

OFFICIAL BALLOT - NONPARTISAN SAN DIEGO COUNTY, CALIFORNIA PRESIDENTIAL PRIMARY ELECTION JUNE 5, 2012			
MEASURES SUBMITTED TO THE VOTERS	LOCAL PROPOSITIONS		
STATE PROPOSITIONS	CITY OF SAN DIEGO PROP B Amends City Charter Regarding Retirements		
PROP 29 IMPOSES ADDITIONAL TAX ON CIGARETTES FOR CANCER RESEARCH. INITIATIVE STATUTE. Imposes additional \$1.00 per pack tax on cigarettes and an equivalent tax increase on other lobacco-products. Revenues fund research for cancer and lobacco-related diseases. Fiscal Impact Net increase in cigarette excise tax revenues of about \$735 million annually by 2013-14 for certain research and lobacco prevention and cessation programs. Other state and local revenue increases amounting to tens of millions of dollars annually.	Benefits. Should the Charter be amended b: direct City negotiators to seek limits on a City employee's compensation used to calculate pension benefits; eliminate defined benefit pensions for all new City Officials and employees, except pol officers, substituting a defined contribution 401 (k)-type plan; require substantially equal pension contributions from the City employees; and eliminate, if permissible, a vote of employees; retirees to change their benefits?		
O YES			
O <sup>NO</sup>			
LOCAL PROPOSITIONS			
CITY OF SAN DIEGO PROP A Prohibits the City from Requiring Project Labor Agreements on City Construction Projects. Should the City of San Diego be prohibited from requiring contractors to use Project Labor Agreements for City construction projects, except where required by law, and should the Mayor be required to post online all construction contracts over \$25,000? YES NO			

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N SD 109-014

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OFFICIAL BALLOT - NONPARTISAN SAN DIEGO COUNTY, CALIFORNIA PRESIDENTIAL PRIMARY ELECTION JUNE 5, 2012		
CITY	CITY	
CITY OF SAN DIEGO MAYOR Vote for One BOB FILNER U.S. Representative/Educator NATHAN FLETCHER Legistator CARL DEMAIO Businessman/City Councilmember TOBIAH L. PETTUS BONNIE DUMANIS San Diego County District Altorney Write-In	CITY OF SAN DIEGO MEMBER, CITY COUNCIL DISTRICT NO. 1 Vote for One DENNIS RIDZ Chair Torrey Pines Planning Board BRYAN PEASE Altorney RAY ELLIS Small Business Ow ner SHERRI S, LIGHTNER Councilmember/Engineer/Business Ow ner Write-In	
CITY OF SAN DIEGO	MEASURES SUBMITTED TO THE VOTERS STATE PROPOSITIONS	
Vote for One JAN GOLDSMITH San Diego City Altomey Write-In	PROP 28 LIMITS ON LEGISLATORS' TERMS IN OFFICE. INITIATIVE CONSTITUTIONAL AMENDMENT. Reduces bala amount of time a person may serve in the state legislature from 14 years to 12 years. Allows 12 years' service in one house. Applies only to legislators first elected after measure is passed. Fiscal Impact. No direct fiscal effect on state or local governments.	
	NO	

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SAN DIEGO COL PRESIDENTIAL F	<b>DT - NONPARTISAN</b> JINTY, CALIFORNIA PRIMARY ELECTION 5, 2012			
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CITY OF SAN DIEGO MAYOR Vote for One	CITY OF SAN DIEGO MEMBER, CITY COUNCIL DISTRICT NO. 3			
O TOBIAH L. PETTUS	TODD GLORIA City Councilmember			
San Diego County District Altorney	Write-In			
U.S. Representative/Educator	MEASURES SUBMITTED			
NATHAN FLETCHER Legislator	TO THE VOTERS STATE PROPOSITIONS			
CARL DEMAIO Businessman/City Councilmember	PROP 28 LIMITS ON LEGISLATORS' TERMS IN OFFICE. INITIATIVE CONSTITUTIONAL AMENDMENT.			
O <sup>Write-In</sup>	Reduces total amount of time a person may serve in the state legislature from 14 years to 12 years. Allows 12 years' service in one house. Applies only to legislators first elected after measure is passed. Fiscal impact. No direct fiscal effect on state			
CITY OF SAN DIEGO CITY ATTORNEY Vote for One	or local governments.			
JAN GOLDSMITH San Diego City Attorney				
O Write-In				

