



OFFICE OF MAYOR GILBERT WONG

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May 16, 2011

The Honorable Mayor Chuck Reed
The Honorable Vice Mayor Madison Nguyen
The Honorable Peter Constant
The Honorable Ash Kalra
The Honorable Sam Liccardo
The Honorable Kansen Chu
The Honorable Xavier Campos
The Honorable Pierluigi Oliverio
The Honorable Rose Herrera
The Honorable Donald Rocha
The Honorable Nancy Pyle

Dear Mayor, Vice Mayor and members of the San Jose City Council:

The steps you are considering to reduce the future pension obligations of the City of San Jose are a rash and ill-advised approach to solving what is recognized as a real financial problem. I urge you not to proceed with a Declaration of Fiscal and Public Safety Emergency and to resolve issues of public employee compensation and benefits in the proper venue, which is at the bargaining table, not the ballot box.

Emergency declarations carry enormous consequences even if, like this one, they confer little legal authority. This declaration risks creating financial uncertainty that would endanger San Jose's bond rating, discourage business investment and lower property values while conferring no authority to resolve the underlying issues, which are the purported reason for its issuance.

The Charter amendment proposed to address the City's pension obligations is not the rational and reasoned solution that it is designed to mimic but is really a mean-spirited and vindictive attack on the employees that protect and serve the residents of San Jose. There is no other adequate description for an amendment would effectively force employees into a retirement plan inadequate by any contemporary standard and deny them raises for decades.

As Mayor of a fellow Silicon Valley city, we need to work collaboratively to address our mutual interests. Please reconsider this approach.

Sincerely,

Gilbert Wong