



September 17, 2012

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SETTLEMENT OFFER PURSUANT TO EVIDENCE CODE SECTION 1152

VIA EMAIL AND REGULAR MAIL

Los Angeles
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Charles D. Sakai, Esq.
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350 Sansome Street, 3rd Floor
San Francisco, CA 94104

**Re: *San Jose POA v. City of San Jose, Santa Clara County*
Superior Court, No. 1-12-CV-231271—Outsourcing,
SETTLEMENT PROPOSAL
File No. 038780**

Dear Charles:

I write on behalf of the POA to follow-up our dialogue about the City's intention to move forward with the outsourcing of background investigations. As I have explained to you, telephonically, the POA has extensive concerns about the cost and impact on quality of outsourcing this important function. We are also concerned about the City's suggestion that we use retired police officers to do the work. It seems duplicitous for the City to be condoning what would amount to so-called "double dipping" by retirees, given many of the Mayor's statements during his campaign to pass Measure B.

The City's unjustified refusal to arbitrate this dispute also causes the POA to have serious doubts about the City's current willingness to engage collaboratively.

Notwithstanding these concerns, the POA proposes the following "win-win" solution to the current staffing shortages that the Police Department says motivate its decision to try to outsource background investigations:

For the duration of the parties' current MOA, the City shall expand the number of Exempt Officers (formerly known as Article 39 Modified Duty Officers) to 50. Any additional officers added to the Modified Duty list pursuant to this agreement shall only be permitted to perform background investigations.

Charles D. Sakai, Esq.

Re: *San Jose POA v. City of San Jose*, Santa Clara County Superior Court,

No. 1-12-CV-231271—Outsourcing

September 17, 2012

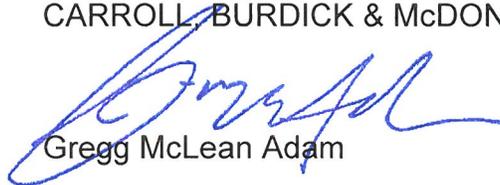
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We think this proposal is a sensible one that actually helps us with two issues: (1) it permits the Department to transfer unrestricted officers to patrol functions; and (2) it will allow officers who cannot perform full peace officer duties—and who are currently being compelled to seek disability retirements and greatly increasing the backlog of disability retirement cases pending before the Retirement Board—to continue to perform productive service for the police department.

This settlement offer shall expire on September 28, 2012, at the close of business.

Very truly yours,

CARROLL BURDICK & McDONOUGH LLP



Gregg McLean Adam

GMA:jo

cc: Jim Unland, President, SJPOA

John Robb, Vice President, SJPOA

Franco Vado, Chief Financial Officer, SJPOA