PLEDGE OF COOPERATION & AGREEMENT UPON A FRAMEWORK FOR RETIREMENT REFORM AND RELATED BALLOT MEASURE NEGOTIATIONS
JUNE 17, 2011

CITY OF SAN JOSE

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ASSOCIATION OF ENGINEERS AND ARCHITECTS, IFPTE LOCAL 21 (UNITS 41/42 AND 43)
CITY ASSOCIATION OF MANAGEMENT PERSONNEL, IFPTE LOCAL 21
ASSOCIATION OF MAINTENANCE SUPERVISORY PERSONNEL

1. The parties are fully committed to negotiating in good faith to reduce the costs of the Federated City Employees' Retirement System and to preserve critical City services and the employees who deliver those services.

2. The parties agree to negotiate concurrently on the issues of retirement reform and related ballot measure(s). Negotiation of retirement reform shall include pension and retiree healthcare benefits for current and future employees, including but not limited to healthcare benefits; the Supplemental Retiree Benefit Reserve (SRBR); an opt-in program in which current employees could voluntarily choose to opt-out of the current level of pension benefits into a lower level of benefits; and other items as identified through the negotiations.

3. Although the negotiation sessions on retirement reform and related ballot measure(s) will not be public, all written proposals and correspondence exchanged will be made available to the public on the City's website.

4. Any party's relevant subject matter experts may attend negotiation sessions. By mutual agreement of the City and the Unions, other individuals may attend negotiation sessions.

5. It is understood that the parties shall each engage an actuary and work together to develop cost estimates. It is understood that the Annual Required Contribution (ARC) shall be determined by the Federated City Employees' Retirement System Board's actuary.

6. Estimated cost savings for any proposals during the negotiations shall be supported by analysis and data.

7. The parties agree to meet and confer in good faith and agree to complete the negotiation process by October 31, 2011. If the parties are unable to reach an agreement on retirement reform and/or related ballot measure(s) by October 31, 2011, the parties shall proceed to impasse, pursuant to the procedures outlined in the Employer-Employee Relations Resolution (EERR) #39367. In the event of impasse, AEA, AMSP and CAMP will participate in the impasse procedures collectively. As set forth in the Side Letters on Retirement Benefits for current and future employees dated March 23, 2011, the City will have the right to unilaterally implement in the event that no agreement is reached at the conclusion of negotiations and mandatory impasse procedures on the issues of retirement reform (including pension, retiree healthcare and the Supplemental Retiree Benefit Reserve). The City Council expressly reserves the right to propose charter amendments in the form of ballot measure(s) at the conclusion of negotiations and any impasse procedures, subject to the above obligations.

8. It is understood that, by participating in these negotiations, neither party waives any legal rights, including the Unions' or employee's rights to assert that certain benefits are vested.

FOR THE CITY

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City Manager

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FOR THE UNIONS

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