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SD 126-020

OFFICIAL BALLOT - NONPARTISAN SAN DIEGO COUNTY, CALIFORNIA PRESIDENTIAL PRIMARY ELECTION JUNE 5, 2012				
CITY	STATE PROPOSITIONS			
CITY OF SAN DIEGO MEMBER, CITY COUNCIL DISTRICT NO. 5 Vote for One MARK KERSEY Small Business Owner Write-In	PROP 29 IMPOSES ADDITIONAL TAX ON CIGARETTES FOR CANCER RESEARCH. INITIATIVE STATUTE. Imposes additional \$1.00 per pack tax on cigarettes and an equivalent tax increase on other tobacco products. Revenues fund research for cancer and tobacco-related diseases Fiscal Impact. Net increase in cigarette excise tax revenues of about \$735 million annually by 2013-14 for certain research and tobacco prevention and cessation programs. Other state and loca			
	revenue increases amounting to tens of millions of dollars annually.			
MEASURES SUBMITTED TO THE VOTERS	NO YES			
STATE PROPOSITIONS				
PROP 28 LIMITS ON LEGISLATORS' TERMS IN OFFICE. INITIATIVE CONSTITUTIONAL AMENDMENT.	LOCAL PROPOSITIONS			
OFFICE. INITIATIVE CONSTITUTIONAL AMENUMENT.   Reduces total amount of time a person may serve in the state legislature from 14 years to 12 years. Allows 12 years' service   in one house. Applies only to legislators first elected after   measure is passed. Fiscal Impact. No direct fiscal effect on state   or local gov emments. YES   NO NO	CITY OF SAN DIEGO PROP A Prohibits the City from Requiring Project Labor Agreements on City Construction Projects. Should the City of San Diego be prohibited from requiring contractors to use Project Labor Agreements for City construction projects, except where required by law, and should the Mayor be required to post online all construction contracts over \$25,000? YES			

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OFFICIAL BALLOT - NONPARTISAN SAN DIEGO COUNTY, CALIFORNIA PRESIDENTIAL PRIMARY ELECTION JUNE 5, 2012				
CITY	STATE PROPOSITIONS			
CITY OF SAN DIEGO MEMBER, CITY COUNCIL DISTRICT NO. 7 Vote for One RIK HAUPTFELD Community Volunteer	PROP 29 IMPOSES ADDITIONAL TAX ON CIGARETTES FOR CANCER RESEARCH. INITIATIVE STATUTE. Imposes additional \$1.00 per pack tax on cigarette and an equivalent tax increase on other tobacco products. Revenues fund research for cancer and tobacco-related diseas Fiscal Impact. Net increase in cigarette excise tax revenues of about \$735 million annually by 2013-14 for certain research an tobacco prevention and cessation programs. Other state and the			
Home Health Advocate	revenue increases amounting to tens of millions of dollars annually.			
NATHAN E. JOHNSON Retired Transit Operator	YES			
SCOTT SHERMAN Small Business Owner	O <sup>N0</sup>			
Write-In	LOCAL PROPOSITIONS			
	CITY OF SAN DIEGO			
MEASURES SUBMITTED TO THE VOTERS	<b>PROP A</b> Prohibits the City from Requiring Project Labor Agreements on City Construction Projects. Should the City of San Diego be prohibited from requiring contractors to use			
STATE PROPOSITIONS	Project Labor Agreements for City construction projects, except where required by law, and should the Mayor be required to post			
PROP 28 LIMITS ON LEGISLATORS' TERMS IN OFFICE. INITIATIVE CONSTITUTIONAL AMENDMENT. Reduces Ibtal amount of time a person may serve in the state legislature from 14 years to 12 years. Allows 12 years' service in one house. Applies only to legislators first elected after measure is passed. Fiscal Impact No direct fiscal effect on state or local governments. YES	YES NO			
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SD 164-021

OFFICIAL BALLOT - NONPARTISAN SAN DIEGO COUNTY, CALIFORNIA PRESIDENTIAL PRIMARY ELECTION JUNE 5, 2012		
SCHOOL		
NIFIED SCHOOL DISTRICT   BOARD OF EDUCATION   DISTRICT D   Vote for One   Vote for One   VARERA   San Diego Unified School District   Write-In		
CITY OF SAN DIEGO   CITY   OF SAN DIEGO   MAYOR   Vote for One   D   City Councilmember   D   City Councilmember   O   Vote for One   MARTI EMERALD   City Councilmember   O   Vite-In   Write-In   tative/Educator   TTCHER		
tative/Educator		

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N SD 139-012

# **CITY OF SAN DIEGO**

#### **Proposition A**

#### (This proposition will appear on the ballot in the following form.)

# **PROP A**

# Prohibits the City from Requiring Project Labor Agreements on City Construction Projects.

Should the City of San Diego be prohibited from requiring contractors to use Project Labor Agreements for City construction projects, except where required by law, and should the Mayor be required to post online all construction contracts over \$25,000?

This proposition requires approval by 50% of the voters voting on the proposition.

Full text of this proposition follows the arguments.

# OFFICIAL TITLE AND SUMMARY

# PROHIBITS THE CITY FROM REQUIRING PROJECT LABOR AGREEMENTS ON CITY CONSTRUCTION PROJECTS.

Should the City of San Diego be prohibited from requiring contractors to use Project Labor Agreements for City construction projects, except where required by law, and should the Mayor be required to post online all construction contracts over \$25,000?

