

Pension Reform Side Letter Negotiations

Coalition (AEA, CAMP, AMSP) and the  
City of San Jose

June 3, 2011

8:10 a.m. start time

Nancy Ostrowski  
Chief Negotiator  
SJ Coalition AEA, CAMP, AMSP

## RETIREMENT REFORM AND SRBR NEGOTIATIONS

June 3, 2011 8:11am – 8:45pm/Caucus 8:25am – 8:40am

City Team – Gina Donnelly, Aracely Rodriguez

**Gina Donnelly** Wants to discuss timelines.  
**Deputy Director,** Mayor's Memo dated May 13<sup>th</sup> is priority  
**Employee Relations** They have until June 21<sup>st</sup> to address ballot measure issue

The City has letter for us today  
We are the first to get this letter.  
Others will get this afternoon, including L230. POA will not get the letter since they are in negotiations.

Priority is our input for ballot measure.  
No retirement reform negotiations until after this priority handled.  
August 2<sup>nd</sup> is the deadline for the ballot measure.

Per Donnelly Ballot measure is going forward. What is in it has to be determined.

**Nancy Ostrowski,** I asked if we negotiated pension reform – would that stop the  
**Chief Negotiator,** ballot measure?  
**AEA, AMSP, CAMP**

Donnelly “No.” It is not stopping ballot measure.

Possibly we can craft something together and be on the same page, win/win.  
Extent we are able to come together.

Ostrowski I told the City the intent of our meeting today was to discuss pension reform.

Donnelly They are not prepared to discuss pension reform until after the ballot measure language drafted.

## CAUCUS

Return to table

Ostrowski

I said extremely disappointed. The City does not have an accurate interpretation of the process. This was NOT the direction of the City Council. We were to work with formulas before we can create language. How can we craft ballot language WITHOUT numbers run?

City Council direction also included Constant, Rocha and City Manager's Memos.

Read from the Mayor's Memo May 13<sup>th</sup> quoting –  
“This proposal is not the only solution. It is once combination of ideas that we believe will solve the problem. We are open to other solutions, and our proposal directs staff to engage with employee groups – many of whom have said they are eager to work in partnership to solve this crisis – and to discuss alternatives that also solve the problem.”

Coalition group leaves.

John Mukhar  
Senior Engineer with Environmental Services  
President of AEA, bargaining team member

## RETIREMENT REFORM AND SRBR NEGOTIATIONS

8:10 a.m.

Ostrowski,           We want to give you assurance that we want to work on this. So as not to waste anyone's time, we want to understand your timeline and what you need and what direction you have.

Donnelly,           We share the desire and critical need to move forward with retirement reform.  
                          Asks about subsidy for public transit (side letter)  
                          (City) wants to move quickly (on retirement reform), especially in light of the Mayor's memo.

Ostrowski           We want to hear from you on your direction, especially with the additional memo.

Donnelly            June 21 is the deadline for the Council.  
                          Hands out letter from Office of Employee Relations dated June 3, 2011 (get bargaining units' input on ballot language).

Ostrowski           This is a meet and confer issue (pension reform side letter). We can add this (ballot language discussions) to our discussion in these (side letter) negotiations.

Donnelly            It is a deadline and we need to address now.

Ostrowski           Can we accomplish this during pension reform negotiations?

Donnelly            This could be the only topic we discuss in these negotiations.

Ostrowski           So this is the only thing that we discuss?

Donnelly            This is happening and we need your input.

Ostrowski           If we reach a retirement reform agreement or understanding does it stop a ballot measure or do you make it the ballot measure?

Donnelly            (Donnelly) thinks the ballot measure is going and they will not meet with the City Council until June 21.

Ostrowski	If we reach or have an agreement on retirement?
Donnelly	Does not know about stopping, but if there is a ballot measure that you support.....
Ostrowski	Our proposal is
Donnelly	Ballot measure is already set, but it may be modified. This ballot measure is coming forward and we need to make recommendations on what you think can be done.
Ostrowski	Did all other units receive this letter?
Donnelly	Not yet, but they all will
Caucus, 8:25 a.m.	
Return to table, 8:40 a.m.	
Ostrowski	We are really disappointed at what you said. Invitation was for retirement reform. We think that your interpretation of the Council's direction is not correct. "This proposal is not the only solution. It is one combination of ideas that we believe will solve the problem. We are open to other solutions, and our proposal directs staff to engage with employee groups and to discuss alternatives that also solve the problem," from Mayor's May 24 Memo. Solving this crisis is working with formulas and numbers, and crafting ballot language without numbers is wrong and non-transparent. With that, we're done.
Coalition leaves.	

