

Bargaining Update

September 28, 2009

Members of the District Bargaining Team: John Niederkorn, Randy Henry,
Bill Hausler, Tom Davis, Kim Forrest.

Members of the VTA Bargaining Team: Tim Yearshaw, Gary Masterson,
Kent Puddy.

The District and the Association met to discuss a 2009-10 Retirement Incentive Plan. The District discussed the potential use of Federal Stimulus money for a plan for this year.

After some discussion, the District presented the following plan outline:

Concerning the establishment of a Retirement Incentive Plan, Mid-Year Retirement

Plan Description: This Retirement Incentive Plan is structured to enable the District to 1) reduce certificated staffing through voluntary retirement, and 2) to reduce the District's obligation for contracted personnel expenses for the current year and subsequent years. This is achieved by establishing this Mid-Year Retirement Incentive. The retirement eligible certificated employee would begin retirement status at the end of the 1st semester. The same employee would agree to working as a "Employee Emeritus" for the 2nd semester, in the current work assignment. Daily compensation would be earned. The employee would receive an annuity funded by the District reflective of a fixed percentage of the final contracted salary. Consistent with STRS policies and practices would receive retirement benefits at the end of the 1st semester.

Time Frame:

1. The Retirement Incentive Plan is offered for 2009-2010 only. There is no expectation that this or any other Retirement Incentive Program is to be offered next year or other foreseeable years.
2. Dates for Participation: Application Period is November 9 2009 through November 30, 2009. The Retirement Incentive Application and irrevocable Retirement Letter effective January 15, 2010 must be submitted to the Human Resources Department no later than November 30, 2009 at 5:00 p.m.

Eligibility:

Those Certificated Non-Management employees who:

- a) Are permanently employed by the District as of November 5, 2009 for the entire 2009-2010 contract year. (date of Board of Education adoption);
- b) Have 5 years of District service as of January 31, 2010; and

- c) Are eligible to retire under STRS (age 55 with 5 years of STRS service or age 50 with 30 years of STRS service) as of January 31, 2010.

Incentive components:

1. Annuity provision – The District will fund a Fixed Payment Annuity with a payout schedule to be selected by the participant from various payout options. The annuity value will be based on a percentage of the participant’s annual contracted salary as reflected by their placement on the current salary schedule placement. Non-contracted income, extra-duty earnings, stipends, etc. are not included in the annuity calculation. If an employee is contracted on a part-time basis for the 2009-2010, the annuity calculation will be pro-rated by the value of their current contract terms. (For example a .6 FTE would be funded equal to 60% of the current salary schedule placement.)
2. Health Benefit Coverage - The participant will retain their current health benefit coverage through the remainder of the current contract year.
3. Post-Employment Health Benefits: For post-employment health benefit eligible unit members these additional options exist (for eligibility refer to Article 5.4) :
 - a) Maintain the current contractual health benefit retirement provision, i.e., 7 years coverage of 50% subscriber only, medical plan;

OR

 - b) A 3 year, 100% district-paid, medical coverage, subscriber only, of the CALPERS plans, excluding PERS Care;

OR

 - c) An additional \$12,500 one -time cash-out to be taken in one time payment to be paid in January 2011.
4. Employee Emeritus Requirements:
 - a) Participation in the Retirement Incentive requires participation in the District sponsored Emeritus Employee Program.
 - b) Participation in the Emeritus Employee Program shall require employees to fulfill their current responsibilities during the Emeritus Employee Program for the remainder of the 2009-2010 school year subject to the needs and requirements of the District.
 - c) Sick Leave: Accumulated Sick Leave will be converted into STRS/PERS retirement income upon retirement; therefore, participating employees shall receive no pay for sick leave during the Emeritus Teacher Program.
 - d) Preparation, Staff Development and Non-Student Days: Participating employees are required to fulfill their current responsibilities during the Emeritus Employee Program, including participation in all Preparation, Staff Development and Non-Student Days.
 - e) In the event an enrolled participant fails to complete the required Emeritus Employee Program, the District reserves the right to cancel the employee’s PARS benefit. In the event of an enrolled participant’s medical emergency, the District reserves the right, on a case-by-case basis, to excuse the employee from participation in the required Emeritus Employee Program.

- f) The rate of pay for Emeritus Employees shall be \$160 dollars per day for actual work performed subject to FTE adjustments.

Participation:

1. The District will guarantee the Retirement Incentive Plan implementation if there are a minimum of 25 additional retirees. The District may or may not implement the Plan if fewer than twenty-five (25) additional retirement applications are submitted.
2. If the District receives fewer than the "minimum number of applicants" and the Retirement Incentive Program is not implemented, then the unit member's Retirement Incentive Application and Retirement/Resignation Letter will be rescinded and returned to the individual.

The VTA asked many questions concerning the District Plan outline. At this time the District did not have any specific numbers for their Plan. The District indicated that they would have numbers for the plan after the Board meeting on Oct. 1st. Dr. Niederkorn indicated he would send the number information to the VTA Bargaining Chair.

The VTA Bargaining Team indicated that it would discuss the District Plan with the VTA Executive Board at its meeting on Oct. 13th.