

MEA'S MARCH 22, 2011 RATIFICATION VOTE: ONE-YEAR CONTRACT EXTENSION THROUGH 6/30/12

What Is the Decision You Are Making?

As an MEA member, the decision you are making is whether or not to vote "yes" to approve the terms of a 1-year extension of MEA's contract or "MOU" with the City through June 30, 2012. MEA and the City have tentatively agreed to this extension subject to this ratification process. The tentative terms of the extension cannot be changed by this vote. The outcome must be voted up or down as written.

If the "yes" votes outnumber the "no" votes, the tentative 1-year extension of the MOU will be ready for City Council's adoption by Resolution and will be implemented on July 1, 2011. If the "no" votes outnumber the "yes" votes, the tentative agreement will not go into effect, and, instead, MEA and the City will return to the bargaining table – with an impasse hearing set for April 12, 2011.

MEA'S Negotiating Team Strongly Urges A "YES" Vote

While the terms of this proposed 1-year contract extension involve continuing economic sacrifices for you and your families, your Negotiating Team urges you to vote "yes" because we believe that the outcome of any further bargaining process will be worse due to the City's recession-related budget deficit and other political considerations. Nor can we forget that, by reaching an agreement with the City in 2009 with these economic concessions included, we avoided the outcome which other City unions experienced when the City imposed harsher economic take-aways on them after impasse – and those take-aways remain in effect to this day.

You Are Not Making Any Decision Today Related to Retiree Health Benefits

Your Negotiating Team continues to meet and confer with the City on the Retiree Health Benefit issues in accordance with Article 22 of MEA's current MOU. These negotiations will end in an agreement or with the parties at impasse. If a tentative agreement is reached, it will be submitted to you for a separate ratification vote. If MEA and the City are unable to reach an agreement, an impasse hearing will take place on April 12, 2011, after which the City may impose its "last, best and final offer" related to changing the current Retiree Health Benefit.

Material Terms of One-Year Contract Extension

1. Terminal Leave Eliminated

Effective July 1, 2011, retiring employees will no longer be entitled to "terminal leave" status.

2. General Salary Freeze

The same general salary freeze will continue through June 30, 2012. Employees will remain eligible for all other current forms of compensation, including but not limited to step advances on the salary schedule, career advancement opportunities, certification and registration pay.

3. Six Percent Economic Concession Remains in Effect for Most Employees

(a) 3% Reduction in City's Paid Retirement Contribution Offset

Effective July 1, 2011, the City will reduce the amount of the retirement contribution offset which the City has been paying on behalf of employees hired before July 1, 2009, from 3.4% to **.4% only – a 3% reduction**. This reduction means that these employees will pay 3% more of their own retirement contribution obligation, which is paid pre-tax.

(b) Choose ONLY ONE: SPSP 3% Mandatory Match Waiver, 3% Pay Deduction or 52-Hour Furlough

Effective with the pay period beginning July 9, 2011, each employee will elect *only one* of the following options (see exceptions below for employees hired after July 1, 2009, and for all Hourly employees):

- (1) waiving the right to receive the City's mandatory 3% match of contributions into the SPSP Plan;
- (2) taking a 3% deduction from all SPSP-eligible compensation; *or*,
- (3) taking fifty-two (52) hours of unpaid furlough during fiscal year 2012, which will be deducted on a pro-rata basis from each of 25 paychecks over the course of the fiscal year on the same terms and conditions as apply to the City's FY09 Voluntary Furlough Program, except that no discretionary days off shall be made available. A pro-rata adjustment in the number of furlough hours shall be made for those employees who work half and three-quarter time, and for any employee hired after the beginning of a fiscal year.

(Please note: you are NOT making your choice today. The City will provide a form for this purpose in early May.)

Exceptions: Post-7/1/09 Hires and Hourly Employees

Since employees hired after July 1, 2009, are not eligible to participate in the SPSP plan, these employees may not elect option (1) above. Since Hourly employees are not eligible for furlough (option (3) above), and since federal law mandates their participation in the SPSP-H plan (option (1) above), the 3% pay deduction (option (2) above) is mandatory for them.

Some additional provisions applicable to the options under 3(b) above:

1. Failure to execute an election of one of these three options by the designated date or within fifteen work days after returning to active payroll or from approved leave will result in an automatic "choice" of the 3% deduction from all SPSP-eligible compensation.
2. Employees may not change their election during the term of this one-year MOU extension.
3. Each employee who waives the City's mandatory SPSP match will have the option to continue or stop making his or her mandatory SPSP contribution while the waiver of the City's matching contribution is in effect. If the employee elects to discontinue making his or her mandatory 3% contribution, the employee must also waive the right to increase his/her voluntary SPSP contributions beyond the percentage the employee had selected during the payroll period ending March 18, 2011.
4. Each employee will schedule his or her furlough hours in the same manner as vacations are presently scheduled pursuant to Article 18 of this MOU. The City agrees that each employee must be allowed the opportunity to take furlough hours off before the end of each fiscal year. The parties intend that this furlough program will be conducted on terms that are fair and reasonable to each employee while permitting the City to carry on necessary work. In the event of any dispute over a department's or division's handling of employees' requests to schedule their furlough days, the City's Human Resources Director will have the authority to hear and direct the Department or Division to resolve the dispute in keeping with the letter and spirit of the parties' agreement.