

June 6, 2011

Nancy Ostrowski
Senior Business Representative
IFPTE, Local 21
4 N. Second Street, Suite 430
San Jose, CA 95113

John Mukhar
President
AEA, IFPTE Local 21
c/o ESD
700 Los Esteros Road
San Jose, CA 95134

Dale Dapp
President
AMSP
c/o DOT
200 E. Santa Clara Street
San Jose, CA 95113

Cay Denise MacKenzie
President
CAMP, IFPTE Local 21
c/o OES
855 N. San Pedro, Room 404
San Jose, CA 95110

RE: Retirement Reform

Dear Nancy, John, Dale and Cay Denise:

On June 3, 2011, we were scheduled to meet from 8:00 AM to 10:00 AM. Shortly after the commencement of our meeting, we provided you a letter regarding the proposed ballot measure that was included in the City Council direction of May 24, 2011. The direction included returning to the City Council on June 21, 2011, with language related to the proposed ballot measure. The letter we provided to you on June 3, 2011, was not intended to capture all of the City Council's direction of May 24, 2011, but only the portion regarding the proposed ballot measure.

Due to the deadlines associated with a November ballot measure, we suggested that we focus our efforts on the language related to the proposed ballot measure that address retirement reform for current and future employees. It was our hope that by seeking input and recommended changes to provide the City Council for their consideration on June 21st, that we could achieve consensus around the retirement reforms to be placed before the voters. Unfortunately, after meeting for approximately 30 minutes, you abruptly ended our meeting and indicated that you were "done."

We want to reiterate that retirement reform has been and remains a critical issue for the City and that the City remains committed and available to meet with AEA, AMSP and CAMP regarding the language related to a proposed ballot measure that will be considered by the City Council on June 21, 2011. Due to the deadlines associated with ballot measures, it is imperative that you notify us immediately if AEA, AMSP and CAMP are interested in meeting to discuss the proposed ballot measure so that we may secure meeting dates and times immediately.

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In addition, per your request in accordance with the mutually agreed to side letters, we offer the following dates/times to begin the meet and confer process regarding retirement reform for current and future employees as well as the Supplemental Retiree Benefit Reserve (SRBR):

- Wednesday, June 8, 2011, 2:00 – 4:00 PM, OER Conference Room
- Thursday, June 9, 2011, 2:00 – 4:00 PM, OER Conference Room
- Monday, June 13, 2011, 10:00 AM – 12:00 PM, OER Conference Room

Please note that the purpose of these proposed meetings is separate and apart from any discussions over the proposed ballot measure to be placed before the voters. The same immutable deadline for the proposed ballot measure **does not apply** to the meet and confer process pursuant to the side letters. Please confirm your attendance at any or all of these proposed meetings.

Finally, we wanted to clarify that part of the City Council's direction on May 24th, included directing staff to analyze the opt-in programs suggested by Councilmembers Rocha and Constant. Those analyses are underway and the status will be reported back to the City Council on June 21, 2011.

Sincerely,



Gina Donnelly
Deputy Director of Employee Relations

c: Debra Figone, City Manager
Alex Gurza, Director of Employee Relations