



**CITY OF SAN DIEGO
OFFICE OF COUNCIL PRESIDENT PRO TEM ANTHONY YOUNG**



WEEKLY UPDATE NOVEMBER 14, 2006

City Council Actions

Today the City council agreed to a settlement with the Securities and Exchange Commission (SEC) in which we agreed to the sanctioning of the City of San Diego for committing securities fraud by failing to disclose to the investing public important information about its pension and retiree health care obligations in the sale of its municipal bonds in 2002 and 2003. To settle the action, the city agreed to cease and desist from future securities fraud violations and to retain an independent consultant for three years to foster compliance with its disclosure obligations under the federal securities laws.

The SEC found that the city failed to disclose in 2002 and 2003 that the city's unfunded liability to its pension plan was projected to dramatically increase, growing from \$284 million at the beginning of fiscal year 2002 to an estimated \$2 billion by 2009, and that the city's liability for retiree health care was another estimated \$1.1 billion; the city failed to disclose that it had been intentionally under-funding its pension obligations so that it could increase pension benefits but defer the costs, and that it would face severe difficulty funding its future pension and retiree health care obligations unless new revenues were obtained, pension and health care benefits were reduced, or city services were cut; and that the city knew or was reckless in not knowing that its disclosures were materially misleading.

The Securities and Exchange Commission has sent us a message through this settlement that improper financial activities are not in the best interest of the citizens of San Diego and will not be tolerated.

I agreed to support this settlement because it is in the best interest of the citizens of San Diego. I appreciate and thank the citizens of this City for having the patience to bear with us as we moved forward toward resolving our issues with the SEC. As we begin the process of implementing this Settlement, it is my intent to work with the Council and Mayor to ensure this City is never in this position again.

I will continue to work diligently on two things as a result of this settlement.

One, to ensure that this Council restores the public's faith in the fairness and integrity of the Council as a whole;

And two, that the Council and Mayor restore the financial markets faith and trust in the financial stability of this City.

The Council and Mayor are making concerted efforts to enhance financial controls throughout City government. I appreciate your patience and understanding as we work toward making this City the most financially viable City in America.

I am pleased that today is a beginning of this process.

On Monday November 14, 2006 the Council unanimously approved my motion to confirm the appointments to the Commission on Gang Prevention and Intervention. Again, I thank the Mayor and Council for their support of my efforts to create this Commission. Now the work begins.

The Commission will hold its first meeting at 5:00 p.m. Thursday, November 16, 2006 at Tubman-Chavez Center, 415 Euclid Avenue. For additional information on the meeting, please contact the Commission's Executive Director, Lynn Underwood, at 236-5936 or Derrick White of my staff at 236-6644.

Today, at my request, the City Council proclaimed November 14, 2006 to be ‘National Association of Black Storytellers, Inc. Day’ in the City of San Diego. I presented this resolution to Dr. Annjennette McFarlin founder of the San Chapter of the National Association of Black Storytellers, Linda Brown, Vice President and Cheryl Sparkly Mosely, National Festival Director. **They will be hosting the 24th Annual National Black Storytelling Festival and Conference in San Diego November 15-19 2006 at the Double Tree Hotel in Mission Valley.** I encourage you all to attend and participate in this exciting festival and conference. Individuals, youth, and families will all have an opportunity to hear storytellers, folklorists, and musicians in concert as well as learn from the many programs and seminars presented at the conference. An exciting and good time will be had by all. For more information please visit www.cap-llc.com/blackstorytellersofsd or www.NABSinc.org

I was very concerned when I heard reports that Ice Cream vendors were selling toy guns that resembled real guns to children outside our schools. San Diego police and San Diego School police are also concerned that these objects could be mistaken as real guns and result in one or more of our children being shot by a gang member or law enforcement officer. I have requested this matter be brought before **the City’s Committee on Public Safety and Neighborhood Services at tomorrow’s meeting (Nov.16th) at 9:00 a.m. on the 12th floor of the City Administration Building. I will be requesting the City Attorney to work with me on this issue.**

You May Want To Know...

My office and the Environmental Services Department continue to conduct special community cleanup events under the auspices of my 21st Century Community Initiative. During the month of October, (4) community cleanups were held in the 4th District. The cleanup in the Chollas Creek area removed over (4) tons of waste and recyclables. The North Encanto clean-up removed over (23) tons of waste and recyclables. The Ridgeview community cleanup removed over (16) tons of waste and recyclables. The Mountain View Community Cleanup removed over (26) tons of waste and recyclables. I thank and commend the many community residents and volunteers who participated in these events and a special thanks to community cleanup organizers from the Ridgeview Neighborhood Association; Mrs. Beverly Lathan of Chollas Creek; Mrs. Karen Morales of North Encanto; and Ms. Kim Wallace of Neighborhood Code Compliance.

Volunteering has been defined as “Doing more than you have to, because you want to, in a cause you consider good.” An opportunity for you to volunteer your services exists with the many City of San Diego Boards and Commissions. Please visit the City’s web site at www.sandiego.gov and view the many boards and commissions available for you to possibly serve on. You will find that several members terms are expiring, who is responsible for nominating and appointing members, and what the terms and requirements for service are. Please call Benelia Santos-Hunter at 236-6644 if you are interested in serving as a 4th District representative on a particular Board and/or Commission.

The 4th District Home Security Rehabilitation Program provides senior and low income homeowners with security screen doors, motion sensor outside lights, deadbolt locksets, smoke alarms and carbon monoxide/smoke detectors. This is a free program funded under my 21st Century Community Initiative for our senior and low-income 4th District residents. Please contact my staff member Lourdes Borboa at 236-6644 for additional information.

Enjoy the beautiful fall weather and have a blessed Thanksgiving with family, friends, and loved ones.

Thank you for reading my E-mail Message for the Week. If you would like to receive this E-mail on a regular basis, please e-mail me at anthonyyoung@sandiego.gov.

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