

SENT VIA EMAIL

October 31, 2011

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

Dale Dapp
President
AMSP, IFPTE Local 21
c/o DOT
200 E. Santa Clara Street
San Jose, CA 95113

Cay Denise MacKenzie
President
CAMP, IFPTE Local 21
c/o OES
855 N. San Pedro, Room 404
San Jose, CA 95110

RE: Revised Draft Proposed Ballot Measure

Dear Nancy, John, Dale and Cay Denise:

On June 3, 2011, the City notified you of its intent to place a measure on the ballot that would include various proposed changes to the Charter regarding retirement benefits for new employees, current employees and current and future retirees. The terms of the proposed ballot measure were delineated in the memorandum dated May 13, 2011, that we provided you on June 3, 2011. The City provided you a draft proposed ballot measure on July 6th, September 9th, October 5th, October 20th and October 27th. Since June 2011, the City has been open to discussing any changes to the draft proposed ballot measure with AEA, AMSP and CAMP.

On June 17, 2011, the parties reached an agreement to negotiate concurrently on the issues of retirement reform and related ballot measure. Since June 17, 2011, the City and AEA, AMSP and CAMP have met approximately sixteen (16) times. The Agreement further indicates, "The parties agree to meet and confer in good faith and agree to complete the negotiation process by October 31, 2011. If the parties are unable to reach an agreement on retirement reform and/or related ballot measure(s) by October 31, 2011, the parties shall proceed to impasse, pursuant to the procedures outlined in the Employer-Employee Relations Resolution (EERR) #39367."

This letter confirms that, based on our discussion during the negotiation session held on Friday, October 28, 2011, and pursuant to the Framework for Retirement Reform And Related Ballot Measure Negotiations, the parties will participate in mediation. In accordance with the Agreement, AEA, AMSP and CAMP will participate in mediation collectively. The parties are scheduled to participate in mediation on Thursday, November 3rd beginning at 10:30 a.m. in the Office of Employee Relations

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: Alex Gurza, Deputy City Manager