

SIDE LETTER AGREEMENT

BETWEEN

THE CITY OF SAN JOSE

AND

THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 3
(OE#3)

Retirement (Pension and Retiree Healthcare) Reopener

The City of San Jose (City) and the International Union of Operating Engineers, Local No. 3 (OE#3), agree to continue settlement discussions over retirement issues (pension and retiree healthcare), including additional retirement contributions.

In the event that the multi-party discussions regarding retirement issues (pension, retiree healthcare and additional retirement contributions) related to Measure B Settlement Negotiations are discontinued during the term of the successor Memorandum of Agreement (MOA) between the City and OE#3, either party may provide notice to the other of its request to commence settlement discussions on a bilateral basis. The parties shall commence the discussions within ten (10) calendar days after the City or OE#3 receive notice from the other.

In the event that the City desires to seek further amendment to the City Charter to (1) increase the maximum benefits under Tier Two, (2) revise the definition of disability, or (3) allow returning Tier One employees to re-enter the retirement system as Tier One, the City shall give notice to OE#3 and the parties shall commence the meet and confer within ten (10) calendar days after the City gives such notice.

Nothing in this section shall be construed to waive any rights either party may have with regard to any other change to retirement benefits (pension, retiree healthcare, and/or additional retirement contributions).

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

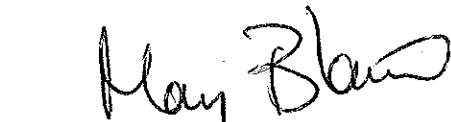
FOR THE CITY:

FOR THE EMPLOYEE ORGANIZATION:



Marco Mercado
Assistant to the City Manager, OER

6/11/15
Date



Mary Blanco
Business Representative, OE#3

Date