# CITY ATTORNEY'S IMPARTIAL ANALYSIS

This proposition would amend the San Diego Municipal Code to prohibit the City from requiring a Project Labor Agreement (PLA) on City construction projects, except where required by state or federal law as a contracting or procurement obligation, or as a condition of the receipt of state or federal funds. This proposition would affect projects that are paid for "in whole or in part out of City funds." It would affect such projects involving "the construction, rehabilitation, alteration, conversion, extension, maintenance, repair, replacement or improvement of any structures or real property."

A PLA is generally defined as a collective bargaining agreement between a contractor and a labor organization setting terms and conditions of employment for a given project. PLAs can cover a variety of terms, and may address issues such as strikes, lockouts and similar disruptions, as well as wages and benefits.

If the proposition passes, the City could not require a Contractor on a construction project to enter into a PLA "as a condition of bidding, negotiating, awarding or the performing of a contract" for City construction projects unless an exception applies.

PR-09L0-1

#### CITY ATTORNEY'S IMPARTIAL ANALYSIS (CONTINUED)

One exception would allow the City to require a PLA on a given project if required by state or federal law as a contracting or procurement obligation.

Another exception would allow the City to require a PLA on a given project if a PLA is required as a condition of the project's receipt of state or federal funds.

A new California law, effective after signatures were gathered for this ballot measure, affects funding of municipal projects if consideration of a PLA is prohibited. The law, California Public Contract Code section 2502, states: "If a Charter provision, initiative, or ordinance of a charter city prohibits the governing board's consideration of a project labor agreement that includes all the taxpayer protection provisions of Section 2500 for a project to be awarded by the city, or prohibits the governing board from considering whether to allocate funds to a city-funded project covered by such an agreement, then state funding or financial assistance shall not be used to support that project."

As of the deadline for publication, it is unclear whether the proposition, if approved, would affect future state funding of City construction projects. It will be up to the California Attorney General, and possibly the courts, to determine whether state funding will be affected for City construction projects.

The proposition would not restrict contractors and labor organizations from voluntarily entering into PLAs.

The proposition also would require the Mayor to post online all City construction contracts valued at more than \$25,000 in a given fiscal year.

The proposition can be amended or repealed by a majority vote of City voters, but cannot be amended or repealed by the City Council.

# FISCAL IMPACT ANALYSIS

The ballot measure states that except as required by State or federal contracting or procurement obligation, or as a condition of the receipt of State or federal funds, the City shall not require a contractor on a construction project to participate in a Project Labor Agreement (PLA) as a contract condition. It is uncertain whether the City would lose State assistance for City construction projects as a result of voter approval of this ballot measure. California Public Contract Code, Section 2502 prescribes that if a governing body, such as the City Council, is prohibited from *considering* a PLA for a City construction project, then State funding or financial assistance shall not be used for the project.

A legal interpretation of Section 2502 would be required to determine whether the City's receipt of State funds for construction projects will be affected by the ballot measure. State funding for the City varies from year to year. Major State funding awarded to the City in fiscal years 2010 and 2011 was approximately \$36 million and \$158 million, respectively.

The requirement of the ballot measure to post the text of all construction project contracts over \$25,000 in a given year (including redacting proprietary information and presenting certain other information) is preliminarily estimated to cost **\$450,000** annually, in addition to **\$500,000** in set-up costs.

Whether the use of a PLA on a construction project would add to the cost of a project is a widely debated matter. Some studies indicate that PLA's increase project costs, while others dispute the analysis and the conclusions of such studies.

PR-09L0-2

# **ARGUMENT IN FAVOR OF PROPOSITION A**

Proposition A will enact the **FAIR AND OPEN COMPETITION** in Construction Ordinance. This reform package brings Fairness, Openness, and Accountability to City Contracting.

Proposition A is **FAIR** because it gives all construction workers — union and non-union — an equal opportunity to compete for jobs on city construction projects. It prevents politicians from imposing unfair project labor agreements on these projects. Construction workers will not be forced to affiliate with a union to work on taxpayer-funded city projects.

Proposition A makes contracting <u>OPEN</u> and transparent because it mandates that City construction contracts be posted online in a searchable format for easy public access. These reforms will ensure transparency and help citizen watchdogs and the press monitor City Hall.

Proposition A makes city government more <u>ACCOUNTABLE</u> because it requires the Mayor to explain online why any sole source contract was awarded without competitive bidding. This measure shines a bright light on the City contracting process.

Proposition A is your opportunity to reform your Charter City's municipal contract policy to efficiently manage your municipal construction services. <u>FAIR AND OPEN COMPETITION</u> <u>SAVES TAXPAYER DOLLARS</u>. National University System's Institute for Policy Research confirmed construction costs are 13 to 15% higher when school districts construct a school under a project labor agreement.

Proposition A was written to protect the City's access to state construction funds. Beware of the Sacramento politicians' scare tactics. Why are they afraid of fair and open construction contracts posted online in a transparent process?

Please join the San Diego County Taxpayer's Association, the Associated General Contractors of San Diego who represent both union and non-union contractors, and citizens who want a transparent and accountable city government.

