMEI commenced, and on June 4, 2026, the City and ABMEI reached an overall Tentative Agreement on the terms to be contained in the successor Memorandum of Agreement between the City and ABMEI.

The Tentative Agreement is pending ratification by ABMEI membership. ABMEI will notify the City of the ratification results prior to the June 16, 2026, City Council meeting.

ANALYSIS

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

Term	July 1, 2026, through June 30, 2029
Pensionable General Wage Increase	<u>Fiscal Year 2026-2027</u> Effective June 21, 2026, all salary ranges for employees holding positions in classifications assigned to ABMEI will receive a pensionable base pay increase of approximately 3.00%. This will result in both the top and bottom step of the pay range being increased by approximately 3.00%. <u>Fiscal Year 2027-2028</u> Effective the first full pay period of Fiscal Year 2027-2028, all salary ranges for employees holding positions in classifications assigned to ABMEI will receive a pensionable base pay increase of approximately 3.00%. This will result in both the top and bottom step of the pay range being increased by approximately 3.00%. <u>Fiscal Year 2028-2029</u> Effective the first full pay period of Fiscal Year 2028-2029, all salary ranges for employees holding positions in classifications assigned to ABMEI will receive a pensionable base pay increase of approximately 3.00%. This will result in both the top and bottom step of the pay range being increased by approximately 3.00%.

Side Letter – Special Non- Pensionable Retention Incentives	Eligible full-time ABMEI-represented employees shall receive special non-pensionable lump-sum retention payouts amounting to \$3,825 over the MOA's three-year term. The payouts are in recognition of ABMEI having one of the highest unit-wide vacancy rates among all City bargaining units (and as much as twice the Citywide vacancy rate during various points over the past six months), and in recognition of the retirement eligibility rate for ABMEI-represented employees being more than three times the Citywide retirement eligibility rate. The one-time non-pensionable lump sum amount shall be divided into three installments payable during the last full pay period of each Fiscal Year of the term of the successor Memorandum of Agreement, as provided below: <table border="1" data-bbox="570 863 1406 1016"> <thead> <tr> <th>Date Payable</th><th>Amount Payable</th></tr> </thead> <tbody> <tr> <td>Last Full Pay Period FY 2026-2027</td><td>\$825</td></tr> <tr> <td>Last Full Pay Period FY 2027-2028</td><td>\$1,000</td></tr> <tr> <td>Last Full Pay Period FY 2028-2029</td><td>\$2,000</td></tr> </tbody> </table> To receive each one-time non-pensionable lump-sum installment, the ABMEI-represented employee must (1) have been employed by the City in a full-time ABMEI-represented position on June 21, 2026; and (2) have been continuously employed in a full-time ABMEI-represented position through the date that the given installment is paid.	Date Payable	Amount Payable	Last Full Pay Period FY 2026-2027	\$825	Last Full Pay Period FY 2027-2028	\$1,000	Last Full Pay Period FY 2028-2029	\$2,000										
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Last Full Pay Period FY 2028-2029	\$2,000																		
Vacation Accrual	Effective the first full pay period of Fiscal Year 2026-2027, an employee represented by ABMEI shall accrue vacation leave at a rate specified below for each hour worked in each year of employment as specified: <table border="1" data-bbox="570 1493 1406 1871"> <thead> <tr> <th>Years of Service</th><th>Hours of Vacation per 26 Pay Period Cycle</th></tr> </thead> <tbody> <tr> <td>First 2 years</td><td>80 hours</td></tr> <tr> <td>3-5 years</td><td>100 hours</td></tr> <tr> <td>6-10 years</td><td>120 hours</td></tr> <tr> <td>11-12 years</td><td>136 hours</td></tr> <tr> <td>13- 14 years</td><td>152 hours</td></tr> <tr> <td>15-20 Years</td><td>168 hours</td></tr> <tr> <td>21-24 years</td><td>178 hours</td></tr> <tr> <td>25 years or more</td><td>188 hours</td></tr> </tbody> </table>	Years of Service	Hours of Vacation per 26 Pay Period Cycle	First 2 years	80 hours	3-5 years	100 hours	6-10 years	120 hours	11-12 years	136 hours	13- 14 years	152 hours	15-20 Years	168 hours	21-24 years	178 hours	25 years or more	188 hours
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Call Back and Standby Pay	An employee who is called back to work after the employee has worked their scheduled shift and has departed from their place of employment shall be credited with the time worked, or for three hours at the appropriate rate (1.5), whichever is greater (an increase from two hours). Employees authorized or required by their supervisor to work remotely, after the employee has departed from their place of employment or on a day off shall be compensated at the appropriate rate for actual time worked rounded to the nearest fifteen-minute increment or, if called, for one hour at the appropriate rate (1.5), whichever is greater. Employees who are required to perform standby duty shall be credited with one hour of compensation at the appropriate rate (1.5) for each eight-hour shift or portion thereof.
Education and Professional Incentives	Up to \$750 of the \$1,000 available for reimbursement for registration, tuition, fees, and textbooks for college accredited courses may be used for code books or on-line subscription services.
Employee Wellness	Each calendar year, employees represented by ABMEI shall be eligible to purchase one (1) annual fitness membership or have up to twelve (12) monthly fitness memberships at a 20% discount off the advertised resident fee.
Vision Care	Effective the first full pay period of January 2027, the City will contribute toward vision care for eligible full-time employees up to sixteen dollars (\$16.00) per month (\$8.00 for 24 biweekly pay periods) or the cost of the premium, whichever is less, for coverage under a vision plan sponsored by the City. Available plans will have a 4-tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren), and Family).
Side Letter – Artificial Intelligence	The parties agree to amend the City’s Artificial Intelligence Policy to allow the use of AI as a tool that employees may use in the performance of their duties, while remaining ultimately responsible for the accuracy and caliber of their work; to expressly require human oversight of human resources functions, such as hiring, evaluations, or

	discipline; and to consider training, upskilling, re-skilling, and reassignment options to mitigate AI impacts on jobs. The parties further agree to labor-management meetings with the Director of Information Technology (or designee) and with the Human Resources Department on the topics of AI and technology.
Side Letter – Voluntary Furlough	Full-time, hourly City employees shall be eligible to voluntarily take up to 40 hours of unpaid leave each Fiscal Year, in 4-hour increments, subject to advance approval of the Department Director or their designee.
Side Letter – Leaves of Absence	The parties agree to amend the City’s Leaves of Absence Policy to allow employees who are receiving Workers’ Compensation temporary disability benefits to elect to use any accrued leave balances during the period of receipt of wage replacement benefits. The current policy requires leave balances to be used in a specific order.
Side Letter – Flexibly Staffed Classes	The parties agree to amend the City’s Flexibly Staffed Classes Policy to allow employees to initiate the process for qualifying promotions and add a review process through the Human Resources Department if qualifying promotion assessments are delayed or denied.

