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May 18, 2022

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Elizabeth Kamya 4 N. Second Street, Suite 430 San Jose, CA 95113 ekamva@ifpte21.org

Via email

Coalition Negotiations with IFPTE and MEF on Wage Reopener

Dear John and Lizzy:

AEA, AMSP, CAMP (IFPTE) and MEF have been in coalition negotiations regarding the wage reopener with the City since April 13, 2022. During these negotiations, the parties have exchanged multiple proposals, and the City appreciates IFPTE and MEF's efforts towards reaching an agreement.

On May 10, 2022, IFPTE and MEF provided the City with a Last, Best and Final Offer which included an additional 1.50% pensionable general wage increase ("GWI") in Fiscal Year 2022-2023, in addition to the agreed upon 3.00% pensionable GWI for a total pensionable GWI of 4.50%.

The City has considered MEF and IFPTE's Last, Best and Final Offer and is providing the Coalition with the following two options for consideration as the City's Last, Best and Final Offer:

# OPTION 1

#### A. Fiscal Year 2022-2023

Effective the first full pay period in Fiscal Year 2022-2023, following union ratification and Council approval in open session, all salary ranges for employees holding classifications in one of the unions represented by the IFPTE and MEF shall be increased by approximately 1.25% based on the rate of pay as of June 25, 2022, for a total general wage increase of approximately 4.25% in Fiscal Year 2022 – 2023.

Additionally, IFPTE and MEF agree that any special salary adjustments made based on Fiscal Year 2021 – 2022 wages will include a credit for the additional 1.25% wage increase.

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<u>Or</u>

#### OPTION 2

## B. Fiscal Year 2022-2023

Effective the first full pay period in Fiscal Year 2022-2023, following union ratification and Council approval in open session, all salary ranges for employees holding classifications in one of the unions represented by the IFPTE and MEF shall be increased by approximately 1.50% based on the rate of pay as of June 25, 2022, for a total general wage increase of approximately 4.50% in Fiscal Year 2022 – 2023.

Additionally, IFPTE and MEF agree that any special salary adjustments made based on Fiscal Year 2021 – 2022 wages will include a credit for the additional 1.50% wage increase.

### Fiscal Year 2023-2024

3.00% 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 hold positions in classification in one of the unions represented by the IFPTE and MEF shall be increased by approximately 3.00%. All other terms shall remain status quo until the expiration of this Agreement on June 30, 2024.

It should be noted that while, under Option 2, the other terms of the Memorandum of Agreement will remain status quo, the City will continue to remain open to discussing issues that MEF and IFPTE bring forward during the term of the agreement; however, in order to meet IFPTE and MEF's proposal for a 4.50% pensionable GWI in Fiscal Year 2022-2023, we believe a contract extension through Fiscal Year 2023-2024 is necessary to provide stability for the workforce at a time when there is much uncertainty about how the economy will fare in the upcoming months and years.

This offer is consistent with what we shared verbally during our bargaining session on May 17, 2022. As a result of the costs associated with each of these options, the City will have limited ability to provide additional special classification wage adjustments during Fiscal Year 2022-2023, as the cost of the additional pensionable general wage increase will require the use of the limited funds that were intended to be used for special wage adjustments. However, we believe both of the above options will assist with salary alignments and with the City's recruitment and retention efforts, which are also in IFPTE and MEF's interests.



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The City remains hopeful that the parties can reach an agreement soon, and in time for any wage increases to be effective by June 26, 2022. It should be noted that for a wage increase to be effective on June 26, 2022, the last possible Council meeting for which this could be approved would be June 28, 2022, and that a tentative agreement would need to be reached as soon as possible. As the City previously indicated, and as is clear in our proposals, we are not agreeable to retroactivity of any wage increase.

Sincerely,

Burke Dunphy

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Cc: Jennifer Schembri, Director of OER and Human Resources

MEF Negotiation Team IFPTE Negotiation Team