

**ADDENDUM
TO
MEMORANDUM OF UNDERSTANDING**

FOR TERM OF

JULY 1, 2011 – JUNE 30, 2012

**BY AND BETWEEN THE CITY OF SAN DIEGO
AND THE CALIFORNIA TEAMSTERS LOCAL 911**

JULY 1, 2011

This Addendum incorporates by reference and is to be read with the Memorandum of Understanding (“MOU”) entered into on July 1, **2010**. All terms of the MOU, effective July 1, **2010**, will remain in effect until June 30, 2012, except where amended as set forth in this Addendum.

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ARTICLE 2
Implementation

Section 1. Date Change Only.

This Memorandum constitutes the mutual recommendation to be jointly submitted to the City Council and/or Civil Service Commission. It is agreed that this Memorandum shall be binding upon the parties upon:

- A. The City Council and the Civil Service Commission formally acting by majority vote, to approve and adopt these articles within their respective jurisdictions, and;
- B. Ratification by Union shall be done in a timely manner. Union shall notify Management of the result of the ratification process no later than April 22, 2011.

Section 2. Replace this Section in its entirety with the following:

The City shall, in a timely manner, complete necessary changes in ordinances, resolutions, rules, policies and procedures to conform to this agreement, using September 30, 2010, as a target date for such completion. Any changes in ordinances, resolutions, rules, policies and procedures needed to implement the terms set forth in this Addendum will be completed in a timely manner, using September 30, 2011, as a target date for completion.

Section 3. There are no changes to this Section.

ARTICLE 3
Term

Replace this Article in its entirety with the following:

This MOU begins on July 1, 2010. The initial effective date for all payroll changes is July 11, 2010. By mutual agreement, the MOU's original expiration date of June 30, 2011 is extended through June 30, 2012. The effective date for all payroll changes for Fiscal Year 2012 (July 1, 2011 through June 30, 2012) is July 9, 2011. This MOU will expire and otherwise be fully terminated at 12:00 midnight on June 30, 2012.

ARTICLE 4
Renegotiation

Section 1. Date Changes Only.

Union shall serve upon the City its full and entire written proposals for a successor agreement by **February 3, 2012**, with the exception of salary or other economic proposals which shall be presented no later than **February 17, 2012**. Upon receipt of such written proposals, meet and confer shall begin no later than **March 5, 2012**.

Section 2. Date Changes Only.

The City will serve upon Union its full and entire written proposals for a successor agreement by **February 24, 2012**, with the exception of salaries or other economic proposals. Meet and confer shall begin no later than **March 5, 2012**, at which time the City will present its full economic proposal. Notwithstanding the above, if federal or state governments take action that has direct effect upon the areas which fall within meet and confer, the City or Union may submit proposals concerning these areas at later dates.

Section 3. Date Change Only.

If neither party has proposed a change to a particular Article in this contract by **March 5, 2012**, the said Article shall remain in full force and effect from the date it would have been terminated.

Section 4. Date Changes Only.

Unless otherwise agreed to, the parties agree that final offers by both parties will be made no later than **April 2, 2012**. If an impasse hearing with the City Council is necessary, it will be scheduled for **April 10, 2012**. Union agrees to provide to the Management Team a written statement of its positions regarding any issues at impasse on **April 5, 2012**.

Sections 5. There are no changes to this Section.

Section 6. Replace this Section in its entirety with the following:

The City will negotiate with California Teamsters Local 911 on the impacts, if any, that result from the City defining DROP's "cost neutrality." The City will also negotiate over the impacts, if any, that result from the City defining and requiring DROP to be "cost free."

Section 7. There are no changes to this Section.

Section 8. There are no changes to this Section.

ARTICLE 9
Personnel Regulations

Add the following provision to the end of this Article:

Terminal Leave Eliminated.

The parties agree that Civil Service Rule X and applicable Personnel Regulations are being amended to eliminate terminal annual leave upon termination of City employment for any reason, effective June 30, 2011.

ARTICLE 18
Annual Leave and Compensatory Time Off

Sections A – J. There are no changes to these Sections.

Add New Section K as follows:

Compensatory Time and Grant Reimbursement.