EVALUATION AND FOLLOW-UP

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

FISCAL IMPACTS

In Fiscal Year 2026-2027, the ongoing cost of the 3.00% pensionable general wage increase is approximately \$436,000 in Special Funds, none of which is in the General Fund. The ongoing cost of the City’s contributions toward vision care is approximately \$10,000 in Special Funds, none of which is in the General Fund. The cost of the one-time non-pensionable lump sum special retention adjustment in 2026-2027 is approximately \$57,000 in Special Funds, none of which is in the General Fund. These costs will be offset by a decrease to the respective Special Fund’s ending fund balance or an alternative funding source, as appropriate, as part of budget actions that will be brought forward for City Council consideration as part of the 2025-2026 Annual Report.

In Fiscal Year 2027-2028, the ongoing cost of the 3.00% pensionable general wage increase is approximately \$449,000 in Special Funds, none of which is in the General Fund. These ongoing increases will be factored into the annual development of the Base Budget. The cost of the one-time non-pensionable lump sum special retention adjustment in 2027-2028 is approximately \$69,000 in Special Funds, none of which is in the General Fund.

In Fiscal Year 2028-2029, the ongoing increased cost of the 3.00% pensionable general wage increase is approximately \$463,000 in Special Funds, none of which is in the General Fund. These ongoing costs will be factored into the annual development of the Base Budget. The cost of the one-time non-pensionable lump sum special retention adjustment in 2028-2029 is approximately \$138,000 in Special Funds, none of which is in the General Fund.

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the June 16, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

HONORABLE MAYOR AND CITY COUNCIL

June 5, 2026

Subject: Approval of the Terms of an Agreement with the Association of Building, Mechanical and Electrical Inspectors (ABMEI), for the Term of July 1, 2026, through June 30, 2029

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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.



Aram Kouyoumdjian
Director of City Manager's Office of Employee Relations
Director of Human Resources

For questions, please contact Sarah Steele, Senior Executive Analyst, City Manager's Office of Employee Relations, at (408) 535-8158.

ATTACHMENT:

City of San José – ABMEI Negotiations Tentative Agreement

2026 ABMEI NEGOTIATIONS TENTATIVE AGREEMENT

TERM

- July 1, 2026 – June 30, 2029

WAGES

- Fiscal Year 2026-2027

3.00% general wage increase effective the first full pay period in Fiscal Year 2026-2027 following union ratification and Council approval in open session. Effective the first full pay period in Fiscal Year 2026-2027 following union ratification and Council approval in open session, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 3.00%.

- Fiscal Year 2027-2028

3.00% general wage increase effective the first full pay period of Fiscal Year 2027-2028. Effective the first full pay period of Fiscal Year 2027-2028, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 3.00%.

- Fiscal Year 2028-2029

3.00% general wage increase effective the first full pay period of Fiscal Year 2028-2029. Effective the first full pay period of Fiscal Year 2028-2029, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 3.00%.

VACATION AND PERSONAL LEAVE

- Vacation Accrual Rates

CALL BACK AND STANDBY PAY

- Call Back and Standby Pay

EDUCATIONAL AND PROFESSIONAL INCENTIVES

- Educational and Professional Program

VISION CARE

- Vision Care

EMPLOYEE WELLNESS

- Employee Wellness

ARTIFICIAL INTELLIGENCE

- Artificial Intelligence Side Letter

**2026 ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

VOLUNTARY FURLOUGH

- Voluntary Furlough Program Side Letter

FLEXIBLY STAFFED CLASSES

- Flexibly Staffed Classes Side Letter

LEAVES OF ABSENCE

- Leaves of Absence Policy Side Letter

SPECIAL RETENTION ADJUSTMENT

- Special Retention Adjustment Side Letter

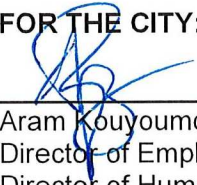
HOUSEKEEPING

- Housekeeping – Holidays
- Housekeeping – City-Paid Parental Leave
- Housekeeping – Recognition

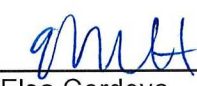
OTHER TERMS

**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 City Council.*

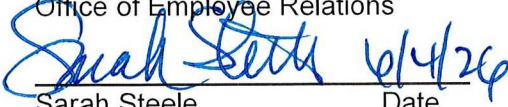
FOR THE CITY:



Aram Kouyoumdjian Date
Director of Employee Relations
Director of Human Resources



Elsa Cordova Date
Deputy Director
Office of Employee Relations



Sarah Steele Date
Senior Executive Analyst
Office of Employee Relations



Hashona Braun Date
Senior Executive Analyst
Office of Employee Relations

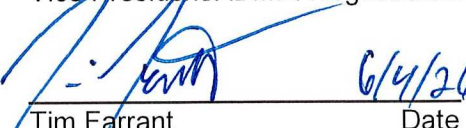
FOR THE UNION:



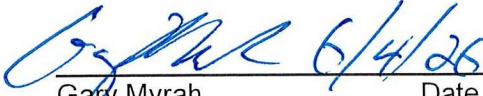
Shawn Moresco Date
ABMEI Negotiation Team Member



John Van Every Date
Vice President/ABMEI Negotiations



Tim Farrant Date
ABMEI Negotiation Team Member



Gary Myrah Date
ABMEI President

2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS TENTATIVE AGREEMENT

CITY COUNTERPROPOSAL TO ABMEI PROPOSALS #10 – GENERAL WAGE INCREASES AND #11 – BASE SALARY ADJUSTMENT

Contextual Background:

In our previous round of bargaining, the City and ABMEI reached an agreement that resulted in General Wage Increases of 6.0%, 5.0%, and 3.5% during the three years of the 2023-2026 contract.

Over the life of that contract and in addition to the wage increases, the City supported Federated employees by absorbing \$33.0 million in increased retirement costs, \$14.15 million citywide in increased health benefit costs, and increases in salary-driven costs for ABMEI members, including premium pays, overtime, and merit increases commensurate with the 14.5% general wage increases.

During this bargaining cycle, the City is facing projected budget shortfalls of nearly \$100 million over the next three fiscal years, as set forth in the 2027-31 Five-Year Forecast, beginning with a \$56.0 million projected shortfall in the General Fund for FY 2026-27.

	2026-27	2027-28	2028-29	Total
Incremental Surplus/(Shortfall)	(\$56.0 M)	(\$26.8 M)	(\$11.8 M)	(\$94.6 M)

Despite the City's unmistakably challenging fiscal situation, the City is proposing general wage increases in recognition of, and out of appreciation for, the important work of City staff.

The City's current wage offer invests more than \$1.35 million in ABMEI's membership.

	FY 2026-2027	FY 2027-2028	FY 2028-2029
All Funds	\$436,000	\$449,000	\$463,000

City Proposed Language:

ARTICLE 5 WAGES AND SPECIAL PAY

5.1 Salary Ranges

- 5.1.1 Effective July 1, 2018, all employees in classifications assigned to ABMEI (Union code 03/031) shall receive an approximate 5% ongoing non-pensionable compensation increase.

