

SENT VIA EMAIL

April 1, 2022

John Tucker
1150 N. First Street #101
San Jose, CA 95112

Elizabeth Kamyra
4 N. Second Street #430
San Jose, CA 95113

RE: Wage Reopener Negotiations

The City is in receipt of the letter dated March 21, 2022, in which MEF, Local 101 and IFPTE, Local 21 “demanded” to enter into economic reopener negotiations with the City as soon as possible and requested the City to recognize the parties as a coalition. The City acknowledges that the MEF Memorandum of Agreement (MOA) and the AEA, AMSP, and CAMP MOAs provide the following:

“In the event that the City’s most recent budget forecast of ongoing revenues and expenditures used for the development of the Base Budget for 2022-2023 shows that the City will have a total cumulative General Fund surplus for Fiscal Year 2022-2023, upon request by the union, this Agreement shall reopen **on the subject of wages only**, and the parties will meet and confer on the topic of wages for Fiscal Year 2022-2023, only.” (**emphasis added**)

As the [2023-2027 Five-Year Forecast](#) which was released on February 28, 2022, projects that there will be a general fund surplus in Fiscal Year 2022-2023 of approximately \$27.7M, and as MEF and IFPTE have sought to reopen the respective agreements, the City is amenable to beginning negotiations on the subject of wages only with MEF and IFPTE.

As provided above, in your letter you requested that MEF and IFPTE be allowed to bargain as a coalition again. For these negotiations only, the City is amenable to entering into coalition bargaining with MEF and IFPTE as this is an extension of the 2021 coalition negotiations. In future negotiations, it is the City’s intent to bargain separately with MEF and IFPTE given the varying needs of the members you represent including the different classifications, eligibility for overtime, management vs. non-management needs, etc.

Below is the information you requested regarding the cost to the City of a 1% pensionable wage increase. Please note that after consultation with the Budget Office, we have revised these figures to include the normal cost of retirement only and they do not include unfunded liability. However, it is still the City's intention to include any additional cost of the unfunded liability that would result from a wage increase that is above the Federated Retirement System's assumed wage increase in our final costing of any agreement as it is important that we be fully transparent of the costs of any agreement to the public.

Cost of a 1.00% Pensionable Wage Increase (MEF)	
Base Salary Cost	\$ 1,912,013
Fringe Cost (Retirement, etc.)	\$ 193,968

Cost of a 1.00% Pensionable Wage Increase (AEA)	
Base Salary Cost	\$ 409,132
Fringe Cost (Retirement, etc.)	\$ 40,437

Cost of a 1.00% Pensionable Wage Increase (AMSP)	
Base Salary Cost	\$ 133,986
Fringe Cost (Retirement, etc.)	\$ 20,188

Cost of a 1.00% Pensionable Wage Increase (CAMP)	
Base Salary Cost	\$ 644,140
Fringe Cost (Retirement, etc.)	\$ 79,279

Lastly, the City intends to use an outside labor consultant as the lead negotiator for these negotiations and we are in the process of obtaining their availability. We will reach out to you shortly regarding scheduling negotiation dates.

Sincerely,



Jennifer Schembri
Director of Employee Relations
Director of Human Resources

c: Jennifer A. Maguire, City Manager
Lee Wilcox, Assistant City Manager