

## SIDE LETTER AGREEMENT

BETWEEN  
THE CITY OF SAN JOSE  
AND

The Association of Building, Mechanical and Electrical Inspectors (ABMEI)  
The Association of Engineers and Architects, IFPTE Local 21 (AEA)  
The Association of Legal Professionals (ALP)  
The Association of Maintenance Supervisory Personnel, IFPTE Local 21 (AMSP)  
The City Association of Management Personnel, IFPTE Local 21 (CAMP)  
The Confidential Employees' Organization, AFSCME Local 101 (CEO)  
The San Jose Fire Fighters, IAFF Local 230 (IAFF)  
The International Brotherhood of Electrical Workers, Local No. 332 (IBEW)  
The Municipal Employees' Federation, AFSCME Local 101 (MEF)  
The International Union of Operating Engineers, Local No. 3 (OE#3)  
and  
The San Jose Police Officers' Association (POA)

**The parties agree to the following. The parties agree that the Municipal Code revision to reflect the new lowest cost healthcare plan shall include the following language:**

- (1) *The "lowest cost plan" for any current or future retiree in the defined benefit retirement healthcare plan shall be permanently set such that it would qualify for "silver" level as specified by the Affordable Healthcare Act (ACA) in effect in July 2015. This specifically includes the provision that the healthcare plan must be estimated to provide at least 70% (the "floor") but no more than 79% (the "ceiling") of healthcare expenses (actuarial valuation) as per the current ACA "silver" definition.*
- (2) *Any additional language included in the relevant Municipal Code section governing the lowest cost plan shall not be in conflict with the above language setting a permanent floor and ceiling.*
- (3) *The parties agree that this same language, reflecting the permanence of the "floor" and "ceiling" of the lowest cost healthcare plan for anyone in the defined benefit retirement healthcare plan shall be part of the retirement MOA.*

**This Side Letter Agreement shall become effective when signed by all the parties below.**

Side Letter Agreement – Lowest Cost Plan


August 2, 2016

Page 2 of 2


For the City:

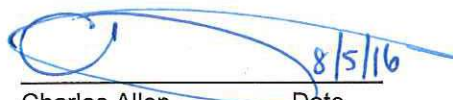
  
\_\_\_\_\_  
Norberto Dueñas      Date  
City Manager

  
\_\_\_\_\_  
Jennifer Schembri      Date  
Director of Employee Relations

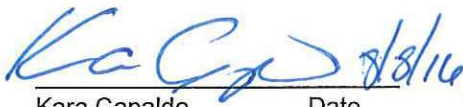
  
\_\_\_\_\_  
Charles Sakai      Date  
Labor Consultant

For the Unions:


  
\_\_\_\_\_  
Gregg Adam      Date  
Legal Counsel, POA

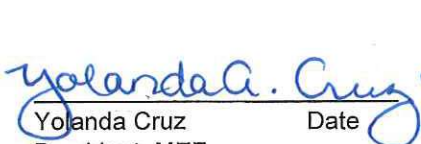
  
\_\_\_\_\_  
Charles Allen      Date  
AFSCME Local 101

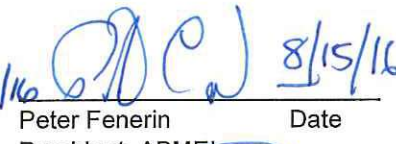
  
\_\_\_\_\_  
Mary Blanco      Date  
OE#3

  
\_\_\_\_\_  
Kara Capaldo      Date  
President, CAMP

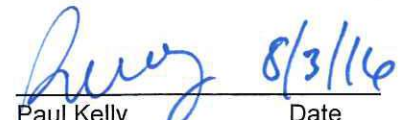
  
\_\_\_\_\_  
Steve Contreras      Date  
President, AMSP

  
\_\_\_\_\_  
Frank Crusco      Date  
Chief Steward, IBEW

  
\_\_\_\_\_  
Yolanda Cruz      Date  
President, MEF

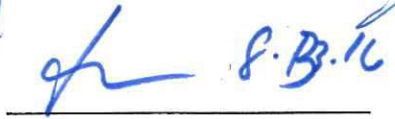
  
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Peter Fenerin      Date  
President, ABMEI


  
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Sean Kador      Date  
President, IAFF


  
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Paul Kelly      Date  
President, POA

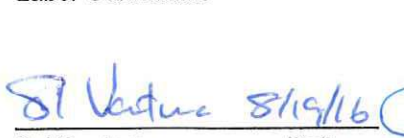
  
\_\_\_\_\_  
Steve Pagan      Date  
AEA


  
\_\_\_\_\_  
Christopher Platten      Date  
Legal Counsel

  
\_\_\_\_\_  
Tom Saggau      Date  
Labor Consultant

  
\_\_\_\_\_  
Sean Stalbaum      Date  
IFPTE Local 21

  
\_\_\_\_\_  
Vera Todorov      Date  
ALP

  
\_\_\_\_\_  
Sal Ventura      Date  
IBEW

  
\_\_\_\_\_  
LaVerne Washington      Date  
President, CEO

  
\_\_\_\_\_  
James Gonzales      Date  
Vice President, POA