Ross Bayer  
Airport Operations Supervisor  
AMSP Secretary, bargaining team member

## RETIREMENT REFORM AND SRBR NEGOTIATIONS

Opening narration      City wants to move quickly, wants input on ballot measure, handed the Coalition a packet

Ostrowski                If negotiations are successful, will the ballot measure move forward?

Donnelly                 The ballot measure is going forward. “Our ultimate goal is having a ballot measure you (the Coalition) could support.”

Caucus

Return to table

Ostrowski                We’re very disappointed. We expected a proposal of some form on pension reform.  
We consider your interpretation for the meeting is not correct. The ballot measure “is not the only solution. It is one combination of ideas that we believe will solve the problem. We are open to other solutions, and our proposal directs staff to engage with employee groups and to discuss alternatives that also solve the problem,” from Mayor’s May 24 Memo.  
My understanding now is that you are only concerned now with the ballot measure.

The end.

The Coalition leaves.

Phyllis Schulz  
Maintenance Supervisor  
AMSP Vice President, bargaining team member

## RETIREMENT REFORM AND SRBR NEGOTIATIONS

Opening statements, introductions.

Ostrowski asks about pension reform side letter vs. ballot measure language

Donnelly                      Timeline is moving quickly. The timeline is June 21 for the ballot measure (to bring to the Council).  
Hands the group a letter on providing input on ballot measure.

Ostrowski                    Tries to clarify that the meeting is a meet and confer

Donnelly                      The ballot measure is going forward. August 2, the City Council will be voting on the wording for the ballot measure.

Ostrowski                    We thought we were here to talk about pension reform.

Donnelly                      We'd like for us to have an agreement so when the wording question is on the ballot measure, the Coalition would approve it

Groups take a caucus.

Groups return to table.

Ostrowski                    "This proposal is not the only solution. It is one combination of ideas that we believe will solve the problem. We are open to other solutions, and our proposal directs staff to engage with employee groups and to discuss alternatives that also solve the problem," from Mayor's May 24 Memo.  
This is not the direction that we understand from the Council. We understand they wanted us to work on retirement reform and move to working on retirement reform – that's what's on the Mayor's May 24 memo. It was part of Council members' Donald Rocha and Pete Constant's memos.  
We thought we were going to be working on formulas to get things costed so we could share on getting ideas out there, not about writing ideas on the ballot measure.

Don                            OK.

The Coalition leaves.

Dianna Butcher  
Associate Engineer with the Department of Transportation  
AEA bargaining team member

## RETIREMENT REFORM AND SRBR NEGOTIATIONS

8:11 a.m. start.

Opening statements, introductions.

Donnelly                      The timeline is moving quickly.  
Distributes letter from the Office of Employee Relations. OER is expected to report the Council on June 21. OER is providing the Coalition the opportunity for input regarding the ballot measure, to make sure the input is heard, considered, included....

The groups caucus.

The groups return to the table.

Ostrowski                      We're disappointed. We came here today to begin negotiating on reform. OER's interpretation of the Council's direction is inaccurate. There are additional criteria included in their direction. We believe the direction was to pursue reform options. We are done for today and leaving.

Coalition leaves at 8:45 a.m.



Dale Dapp  
Pavement Management Superintendent with the Department of Transportation  
AMSP President, bargaining team member

## RETIREMENT REFORM AND SRBR NEGOTIATIONS

Ostrowski	We're glad to be here to work out retirement. We have a commitment to pull this off in a short window and we would like to know your window. We need to know what you need, what we can give and what compromises may be accepted. We want to take the high road and be professional. We would like to thank you for understanding yesterday. I had to be in San Francisco at 3 p.m. yesterday.
Donnelly	We share in the desire, need and criticalness needed to move forward with retirement reform. You are aware of other issues with other groups.
<b>Aracely Rodriguez, Senior Executive Analyst, Employee Relations</b>	We want to check in on the (side letter on) subsidy for public transit and the elimination of those programs.
Ostrowski	What do you view as the (Council's) direction. We have heard ..... different ..... from the Mayor and Constant and Rocha's additional memos.
Rodriguez	We're expecting to be in front of the Council on June 21 with a proposed ballot measure. Here is another letter regarding the ballot measure. Hands out June 3, 2011, letter from OER. We need to know what you want in a ballot measure so it's included.
Ostrowski	We must act before June 21. It should be language for the ballot measure?
Donnelly	We want your input to be heard. We must have actual language by June 21 so we have what we are putting before the voters.
Ostrowski	Would our input stop the ballot measure?
Donnelly	We won't be meeting with the City Council prior to June 21, therefore we want input for modifications and revisions.

