

Memorandum

TO: CITY COUNCIL

FROM: Councilmembers Pyle, Rocha
and Oliverio

**SUBJECT: PENSION REFORM STUDY
SESSION**

DATE: 09-30-11

Approved

Date

Don Rocha *Nancy Pyle* *Oliverio* *9/30/11*

RECOMMENDATION

- 1) Accept the Labor Negotiations Update Report.
- 2) Direct staff to schedule a study session for October 17 for the purpose of providing the City Council with analysis of the pension reform proposal received from the five City bargaining units.

ANALYSIS

Consistent with the Council's past practice of giving staff negotiating direction and hearing labor updates in public, this study session meeting should be an opportunity for both staff and bargaining units to **only clarify** their understanding of fiscal implications of reform proposals, but should not be a negotiating session. A solution based instead of an overly positional discussion is needed, and is also critical for a mutual understanding of positions. Given the unprecedented significance of this issue for the City of San Jose – our attention to this process is of great importance.

The willingness of bargaining units to negotiate on pension reform holds out the possibility of addressing our fiscal challenges through a negotiated agreement; however, on a topic as complex and detailed as pension reform, a complete understanding of the potential implications of any proposed solution is essential for all parties involved. The proposed study session would provide an opportunity to publicly put the facts into the record. Given the public interest and implications, a study session would give all parties confidence that all relevant analysis had been surfaced. Most importantly, nobody will feel the effects of our reform decisions more than the residents of San Jose and our employees. In the interest of open government, we should vet analysis of the various proposals in a public forum.

Time for a study session has already been reserved for Tuesday, October 17th. While the timeline is short, we must be mindful that our negotiation agreement with our bargaining units expires on October 31st, so time is of the essence. If the Council chooses, it may be appropriate to also schedule a closed session meeting after the study session for further discussion on the City's negotiation position.