You can learn more at <u>www.</u> views on this important package of reforms. .com. Thank you for considering our

#### Please Vote Yes on A.

JIM RYAN Executive Vice President Associated General Contractors of America, San Diego

Construction Worker (Electrician)

CESAR JACOBO

JACQUI GAMBOA-GAANO Manager, San Diego Contractors & Builders

RICHARD RIDER Citizen Taxpayer Advocate

LANI LUTAR President & CEO San Diego County Taxpayers Association

PR-09L0-3

# **ARGUMENT AGAINST PROPOSITION A**

There are serious implications to Prop A. Read the law.

1. California Public Contract Code Section 2500 <u>already requires</u> that Project Labor Agreements be "fair and open."

Specifically Section 2500 states:

• PLAs must allow both union and non-union contractors to compete.

• PLAs must prohibit discrimination of any kind (including discrimination based upon non-union or union membership).

• PLAs require drug testing of workers.

# Law: http://www.

#### 2. Prop A's prohibition of PLAs could cost the City hundreds of millions of dollars.

• Specifically, CPC Code 2502 provides that if a City prohibits its council from considering PLAs the city shall be disqualified from state construction funding.

• According to the *Independent Budget Analyst*, the City received **\$158 million** in state construction funding in 2011.

 Prop A unnecessarily risks the loss of these funds without providing any taxpayer benefit.

3. PLAs are NOT mandatory in San Diego. They are an option that can provide important additional taxpayer protections.

- PLAs are an effective risk management tool used by both private and public sector managers to control construction costs on large projects.
- PLAs are critical tools for assisting veterans re-entering the civilian workforce.
- 4. Prop A's Internet Posting language actually reduces transparency.

• City policy already requires the posting of all contract details on the Internet. Prop A requires the deletion of selected company information at taxpayer expense (see *Independent Budget Analysis*).

IBA cost analysis, see last page at: <u>http://www.</u>	.pdf
Current Policy:	
http://	
<u>.PDF</u>	

PR-09L0-4

# ARGUMENT AGAINST PROPOSITION A (CONTINUED)

We have carefully read the law and Prop "A". We recommend a "NO" vote on Prop A.

MATTHEW P. CAULFIELD Major General, US Marine Corps (Ret) SCOTT BARNETT President, San Diego Taxpayers Advocate

SHAD JEFFERIES, J.D. Professor of Business & Real Estate Law

DONNA FRYE Business Owner/Former Councilmember

# CITY OF SAN DIEGO

# **PROPOSITION A**

BE IT ORDAINED, by the People of the City of San Diego, as follows:

SECTION 1: San Diego Municipal Code, Chapter 2, Article 2, is amended by adding Division 44, to read as follows:

#### Article 2 Administrative Code

#### Division 44: Fair and Open Competition in Construction Ordinance

#### §22.4401 Statement of the People's Intent

The People of the City of San Diego support the enactment of this Fair and Open Competition in Construction Ordinance because they believe the City should treat union and non-union Contractors equally and not give special advantages to either. All City Construction Project job opportunities should be open equally to both union and non-union workers. Fair and open competition helps the City maximize government efficiency by getting the best quality work for the best price for the taxpayers. To promote fair and open competition for City Construction Project contracts, the City should not mandate the use of Project Labor Agreements. City Construction Project contracts should be posted online to help citizens evaluate the City's performance in promoting fair and open competition. The People believe these reforms are urgently needed and wish to enact this Ordinance as soon as possible.

#### <u>§22.4402</u> Fair and Open Competition - Prohibition on Requiring Project Labor, Agreements

Except as required by state or federal law as a contracting or procurement obligation, or as a condition of the receipt of state or federal funds, the City shall not require a Contractor on a Construction Project to execute or otherwise become a party to a Project Labor Agreement as a condition of bidding, negotiating, awarding or the performing of a contract.

PR-09L0-5

#### <u>§22.4403</u> Fair and Open Contracts - Posting City Construction Project Contracts Online

To help ensure City compliance with the purposes of this Ordinance, the Mayor shall post on the City's website in a searchable format the text of all Construction Project contracts entered into by the City valued at more than \$25,000 in a given fiscal year. The Mayor shall redact any proprietary, trade secret, or otherwise legally privileged or confidential information from contracts prior to posting. For each contract, the Mayor shall note the number of total bidders who competed for the contract. For any sole source contract, the Mayor shall post a written justification for the sole source determination.

## §22.4404 Definitions

For the purpose of this Ordinance, the following definitions shall apply:

"Act" shall mean the National Labor Relations Act, Title 29 U.S.C § 151 - 169.

"City" shall mean and include the City of San Diego, its agencies, corporations, boards, commissions, organizational subdivisions, partnerships, offices, and any other entity that the City of San Diego holds a controlling interest thereof.

"Construction Project" shall mean and include any project paid for in whole or in part out of *City* funds for the construction, rehabilitation, alteration, conversion, extension, maintenance, repair, replacement, or improvement of any structures or real property.