Ostrowski                      What is your view of pension reform negotiations? If pension reform is reached, would this stop the ballot measure? The Mayor's message states he is open to working with Bargaining Units on reform. Will movement have any impact, change or stop the ballot measure?

Donnelly                        It is not stopping. The goal is a measure you support. We will/can make additional revisions to the measure and it will be a win-win if you agree on the ballot measure.

Ostrowski                      This is not my view of what would occur. If we reach reform, we thought it (the ballot measure) would stop.

Donnelly                        The ballot measure is coming. This is your opportunity to word or craft. We don't have a lot of time. Whatever we can accomplish gives us breathing room.

Groups caucus.

Groups return to the table.

Os        We're really disappointed over what you said. Your meeting notice said we were coming to talk about pension reform and SRBR. We have you pension before, we expected you to give us a proposal. I feel your interpretation of the City Council's direction is not correct. Among other things, the verbiage on Council direction, from Council members Constant and Rocha. We came for pension reform. "This proposal is not the only solution. It is one combination of ideas that we believe will solve the problem. We are open to other solutions, and our proposal directs staff to engage with employee groups and to discuss alternatives that also solve the problem," from Mayor's May 24 Memo.

Our goal is solving a crisis -- not a ballot measure -- by reviewing actuary reports and having workout sessions. My understanding of what you want is to prioritize ballot language. Drafting ballot language without understanding these things is wrong. It's not transparent, it's not the direction provided.  
We are done.

Coalition group leaves.

Lisa Taitano  
Financial Analyst with the Finance Department  
CAMP bargaining team member

## RETIREMENT REFORM AND SRBR NEGOTIATIONS

Ostrowski	introductions We're committed to negotiations and acting professionally.
Donnelly	It's critical that we move forward. Time is of the essence.
Rodriguez	Your thoughts on the public transit subsidy side letter?
Ostrowski	We will caucus over the issue later.
Donnelly	We have tight timelines. We need to move quickly. We have direction from the Mayor's memo, signed by three City Council members. The Council says we need language for the ballot by June 21. Hands out June 3, 2011, letter from OER. You're the first to get the letter, later today the firefighters union will get.
Ostrowski	Will all unions get the memo?
Donnelly	Not POA because we're still negotiating.
Ostrowski	Can we review all in this meeting? It seems you're prioritizing the language for the ballot measure.
Donnelly	Points to the contents of the Fiscal Reform Memo. Unions' input should be incorporated in the (ballot) language.
Ostrowski	Does successful negotiation negate the need for a ballot measure?
Donnelly	We want unions' feedback/input.
Ostrowski	What is your view of pension reform? Would successful reform stop the measure?
Donnelly	Input from the unions that would get support from the unions.
Ostrowski	OK. That wasn't my process in my mind about this meeting.

Donnelly                      The ballot measure is coming forward. We don't have a lot of time to work on crafting language for the ballot measure.

Ostrowski                   Will other unions get the same memo?

Donnelly                      You are the first. POA will not.

Coalition caucus.

Groups return to the table.

Ostrowski                   You sent us an invite for pension reform; we thought you would be giving us a proposal today. Your interpretation by the Council is not correct. We feel insulted. We here in good faith to talk about pension reform.

“This proposal is not the only solution. It is one combination of ideas that we believe will solve the problem. We are open to other solutions, and our proposal directs staff to engage with employee groups and to discuss alternatives that also solve the problem,” from Mayor's May 24 Memo.

We understand and we're open to other solutions but in order to solve this crisis, it requires a costing out.

My understanding is that crafting language without knowing the numbers is just wrong. We need to have agreement before we craft the ballot language.

Coalition leaves.

Phyllis Dawkins-Thames  
Latent Fingerprint Examiner Supervisor  
CAMP Secretary, bargaining team member

## RETIREMENT REFORM AND SRBR NEGOTIATIONS

8:11 a.m. start.  
Introductions

Ostrowski	What is it that we can give? We want to work with the City?
Donnelly	We share in the desire and need to move forward with retirement reform.  Do you have a response on the subsidy for public transit proposal?
Ostrowski	We are not stalling on the public transit subsidy. We will caucus.
Rodriguez	We brought copies of the side letter.
Donnelly	We have timelines and recommend we move quickly. Per the Mayor's memo, I brought copies. A response it wanted by June 21. The ballot measure vote is on June 21 – copies provided.
Ostrowski	We sill discuss later in caucus.
Donnelly	We want to present your input on the ballot measure at the City Council meeting June 21.
Ostrowski	Our input will be considered for the ballot measure?
Donnelly	We will make input available.
Ostrowski	Could our meetings prevent a ballot measure?
Donnelly	These meetings are for input on the ballot measure.
Ostrowski	If we reach something on pension reform, will that stop the ballot measure?
Donnelly	I don't know about stopping the measure. Is there a measure we (the Coalition) can support?

