

November 17, 2011

Vera Todorov
President
Association of Legal Professionals (ALP)
c/o City Attorney's Office
200 East Santa Clara Street
San Jose, CA 95113

RE: Retirement Reform Negotiations

As you know, we commenced negotiations regarding retirement reform issues on or about August 11, 2011. The City and the ALP negotiation teams met for almost three months to discuss various issues. The City provided proposals on August 11, 2011, September 28, 2011 and October 25, 2011. To date, ALP has not provided a counter proposal on the following issues:

- Pension benefits for new employees
- Retiree healthcare benefits for new employees
- Medicare Part A and B enrollment
- Healthcare Plan Design/Cost Sharing

At this stage of the negotiations, the parties remain clearly far apart on the issues of retirement reform. Therefore, we are informing you that the City is declaring impasse on the issues listed above.

The City's proposals on the above issues were provided during bargaining, but they may also be accessed at the link below:

<http://www.sanjoseca.gov/employeeRelations/RetirementReform.asp>

Pursuant to the Employer-Employee Relations Resolution #39367, the City is amenable to participating in mediation, if the Unions are agreeable to participating. Please notify our office no later than Monday, November 21, 2011, by 5:00 p.m., if ALP is interested in participating in mediation on the issues listed above.

Sincerely,



Gina Donnelly
Deputy Director of Employee Relations

c: Debra Figone, City Manager
Rick Doyle, City Attorney