



San Jose Fire Fighters • Local 230

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SENT BY EMAIL ONLY



December 1, 2011

Alex Gurza, Deputy City Manager
Office of Employee Relations
City of San Jose
200 E. Santa Clara Street
San Jose, CA 95125

RE: Retirement Reform Arbitration

Dear Alex:


As indicated in my letter of November 29, 2011, Local 230 would like to proceed with negotiations and arbitration. I am writing today to inform you of where Local 230 is with regards to our proposal – post your declaration of impasse.

Local 230 renews its proposal to reinstitute the retirement plan provisions in place prior to 1997 as a second tier that will be available to active employees who opt to participate and new hires.

Benefit	Tier I (Actives)	Tier II (Opt-In and New Hires)
Max Benefit	Status Quo	75%
Accrual Rate	2.5% / 3% per year	2.5% per year
Age/Years of Service	25 years @ age 50 20 years @ age 55 30 years any age	25 years @ age 50 20 years @ age 55 30 years any age
FAS Calculation	12 Months Final Average Salary	36 Months Final Average Salary
COLA	3%	CPI-U 3% with Banking Feature
Normal Cost (8/3 split) (No Need for Charter Change)	Status Quo	Status Quo
Unfunded Liability	Status Quo	Status Quo
SRBR	Convert to GPP*	Convert to GPP*
Sick Leave Payout	Status Quo	Convert to Service Time
Retiree Health Care Pre-Funding	1 Year Diversion Proposal	1 Year Diversion Proposal
Disability Reform	“Long Beach Model” Worker’s Compensation Dispute Resolution Process	“Long Beach Model” Worker’s Compensation Dispute Resolution Process
Health Care for Actives	Status Quo	100% LPP Single Coverage for new hires (status quo for actives)

*Guaranteed Purchasing Power (GPP): Transition from SRBR benefit to GPP estimated to save 6 million annually.

I look forward to working with you toward finding a lawful, cost-saving, and service preserving resolution to the City’s budgetary challenges.

Respectfully,

Robert Sapient, Jr., President

C: Christopher E. Platten, Esq., Local 230 Legal Counsel

