

The Billy & Spanner



PRESIDENT'S NOTES

By Mike Alford

Well it looks as though Measure B will soon be a bad memory. Ash Kalra put out a press release stating that measure B is not dead yet but the grave has been dug.

On July 15th I reviewed the tentative agreement between the city and public safety teams. Since, I have learned that Local 230 has voted to accept the agreement, but there is no word as yet on the POA's response.

In the agreement there is a section entitled retiree health care. The language is very similar to what we have now in regards to current retirees, with Kaiser being the low cost plan as it has been for years. There are some changes for future retirees though, mainly in the tier 2 group. Current Tier 2 employees and new hires will not be afforded health care paid for by the city. Instead a voluntary employee beneficiary association or VEBA will be created that will not obligate the city to a defined benefit for health care for future employees. The city will however continue the cost sharing for active employee health care using Kaiser as the lowest cost standard with their contribution being 85% of the Affordable Care Act's "Silver" plan. So if the POA ratifies this agreement there will be no noticeable change for current retirees that I can see.

Just a reminder that our Summer BBQ is August 20th at Coyote ranch, sign ups are being accepted on our web site. We will have our regular Monthly meeting on August 13th. See you there.

CITY SETTLEMENT WITH SJPOA & SJFF, LOCAL 230 ON MEASURE B

The SJPOA, Local 230 and the City of San Jose have reached a tentative settlement agreement to eliminate Measure B and end the litigation. This has been a huge undertaking for both groups.

As you recall, Measure B made unlawful changes to pensions for active employees--driving hundreds of employees from the City. Retirees faced impacts as well. Most notably, the City gave itself the ability to eliminate or reduce our guaranteed annual 3% Cost of Living Adjustment (COLA) for a period of up to 5 years if they deemed it necessary.

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visit our website at www.retiredsjpoff.org

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Details on Annual Association BBQ

Measure B settlement Information

CITY SETTLEMENT WITH SJPOA & SJFF, LOCAL 230 *continued from page 1*

Further, the City defined the "lowest cost plan", which our health care benefits are based on, as any plan, available to any city employee. The potential impact to us on retiree health care was an unlimited cutting of our benefit to meet the City's financial need.

The agreement reached between the SJPOA and Local 230 improves the positions for active and retired employees. Yes, it will create a 2nd tier pension, but that was an issue that all sides already agreed on.

As it relates to retirees, the Measure B provision granting the City Council the unilateral authority to cut our COLA's is eliminated.

With regards to retiree healthcare for current retirees, the following will occur:

- The City will be prohibited from lowering a retiree's health care benefit below the "silver" level in the Affordable Health Care Act. **This provides current retirees with a guaranteed benefit going forward.** Currently, the city could continue to degrade the lowest cost plan and that would be the plan provided to current retirees.

The SRBR benefit for retirees will be eliminated (we've been without it for several years now). However, in its place will be a "Purchasing Power Agreement" which will ensure that the purchasing power of current retiree's pension will not fall below 75% of its value. This new provision is intended to accomplish something similar to what the SRBR was created for--to help those long-time retirees who need the most help making ends meet. In addition to our COLA, the Purchasing Power Agreement will guarantee our pensions hold value over the long term.

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Association of Retired San Jose Police Officers and Firefighters 32nd Annual August 2015 BBQ

Food Served:

BBQ Ribs & Chicken
Corn on Cob
Salad,
Garlic Bread
Soft Drinks
Beer & Wine

Place: Coyote Ranch *(just off of Monterey Highway in the Coyote Valley)*

When: Thursday, August 20, 2015

Time: 3:00 PM to 7:00 PM **Dinner** will be served at 5:00 PM

Cost: \$10 for Members | \$15 for Spouse

\$15 children between ages 12-16 | \$20 for Non-Members

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CITY SETTLEMENT WITH SJPOA & SJFF, LOCAL 230 *continued from page 2*

Below are highlights of the agreement as passed on by the SJPOA.

What are the key points?

