



1150 North First Street, Suite 101
San Jose, CA 95112

April 20, 2012

VIA EMAIL

Gina Donnelly, Deputy Director
CITY OF SAN JOSE
Office of Employee Relations
200 East Santa Clara Street
San Jose, CA 95113

RE: Negotiations and Sick Leave Payout

Dear Gina:

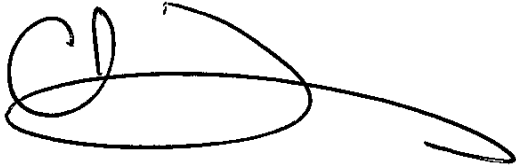
We are in receipt of your April 16, 2012 letter regarding the City's Last, Best and Final Offer on Healthcare, Medicare Part A and B and Pension Benefits for New Employees. We do not believe that we have exhausted negotiations concerning these issues, and furthermore are disturbed by the rapid progression to impasse.

In your letter, you cite eleven (11) bargaining sessions and seven (7) mediation sessions between the City and the Union; sessions which were the majority were spent discussing the City's ballot measure. Therefore, we dispute our being at impasse over the items you refer to in your letter, and wish to negotiate over them.

It is of grave concern to us that the City is again launching itself into uncharted territory with the creation of a 2nd Tier for future employees that effectively closes the door on the current defined benefit plan. Once again there has been a paucity of information shared with the Union as to what would be the repercussions of creating such a plan. Furthermore, it is troubling that this new Tier would create a new, currently unknown, third-party administrator. Lastly, it is irresponsible to dictate that a Last, Best, Final Offer must be implemented so that the City can adopt an Ordinance. Surely, this is putting the cart before the horse once again, and again diminishes the opportunity to come to mutual agreement through the negotiating process.

Because of these concerns we cannot accept this Last, Best and Final Offer. However, if you are adamant that this is indeed your Last, Best and Final Offer, and you aver that negotiations; and subsequent mediation has concluded, then we must request that the parties participate in fact-finding. We await your response.

Sincerely,

A handwritten signature in black ink, appearing to be 'C. Allen', with a long horizontal stroke extending to the right.

Charles E. Allen,
Business Agent, AFSCME, MEF and CEO

Cc: Yolanda A. Cruz, President, AFSCME-MEF
LaVerne S. Washington, President, AFSCME-CEO