The City and the Union have agreed that overtime earned from a grant fund will only be compensated in pay and not time off. All other overtime earned may be taken as pay or as compensatory time up to the compensatory time caps as set forth in Article 18 Section C.

ARTICLE 21
Salaries

Section A and B. Replace Section A and B in their entirety with the following:

A. General Salary

Effective July 1, 2009 and continuing through June 30, 2012, there is a general salary freeze and there will be no general salary increase. Employees will remain eligible for all other current forms of compensation, including, step advances on the salary schedule, career advancement opportunities, certification and registration pay.

The City and Union agree that no special salary adjustment requests will be submitted to the Civil Service Commission by the City, Union, or employees covered by this agreement, proposing any special salary adjustments for any job classifications covered by this MOU to be effective prior to FY 2013. In anticipation of the meet and confer process for a new agreement for FY 2013 however, Union may bring special salary adjustment requests to the Civil Service Commission during the appropriate period in Fiscal Year 2012.

B. Mandatory Furlough

- 1. Effective with the pay period beginning on July 11, 2009 and continuing through**

June 30, 2012, each full-time employee (see exception below for all Hourly employees) will take fifty-two (52) hours of unpaid furlough for each fiscal year, 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 Voluntary Furlough Program, except that no discretionary days will be made available.

2. A pro-rata adjustment in the number of furlough hours will be made for those employees who work half and three-quarter time and for any employee who is hired after the beginning of a fiscal year.

3. Exception (3% Pay Deduction for Hourly Employees):

Since Hourly employees are not eligible for furlough, and since federal law mandates their participation in the SPSP-H Plan (see Article 49), these employees will receive a 3% pay deduction.

4. The parties agree to allow pre-selected vacation in accordance with Vacation Schedule Policy Number 1.8 under Fire-Rescue Department Lifeguard Services Division Manual of Policies and Procedures ("Vacation Policy") to be substituted with mandatory furlough hours.

5. Any other furlough outside of pre-selected vacation will not be permitted if it requires backfilling.

6. Any remaining mandatory furlough not used by June 22, 2012 (last pay period in Fiscal Year 2012) shall be forfeited.

7. Telestaff indicated vacations as of November 10, 2009, for the period of July 11, 2009 through June 30, 2010, will be used as the basis for this agreement.

8. For Fiscal Year 2012, the procedure described in paragraph B.4 above will be the mechanism for scheduling mandatory furlough.

9. If any change is made by the City to the vacations selected, both parties agree to meet and confer over the Mandatory Furlough Program.

10. In the event of any dispute over the Lifeguard Division's handling of employees' requests to schedule their mandatory furlough days, the City's Human Resources Director will have the authority to hear and direct the Lifeguard Division to resolve the dispute in keeping with the letter and spirit of the parties' agreement.

Section C – H. There are no changes to these Sections.

ARTICLE 22
Retirement

Section 1.A. There are no changes to this Section.

Section 1.B.1. Replace this Section in its entirety with the following:

1.B.1. Reopening of Meet and Confer Regarding Benefits:

By no later than July 1, 2010, the parties will reopen negotiations on Retiree Medical Benefits. The parties will complete negotiations and be in agreement or at impasse no later than April 15, 2011, in order to fulfill obligations under the City's Impasse Procedure.

Section 1.B.2. There are no changes to this Section.

Section 1.B.3. There are not changes to this Section.

Add New Section 1.B.4(e) as follows:

The term of the MOU through June 30, 2012, as set forth in this MOU, does not affect the rights and duties of the parties regarding the ongoing Retiree Medical Benefit negotiations pursuant to section 1 of Article 22, including but not limited to, the City's right, as set forth in section 1.B.4(d), to impose its last, best and final offer changing the Retiree Medical Benefit effective July 1, 2011, for those active employees covered by this agreement who retire or leave DROP on or after that date: Nor does this one-year MOU term alter or diminish L911's right to challenge such imposition in accordance with section 1.B.4 entitled: **"Reservation of Rights, Failure to Reach Agreement and Return to the *Status Quo Ante.*"**

Section 1.B.5. and 1.B.6. There are no changes to these Sections.

