

May 17, 2023

Via E-mail
john.tucker@ca.afscme57.org

John Tucker
1150 N. First Street #101
San José, California 95112

Re: 2023 Memorandum of Agreement Negotiations

Dear John:

The purpose of this letter is to address various statements that have been made by MEF related to negotiations with the City on a successor Memorandum of Agreement (MOA).

As you know, the City and MEF commenced negotiations on a successor MOA on March 15, 2023. Since that initial meeting, the parties have met on a weekly basis and have held 9 meetings to date. Contrary to MEF's assertions, the City has and will continue to engage in the good faith bargaining process with MEF. The City has demonstrated this by providing proposals and counterproposals at the bargaining table, verbal responses, as well as timely responses to MEF's various information requests, among other actions.

While MEF appears to be intent on providing a narrative that the City is coming to the bargaining table in bad faith with no meaningful proposals and without any intent to reach a collective bargaining agreement with MEF, this is plainly false. To date the following has occurred:

- On April 19, 2023, MEF made a wage proposal of 9.00% in Fiscal Year 2023-2024, 8.00% in Fiscal Year 2024-2025, and 7.00% in Fiscal Year 2025-2026. The total cost of the GWI proposal alone is \$54 million. This was in addition to other economic proposals that had been provided to the City as of that date estimating to cost \$2.7 million.
- In response, on April 26, 2023, the City provided an initial package proposal to MEF which included a proposal on wages of an approximate pensionable general wage increase of 3.00% in each year for Fiscal Year 2023-2024, Fiscal Year 2024-2025, and Fiscal Year 2025-2026. This package included a significant counterproposal from the City related to Paid Parental Leave, whereby the City proposed to increase City Paid Parental Leave from 40 hours to 160 hours in addition to other economic and non-

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economic items. Notably, during this negotiation session, MEF indicated that there was one remaining major economic proposal related to special classification adjustments that they anticipated bringing forward at the next negotiation session.

- On May 3, 2023, MEF offered no counter to the City on general wages, made only slight movement on protective footwear, proposed significant special salary adjustments for at least 16 classification series estimating to cost at least \$12.7 million, not inclusive of any costs associated with potential compaction issues that could result from such increases. MEF also proposed 4 additional new items; thereby, further increasing the cost of MEF's package proposal presented on April 26, 2023, despite the prior statement that only one major economic item was remaining.
- Similarly, on May 10, 2023, MEF again provided only marginal verbal movement on one economic issue related to health-in-lieu and again offered no counterproposal to the City on general wage increases.

Given MEF's lack of any substantive movement, during the May 3, 2023 negotiation session, the City indicated to MEF on May 10, 2023, that MEF's failure to provide a counter package proposal to the City including on general wages, as is expected as part of the good faith bargaining process, was concerning and the City was awaiting them to do so prior to offering any counters to their last proposal. While MEF asserted that this was bad faith bargaining, MEF has failed to recognize their own actions during these negotiations as noted above.

However, in recognition of MEF's slight verbal movement on health-in-lieu, and as the City has been and remains committed to engaging in the good faith bargaining process for the purpose of reaching an agreement prior to expiration of MEF's memorandum of agreement, the City provided another package proposal to MEF that included significant movement on bilingual pay, a written proposal on the addition of Lunar New Year as a City observed holiday, reflecting eight (8) hours of additional paid leave, and a proposed Side Letter Agreement related to the City's commitment to begin exploring options to provide childcare assistance to City employees through the procurement of a vendor to provide consultative services.

As has been shared with MEF throughout the negotiation process, the City has a shared goal with MEF to address recruitment and retention issues. However, this is not something that can be accomplished through proposals as have been provided by MEF with no consideration as to the City's ability to provide such increases in a fiscally responsible manner, or MEF's failure to provide any significant movement on major economic issues.

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Additionally, the City is disappointed that MEF cancelled this week's regularly scheduled bargaining session, given that this meeting has been on calendar for nearly two months and we are continuing to close in on the expiration of MEF's current agreement on June 30, 2023.

We hope that MEF will reconsider this approach and return to the table next week prepared to move forward towards reaching a successor agreement.

Sincerely,

A handwritten signature in blue ink that reads "Burke A. Dunphy". The signature is fluid and cursive, written over a light blue rectangular background.

Burke Dunphy

cc: Jennifer Schembri, Director of Employee Relations and Human Resources
Elsa Cordova, Assistant to the City Manager