"Contractor" shall mean and include an owner, developer, contractor, subcontractor, material supplier, carrier, or other person or firm engaged in the completion of a Construction Project.

"Labor Organization" shall have the same meaning ascribed to it in Section 2 of the Act (29 U.S.C. § 152).

<u>"Ordinance" means this Fair and Open Competition in Construction Ordinance as</u> codified in the San Diego Municipal Code Chapter 2, Article 2, Division 44.

"Project Labor Agreement" shall mean any pre-hire, collective bargaining or similar type of project specific labor agreement entered into with one or more Labor Organizations, employees or employee representatives that establishes the terms and conditions of employment on a Construction Project.

# §22.4405 Applicability

- (a) The construction of this Ordinance shall be applied by the Mayor and City Council and interpreted judicially so as to most fully implement the Statement of the People's Intent.
- (b) Nothing in this Ordinance shall be construed as prohibiting private parties that may perform work on Construction Projects from voluntarily entering into Project Labor Agreements or engaging in activity protected by law.
- (c) Nothing in this Ordinance shall be construed as prohibiting a Contractor from entering into any individual collective bargaining relationship, or otherwise as regulating or interfering with activity protected by applicable state or federal law, including but not limited to, the Act.
- (d) To the extent permitted by law, the provisions of this Ordinance shall be effective 30 days from approval of this proposition by the voters. Contracts awarded before this effective date and subcontracts awarded pursuant to such contracts, whenever awarded shall not be governed by this Ordinance.

PR-09L0-6

# PROPOSED ORDINANCE (CONTINUED)

## §22.4406 No Amendment or Repeal except by a Vote of the People

This Ordinance shall not be amended or repealed except by a majority vote of the voters of the City of San Diego.

#### §22.4407 Judicial Review and Remedy

Any person aggrieved or injured in any way by a violation of this Ordinance shall be entitled to all appropriate legal and equitable relief, including injunctive relief in the Superior Court of the State of California, County of San Diego, as well as relief by way of an action filed pursuant to California Code of Civil Procedure Section 526a.

#### §22.4408 Severability

If any provision contained in this Ordinance is held by a court of law of competent jurisdiction to be invalid, or is superseded by a numerically superior vote as provided in Section 2 of the proposition that enacted this Ordinance, the remaining provisions of this Ordinance shall not be affected but shall remain in full force and effect, and to that end the provisions of this Ordinance are severable.

#### **SECTION 2: Conflicting Propositions**

If any other proposition, appearing on the same ballot as this proposition, addresses the same subject matter in a way that conflicts with the treatment of the subject matter in this proposition, and if each proposition is approved by a majority vote of those voting on each proposition, then as to the conflicting subject matter the proposition with the highest affirmative vote shall prevail, and the proposition with the lowest affirmative vote shall be deemed disapproved as to the conflicting subject matter.

# END OF PROPOSITION

PR-09L0-7

# **CITY OF SAN DIEGO**

#### **Proposition B**

(This proposition will appear on the ballot in the following form.)

# **PROP B**

Amends City Charter Regarding Retirements Benefits. Should the Charter be amended to: direct City negotiators to seek limits on a City employee's compensation used to calculate pension benefits; eliminate defined benefit pensions for all new City Officials and employees, except police officers, substituting a defined contribution 401(k)-type plan; require substantially equal pension contributions from the City and employees; and eliminate, if permissible, a vote of employees or retirees to change their benefits?

This proposition requires approval by 50% of the voters voting on the proposition.

Full text of this proposition follows the arguments.

## OFFICIAL TITLE AND SUMMARY

# BALLOT TITLE

Amendments to the San Diego City Charter Affecting Retirement Benefits

#### **BALLOT SUMMARY**

This measure would amend the San Diego City Charter to make changes to retirement benefits. The measure would:

- From its effective date until June 30, 2018:
  - 1. Limit a City worker's base compensation used to calculate the employee's pension benefits to Fiscal Year 2011 levels.
  - Require that any new job classification be created only after specific findings are made that the new classification "is necessary to achieve efficiencies and/or salary savings" by consolidating job duties or creating a more efficient service delivery method.
  - 3. Define the terms the City must use when it begins negotiations with the City's labor unions for their contracts, unless the City Council overrides those terms with a two-thirds vote.
- Provide all new hires at the City, except for swom police officers, with a defined contribution plan modeled after a 401(k) plan in place of a defined benefit pension plan.
- Provide contributions for employees participating in the new defined contribution plan, in order to compensate for the lack of Social Security provided to City workers. The City's maximum contribution for general City employees would be

PR-09L0-8

## OFFICIAL TITLE AND SUMMARY (CONTINUED)

9.2 percent of an employee's salary; the maximum contribution for uniformed public safety officers would be 11 percent of their salaries.

