

**MEA'S "LAST, BEST & FINAL OFFER"
FOR A NEW MOU FOR FY 09
THIS IS A PACKAGE PROPOSAL OF FULLY-INTERDEPENDENT TERMS**

Preamble. Unless otherwise noted below, MEA proposes that all other terms of a new MOU be as tentatively agreed-upon between the City and MEA or remain at the status quo based on neither party's having proposed a change and/or a party's having done so but subsequently withdrawn its proposal.

Article 21: General Salary Increase:

An amount which equals the increase in the Cost of Living for the San Diego area as of December 2007 when compared with the calendar year ending 2006, which increase was officially reported by the Bureau of Labor Statistics on February 20, 2008, to be 2.3%, to be added to base salaries as follows:

July 1, 2008: 1.3%

December 27, 2008: 1%

Article 21: Special Salary Adjustments/Special Assignment Pay

MEA accepts the City's LBFO regarding all SSAs, Special Assignment Pays and Voluntary Certification Pays -- by withdrawing those not accepted and accepting all others in the amounts proposed -- with the exception of the following on which MEA remains committed to achieving the amounts recommended by the Civil Service Commission as follows:

Parking Enforcement Officer Series: (includes PEO I, II, Supervisor & Senior Supervisor)	5%
SETC Supervisor:	5%
Cemetery Manager:	5%
Police Records Clerk:	15%

Article 28: Flexible Benefits Plan:

The Flexible Benefits Plan dollar value will remain the same as it was for FY 2008 -- \$6,075 -- despite increases in insurance premiums for FY 09.

[Note: MEA's forfeiture of an additional 1% in the amount of the City-paid pension "pick-up," which became effective on July 1, 2007, in exchange for an additional \$500 in the Flexible Benefits Plan dollar value -- shall also remain in effect for FY 09.]

All Flexible Benefit Plan terms will remain the same except as follows: All health and welfare plan offerings for FY 09 shall be solely those sponsored by the City. MEA withdraws its proposal to sponsor health and welfare plans -- whether on its own or as a member of the proposed City Employee Benefit Association ("CEBA").

Article 59: Long Term Disability/Industrial Leave

MEA has accepted all of the City’s proposed changes to the Long Term Disability Plan. MEA’s position is that the terms of the Industrial Leave benefit (A. R. 63.00) remain at status quo – the same outcome as has already been agreed upon by and between the City and the POA and Local 145.

Article 71: Rights of Industrially Injured Employees to Schedule Medical Appointments

MEA’s position is that the terms of this Article remain at status quo.

“New Pension Program”

[Note: Despite the City’s failure and refusal to provide *any* counterproposal to MEA’s pension-related proposal presented on March 24, 2008 – meaning that the City made *one and only one* proposal for a new pension program on March 3, 2008 – MEA presents the following *additional* counterproposal as part of its “Last, Best & Final Offer” for a new MOU.]

Article 51: Supplemental Pension Savings Plan

The current plan will be closed to all employees who are hired for the first time as a City employee into MEA’s bargaining units – including Lifeguards – on or after July 1, 2008.

In lieu of SPSP participation, these new employees will be required to contribute 1% of their gross wages to a Retiree Medical Trust or equivalent defined contribution vehicle for use, upon retirement, in defraying the costs for medical care or medical insurance (as permitted by the rules applicable to the trust or other vehicle) – with the City providing a 1% matching contribution.

Projected Annual Savings in Reduced City Contributions per IBA:
1% of payroll (down from the current 6.05% of payroll) = \$17.52 million/year.
{Not including savings from closure of SPSP to new Lifeguard Safety Members on/after 7/1/08.}

Article 22: Retirement

A new formula will be established as a second tier under SDCERS for all employees hired for the first time as a City employee on or after July 1, 2008, into a position covered by the General Member retirement plan, as follows:

<i>New Retirement Factors</i>	<i>Final Compensation</i>	<i>Cap</i>
1.46% at age 55 2.00% at age 60 2.272% at age 62 2.418% at age 65	Three-year average	90%

Projected Annual Savings in Reduced City Contributions per IBA = \$7.9 million (with no cap)
Estimated City Contribution per IBA = 7.62% of payroll
Estimated Employee Contribution per IBA = 7.62% of payroll

Projected Annual Savings in Reduced City Contributions for Same Plan per CalPERS Rates
= \$11.8 million (with no cap)
Estimated City Contribution for Same Plan per CalPERS Rates = 6.5% of payroll (with no cap)
Estimated Employee Contribution per CalPERS Rates = 7% of payroll

Minimum Total Estimated Annual Savings per IBA #s: \$25.42 million
Total Estimated City Contribution per IBA = 8.62% of payroll
Cost of Implementation on 7/1/08 = \$0.00

Minimum Total Estimated Annual Savings per CalPERS#s: \$29.32 million
Total Estimated City Contribution per CalPERS Rates = 7.5% of payroll
Cost of Implementation on 7/1/08 = \$0.00

Compare Estimated Annual Savings for Mayor's Proposal: \$22.7 million
Compare Estimated City Contribution for Mayor's Proposal = 9.4% of payroll
Compare Cost of Implementing Mayor's Proposal on 1/1/09 = Unknown per Mercer/Mayor

BOTTOM LINE = MEA'S PROPOSAL SAVES MORE \$\$.
ALLOWS THE CITY TO REMAIN COMPETITIVE IN RECRUITING/RETENTION
& PRESERVES THE DEFINED BENEFIT PLAN!

MEA's Proposal will likely SAVE the City between \$2.72 and \$6.62 Million
MORE in future years than the Mayor's Proposal.