

May 15, 2013

Vera Todorov
President
Association of Legal Professionals (ALP)
c/o City Attorney's Office
200 E. Santa Clara Street
San Jose, CA 95113

Dear Vera:

We are in receipt of ALP's letter dated May 14, 2013. We have emphasized to the coalition that the City's interest is in engaging in constructive conversations at the bargaining table that lead to a negotiated solution to retiree healthcare. Although ALP is a recent participant in the coalition, our interest and intent has not changed. ALP has made many assertions and allegations in various letters without the benefit of conversation and discussion at the bargaining table. This is not how our conversations have been with the coalition.

We are perplexed by ALP's latest allegation that the City is "...trying to hide behind the dark veil of the 'bargaining table'." There is no "hiding" involved and there is no "dark veil." We invite ALP to come to the table to engage in discussions with your coalition partners, as we have been for many months with the other eight bargaining units. We have appreciated the discussions we have had with the coalition on the many challenges we mutually face related to retiree healthcare, and we welcome ALP's participation in our constructive discussions.

In short, we disagree with your interpretation of the phase in schedule. Since 2009, the Annual Required Contribution has always been scheduled to begin in 2013-2014. That is the very reason the City initiated negotiations many months ago. Not until your recent letters has **any** bargaining unit asserted ALP's interpretation, including when we made a proposal to ALP and the other eight bargaining units in December 2012 to extend the phase-in.

We will be providing you and your coalition partners with another proposal today, even though we have yet to receive a counter proposal to any City proposal. We provide the proposals to each bargaining unit separately since we have agreed with the coalition that each bargaining unit retains its individual rights and ratification process, including that an agreement on retiree healthcare can be made with one or some bargaining units and not with others. This is the same process we effectively used in 2009 when we originally engaged in coalition bargaining over retiree healthcare. The City and any individual bargaining unit have retained the right to withdraw from the coalition at any time and bargain individually with any bargaining unit.

We look forward to the continued discussions with the coalition at the bargaining table. We appreciate the recognition from the coalition partners that we share a mutual interest in continuing constructive discussions on solutions to retiree healthcare.

Sincerely,



Alex Gurza
Deputy City Manager

C: Association of Building, Mechanical, and Electrical Inspectors (ABMEI)
Association of Engineers and Architects (AEA)
Association of Maintenance Supervisory Personnel (AMSP)
City Association of Management Personnel (CAMP)
Confidential Employees' Organization (CEO)
International Brotherhood of Electrical Workers (IBEW)
Municipal Employees' Federation (MEF)
International Union of Operating Engineers, Local #3 (OE#3)
Gary Messing