

July 6 2011

Robert Sapien
President
San Jose Fire Fighters, IAFF, Local 230
425 E. Santa Clara Street, Suite 300
San Jose, CA 95113

RE: Information Request

Dear Robert:

We are in receipt of your letter dated June 30, 2011, in which you request information for the negotiations between the City and the San Jose Firefighters, Local 230 and the San Jose Police Officers' Association. We have scheduled the next negotiation session for Wednesday, July 13th, beginning at 1:30PM in the City Hall Tower, Room 1734.

In your letter you request any information from the actuaries that estimate the Normal Cost we included in the Council Memoranda dated April 13, 2011 and June 23, 2011, regarding Local 230's proposal. As you know, the estimates that we used were prepared by the actuaries in the Department of Retirement Services. Please find attached the information that was used to prepare the cost estimates that were used in the Council Memoranda.

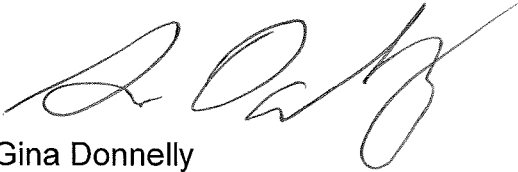
In addition, in your letter you refer to the memorandum dated May 13, 2011, issued by Mayor Reed, Vice Mayor Nguyen and Council members Herrera and Liccardo as the City's proposal. As we previously indicated in our letter dated June 21, 2011, the memorandum dated May 13, 2011, is currently the City's only actual proposal for **a ballot measure**. We are by no means suggesting that discussions should be limited to that proposal, or, for that matter, to ballot measures. The draft proposed ballot measure is forthcoming.

As you know, on June 24, 2011, the City Council also approved the memorandum dated June 22, 2011, which included direction to negotiate an "opt-in" plan for current employees and draft a related ballot measure implementing such a plan, such that when combined with the prior Council direction, the City's share of retirement costs for Fiscal Year 2012-2013, would not exceed the aggregate cost of pension and retiree health cost for Fiscal Year 2010-2011 (approximately \$186 million for all funds). The Council direction also included direction for employees who decline to opt-in to such program.

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As we continue our negotiations regarding retirement reform and related ballot measure(s), we will have an opportunity to further discuss Local 230's proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Gina Donnelly". The signature is fluid and cursive, with a large loop at the end.

Gina Donnelly
Deputy Director of Employee Relations

c: Jeff Welch, Vice President, San Jose Fire Fighters, IAFF, Local 230