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 10 Employees of the City of Stockton, Shelley Green,
 11 Patricia Hernandez, Reed Hogan, Glenn E.
 12 Matthews, Patrick L. Samsell, Alfred J. Siebel,
 13 Brenda Jo Tubbs, and Teri Williams on Behalf of
 14 Themselves and Others Similarly Situated

15 **UNITED STATES BANKRUPTCY COURT**
 16 **EASTERN DISTRICT OF CALIFORNIA – SACRAMENTO DIVISION**

17 In re:
 18 CITY OF STOCKTON, CALIFORNIA,
 19 Debtor.

20 Case No. 12-32118
 21 Chapter 9

22 ASSOCIATION OF RETIRED EMPLOYEES
 23 OF THE CITY OF STOCKTON, a nonprofit
 24 California corporation, SHELLEY GREEN,
 25 PATRICIA HERNANDEZ, REED HOGAN,
 26 GLENN E. MATTHEWS, PATRICK L.
 27 SAMSELL, ALFRED J. SIEBEL, BRENDA
 JO TUBBS, TERI WILLIAMS, on Behalf of
 Themselves and Others Similarly Situated,

28 Adv. No.
 29 DECLARATION OF MARY MORLEY IN
 30 SUPPORT OF APPLICATION FOR
 31 TEMPORARY RESTRAINING ORDER
 32 OR RELIEF FROM STAY

33 Plaintiffs,
 34 vs.
 35 CITY OF STOCKTON, CALIFORNIA,
 36 Defendant.

1 I, Mary Morley, declare:

2 1. I have personal knowledge of the facts set forth in this declaration and, if called as
3 a witness, I could and would testify competently to these facts under oath.

4 2. I was one of the members of the San Joaquin Public Employees' Association
5 (SJPEA) and the Stockton City Employees' Association (SCEA) assigned to meet and confer
6 with representatives of the City of Stockton to arrive at an agreement over the terms and
7 conditions of employment to be included in the Memorandum of Understanding (MOU) between
8 the City and the SJPEA for the period 1997 through 2000.

9 3. Union representation for City of Stockton employees changed in 1999. I was one
10 of the members of the Stockton City Employees' Association (SCEA) assigned to meet and
11 confer with representatives of the City of Stockton to arrive at an agreement over the terms and
12 conditions of employment to be included in the Memorandum of Understanding (MOU) between
13 the City and the SCEA for the period 2000 through 2008.

14 4. In December, 1996 the SJPEA and in March, 2000 the SCEA agreed to terms of
15 compensation to be included in the MOUs for the period 1997 through 2008 that included a
16 lower wage than the SJPEA would have otherwise agreed to in exchange for the City continuing
17 to pay all of the premium for medical benefits for employees and their dependents and
18 continuing unchanged the benefits included in the Modified Medical Plan incorporated as a part
19 of the MOU. The lower wage was also intended to provide savings for the City that would assist
20 in offsetting the cost of providing lifetime medical benefits to retirees. Based on my experiences
21 in the meet and confer process, I understood that the savings from lower wages were achieved by
22 the City in following way:

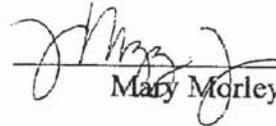
23 a. Starting in January 1, 1994, annual wages increase through January 1, 1996 were
24 to be 80% of the change in the Consumer Price Index during the previous year,
25 with the wage increase not to exceed 4%.

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b. Starting in January 1, 1995, annual wage increases through January 1, 2008 were to be 80 % of the change in the Consumer Price Index during the previous year, with the wage increase not to be less than 2.5% nor more than 6%.

I declare under penalty of perjury under the law of the United States of America that the foregoing is true and correct and that this declaration was executed in, Stockton, California on July 8, 2012.


Mary Morley