

SENT VIA EMAIL

June 21, 2012

Gregg McLean Adam
Carroll, Burdick & McDonough LLP
44 Montgomery Street, Suite 400
San Francisco, CA 94104

RE: Sick Leave Payout Negotiations

Dear Gregg:

We are in receipt of your letter dated June 18, 2012. Contrary to your assertion, there have been formal negotiations over the Sick Leave Payout benefit that unfortunately did not result in an agreement. We remain hopeful that our mutual participation in the impasse procedures will help us break the impasse and come to a mutual agreement.

In addition, and as a point of clarification, it has been the City's intent to provide sufficient time and information to employees prior to the effective date of any changes so that employees may make decisions. That intent remains unchanged and applies to any changes to the Sick Leave Payout benefit.

Please feel free to contact me with any questions.

Sincerely,



Gina Donnelly
Deputy Director of Employee Relations

c: Alex Gurza, Deputy City Manager
Jennifer Schembri, Assistant to the City Manager
Jim Unland, POA President
John Robb, POA Vice President
Franco Vado, POA Chief Financial Officer