

JUN 2 1970

**PROPOSED CHARTER AMENDMENTS
TOGETHER WITH ARGUMENTS**

To Be Submitted to the Qualified Voters
of The City of San Diego at the

**SPECIAL MUNICIPAL ELECTION
TO BE HELD ON TUESDAY,
JUNE 2, 1970**

JOHN LOCKWOOD
City Clerk

01254

PROPOSITION A

(THIS PROPOSITION WILL APPEAR ON THE BALLOT IN THE FOLLOWING FORM)

PROPOSITION A. CITY OF SAN DIEGO CHARTER AMENDMENT. AMEND SECTION 143 OF THE CHARTER OF THE CITY OF SAN DIEGO. Amend Section 143 to delete language which prevents The City of San Diego from using alternate methods of funding its contributions for the retirement of members of the City Employees' Retirement System.	YES	
	NO	

This proposition amends Section 143 of the Charter of The City of San Diego by deleting certain provisions. The portions to be deleted are printed in STRIKE-OUT TYPE.

This proposition requires a majority vote.
 Section 143. CONTRIBUTIONS.

The retirement system herein provided for shall be conducted on a contributory plan, ~~the City contributing jointly with the employees affected thereunder.~~ Employees shall contribute according to the actuarial tables adopted by the Board of Administration for normal retirement allowances, except that employees shall, with the approval of the Board, have the option to contribute more than required for normal allowances, and thereby be entitled to receive the proportionate amount of increased allowances paid for by such additional contributions. The City shall contribute ~~annually~~ an amount substantially equal to that required of the employees for normal retirement allowances, as certified by the actuary, but shall not be required to contribute in excess of that amount, except in the case of financial liabilities accruing under any new retirement plan or revised retirement plan because of past service of the employees. The mortality, service, experience or other table calculated by the actuary and the valuation determined by him and approved by the Board shall be conclusive and final, and any retirement system established under this article shall be based thereon.

ARGUMENT FOR PROPOSITION A

This proposed change in the Charter will permit the City to reduce property taxes for the employees' pension fund by approximately \$1,000,000 a year.

The law now requires the City to fund its retirement costs during an employee's working years. This proposed change will allow the City to fund its retirement costs during the full life of the employee. While the overall pension obligation has not been altered, paying off this liability over a longer period of time reduces the yearly cost to the taxpayer by about a million dollars.

In an age of ever increasing federal, state, and local taxes, we believe that any small step that can be taken to reduce the tax burden is a step in the right direction.

JAMES GLEASON, President
 Retirement Board of Administration

GERALD WILLMONT
 Bank Trust Officer

JOSEPH STACEY
 Insurance Executive

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ARGUMENT AGAINST PROPOSITION A

Proposition A will not provide real tax dollar savings. At best it will allow the City to defer about 16% of its annual employee retirement costs until the future. The City's financial obligation would in no real way be reduced.

Additionally, even this "deferred funding" cannot be expected to reduce current annual City retirement fund contributions. Employee benefit increases costing an additional \$2.8 million are now pending consideration by the Council. These increases are considerably in excess of most private industry retirement systems. It is naive to assume that this deferral of \$1 million would not strongly influence the Council to approve \$2.8 million in increased retirement costs.

Since the size of the total City retirement fund would not increase as rapidly as under the present funding system, investments of the fund would annually earn about \$50,000 less. These investment earnings are normally used to partially offset and reduce the City's tax dollar contribution.

No changes in the City Charter regarding retirement system funding should be approved until a total review of all possible systems is made to determine the most economical.

VOTE NO ON PROPOSITION A

KEN KITSON
President
San Diego Taxpayers Association

PROPOSITION B

(THIS PROPOSITION WILL APPEAR ON THE BALLOT IN THE FOLLOWING FORM)

PROPOSITION B. CITY OF SAN DIEGO CHARTER AMENDMENT. ADD NEW SECTION 148.2 TO THE CHARTER OF THE CITY OF SAN DIEGO. Add new Section 148.2 to grant the City Council the power to adopt an ordinance providing for the establishment of reciprocal rights and benefits between the City Employees' Retirement System and members of other public employee retirement systems, provided that the Council first obtains the approval of a majority of all active members of the City Employees' Retirement System.	YES	
	NO	

This proposition amends the Charter of The City of San Diego by adding a new Section 148.2 to the Charter. The portions to be added are underlined.

This proposition requires a majority vote.

Section 148.2 AUTHORITY TO ESTABLISH RECIPROCITY BETWEEN CITY EMPLOYEES' RETIREMENT SYSTEM AND OTHER PUBLIC EMPLOYEE RETIREMENT SYSTEMS.

Notwithstanding any of the provisions of this Article IX to the contrary, the Council may, with the approval of a majority of all active members of the City Employees' Retirement System, adopt an ordinance providing reciprocal modification of rights and benefits between the City Employees' Retirement System and other public employee retirement systems.

ARGUMENT FOR PROPOSITION B

This proposed change in the City Charter is needed in order to permit the City of San Diego to compete on a more even basis with other governmental agencies for the retention of qualified employees.

The present City of San Diego retirement laws actually serve to provide a bonus for employees to leave the City for employment with other agencies. This has been particularly true in the Police Department, where trained personnel find they can go to other agencies which offer superior retirement plans and receive a lump sum cash payoff of their retirement contribution when they leave the City.

Conversely, present City of San Diego retirement provisions offer no incentive to employees from other agencies to transfer to the City of San Diego. Skilled personnel interested in moving from one agency to another and possibly improving their career opportunities look to those agencies where their pension benefits will not be jeopardized.

This change will serve to keep qualified personnel in the City service at no increased cost to the taxpayer.

GERALD WILLMONT
Bank Trust Officer

JOSEPH L. STACEY
Insurance Executive

JAMES F. GLEASON, President
Retirement Board of Administration

ARGUMENT AGAINST PROPOSITION B

Proposition B would allow a San Diego City employee to leave City employment and join another California public employer, yet retain San Diego City retirement benefits. However, the benefits paid by San Diego would be based on the higher salary earned elsewhere later in the employee's career. The City would be paying for higher retirement benefits based on service given to another government agency.

Under the present system public employees are discouraged from job-hopping due to the concurrent loss of some retirement benefits. Proposition B would greatly encourage public employee movement between government agencies and thus costly turnover.

Proposition B does not warrant voter approval.

VOTE NO ON PROPOSITION B.

DONALD J. HARTLEY, Chairman
Concerned Citizens for Good Government