Section 1.B.7. There are no changes to this Section except to Section 7.A. as indicated below.

Section 1.B.7.A. Replace this Section in its entirety with the following:

7.A. Retirement Contribution Offsets

Effective July 1, 2011, for employees hired before July 1, 2009, the City will pay a portion of the employees' required retirement contributions in an amount equal to 2.3% of their base compensation, thereby reducing the amount deducted from their paychecks. Upon termination, these employees will have no vested right in the contributions by the City.

ARTICLE 49
Supplemental Pension Savings Plan/401(k)

Replace Section A in its entirety with the following:

Section A. Supplemental Pension Savings Plan (SPSP):

- 1. Full-time lifeguards, who are defined as Safety Members of the San Diego City Employees Retirement System and who are hired by the City on or after January 1, 2011, are not eligible for SPSP. The SPSP Program will continue for full-time lifeguards hired before January 1, 2011, in compliance with the SPSP document.**
- 2. Effective July 1, 2011, the ability of an employee to make an irrevocable election to waive his or her Employer Matching Contribution on the employee's Mandatory Contributions to the Supplemental Pension Savings Plan is eliminated.**
- 3. The terms of the SPSP document and the terms of the SPSP-H document for hourly employees control the SPSP benefit. The following language is taken from prior MOUs and is set forth for historic purposes: The parties agree that a new Supplemental Pension Savings Plan will be implemented for all new employees hired on or after July 1, 1986 [through December 31, 2010]. For these employees the voluntary contribution will be reduced from 4.5% to 3.05% to offset the Medicare tax. Future increases in the Medicare or Social Security tax will result in corresponding decreases in the SPSP contribution for the City and the employees.**

This change will not **affect** or change the current SPSP Plan for employees hired prior to July 1, 1986.

The parties agree that an early retirement provision will be added to the Supplemental Savings Plans so that distributions prior to age 59-1/2, but within the City's normal retirement age provisions, will not be subject to the 10% excise tax on early distributions.

Recent legislation mandates that all employees be covered by a retirement plan effective July 1, 1991. This impacts all hourly employees in the units represented by Union since they do not participate in any retirement system. Mandatory participation for these employees in a version of the Supplemental Pension Savings Plan is agreed to by the parties in order to comply with this mandate.

The City and Union agree to the adoption of a new SPSP(H) plan coverage for hourly employees to avoid compulsory inclusion in the Social Security System as mandated by the Omnibus Budget Reconciliation Act of 1990. These new Federal regulations mandate Social Security for employees not covered by a "retirement system." Current hourly employees, who are not participating in the City Retirement System do not meet the requirements of the regulations and must be covered by Social Security or a "retirement" plan effective July 1, 1991.

In order to comply with this new Federal law, the City and Union agree to the implementation of a new SPSP-H (hourly) Plan for hourly employees with the following key elements:

- 3.75% employee contribution matched by a 3.75% City contribution to meet 7.5% minimum requirement.
- 100% immediate vesting.
- Monies must remain in plan until termination.

The City and Union agree to study the feasibility of establishing a program which allows employees to borrow against their vested SPSP contribution.

ARTICLE 52
Labor Management Committee and Training Committee

Change Title of Article to “Labor Management Committee and Training Committee” and add the following provision to the end of this Article:

The Parties also agree to establish a Labor Management Committee which meets quarterly during the term of this MOU to discuss any training issues related to Lifeguard duties. IN WITNESS WHEREOF, the undersigned agree to submit this Addendum to the Memorandum of Understanding effective July 1, 2011 – June 30, 2012, to the appropriate bodies.

CALIFORNIA TEAMSTERS LOCAL 911

Ray Whitmer
Secretary Treasurer

Chester Mordasini
President

Ed Harris
Lifeguard Sergeant

CITY OF SAN DIEGO

Scott Chadwick
Human Resources Director

Timothy Davis
Lead Negotiator

Rick Wurts
Lifeguard Chief

Jeff Carle
Assistant Fire Chief

Lourdes N. Silva
Labor Relations Officer

Rimah Khouri
Labor Relations Officer

Valerie VanDeweghe
Risk Management Deputy Director