5.1.1.1 Fiscal Year 2026-2027

Effective the first full pay period of Fiscal Year 2026-2027 following union ratification and Council approval in open session, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 3.00%.

5.1.1.2 Fiscal Year 2027-2028

2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS TENTATIVE AGREEMENT

Effective the first full pay period of Fiscal Year 2027-2028 following union ratification and Council approval in open session, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 3.00%.

5.1.1.3 Fiscal Year 2028-2029

Effective the first full pay period of Fiscal Year 2028-2029 following union ratification and Council approval in open session, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 3.00%.

5.1.1.1 Fiscal Year 2023-2024

~~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 ABMEI effective June 25, 2023. To receive the one-time, non-pensionable lump-sum payment, a full-time employee must have been employed in an ABMEI represented position on May 11, 2021, and still be employed in an ABMEI position effective June 25, 2023.~~

~~Effective June 25, 2023, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 5.00%. Effective September 17, 2023, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by 1.00% for a total pensionable general wage increase of 6.00%. This 1.00% shall be based on the rate of pay as of June 24, 2023.~~

~~In addition, effective June 25, 2023, all salary ranges for employees holding positions in classifications assigned to ABMEI shall receive an additional 1.50% in recognition of the fact that ABMEI received a 3.00% general wage increase in FY 2022-2023 whereas most other City employees received a 4.5% general wage increase.~~

5.1.1.2 Fiscal Year 2024-2025

~~Effective the first pay period of Fiscal Year 2024-2025, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 4.00%.~~

~~Effective the first full pay period in January 2025, all salary ranges for employees holding positions in classifications assigned to ABMEI shall be increased by approximately 1.00%.~~

5.1.1.4 Fiscal Year 2025-2026

~~Effective the first pay period of Fiscal Year 2025-2026, all salary ranges for employees holding positions in classifications assigned~~

**2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

~~to ABMEI shall be increased by approximately 3.50%.~~

~~———— If the revised 5 Year Forecast included as part of the 2025-2026 Proposed Operating Budget includes a \$10 million dollar surplus or more in Fiscal Year 2025-2026, the general wage increase effective the first full pay period of Fiscal Year 2025-2026, for employees holding positions in classifications assigned to ABMEI shall be 4.00%.~~

2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT

CITY COUNTERPROPOSAL TO ABMEI PROPOSAL #1 – VACATION ACCRUAL
AND BUYBACK

City Proposed Language:

ARTICLE 17 VACATION AND PERSONAL LEAVE

- 17.1 Vacation Accrual Rates. ~~Each eligible full-time employee, who has been employed as such for at least thirteen (13) bi-weekly pay periods, shall accrue a leave of absence with full pay for vacation purposes, pursuant to the provisions of Resolution No. 51872, or amendments thereto. Effective the first full pay period of Fiscal Year 2026-2027 following union ratification and Council approval in open session, An each eligible full-time~~ employee shall be entitled to accrue vacation leave in the amount specified below for each cycle of 26 full biweekly pay periods immediately preceding December 31st, or portion thereof, in each year of their employment as specified below:

Years of Service	Hours of Vacation per 26 Pay Period Cycle
First 25 years	80 hours
3-5 years	100 hours
6th year – 10th years	120 hours
11th year – 12th years	136 hours
13th year – 14th years	152 hours
15th year – 204th years	168 hours
21– 24 years	178 hours
25 or more yearsth-year or more	188 hours

2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT

CITY COUNTERPROPOSAL TO ABMEI PROPOSAL #4 – CALL BACK PAY AND
STANDBY PAY

City Proposed Language:

ARTICLE 5.X

5.6 Call Back Pay

An employee who is called back to work after the employee has worked their scheduled shift and has departed from their place of employment shall be credited ~~with overtime~~ for the time worked, or for ~~two-three~~ (32) hours at the appropriate rate (1.5), whichever is greater, irrespective of whether the employee coded any paid or unpaid leave during the pay period. This section shall apply on either a workday after the employee has departed from their place of employment or on a day off. It shall not apply to scheduled overtime or during a regular shift. Employees who are called back multiple times during a standby shift shall not receive additional pay until the employee has worked a total of three hours, after which time the employee would be eligible for additional pay, but only for actual hours worked.

5.6.1 Employees authorized or required by their supervisor to conduct work remotely in response to an emergency or other unforeseen circumstance, including, but not limited to, via a remote connection (telephone or computer), after the employee has departed from their place of employment or on a day off shall be compensated at the appropriate rate of pay for actual time worked rounded to the nearest fifteen-minute increment or, if called, for one (1) hour at the appropriate rate (1.5), whichever is greater.

5.X Standby Pay

Employees who are required to perform standby duty shall be credited with one (1) hour compensation at the appropriate rate (1.5) for each eight (8) hour shift or portion thereof the employee performs standby. In the event the employee is called back to work, in-person or remotely, the employee shall be entitled to the compensation provided by Section 5.6 above, in lieu of the one-hour of standby compensation for that eight (8) hour shift.

5.X.1 Standby pay is not deemed as actual hours worked for the purpose of calculating eligibility for overtime.

5.X.2 Employees required to work standby duty on a holiday, as outlined in Article 16, shall receive Standby Pay in accordance with Article 5.XX in addition to any pay or compensatory time for which the employee may be eligible under Article 16.

**2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

**CITY COUNTERPROPOSAL TO ABMEI PROPOSAL #3 – EDUCATIONAL
REIMBURSEMENT AMENDMENT**

City Proposed Language:

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~~750.00 may be used for code books, code commentary, on-line subscription services, 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.

2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT

CITY COUNTERPROPOSAL #3 – VISION CARE

City Proposed Language:

ARTICLE 5.X

5.x Vision Care.

5.x.1 Effective the first full pay period of January 2027, the City will contribute towards vision care for eligible full-time employees up to sixteen dollars (\$16) per month (\$8.00 for 24 biweekly pay periods) or the cost of the premium, whichever is less, for coverage under a vision plan sponsored by the City. The employee shall pay the difference between the City contribution and the total premium of the vision care plan selected by the employee.

5.x.1.1 Effective January 1, 2027, all available plans have a 4-tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren), and Family).

2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT

CITY COUNTERPROPOSAL TO ABMEI PROPOSAL #2 – EMPLOYEE WELLNESS

City Accepts Union Proposed Language:

ARTICLE X EMPLOYEE WELLNESS

X.X Employee Wellness

Each calendar year, employees represented by ABMEI shall be eligible to purchase one (1) annual fitness membership or up to twelve (12) monthly fitness memberships at a 20% discount off of the advertised resident fee. This membership provides access to fitness rooms at various Community Center locations and access to a variety of drop-in programs at gymnasiums.

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

Artificial Intelligence

The City has a current Artificial Intelligence Policy that includes prohibited uses of AI systems, such as, real-time and covert biometric identification, emotion analysis, fully automated decisions that substantially impact the rights or safety of individuals with no meaningful oversight, and social scoring and cognitive behavioral manipulation of people or specific vulnerable groups.