- Authorize the City Council to enroll police officers in either the defined benefit or the defined contribution plan. The maximum payment to a sworn police officer hired after the measure goes into effect, under the defined benefit pension plan, would be based on the officer's highest three years of pay, and capped at 80 percent of the average of those years.
- Eliminate the defined benefit pension plan prospectively for elected officials (Mayor, City Attorney and City Councilmembers).
- Eliminate, to the extent allowed by law, pension benefits for City officers or employees convicted of a felony related to their employment, duties or obligations as a City officer or employee. This may be reversed if the conviction is overturned.
- Eliminate, unless otherwise allowed by law or agreement, the requirement of a majority vote by employees or retirees in the retirement system for changes that affect their benefits.
- Require the City to contribute annually to the defined benefit pension plan an amount substantially equal to that required of the employee for a normal retirement allowance, but not contribute in excess of that amount.
- Provide disability benefits for defined contribution plan participants who have a work-related disability.
- Require the Retirement System to submit an actuarial study to the Mayor and Council regarding the impact on the pension plan "of any increases in proposed compensation or benefits" in an initial Council proposal.
- Require the City to annually publish the amounts paid to City retirees, but redact their names.

PR-09L0-9

#### **CITY ATTORNEY'S IMPARTIAL ANALYSIS**

This proposition would amend the San Diego Charter regarding retirement benefits for City employees and officials.

The City's existing defined benefit pension plan is a retirement plan that the City and City employees contribute to throughout an employee's career. Upon retirement, an employee receives specified pension payments. The employee's annual pension benefit is presently calculated by a formula that includes the employee's highest one-year salary (or three-year average salary for general and safety employees hired in certain recent years). The proposition refers to "base compensation" as the salary used to calculate pension benefits.

From its effective date until June 30, 2018, this proposition requires the City's initial bargaining position in negotiations with labor organizations to include terms consistent with: limiting employees' base compensation used to calculate pension benefits to no more than Fiscal Year 2011 levels, and other terms as described in the proposition. These proposed terms can be overridden by a vote of six City Councilmembers.

The proposition prohibits most new employees hired on or after the effective date of the proposition from participating in the existing defined benefit pension plan. Instead, new employees, except new sworn police officers, would be offered a defined contribution plan modeled after a 401(k).

The proposition authorizes the City Council to enroll new sworn police officers in either the defined benefit pension plan or defined contribution plan. For new police officers enrolled in the defined benefit pension plan, the maximum pension payment would be capped at 80 percent at age 55 of the average of the officer's highest consecutive three years of base compensation. Pension payments would be decreased if an officer retires before age 55.

The proposition authorizes the City to make contributions for employees participating in the defined contribution plan. The City's maximum contribution for general City employees would be 9.2 percent of an employee's compensation; the maximum contribution for uniformed public safety officers would be 11 percent of their compensation.

Unless required by law or agreement, the proposition eliminates existing requirements to obtain a majority vote of employees or retirees in the retirement system for changes affecting their benefits.

The proposition eliminates the defined benefit pension plan for elected officials (Mayor, City Attorney and Councilmembers) assuming office on or after the effective date. The proposition eliminates, if allowed by law, pension benefits for City officers or employees convicted of a felony related to their employment, duties or obligations as a City officer or employee. This may be reversed if the conviction is overturned.

For those remaining in the defined benefit pension plan, the proposition would require substantially equal pension contributions by the City and employees for a normal retirement allowance, except in certain circumstances.

Charter amendments are not effective until chaptered by the California Secretary of State. If approved, the City will enter "meet and confer" negotiations with labor organizations regarding this proposition's implementation. A defined contribution plan would need to be created.

PR-09L0-10

There are two major fiscal analysis components for this ballot measure: potential salary freeze savings and pension benefit changes.

#### Potential Salary Freeze Savings

Potential savings from freezing salaries for six years (July 1, 2012 through June 20, 2018) are projected to be \$963 million over 30 years, or \$581 million when adjusted for inflation. However, the ballot measure does allow the City to negotiate salary increases with employees, in lieu of freezing employees' salaries, with a 2/3 vote of the City Council. If this occurs, the projected savings of \$963 million would be reduced or not achieved.

#### Pension Benefit Changes

Pension benefit changes are projected to cost a net \$13 million over 30 years (\$56 million when adjusted for inflation). These changes are outlined in the bullets and table below.

- \$1,324 billion in savings to Defined Benefit (DB) plan Annual Required Contribution (ARC) amounts, due to future employees not being eligible for the DB plan.
- \$1.384 billion in contribution costs to a new Defined Contribution (DC) plan, assuming the maximum employer contribution rates allowed under the ballot measure (9.2% for General employees and 11% for Safety employees) are made. This also assumes the same base compensation as the current DB plan (no overtime included). The actual DC plan structure must be negotiated with labor unions.
- . \$215 million in net savings resulting from changing the DB plan's payment schedule for the Unfunded Actuarial Liability (UAL), due to closure of the DB plan to all future employees except police officers.
- \$217 million in costs for a new death/disability program for future employees assumes death/disability benefits for future City employees will be comparable to benefits for current employees. Program design must be negotiated with labor unions.
- \$49 million in savings from adjusting the retirement benefit cap for future police officers.

