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December 9, 2011

*Via Facsimile Transmission & U.S. Mail to:
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Gina Donnelly
Deputy Director of Employee Relations
City of San Jose
Office of the City Manager
200 E. Santa Clara Street
San Jose, CA 95113

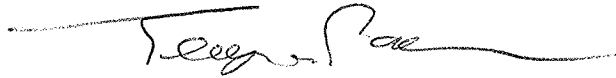
Re: Invitation to Reengage in Mediation - AFSCME Local 101 & the City of San Jose

Dear Ms. Donnelly:

As you know, this firm represents AFSCME Local 101/MEF, CEO ("Unions"). I write in response to your December 7, 2011, letter to Ms. Washington, Ms. Cruz, and the representatives of eight other local unions representing city employees, in which you extended an "invitation to re-engage in mediation" over "retirement reform and the related ballot measure collectively." You have requested the Unions to "waive impasse procedures" as a condition to participating in continued negotiation, including mediation, over city employee retirement benefits. As we have repeatedly indicated, the Unions are eager to continue to bargain over these matters and have objected to the City's premature declaration of impasse. However, the Unions are unwilling to waive any impasse procedures as a precondition to participating in continued negotiations or mediation. Indeed, in our view, the request to "waive impasse procedures" is contrary to the City's duty to bargain in good faith, as is any precondition tied to waiving statutory rights.

If the City insists on reengaging mediation, the Unions are willing to participate without conceding that the parties are at impasse and without waiving their right to other impasse procedures. Please contact Ms. Washington and Ms. Cruz to make the appropriate arrangements.

Very truly yours,

A handwritten signature in black ink, appearing to read "Teague P. Paterson", with a long horizontal flourish extending to the right.

Teague P. Paterson

TPP/mtd

cc: Charles Allen
Yolanda Cruz
Keith Uriarte
LaVerne Washington