In an effort to add further clarification to the City's Artificial Intelligence Policy:

- The parties agree to the attached changes which further clarify that AI shall not be used as the sole determining factor in the hiring, promotion, discipline or evaluation of employees. These changes shall become effective as soon as practicable upon agreement by all recognized bargaining units.
- The parties agree AI is a tool that employees may use in the performance of their duties, but employees shall remain ultimately responsible for the accuracy and caliber of their work.
- Where artificial intelligence will result in workforce reductions, the City will consider training, upskilling, reskilling, and reassignment options prior to effectuating layoffs that lead to separation from City employment.
- The parties further agree to convene an annual Labor Management Meeting to discuss issues related to AI and technology. The meeting will be attended by the Director of the Information Technology Department or their designee, who must be at the level of Deputy Director or above.
- Finally, the parties agree to meet biannually to discuss classifications that may be impacted by or vulnerable to AI integration. These meetings will be attended by the Director of Human Resources or their designee, who must be at the level of Deputy Director or above.

Should the City propose any additional revisions to the Artificial Intelligence Policy other than those contained herein during the course of negotiations with other bargaining units, the City will provide ABMEI with advance notice and an opportunity to meet to discuss the changes prior to effectuating the revised policy.

**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 City Council.*

FOR THE CITY:



Aram Kouyoumdjian Date
Director of Employee Relations
Director of Human Resources

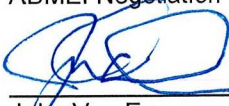
6/4/26

FOR THE UNION:



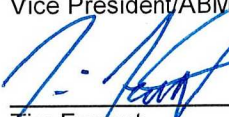
Shawn Moresco Date
ABMEI Negotiation Team Member

6/4/26



John Van Every Date
Vice President/ABMEI Negotiations

6/4/26



Tim Farrant Date
ABMEI Negotiation Team Member

6/4/26



Gary Myrah Date
ABMEI President

6/4/26

Artificial Intelligence (AI) Policy

1.7.12

PURPOSE

This policy establishes a governance structure that allows the City of San José (hereafter referred to as "City") to utilize Artificial Intelligence (AI) and AI systems (systems) while providing the necessary safeguards for purposeful and responsible use.

The key objectives of the AI Policy are to:

- Provide guidance that is clear, easy to follow, and supports decision-making for the staff, interns, consultants, contractors, partners, and volunteers who may be purchasing, configuring, developing, using, maintaining, or leveraging AI to provide services to the City;
- Ensure that the use of AI systems adheres to the Guiding Principles with regard to how systems are purchased, configured, developed, operated, or maintained;
- Define roles and responsibilities related to the usage of AI;
- Establish and maintain processes to assess and manage risks presented by AI;
- Align the governance of AI with existing data governance, security, and privacy measures in accordance with the City's [Information and Systems Security Policy](#) and City Council's [Digital Privacy Policy](#);
- Define prohibited uses of AI systems;
- Establish "sunset" procedures to safely retire systems that no longer meet the needs of the City; and
- Define how AI may be used for legitimate purposes in accordance with applicable local, state, and federal laws, and existing agency policies.

AI systems and the data contained therein will be purchased, configured, developed, operated, and maintained using the [City's AI Handbook](#), which will be managed by the Chief Information Officer (CIO).

SCOPE

This policy applies to:

1. All systems deployed by the City; and
2. Staff, interns, consultants, contractors, partners, and volunteers who may be purchasing, configuring, developing, using, or maintaining the AI or who may be leveraging systems to provide services to the City (collectively referred to as "users").

GUIDING PRINCIPLES FOR RESPONSIBLE AI SYSTEMS

These principles describe the City's values with regard to how AI systems are purchased, configured, developed, used, or maintained.

1. **Effectiveness:** Systems are reliable, meet their objectives, and deliver precise and dependable outcomes for the utility and contexts in which they are deployed;
2. **Transparency:** The purpose and use of systems is proactively communicated and disclosed to the public. A system, its data sources, operational model, and policies that govern its use are understandable and documented;
3. **Equity:** Systems deliberately support equitable outcomes for everyone. Bias in systems is

Artificial Intelligence (AI) Policy

1.7.12

effectively managed with the intention of reducing harm for anyone impacted by the system's use;

4. **Accountability:** Roles and responsibilities govern the deployment and maintenance of systems, and human oversight ensures adherence to relevant laws and regulations. [AI is a tool that employees may use in the performance of their duties, but employees shall remain ultimately responsible for the accuracy and caliber of their work](#);
5. **Human-Centered Design:** Systems are developed and deployed with a human-centered approach that evaluates AI powered services for their impact on the public;
6. **Privacy:** Privacy is preserved in all AI systems by safeguarding personally identifiable information (PII) and sensitive data from unauthorized access, disclosure, and manipulation in accordance with the City Council's [Digital Privacy Policy](#);
7. **Security & Safety:** Systems maintain confidentiality, integrity, and availability through safeguards in accordance with the City's [Information and Systems Security Policy](#). The integrity of information into and out of the City is maintained in light of fake AI-generated content. Implementation of systems is reliable and safe, minimizing risks to individuals, society, and the environment; and
8. **Workforce Empowerment:** Staff are empowered to use AI in their roles through education, training, and collaborations that promote participation and opportunity.

RESPONSIBILITIES

Several roles are responsible for enforcing this Policy, outlined below.

- The Information Technology Department Director / Chief Information Officer (CIO) is responsible for directing technology resources, policies, projects, services, and coordinating the same with other departments. The CIO shall designate the City Information Security Officer (CISO) and City Digital Privacy Officer (CDPO) to actively ensure the security, resilience, privacy, and policy compliance of the systems used by the City.
- The CISO and CDPO are responsible for recommending updates to this policy and the [AI Handbook](#).

POLICY

When purchasing, configuring, developing, using, or maintaining AI systems, users will:

1. Uphold the Guiding Principles for AI systems outlined above;
2. Conduct an AI Review to assess the potential risk of the AI system. The CDPO or designee is responsible for coordinating review of AI systems used by the City as detailed in the [AI Handbook](#);
3. Obtain technical documentation about AI systems. The Finance Department, or other department overseeing the purchase of an AI system, is responsible for requiring vendors to disclose AI usage and to provide technical documentation (e.g., via the AI FactSheet as defined in the Terms and Definitions section, below) at the request of the CDPO; and
4. In the event of an incident involving the use of the AI system, follow the City's [AI Incident Response Plan](#) in accordance with the [Information and Systems Security Policy](#). The CISO is responsible for overseeing the security practices of AI systems used by or on behalf the City.

Additionally, Finance is required to ask vendors to disclose the use of AI in procurement solicitations and to comply with the Requirements for AI Systems upon the request of the CDPO or designee.