	Projected Savings/(Costs) Over 30 Years	Inflation-Adjusted Savings/(Costs) Over 30 Years
Pension Change	(in millions)	(in millions)
DB Plan Savings	\$1,324	\$657
New DC Plan Costs	(\$1,384)	(\$688)
UAL Payment Schedule Savings	\$215	\$58
New Death/Disability Costs	<b>(\$</b> 217)	(\$107)
Police Plan Savings	\$49	\$24
Net Pension Costs	(\$13)	<u>(\$56)</u>

#### Other Issues

Future employees' participation in a new DC plan, as opposed to the current DB plan, would transfer certain risks, most notably investment and longevity risks, from the City to future City employees. While the DB plan's current assumed rate of return is 7.5%, its investment results for the past 20, 10 and 5 years have been 8.5%, 6.4% and 4.4%, respectively. PR-09L0-11

## FISCAL IMPACT ANALYSIS (CONTINUED)

Additional ballot measure costs include: administrative and set-up costs for the new DC plan and new disability program and actuarial analyses, if required.

Note that the ballot measure is estimated to result in increased costs to the City of **\$54.1** million for fiscal years 2014 through 2016, largely due to the change in the UAL payment schedule. These costs will be greater and could continue over a longer period of time if salary freezes are not implemented.

# **ARGUMENT IN FAVOR OF PROPOSITION B**

A YES vote for Proposition B, the **Comprehensive Pension Reform** initiative, is the long-term solution to San Diego's pension problems.

The City's pension costs are projected to increase by more than \$100 million over the next 10 years if we don't take action now.

Proposition B is expected to save nearly <u>\$1 billion</u>, which means more City money for priorities like:

- Fixing potholes and street repairs
- Maintaining infrastructure
- Restoring library hours
- Re-opening park and recreation facilities

**YES on Proposition B stops "pension spiking."** Proposition B eliminates the use of specialty and supplemental pay when calculating an employee's pension. Proposition B stops the manipulation of the pension system. Just like in the military, only regular salary will count toward a pension.

YES on Proposition B guarantees that government employees pay a **fair share** of their pension costs, and it ends the practice of City taxpayers subsidizing the employees' share of pension costs.

YES on Proposition B will require all new City employees, except police officers, to be enrolled in a 401K-style retirement plan that **caps taxpayer costs**. This ensures that San Diego taxpayers will no longer be on the hook for expensive, unpredictable future pension system payments.

YES on Proposition B also bans pension benefits for City employees convicted of jobrelated felonies. This prevents convicted government workers and politicians from receiving taxpayer-funded pension benefits.

Proposition B will not prevent the City from enrolling employees in Social Security.

YES on Proposition B:

- Requires City employees pay their fair share
- Caps the cost to San Diego taxpayers
- Stops "pension spiking"

Strongly endorsed by the non-partisan, independent, San Diego County Taxpayers Association.

#### PR-09L0-12

# **ARGUMENT IN FAVOR OF PROPOSITION B (CONTINUED)**

#### www.

LANI LUTAR President & CEO San Diego County Taxpayers Association APRIL BOLING Former Chair, Pension Reform Committee

KEVIN FAULCONER Council President Pro Tem CARL DEMAIO Councilmember

#### MAYOR JERRY SANDERS

# **ARGUMENT AGAINST PROPOSITION B**

#### Vote No on B

#### Proposition B Increases City Retirement Costs by \$54 Million in the First Three Years

That's money that could go to improving public safety, restoring library and recreation center hours, and fixing our crumbling roads. And there's no guarantee that the ballot measure will actually save the City any money. The City's own analysis shows that the Proposition B retirement plan for new employees is more expensive than the existing plan.

#### Proposition B Does Not Freeze Pay

All projected savings from Proposition B are from a pay freeze that may not occur because pay increases are allowed with a two-thirds City Council vote, which the Charter already requires for negotiated pay increases. Employees have not had a pay increase for five years. City employees have made heavy sacrifices while Councilman DeMaio provided his staff with a 20% pay raise and refused to take a 6% pay cut along with everyone else.

#### Retirement Benefits Have Been Substantially Reduced

In 2009, San Diego reduced pension benefits for new employees and increased employee contributions by 6 percent of their pay. Total retirement benefit changes will save the City over \$1 Billion.

#### Unfair to Employees

City workers are excluded from Social Security and for most of them Proposition B will eliminate the pension that serves as a substitute. Proposition B will leave some first responders without either a pension or Social Security, making it harder to recruit and retain public safety professionals. Proposition B will cost the City more, but employees will get less.

#### No Cap on Excessive Pensions

Proposition B does nothing to address \$100,000 pensions. Although city workers' average pension is \$40,000, some highly paid city managers and politicians receive pensions of over \$100,000.

Don't play costly, political games with the City's budget. Vote No on Proposition B.

