CITY OF
SAN JOSE
CAPITAL OF SILICON VALLEY

Office of the City Manager

February 24, 2015

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

RE: Retiree Healthcare Grievance

Dear Gregg:

Shortly after I was appointed interim City Manager, the POA asked me to reconsider the Step III retiree healthcare grievance. My team and I have reviewed this issue and we are proposing to settle the retiree healthcare grievance in order to put this behind us and move forward onto other issues.

Although the City maintains its interpretation of the contract language, we propose to roll back the POA member retiree healthcare contribution rate to 9.51% prospectively, effective the first payperiod after approval by the Police and Fire Department Retirement Plan Board.

Please let us know if the POA is agreeable to this and we will start the process to implement this change. In order to implement as soon as possible, we would need agreement from the POA by tomorrow, February 25, 2015, in order to place this on the March Police and Fire Board agenda.

Sincerely,

Norberto Dueñas
Interim City Manager

c: Jennifer Schembri, Interim Director of Employee Relations
Larry Esquivel, Chief of Police
Edgardo Garcia, Assistant Chief of Police
Paul Kelly, POA President
James Gonzalez, POA Vice President
Franco Vado, Chief Financial Officer
Charles Sakai, Labor Consultant