Artificial Intelligence (AI) Policy

1.7.12

Prohibited Uses

The use of certain AI systems is prohibited due to the sensitive nature of the information processed and severe potential risk. This includes, but is not limited to, the following prohibited purposes:

- Real-time and covert biometric identification;
- Emotion analysis, or the use of computer vision techniques to classify human facial and body movements into certain emotions or sentiment (e.g., positive, negative, neutral, happy, angry, nervous);
- Fully automated decisions that substantially impact the rights or safety of individuals with no meaningful human oversight;
- [Sole determining factor in hiring, promotion, discipline, or evaluation of employees;](#)
- Social scoring, or the use of AI systems to track and classify individuals based on their behaviors, socioeconomic status, or personal characteristics; and
- Cognitive behavioral manipulation of people or specific vulnerable groups.

If staff become aware of an instance where an AI has caused harm, staff must report the instance to their supervisor, the CDPO, and the Office of Employee Relations no later than 24 hours after discovery.

Sunset Procedures

If an AI system operated by the City or on its behalf ceases to provide a positive outcome to the City as determined by the staff or CDPO, then the City must halt the use of that system unless express exception is provided by the CIO. If the abrupt cessation of the use of that AI system would significantly disrupt the delivery of services, a gradual phased out approach must be approved by the CIO before sunseting. All measures to minimize the impact and recovery must be considered in the termination or phase out protocol, including but not limited to:

- Ownership and future access of data;
- Portability of the AI model, algorithm, and/or data; and
- Impact to services, users, and residents.

Public Records

The City must consider applicable public records laws before implementing an AI system and must comply with the City's Open Government and Ethics Provisions and the California Public Records Act. More information can be found in City's [Administration Policy Manual 6.1.4 Open Government Policy](#).

Policy Enforcement

All employees and agents of the City, whether permanent or temporary, interns, volunteers, contractors, consultants, vendors, and other third parties operating AI systems on behalf of the City are required to abide by this Policy and the associated [AI Handbook](#).

Artificial Intelligence (AI) Policy**1.7.12****VIOLATIONS OF THE AI POLICY**

Violations of any section of the AI Policy, including failure to comply with the [AI Handbook](#), may be subject to disciplinary action, up to and including termination. Violations made by a third party while operating an AI system on behalf of the City may result in a breach of contract and/or pursuit of damages. Infractions that violate local, state, federal or international law may be remanded to the proper authorities.

TERMS AND DEFINITIONS

Artificial Intelligence: “Artificial intelligence” or “AI” is a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. Artificial intelligence systems use machine and human-based inputs to perceive real and virtual environments; abstract such perceptions into models through analysis in an automated manner; and use model inference to formulate options for information or action.

Algorithm: A series of logical steps through which an agent (typically a computer or software program) turns particular inputs into particular outputs.

System: Any software, sensor, or process that uses AI to automatically generate outputs including, but not limited to, predictions, recommendations, or decisions that augment or replace human decision-making. This extends to software, hardware, algorithms, and data generated by these systems used to automate large-scale processes or analyze large data sets.

AI Fact Sheet: A template that captures the “nutrition facts,” or essential technical details, of an AI system. Vendors are expected to complete the AI Fact Sheet during the procurement process. The AI Fact Sheet is a critical document that provides technical information needed to adequately understand, evaluate, and use AI systems. [Maintained by the Information Technology Department.](#)

Approved:

/s/

Khaled Tawfik
Information Technology Department
Director / Chief Information Officer

Month Day,
2026/28/2024

Date

Approved for posting:

/s/

Jennifer A. Maguire
City Manager

Month Day,
2026/28/2024

Date

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

Voluntary Furlough Program

Effective as soon as practicable in Fiscal Year 2026-2027, the City agrees to provide a voluntary furlough program, which will be implemented as a Citywide policy, outside the scope of any memorandum of agreement, and not be subject to grievance provisions.

- Full-time, hourly City employees will be eligible to **voluntarily** take unpaid leave of up to **forty (40) hours** each payroll calendar year (voluntary furlough time off). Employees may code voluntary furlough time off in 4-hour increments.
- Use of voluntary furlough time off is subject to the advance approval of the Department Director or designee. Approvals shall be granted at such time or times as will not reduce the number of employees below that which is reasonably necessary for the efficient conduct of the public business of such department.
- Employees shall submit written requests to their immediate supervisor or designee for all voluntary furlough time off in advance and as early as practical.
- **Benefits-** City contributions for health, dental, and life insurance for employees will continue in the same amounts while employees are taking voluntary furlough time off.
- **Vacation & Sick Leave-** Vacation and sick leave will not accrue while employees take unpaid voluntary furlough time off.
- **Overtime-** Voluntary furlough time off does not count as time worked for the purposes of calculating overtime.
- **Retirement-** Retirement contributions are paid by employees and the City at the established rates as a percentage of base salary. Both the City and the employees participating in the Voluntary Furlough Program will continue to make contributions to the retirement system for all paid hours and all regular hours that employees would have worked but did not work as a result of participating in this program.
- **Seniority-** Employees will continue to accrue seniority while taking furlough time off as though they were at work.
- **Timecard Reporting-** Furlough time off must be coded with a designated payroll code, which will be made available to employees upon program implementation.

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.

FOR THE CITY:



Aram Kouyoumdjian Date
Director of Employee Relations
Director of Human Resources

FOR THE UNION:



Shawn Moresco Date
ABMEI Negotiation Team Member



John Van Every Date
Vice President/ABMEI Negotiations



Tim Farrant Date
ABMEI Negotiation Team Member



Gary Myrah Date
ABMEI President

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

Flexibly Staffed Classes Policy

The City of San José and the Association of Building, Mechanical and Electrical Inspectors (ABMEI) hereby agree to the attached changes to the Flexibly Staffed Classes Policy. The attached changes will become effective as soon as practicable once this can be implemented for all City employees.

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.

FOR THE CITY:

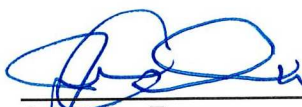


Aram Kouyoumdjian 6/4/26
Director of Employee Relations Date
Director of Human Resources

FOR THE UNION:



Shawn Moresco 6/4/26
ABMEI Negotiation Team Member Date



John Van Every 6/4/26
Vice President/ABMEI Negotiations Date



Tim Farrant 6/4/26
ABMEI Negotiation Team Member Date



Gary Myrah 6/4/26
ABMEI President Date

Flexibly Staffed Classes

3.2.2

PURPOSE

This section describes the uniform Citywide policy for flexibly staffed classifications, and the process for promoting incumbents of these classifications.

AUTHORITIES

San José Municipal Code (Civil Service Rules), Section 3.04.340: Qualifying examination. Qualifying examination means an examination that need not be competitively administered to determine fitness for appointment pursuant to the provisions of this chapter.

"Flexible staffing" is the alternate use of either of two or more classes in a designated series for filling a vacant position. When the vacancy is filled with an employee in the lower of the classes, that employee may be promoted to the higher class while staying in the same position.

"Underfilling" is filling a vacant position using a class lower than that authorized, such as using the lower class in a series designated for flexible staffing (e.g. filling a vacancy with Account Clerk I when Account Clerk II is authorized).

