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July 12, 2010

Hon. Bruce H. Johnson
Assistant Chief Administrative Law Judge
Minnesota Office of Administrative Hearings
P.O. Box 64620
St. Paul, MN 55164

Re: In the Matter of the PERA Salary Determinations Affecting Retired and Active Employees of the City of Duluth
OAH Dkt. No. 4-3600-20809-2

Dear Judge Johnson:

Pursuant to your order of May 20, 2010 I have attempted to discern from my records whether or not the questioned funds in this case were subjected to taxation at the time of receipt. I suspect they were but I have been unable to conclusively establish that fact. The payroll stubs are confusing and I have been unable to determine the withholding rates in effect at those times.

However, during this process I reviewed your order and noted under "II. Uncontested facts", an assertion attributed to me that I believe has been misconstrued. I feel obligated to at least offer a correction to the record.

The third paragraph on page 6 reads "When the City was negotiating its 1995-1996 CBA with the CDSA, John Hall, the President of the CDSA, asked Karl Nollenberger, who was the City's Chief Administrative Officer and who was negotiating the contract for the City, whether the payments for either deferred compensation or family medical coverage that the City was offering would be considered salary for purposes of PERA." That is not the case. I only asked Mr. Nollenberger if the deferred compensation he was offering was PERA salary. We did not discuss these funds in relation to hospital medical coverage.

I have tried to be as specific as possible in every affidavit, correspondence or testimony that there was no discussion of medical coverage related to the initial negotiations over deferred compensation. Deferred compensation was negotiated as a stand alone substitution for a small raise in salary, a fact I believe separates myself and a small group of CDSA members from other petitioners. Only later was the ability to divert some of that deferred amount towards hospital medical coverage offered to some members. It was never offered to me, nor did I ever request or consider it. I hope you do not find this late correction inconvenient.

Kind regards

John Hall