Ostrowski                      So can our recommendation be what will be on the ballot?

Donnelly                        It may influence.

Ostrowski                      This is not what we understood was the recommendation. Have other units received this letter?

Donnelly                        You are the first to receive the letter. It's going to other units, except POA.

Coalition caucus.

Groups return to the table.

Ostrowski                      We have disappointed. We have a proposal for pension reform. You asked to meet on pension reform and SRBR. Your interpretation (of Council) direction is not correct. We feel insulted. We proposed not only a solution, we are open to solutions. "This proposal is not the only solution. It is one combination of ideas that we believe will solve the problem. We are open to other solutions, and our proposal directs staff to engage with employee groups and to discuss alternatives that also solve the problem," from Mayor's May 24 Memo. Crafting ballot language without numbers is not the direction of the Council. We need to have some type of agreement.

Coalition leaves the meeting.

Cay Denise MacKenzie  
Senior Emergency Services Planner with the Office of Emergency Systems  
CAMP President, bargaining team member

## RETIREMENT REFORM AND SRBR NEGOTIATIONS

Start with introductions.

Ostrowski                      We're glad to be here to address retirement reform. We've presented proposals on retirement reforms during negotiations. All of us have a commitment. We don't want to waste the party's time – what do you need? What can we give? We want to really work on something here. Thanks for yesterday (rescheduling the meeting) as I have to be in San Francisco at 3 p.m. yesterday. Who is going to be the City team chairs?

Donnelly                        Aracely and I will be the co-chairs. We want to talk about other items – the public transit side letter came up.

Ostrowski                      We're not stalling. We can take a caucus about those.

Rodriguez                      We brought the side letters.

Ostrowski                      You can leave them and we'll review at caucus. The Mayor's memo signed May 13 – we want to start to address. We want to hear from your about what you believe the (Council) direction to be.

Donnelly                        June 21, we're to return to the Council and have a ballot measure. We have another letter for you – time being of the essence. Hands out letter.

Ostrowski                      “Terms for proposed ballot measure.”  
For sure, this is a meet and confer. We'll do this in our caucus. Do you see this as something we need to meet separately on?

Donnelly                        Is there any language you think should be considered?

Ostrowski                      Do you see that we can accomplish this in the same meeting?

Donnelly                        Yes.

Ostrowski                      So most before June 21 to be prioritized? Number 1 being the ballot measure?

Donnelly August 2, it'll come back (to the Council). What are we going to be before?

Ostrowski If we reach retirement reform and meet Council direction, wouldn't that stop the ballot measure, or no matter what we do, the ballot measure is going forward?

Donnelly Our understanding is the ballot measure is moving forward. We want to include any language you may have.

Ostrowski What is your view of pension reform negotiations? If we reach something on pension reform, will it stop the ballot measure?

Donnelly If we can come up with a ballot measure you could support?

Ostrowski So pension reform could be the ballot measure?

Donnelly ....

Ostrowski This wasn't my process in mind. I felt if we could reach something on pension reform, it could change what goes on the ballot.

Donnelly We're working with what we heard on May 24, craft language for the ballot.

Ostrowski What about other bargaining units?

Donnelly You're the first bargaining unit to get the letter. The rest will get today (except POA).

Ostrowski Can we take a caucus now, about 10 minutes?

Donnelly Yes.

8:25 a.m., caucus.

8:40 a.m., return to table.

Ostrowski I'm really disappointed with what you said. You called this meeting for pension reform. We view your interpretation of Council direction is not correct.  
We feel very insulted. In the Mayor's May 13 memo -- "This proposal is not the only solution. It is one combination of ideas that we believe will solve the problem. We are open to other



solutions, and our proposal directs staff to engage with employee groups and to discuss alternatives that also solve the problem.”  
Solving this crisis doesn’t mean a ballot measure.  
You’ve prioritized the ballot measure language without calculations, etc.  
It’s wrong, it’s not transparent, it’s not legitimate.  
With that, we’re leaving.

Coalition walks out about 8:45 a.m.