- It **INVALIDATES Measure B**, striking it from the Charter and ending litigation.
- It creates a **COMPETITIVE, VESTED Tier 2** benefit, maximizing at 80% after 30 years (Average of 2.66% year at 57 years old) with a COLA capped at 2%.
- It **RESTORES Tier 1 and Tier 2 disability benefits** to the standards that existed prior to Measure B
- It **PROTECTS Retiree Healthcare** and **reduces its cost from 9.5%** (and the inevitable escalation to 12.4%) **to 8%and** installs a floor for retiree medical benefits that cannot be lowered
 - Tier 1 employees will have a one-time opportunity to opt-out of the City's retiree healthcare benefit and opt-in to the VEBA with their contribution rate dropping to 5% and their previous contributions made for retiree healthcare placed into their individual VEBA accounts
 - Tier 2 employees will have a new, portable defined contribution retiree healthcare benefit (VEBA) which they will control and fund at 4%
- Lateral officers (including former San Jose Officers) who qualify as "classic employees" under state law (i.e., they were a cop before 1/1/13) may join or rejoin SJPD as Tier 1 officers (this includes former San Jose Tier 1's who have returned as Tier 2)
- Retirement benefits will be protected in a Tripartite (meaning with Local 230) 10-year Retirement MOA (i.e., until 2025)

What happens next?

The agreement contemplates a number of steps:

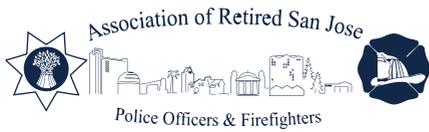
- Approval by POA and Local 230
- Formal approval by the City Council (August 4, 2015)
- The Federated Unions resolving their litigation with the City
- The City and POA must agree on a wage deal.
- The invalidation of the Measure B by a judge through the quo warranto action (which the City will not oppose).
- The drafting of new ordinances and a Tripartite Retirement MOA between POA, Local 230 and the City to replace Measure B with the provisions in the Settlement Framework.
- If the other unions do not reach an agreement to resolve their litigation, or if the quo warranto process does not succeed in invalidating Measure B, the terms of the Settlement Framework would be reduced to a ballot measure and presented to the San Jose voters for approval in November 2016.
- If the measure is not approved, then the litigation would resume.

WELCOME NEW MEMBERS: David Sanchez and Duane Tuell

CONDOLENCES:

Fire Engineer Mike Rosingana. In addition to serving the community through his career in the SJFD, Mike also served as a dedicated Director of this Association. Mike's son, Scott Rosingana, currently serves in the SJFD as well.

Fire Captain Rick Wardall. Rick joined the SJFD in 1981 serving San Jose for 30 years until his retirement in 2011.



Association of Retired San Jose

Police Officers & Firefighters

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visit our website:
www.retiredsjpoff.org

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Association of Retired San Jose

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CALENDAR OF EVENTS

- 8/5 Bill of Faire Restaurant – Green, 1005 Saratoga Ave at Williams - 408-446-4050
- 8/12 Hick'ry Pit – Gray, 980 E. Campbell Ave., Campbell 408-371-2400
- 8/13 Association Meeting 11AM to 1PM at**
the San Jose P.O.A. Hall 1151 N. 4th St San Jose
- 8/19 City Diner – Tan, 2951 Monterey Rd., SJ 408-269-5490
- 8/20 Annual Association BBQ, 3:00 PM to 7:00 PM, Coyote Ranch
- 8/26 Burger Pit – Blue, 120 Blossom Hill Rd., SJ 408-225-6030
- 9/2 Goodies – Wine, 2201 S. Bascom Ave., Campbell 408-369-1236
- 9/9 Bill of Faire Restaurant – Green, 1005 Saratoga Ave at Williams - 408-446-4050
- 9/10 Association Meeting 11AM to 1PM at**
the San Jose P.O.A. Hall 1151 N. 4th St San Jose
- 9/16 Hick'ry Pit – Gray, 980 E. Campbell Ave., Campbell 408-371-2400
- 9/23 City Diner – Tan, 2951 Monterey Rd., SJ 408-269-5490

ASSOCIATION OFFICERS

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Tim Miller, Walt Bugna, John Shuman

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POLICE BENEVOLENT ASSOCIATION OFFICERS

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Sgt at arms - Bob Moir www.sjba.net