



July 9, 2012

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VIA EMAIL AND REGULAR MAIL

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**Re: Sick Leave Cashout Proposal
File No. 038871**

Dear Alex and Gina:

This letter follows up your letter, Gina, of Thursday, June 21, 2012, on the City's sick leave cash out proposal. Additionally, on Thursday, June 28, 2012, the POA briefly discussed this issue with you, Alex, on the sidelines of a meeting concerning the proposed outsourcing of San Jose Police Department background investigations. Following that meeting, on Friday, June 29, 2012, you, Alex, wrote to Jim Unland. Please consider this the POA's response to all of the above.

The POA believes that these discussions—and what are effectively two sets of proposals—exemplify the reality that the parties have not yet meaningfully bargained about the change being proposed by the City.

Take, for example, the issue of retroactive application of any elimination of the sick leave cashout benefit. No discussion on whether any changes would be retroactive in application had previously occurred. Your June 21 letter, Gina, states:

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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.

The POA took these two sentences as an agreement by the City that any changes to the POA sick leave cashout program will (1) not be implemented retroactively, and (2) include a notice period to allow affected employees "sufficient time" to determine whether they wish to leave the department and exercise their current rights to cash out sick leave. But because of the wording used by the City, ambiguity remained.

We discussed some of that ambiguity with you, Alex, on the 28th. That was followed up by your letter of the 29th, which proposes a "written agreement" with the POA "clarifying that any changes to sick leave payout will be prospective and the City has no intention of implementing retroactive changes to sick leave payout."

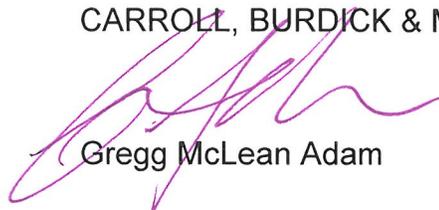
While the POA believes that these revisions or clarifications in the City's position are positive, it is not prepared to negotiate, piecemeal, by letter. The appropriate place to discuss these changes, along with proposals about the sick leave cash out itself, is at the bargaining table.

Accordingly, as we have asked previously, please provide us with dates for the parties to meet. With the onset of summer, we would like to get the negotiations process under way given the often difficult time one has calendaring at this time of year.

In addition, please provide me with the status of the City's response to the information request contained in my letter of June 18, 2012.

Very truly yours,

CARROLL, BURDICK & McDONOUGH LLP



Gregg McLean Adam

GMA:jo

cc: Jim Unland, President, San Jose POA
John Robb, Vice President, San Jose POA
Franco Vado, Chief Financial Officer, San Jose POA