POLICY

1. Objectives of flexible staffing.

- To place the City of San José, as an employer, in a more competitive position to recruit and retain well-qualified employees;
- To increase the capability of City Department Directors or their designee to effectively use the positions and employees within their departments;
- To reward employees who have succeeded in their entry-level jobs;
- To reduce the interdepartmental movement of employees within specified series, and thereby reduce the retraining of employees involved; and
- To keep employee turnover rate at minimal levels.

2. Responsibility for designating classes.

The Director of Human Resources is responsible for designating those classifications that are flexibly staffed classes, consistent with the concept of flexible staffing defined above.

3. Effective dates.

The effective date of flexible staffing applicable to any specified series shall be the date of action taken by the Director of Human Resources. No retroactive promotions will be made prior to the date that the Director of Human Resources received and approved the promotion request.

Flexibly Staffed Classes**3.2.2****4. Responsibility for using.**

Primary responsibility for the most effective use of the designated flexibly staffed classes, including the alternative for flexibly staffed promotions, shall rest with the Department Director or their designee of the operating department.

5. Number of classes in designated series.

The span of flexible staffing within a designated series may be as few as the first two (2) classes of the series, starting with the lowest paid class, ~~or as many as four (4) classes in a series.~~ A list of the City's flexibly staffed classifications can be found at the end of this policy.

6. Differences in levels.

The lower classes in designated series usually do not require professional experience. The higher classes are characterized by assignments that are typically performed with independence.

7. Eligibility for qualifying promotion to the next higher class.

- a. The employees must be currently occupying a lower level of a flexibly staffed class and must have completed probation in that class.
- b. The employees must possess the minimum qualifications, including the required experience for the higher-level class.
- c. The employees must be recommended for a flexibly-staffed qualifying promotion by ~~his/her~~their Department Director or the Department Director's designee to the Director of Human Resources.

Completion of the qualifying promotion results in the movement of both the employee and the position he/she is occupying to the higher class; it does not require a vacancy in the next higher class.

8. Qualifying promotion evaluations.

In most cases and at the determination of the Director of Human Resources, the qualifying promotion process consists of a written supervisor's evaluation on a Qualifying Promotional (QP) Form. The ~~Qualifying Promotional Form~~QP Form is used by the employee's supervisor and the Department Director or their designee to recommend the employee's promotability to the higher level. The qualifying promotion process may be initiated by either the employee or the employee's supervisor.

PROCEDURES

- 1. Employee-Initiated Process:** Within 30 days of a written request by an employee to commence the qualifying promotion evaluation process,

Flexibly Staffed Classes**3.2.2**

- a. The department will confirm with the Department of Human Resources that the employee has completed probation in the lower level of the flexibly staffed class and possesses the minimum qualifications for the higher-level class, including but not limited to, the requisite years of experience.
 - i. If the employee does not meet the requisite criteria for a qualifying promotion, the supervisor will inform the employee in writing that their request is denied and provide a reason for such denial.
 - ii. If the employee meets the requisite criteria for a qualifying promotion, the supervisor will consult with the Department Director or their designee to determine whether the department will recommend that the employee receive a QP.
 - 1. If the department recommends that the employee receive the QP, the employee's supervisor will facilitate the completion of the QP form, including ensuring the employee has completed all relevant sections of the QP Form, obtaining the Department Director or designee's signature on the QP form and ensuring that it is promptly submitted to the Department of Human Resources for processing.
 - 2. If the department does not recommend the qualifying promotion, the supervisor will inform the employee in writing that their request is denied and provide a reason for such denial.
 - a. An employee who is not recommended for a QP may request another evaluation no sooner than six (6) months from the date that they are informed of the response to the most recent request they have initiated under this section.
- b. If the employee does not receive a response from the department within 30 days of their written request, or if their request is denied, they may forward the request, including any relevant supporting documentation, to the Department of Human Resources for review.
 - i. Within 21 days of receipt of the request, the Department of Human Resources will review the employee's eligibility, along with the materials they have submitted, and will provide a recommendation to the employee's Department Director or designee.
 - ii. The Department Director or designee will render a final decision within 14 days of receiving the recommendation from Human Resources.
- 2. **Department-Initiated Process:** If the QP process is initiated by the department, the employee's supervisor will inform the employee that a review is underway and will conduct the process outlined in 1(a) within 30 days.

Flexibly Staffed Classes**3.2.2**

Supervisor

1. ~~Determines that an employee in a flexibly staffed class will be recommended for promotion to the higher level. If necessary, confirms the employee's eligibility for qualifying promotion with the Department of Human Resources.~~
2. ~~Informs employee of the process for qualifying promotions. Obtains the Qualifying Promotional (QP) Form and requests the employee to complete the "Employee Eligibility Summary" section of the form.~~
3. ~~Reviews the request for the qualifying promotion and approves the qualifying promotion by signing the form.~~

Department
Director

4. ~~Approves of the request for the qualifying promotion by signing the form. Signs, dates, and sends completed form to the Human Resources Department.~~

Human Resources

5. ~~Reviews the QP Form to verify that the nominated employee has completed probation in the lower class and meets the minimum qualifications for the higher class.~~
6. ~~Appoint the employee to the higher class effective at the beginning of the next pay period.~~

Approved:

~~/s/ Jennifer SchembriAram~~
~~Kouyoumdjian~~

~~Director of Human Resources/— and~~
~~the City Manager's Office of Director of~~
Employee Relations

~~February 13, 2019Month~~
~~Day, 2026~~
Date

Approved for posting:

~~/s/ Jennifer A. Maguire~~
~~Assistant~~ City Manager

~~February 13, 2019Month~~
~~Day, 2026~~
Date

Flexibly- Staffed Classes**3.2.2****FLEXIBLY STAFFED CLASSES**

Lower Level	Higher Level	Higher Level	Higher Level
Account Clerk I PT/FT	Account Clerk II PT/FT		
Accountant I	Accountant II		
Airport Operations Manager I	Airport Operations Manager II		
Airport Operations Superintendent I	Airport Operations Superintendent II		
Airport Operations Supervisor I	Airport Operations Supervisor II	Airport Operations Supervisor III	
Analyst I PT/FT	Analyst II PT/FT		
Analyst I, Independent Police Auditor U	Analyst II, Independent Police Auditor U		
Animal Care Attendant I PT/FT	Animal Care Attendant II PT/FT		
Animal Health Assistant	Animal Health Technician		
Apprentice Mechanic	Mechanic I	Mechanic II	
Apprentice Wastewater Mechanic	Wastewater Mechanic I	Wastewater Mechanic II	
Architect/Landscape Architect I	Architect/Landscape Architect II		
Assistant Environmental Services Specialist	Associate Environmental Services Specialist	Environmental Services Specialist	
Automation Engineer I	Automation Engineer II	Automation Engineer III	
Building Inspector Combo FT/PT	Building Inspector Combo Cert I FT/PT	Building Inspector Combo Cert II	Building Inspector Combo Cert, Sr
Building Inspector Supervisor Cert I	Building Inspector Supervisor Cert II		
Building Rehabilitation Inspector I	Building Rehabilitation Inspector II		
Buyer I	Buyer II	Buyer III	
Chemist I	Chemist II		

