



1150 North First Street, Suite 101
San Jose, CA 95112

November 2, 2011

VIA EMAIL AND HAND DELIVERY

Gina Donnelly, Deputy Director
CITY OF SAN JOSE
Office of Employee Relations
200 East Santa Clara Street
San Jose, CA 95113

RE: Draft Proposed Ballot Measure

Dear Gina:

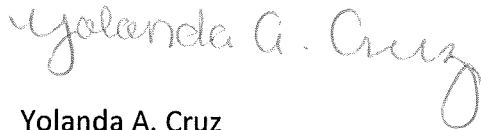
We are in receipt of your letter dated October 31, 2011 regarding the draft proposed ballot measure. However, we are in disagreement as to your interpretation of the history concerning meet and confer over the proposed ballot measure. We did meet in August specifically on the proposed ballot measure, and we do not and have never waived our right to meet and confer over this issue, nor do we waive our right to mediation.

What we in fact agreed to do, however, was to table discussion on the ballot measure as we were making significant progress dealing with the retirement issue; progress that we believed would prove fruitful and negate the need for a costly special election. Since that time we have not discussed or bargained over the ballot measure because of our agreement to table the issue. As you know we have been bargaining regularly over retirement issues during the last couple of months and as recently as October 22, 2011, when we provided you with a proposal that, when combined with our earlier proposal for new hires, would save the City roughly \$160 million.

The deadline you stress in your letter is a deadline of your own choosing. The City's desire to declare impasse and enter mediation is illustrative of the City's unwillingness to participate in a good faith bargaining on this issue. The fact that the parties agreed to table the ballot issue

while we bargained over substantive issues further indicates that your October 31 letter is improper and premature. We hope that you reconsider and continue to bargain substantive issues as we initially agreed to do, and continue with the progress we have made to reach an agreement. If the City has determined it wants to place the ballot initiative back on the bargaining table, we of course request bargaining over the ballot measure as well as the unresolved retirement issues.

Sincerely,



Yolanda A. Cruz
AFSCME-MEF President



LaVerne S. Washington
AFSCME-CEO President

Cc: Gregory C. Ramirez, AFSCME Business Agent
Charles E. Allen, AFSCME Business Agent
Teague P. Paterson, Beeson, Tayer & Bodine