

August 29, 2011

Gregg McLean Adam
Carroll, Burdick & McDonough LLP
44 Montgomery Street, Suite 400
San Francisco, CA 94104-4606

RE: Letter Dated August 26, 2011

Dear Mr. Adam:

We are in receipt of the letter dated August 26, 2011, that you sent on behalf of your client, the San Jose Police Officers' Association (POA), regarding the negotiation sessions scheduled for August 30th and 31st. In your letter you indicate that you write to confirm our scheduled meetings to "discuss" retirement issues. Although we use the term "discuss," we agree that these meetings are meet and confer sessions on the issues of retirement reform and proposed ballot measure, as agreed to in the Pledge of Cooperation and Agreement Upon A Framework For Retirement Reform and Related Ballot Measure Negotiations that the parties signed on June 20, 2011.

We appreciate the notification that you intend to have your actuary participating telephonically on August 30th and present on August 31st. At this time, we do not intend to have our actuary available at these meetings. However, if in the future it is necessary to have our actuary available, we will extend the same courtesy and provide notification in advance of the meeting. In addition, if there is any follow-up as a result of our meetings on August 30th and 31st, we will coordinate with our actuary accordingly.

In your letter, you request that we provide you with copies of (1) any agreements reached with any other bargaining unit concerning potential or actual changes to retirement benefits and (2) any proposals made by any other bargaining unit or by the City with respect to potential changes to retirement benefits.

In response to this request, the Office of Employee Relations maintains this information on its website at: <http://www.sanjoseca.gov/employeeRelations/RetirementReform.asp>.

On this website, you will find proposals that the City has made to various bargaining groups related to retirement benefits for new employees, retiree healthcare benefits for new

employees, Supplemental Retiree Benefit Reserve (SRBR), retirement service credit and healthcare cost sharing. In addition, proposals we have received from bargaining units are posted on this website.

The City has reached a tentative agreement with ABMEI, CEO, IBEW, MEF and CEO on the Supplemental Retiree Benefit Reserve (SRBR). The tentative agreements can also be found on the website referenced above.

Lastly, a request has been made to provide a summary of the retirement age and years of service of all employees in bargaining units represented by the SJPOA who have elected to retire within the past 10 years. We will forward your request to the Department of Retirement Services and provide any information that is made available.

We look forward to our meeting scheduled for August 30th.

Sincerely,



Alex Gurza
Deputy City Manager

- c: Gina Donnelly, Deputy Director of Employee Relations
Jon Holtzman, Renne Sloan Holtzman & Sakai LLP
George Beattie, President, POA
Jim Unland, Vice President, POA
John Tennant, General Counsel, POA
Robert Sapien, President, San Jose Fire Fighters, IAFF, Local 230
Jeff Welch, Vice President, San Jose Fire Fighters, IAFF, Local 230
Chris Platten, Legal Counsel, San Jose Fire Fighters, IAFF, Local 230