

SENT VIA EMAIL

February 21, 2012

Nancy Ostrowski
Senior Business Representative
IFPTE, Local 21
4 N. Second Street, Suite 430
San Jose, CA 95113

John Mukhar
President
AEA, IFPTE Local 21
c/o ESD
700 Los Esteros Road
San Jose, CA 95134

RE: Proposed Ballot Measure

Dear Nancy and John:

As you know, on December 6, 2011, the City Council approved placing a measure on the ballot for the June 2012 election that included various proposed changes to the City Charter regarding retirement benefits. In addition, the City Council requested that the City's negotiation team re-engage in mediation with all bargaining groups regarding all retirement issues, including the related ballot measure, in an effort to see if an agreement could be reached that could have resulted in revisions. The City and AEA re-engaged in mediation but, unfortunately, we did not reach an agreement on the ballot measure or on the other retirement-related issues discussed during mediation.

As we have indicated, the City Council needs to submit the ballot measure to the County Registrar of Voters 88 days prior the June election, which would be March 9,

AEA
RE: Proposed Ballot Measure
February 21, 2012
Page 2 of 2

2012. In order to provide time for the ratification process and for publication of a Council memorandum, we had hoped to reach an agreement by today.

Although we did not reach an agreement that would revise the ballot measure approved by the City Council on December 6, 2011, enclosed please find a revised proposed ballot measure that will be considered by the City Council at the March 6, 2012, Council Meeting for a June 2012 ballot. This version of the ballot measure contains the changes we proposed in mediation and is identical to the draft we provided you on February 8, 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "Gina Donnelly", written in a cursive style.

Gina Donnelly
Deputy Director of Employee Relations

c: Alex Gurza, Deputy City Manager

Enclosure