

**ADDENDUM #2 TO JULY 15, 2015 ALTERNATIVE PENSION REFORM SETTLEMENT  
FRAMEWORK**

**BETWEEN  
THE CITY OF SAN JOSE  
AND**

**THE SAN JOSE POLICE OFFICERS' ASSOCIATION (POA)  
THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 230 (IAFF)**

**PROPOSED QUO WARRANTO IMPLEMENTATION PLAN, AUGUST 14, 2015**

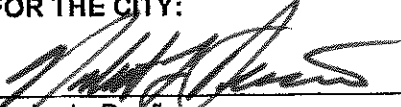
As agreed upon by the City, the San Jose Police Officers' Association and the International Association of Firefighters, Local 230, the proposed quo warranto implementation plan shall be followed by the parties in the manner prescribed below.

<b>Step</b>	<b>Time</b>	<b>Action</b>
1.	Upon ratification of Federated/Retirees Deal	Global Settlement Addendum Agreement on quo warranto process: <ul style="list-style-type: none"> <li>• Global settlement involving all litigants (including retirees) and bargaining unit representatives</li> <li>• Entered into for purposes of settlement</li> <li>• Except as otherwise provided in the stipulated order and judgment described below no admission of wrongdoing, including no admission that the City acted in bad faith</li> <li>• Non-precedential for any purpose</li> </ul>
2.	Immediately after #1	Parties ask for a stay in appellate proceedings (Lucas ruling). Local 230 will also ask for a stay in the PERB proceedings until December 31, 2015. If Step 8 has occurred and the quo warranto process is still ongoing, the stay will be continued on a quarterly basis until the conclusion of the quo warranto process.
3.	Immediately after #1	Begin drafting ordinances and Tripartite Retirement MOA. Begin identifying ordinances implemented as a result of Measure B.
4.	Immediately after #1	Local 230 intervenes as necessary/indispensable party in POA quo warranto case, without objection from the City, which may require seeking permission from the Attorney General.
5.	Immediately after #1	Use POA case to offer a proposed stipulation to the Judge staying the implementation of Measure B pending further proceedings outlined below, which may require coordination with the Attorney General.
6.	Immediately after #1	Parties negotiate charter language, pursuant to Addendum #1, simultaneous with agreement on stipulated facts, order and judgment.
7.	Simultaneous with #6	Proposed Stipulated Facts, Order and Proposed Stipulated Judgment in quo warranto case  Outline of stipulated facts and findings: <ul style="list-style-type: none"> <li>• history of negotiations including agreement on impasse as of 10/31, number of negotiation sessions, and use of mediation;</li> <li>• changes to the proposed ballot language, including post-impasse changes;</li> <li>• tension between City's powers and MMBA and effort to harmonize through Seal Beach negotiations—as described on pages 3-4 of Attorney General opinion No. 12-605.</li> </ul>

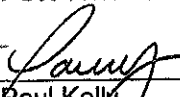
		<ul style="list-style-type: none"> <li>• language from AG decision to grant QW based on the question of whether impasse had been broken by post-impasse ballot changes made by City and whether City Council needed to negotiate further (the inherent powers vs. MMBA issue);</li> <li>• the cost and time and risks of litigating QW, including appeals and the issue of whether a decision in QW case would be universally applicable;</li> <li>• the desirability of finding a solution that is collaborative</li> <li>• financial challenges facing City and retirement funds - desire on part of employees, retirees and City to make benefits sustainable;</li> <li>• Stipulated Order that City should have engaged in further negotiation of final language before putting on ballot to comply with MMBA obligations and failure to do so was a procedural defect significant enough to declare null and void Resolution placing Measure B on ballot; This order will not include a finding that the City acted in bad faith.</li> <li>• Any additional language required by the court to allow the Court to approve the parties' Stipulated Order and Judgment. The Court order must be factually accurate.</li> <li>• Agreement that Resolution No. 76158 shall be null and void.</li> <li>• Overriding public interest in expedited resolution of quo warranto proceedings and implementation of Settlement Framework to restore and improve city services and sustainability of retirement plans.</li> <li>• Stipulated Judgment shall reflect that Measure B shall be invalidated</li> </ul>
8.	Upon completion of #6 and #7	Submission of Stipulated Order and Stipulated Judgment to quo warranto judge, which may require coordination with the Attorney General.
9.	Upon entry of judgment in quo warranto case	<ul style="list-style-type: none"> <li>• Formally adopt ordinances to implement Settlement Framework and replace Measure B.</li> <li>• All parties dismiss/withdraw all complaints, unfair practice charges, etc.</li> </ul>
10.	January 2016	Begin discussions over including any other provisions in Settlement Framework in ballot measure (per Addendum #1 to Settlement Framework) to be completed by July 2016
11.		POA and Local 230 agree to oppose any third party litigation challenging the invalidation of Measure B through the quo warranto process either by joining the litigation or by petitioning to file an Amicus Brief.
12.	Immediately upon: (1) federated unions failing to reach pension settlement; (2) retirees not settling their litigation; or (3) quo warranto process not succeeding in invalidating Measure B	Craft ballot measure to implement all aspects of Settlement Framework.

FOR THE CITY:

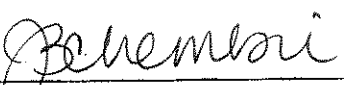
FOR THE UNION:

  
Norberto Dueñas  
City Manager

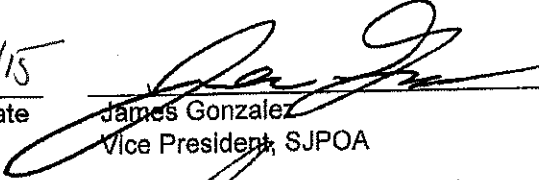
8/17/15  
Date

  
Paul Kelly  
President, SJPOA

Date

  
Jennifer Schembri  
Director of Employee Relations

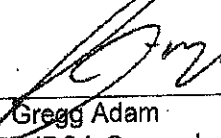
8/17/15  
Date

  
James Gonzalez  
Vice President, SJPOA

Date

Edgardo Garcia  
Assistant Chief of Police

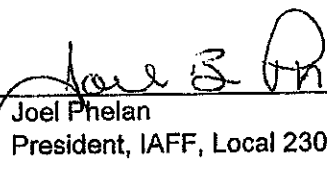
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Gregg Adam  
SJPOA Counsel

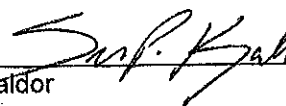
8-17-15  
Date

Charles Sakai  
Labor Consultant

Date

  
Joel Phelan  
President, IAFF, Local 230


8/17/15  
Date

  
Sean Kaldor  
Vice President, IAFF, Local 230

Date

Christopher Platten  
Legal Counsel, IAFF, Local 230

Date

  
Tom Saggau  
SJPOA/IAFF, Local 230 Consultant

Date