Flexibly - Staffed Classes**3.2.2**

Lower Level	Higher Level	Higher Level	Higher Level
Code Enforcement Inspector I	Code Enforcement Inspector II		
Community Service Officer I	Community Service Officer II		
Construction Inspector I	Construction Inspector II	Associate Construction Inspector	
Council Community Relations Aide U	Council Community Relations Representative U	Council Community Relations Coordinator U	Council Community Relations Director U
Council Policy & Legislative Aide U	Council Policy & Legislative Analyst U	Council Policy & Legislative Advisor U	Council Policy & Legislative Director U
Deputy City Attorney I (U)	Deputy City Attorney II (U)	Deputy City Attorney III (U)	Deputy City Attorney IV (U)
Electrician I	Electrician II		
Engineer I	Engineer II		
Engineering Technician I	Engineering Technician II		
Enterprise Information Technology Engineer I	Enterprise Information Technology Engineer II		
Environmental Inspector I	Environmental Inspector II		
Equipment Maintenance Supervisor I	Equipment Maintenance Supervisor II		
Equipment Mechanic Assistant I	Equipment Mechanic Assistant II		
Events Coordinator I	Events Coordinator II		
Executive Analyst I (U)	Executive Analyst II (U)		
Geographic Information Systems Specialist I	Geographic Information Systems Specialist II		
Hazardous Materials Inspector I	Hazardous Materials Inspector II		
Instrument Control Technician I	Instrument Control Technician II	Instrument Control Technician III	Instrument Control Technician IV
Instrument Control Supervisor I	Instrument Control Supervisor II		
Investigator Collector I	Investigator Collector II		

Flexibly-Staffed Classes**3.2.2**

Lower Level	Higher Level	Higher Level	Higher Level
Laboratory Technician I	Laboratory Technician II		
Latent Fingerprint Examiner I	Latent Fingerprint Examiner II	Latent Fingerprint Examiner III	
Legal Administrative Assistant I	Legal Administrative Assistant II	Legal Administrative Assistant III	
Legal Analyst I	Legal Analyst II	Legal Analyst III	
Librarian I	Librarian II		
Maintenance Assistant FT/PT	Maintenance Worker I FT/PT		
Microbiologist I	Microbiologist II		
Network Technician I FT/PT	Network Technician II FT/PT	Network Technician III FT/PT	
Office Specialist I FT/PT	Office Specialist II FT/PT		
Park Maintenance Repair Worker I	Park Maintenance Repair Worker II		
Parking Manager I	Parking Manager II		
Permit Specialist	Permit Specialist, Senior		
Planner I	Planner II	Planner III	
Police Data Specialist I	Police Data Specialist II		
Police Forensic Analyst I	Police Forensic Analyst II		
Police Property Specialist I	Police Property Specialist II		
Power Resources Specialist I	Power Resources Specialist II		
Program Performance Auditor I (U)	Program Performance Auditor II (U)		
Property Manager I	Property Manager II		
Public Information Representative I	Public Information Representative II		
Public Safety Radio Dispatcher Trainee	Public Safety Radio Dispatcher		
Real Property Agent I	Real Property Agent II		

Flexibly-Staffed Classes**3.2.2**

Lower Level	Higher Level	Higher Level	Higher Level	Higher Level
Retirement Investment Analyst I	Retirement Investment Analyst II			
Senior Airport Operations Specialist I	Senior Airport Operations Specialist II	Senior Airport Operations Specialist III		
Senior Automation Engineer I	Senior Automation Engineer II			
Senior Deputy City Attorney I (U)	Senior Deputy City Attorney II (U)	Senior Deputy City Attorney III (U)	Senior Deputy City Attorney IV (U)	
Senior Mechanic I	Senior Mechanic II			
Senior Property Manager I	Senior Property Manager II			
Structure/Landscape Designer I	Structure/Landscape Designer II			
Systems Applications Programmer I	Systems Applications Programmer II			
Urban Forestry Inspector I	Urban Forestry Inspector II			
Warehouse Worker I	Warehouse Worker II			
Wastewater Operator Trainee	Wastewater Operator I	Wastewater Operator II	Wastewater Operator III	
Wastewater Operations Foreperson I	Wastewater Operations Foreperson II			
Wastewater Operations Superintendent I	Wastewater Operations Superintendent II			
Wastewater Senior Mechanic I	Wastewater Senior Mechanic II			
Wastewater Mechanical Supervisor I	Wastewater Mechanical Supervisor II			
Water Systems Assistant Operator I	Water Systems Assistant Operator II			
Water Systems Operations Foreperson I	Water Systems Operations Foreperson II			
Water Systems Operator I	Water Systems Operator II	Water Systems Operator III		

Flexibly - Staffed Classes

3.2.2

Lower Level		Higher Level		Higher Level	Higher Level
Water Systems Operations Superintendent I	Water Systems Operations Superintendent II				
Youth Outreach Worker I	Youth Outreach Worker II				

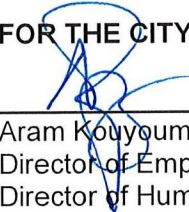
SIDE LETTER AGREEMENT
BETWEEN
THE CITY OF SAN JOSE
AND
ASSOCIATION OF BUILDING, MECHANICAL
AND ELECTRICAL INSPECTORS (ABMEI)

Leaves of Absence Policy

The City of San José (City) and the Association of Building, Mechanical and Electrical Inspectors (ABMEI) hereby agree to the attached changes to the Leaves of Absence Policy. The attached changes will become effective as soon as practicable once this can be implemented for all City employees.

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.

FOR THE CITY:



Aram Kouyoumdjian Date
Director of Employee Relations
Director of Human Resources

FOR THE UNION:



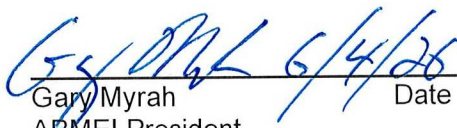
Shawn Moresco Date
ABMEI Negotiation Team Member



John Van Every Date
Vice President/ABMEI Negotiations



Tim Farrant Date
ABMEI Negotiation Team Member



Gary Myrah Date
ABMEI President

Leaves of Absence

4.2.1

leave schedule is medically necessary as determined by the health care provider of the person with the serious health condition.

If intermittent leave is taken for the birth of the employee's child or the placement of a child with the employee for adoption or foster care, the minimum duration of leave is two (2) weeks, except that the City will grant a request for FMLA/CFRA leave of less than two (2) weeks' duration on any two (2) occasions. Any FMLA/CFRA leave taken must be concluded within one (1) year of the birth or placement of the child with the employee.

If an employee needs leave intermittently or on a reduced leave schedule for planned medical treatment, then the employee must make a reasonable effort to schedule the treatment so as not to disrupt unduly the City's operations. If leave is taken intermittently or on a reduced schedule, the City retains the discretion to transfer the employee temporarily to an alternative position with equivalent pay and benefits which better accommodates the employee's leave schedule.

