



425 E. Santa Clara St., #300
San Jose, CA 95113
(408) 286-8718
(408) 286-2577 fax

SAN JOSE

FIRE FIGHTERS & POLICE OFFICERS



1151 N. Fourth Street
San Jose, CA 95112
(408) 298-1133
(408) 298-3151 fax

November 18, 2011

VIA EMAIL AND REGULAR MAIL

Alex Gurza
Deputy City Manager
City of San Jose
200 E Santa Clara St
San Jose, CA 95113

Re: Revised POA/Fire Fighter Proposal

Dear Mr. Gurza:

Please consider this a revised proposal by the San Jose Fire Fighters, IAFF Local 230 (Fire) and the San Jose Police Officers' Association (POA).

In recent days, our organizations have been advised of the City's opposition to a move to the California Public Employees Retirement System (CalPERS), an inherent feature of the Fire/POA proposal. We also understand that the City has an absolute demand that any retirement agreement must go before the voters.

Accordingly, and in the interest of continuing to try to find a collaborative resolution to the City's pension cost difficulties, we request that the City direct its negotiators to return to the bargaining table to discuss:

1. Trying to agree on the details of a proposal that would incorporate the savings and the features of our CalPERS proposal, but which would be designed to keep employees in the San Jose Police and Fire Retirement System. That is, let us try to agree on a three-tier model that achieves the savings we propose, but which keeps us, as is the City's express wish, in the City's retirement system. No one would go to CalPERS under our proposal.
2. A joint City/Fire/POA proposed Charter amendment that would seek to have the voters ratify and enshrine in the City Charter the agreement we hope can be achieved under paragraph 1 above.

This proposal represents a fundamental shift in the unions' position. We are dropping our proposal to move to CalPERS in order to satisfy what we understand is a philosophical demand of the City.

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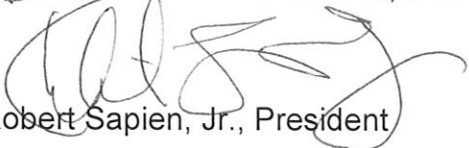
Furthermore, this revised proposal retains all of the other features of our prior proposal, most importantly: (1) The agreement by the POA to continue its 10% total compensation concession through June 30, 2013 and ongoing thereafter until revised by subsequent agreement by the parties; and (2) an additional 5% saving, based upon a transfer of healthcare costs, and an additional contribution from both police and fire.

This proposal contemplates a 75% cap under the third tier to be agreed upon for new employees.

We believe that the recent mediation between the parties, concluded Wednesday, was a worthwhile endeavor that triggered the type of frank and collaborative discussions that the formal bargaining process lacked. We believe that there was positive movement by both sides in that process that gives us significant hope that an agreement can be reached by returning to the bargaining table.

Very truly yours,

SAN JOSE FIRE FIGHTERS, IAFF LOCAL 230



Robert Sapien, Jr., President

And

SAN JOSE POLICE OFFICERS' ASSOCIATION



George Beattie, President