2. Use of Paid Leave During FMLA/CFRA Leave

Generally, FMLA/CFRA leave is unpaid leave. The FMLA/CFRA, however, allows the City to require that employees use accrued paid leave during FMLA/CFRA leave, i.e., have the accrued paid leave run currently with unpaid FMLA/CFRA leave, pursuant to the City's sick, vacation, personal and/or executive paid leave policies. Depending on the reason for the FMLA/CFRA, the substitution of accrued paid leave occurs as follows:

a) For the employee's own serious health condition paid leave must be used in the following order:

- 1) An employee **MUST** use and exhaust all accrued sick leave and then use and exhaust all accrued vacation leave at the beginning of any otherwise unpaid FMLA/CFRA leave. This requirement is waived during the period the employee is on FMLA/CFRA leave for his or her own serious health condition and is receiving wage replacement benefits, including voluntary Long Term Disability Insurance benefits.
- 2) An employee **MAY** elect to use accrued sick leave and vacation leave during the period of receipt of wage replacement benefits, including voluntary Long Term Disability Insurance benefits, unless otherwise prohibited by law.
- 3) An employee **MAY** elect to use executive leave, personal leave, or compensatory time during any portion of otherwise unpaid FMLA/CFRA leave.
- 4) An employee on FMLA/CFRA and receiving Workers Compensation temporary disability benefits **MUST integrate any accrued leave balances in the following order: (1) accrued vacation, (2) accrued compensatory time, (3) accrued sick leave. MAY elect to use any accrued leave balance during the period of receipt of wage replacement benefits.**

b) For the non-medical care of employee's newborn child or child placed with employee for adoption or foster care (commonly for the purpose of bonding with the child) paid leave must be used in the following order:

- 1) An employee **MUST** use and exhaust all accrued vacation leave at the beginning of any otherwise unpaid FMLA/CFRA leave.

Revised Date: ~~February 5, 2024~~ **Month Day, 2026**

Original Effective Date: July 1, 1972

Page 5 of 20

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

Special Retention Adjustment

The parties acknowledge that ABMEI has one of the highest unit-wide vacancy rates among all City bargaining units. As reflected below, over the past six months the vacancy rate has oscillated between 17.28% and 18.52%, and has been more than twice the Citywide vacancy rate during various months, most recently in February 2026, when the Citywide vacancy rate stood at 8.81%.

Citywide Vacancy Rate	8.81% (February 2026)	
ABMEI Vacancy Rate (the past 6 months)	18.52% (October 2025)	17.28% (November 2025)
	17.28% (December 2025)	18.52% (January 2026)
	18.52% (February 2026)	17.28% (March 2026)

The parties further acknowledge that as of April 2026, 32.35% of ABMEI-represented employees are eligible for retirement. This rate is more than three times the Citywide average of 9.74% among all City employees.

In recognition of the above and for the purpose of retaining experienced ABMEI-represented employees to ensure the City's ability to continue to provide development services to the public, the parties agree that eligible full-time ABMEI-represented employees shall receive a special non-pensionable retention adjustment which shall be payable as a lump sum amount of up to \$3,825:

The non-pensionable lump sum amount shall be divided into three (3) installments payable during the last full pay period of each fiscal year of the term of the successor Memorandum of Agreement (MOA), as provided in the table below:

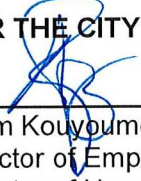
Date Payable	Amount Payable
The Last Full Pay Period of Fiscal Year 2026-2027	\$825
The Last Full Pay Period of Fiscal Year 2027-2028	\$1,000
The Last Full Pay Period of Fiscal Year 2028-2029	\$2,000

To receive each respective one-time non-pensionable lump sum installment, the ABMEI-represented full-time employee must:

1. Have been employed by the City in a full-time ABMEI-represented position on June 21, 2026; and
2. Have been continuously employed in a full-time ABMEI-represented position through the date that the given installment is paid.

**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 the union members and approved by the City Council. None of the terms of this Side Letter shall be deemed or construed as an ongoing obligation, and the provisions in this Side Letter will expire on June 30, 2029.*

FOR THE CITY:



Aram Kouyoumdjian Date
Director of Employee Relations
Director of Human Resources

6/4/26

FOR THE UNION:



Shawn Moresco Date
ABMEI Negotiation Team Member

6/4/26



John Van Every Date
Vice President/ABMEI Negotiations

6/4/26



Tim Farrant Date
ABMEI Negotiation Team Member

6/4/26



Gary Myrah Date
ABMEI President

6/4/26

**2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

CITY PROPOSALS #2 AND #2B – HOUSEKEEPING – HOLIDAYS

City Proposed Language:

ARTICLE 16 HOLIDAYS

16.1 Except as hereinafter otherwise provided, each full-time employee who is on paid status before and after the holidays specified below shall be entitled to paid holiday leave on each of the following holidays as observed, and on no other day, during the term of this Agreement:

New Year's Day	Indigenous Peoples' Day
Martin Luther King Day	Veterans Day
<u>Lunar New Year</u>	Thanksgiving Day
President's Day	Day After Thanksgiving
Cesar Chavez Day <u>Farmworkers Day</u>	<u>Christmas Eve Day</u>
Memorial Day	Christmas Day
Juneteenth	New Year's Eve Day
Independence Day	
Labor Day	

~~Effective January 1, 2024, Lunar New Year shall be observed in accordance with the State of California's holiday schedule and New Year's Eve Day shall no longer be a City-observed holiday. —~~

**2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

CITY PROPOSAL #1 – HOUSEKEEPING – CITY-PAID PARENTAL LEAVE

City Proposed Language:

ARTICLE 13 LEAVES OF ABSENCE

- 13.8 City-Paid Parental Leave: Full-time employees shall be eligible for City-paid parental leave and are subject to the terms and conditions of the City of San Jose's Paid Parental Leave Policy.

~~Effective June 25, 2023, f~~For eligible births, adoptions, or foster care placements, full-time employees will receive a maximum total of ~~three hundred and twentyone-hundred sixty~~ (320160) hours of continuous paid time off and shall be eligible to use up to a maximum total of one-hundred and twenty (120) hours of their available sick leave for City-Paid Parental Leave reasons.

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.

**2026 CITY OF SAN JOSÉ – ABMEI NEGOTIATIONS
TENTATIVE AGREEMENT**

CITY PROPOSAL #3 – HOUSEKEEPING FOR RECOGNITION

ARTICLE 2 RECOGNITION

Pursuant to Resolution #39367 of the City Council of the City of San Jose and the provisions of applicable state law, the Association of Building, Mechanical and Electrical Inspectors, hereinafter referred to as the Employee Organization, is recognized as the exclusive representative for the purpose of meeting and conferring on matters within the scope of representation for employees assigned to the classifications designated under the salary plan column as "INS" in the City of San Jose Pay Plan listed in Exhibit I attached and incorporated by reference into this Agreement. ~~The classifications listed in Exhibit I and subsequent additions thereto or deletions there from shall constitute an appropriate unit.~~