PR-09L0-13

# **ARGUMENT AGAINST PROPOSITION B (CONTINUED)**

NAN BRASHER President, California Alliance for Retired Americans

FRANK DE CLERCQ San Diego City Fire Captain PAT ZAHARAPOLOUS President, Middle Class Taxpayers Association

EDWARD B. HARRIS Lifeguard Sergeant

MARY M. ENYEART 9-1-1 Emergency Dispatcher

# **CITY OF SAN DIEGO**

#### PROPOSITION B

#### COMPREHENSIVE PENSION REFORM FOR SAN DIEGO

#### Section 1. PREAMBLE

WE THE PEOPLE of the City of San Diego declare our intent to restore financial stability to city government both in the immediate term and long term, and to return our community to the historic principles of self-governance inherent in the doctrine of homerule. Sincerely committed to the belief that local government has the closest affinity to the people governed and firm in the conviction that the economic and fiscal independence of our local government, as well as the exercise of the people's right to impose limitations on their local government, will better serve and promote the health, safety and welfare of all of the citizens of this City, we do hereby exercise the express right granted by the Constitution of the State of California to enact and adopt this amendment of the Charter for the City of San Diego.

#### Section 2. FINDINGS

a) Using the power vested in the Citizens of San Diego by the California Constitution, including Article XI, Section 5(b) of the California Constitution, as well as the Charter of the City of San Diego, this Charter amendment to address an immediate fiscal emergency to control long-term employee pension benefit costs.

b) The cost of City pensions has become unsustainable and the Citizens find that the City faces a financial emergency that requires immediate controls on pension costs and long-term reforms of pension benefits.

c) The Citizens are concerned with abusive and wasteful pension payouts to individual city employees. As such, the Citizens of the City of San Diego desire pension reform that addresses individual pension liabilities and reduces collective costs to taxpayers.

d) The enactment of this Charter amendment is intended to limit the impacts City budgetary decisions have on pension liabilities in the immediate term and the long term as a way to prevent further cuts in important neighborhood services that are mandated by the Charter.

e) In 1996 and 2002, the San Diego City Council retroactively increased pension benefits for city employees under the defined benefit plan, without identifying adequate funds to cover the cost of those benefits in the future.

f) As a result of the increased pension benefits and past decisions to improperly fund the pension system, the city's pension fund currently has an unfunded liability of over \$2 billion.

g) The City's Annual Required Contribution to the defined benefit pension fund has increased dramatically over the last several years, from \$137.6 million in Fiscal Year

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2006, to \$231.3 million for Fiscal Year 2012, and is projected to increase to approaching \$500 million by Fiscal Year 2025.

h) This Charter amendment protects the existing rights of City employees and City retirees while curbing the future costs of employee benefits and retirement costs, thereby allowing San Diego to provide services to the public in a more efficient manner.

i) The Citizens seek to limit "pension spiking" by city employees where lifelong pensions are calculated using not just base salaries, but a multitude of specialty pays, add-on pays, and other forms of compensation.

j) Retirement benefits for city employees should be no better than, and no worse than, retirement benefits paid in the non-profit and private sectors locally in San Diego. As such, the Citizens desire that the city transition to a defined contribution retirement program modeled after 401(k) programs.

 k) City employees should be paying their full and fair share of all costs of pensions. The Citizens desire to achieve an equal, dollar-for-dollar split between taxpayers and city employees for the costs of city pensions.

Section 3. Article VII (Finance) of the San Diego City Charter is hereby amended to add the following sections:

#### Section 70.1: REFORMING BASE COMPENSATION USED TO ESTABLISH PENSION BENEFITS

"Base Compensation for Calculation of Pension Benefits" or "Base Compensation" shall be defined for this Section and for Section 70.2 as the total amount of annual compensation received by an individual City officer or employee for years of service after the implementation of this section that is used by the Retirement System for the purpose of calculating an individual's benefits under a Defined Benefit Pension Plan as defined in Section 140 of this Charter.

By January 1, 2013 and to the extent allowed by law, including the legal effect of existing Memorandums of Understanding as of the effective date of this section, no Earning Codes Included in Retirement Base Compensation in any Annual Salary Ordinance shall include any pay components that may be excluded pursuant to any judicially approved legal settlement from the calculation of Base Compensation for Calculation of Pension Benefits.

This Section shall apply prospectively. Nothing in this section shall be interpreted to limit the ability of the City to offer additional compensation for City officers and employees beyond Base Compensation, provided however that such compensation shall not be included in the calculation of Base Compensation. Employees determined to be performing work outside of their job classification may have their "out of class" pay included in the calculation of Base Compensation. Furthermore, nothing herein is intended to prohibit or limit the City Council from having its representatives meet and confer with Recognized Employee Organizations or Bargaining Groups as required by applicable labor relations laws to implement this Section.

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#### Section 70.2: EMERGENCY LIMITATIONS ON BASE COMPENSATION FOR CALCULATION OF PENSION BENEFITS (JULY 1, 2012 TO JUNE 30, 2018)

From the effective date of this Section until June 30, 2018, in the City's initial bargaining position in negotiations on any Memorandum of Understanding with recognized employee organizations or bargaining groups, the City shall propose terms that are consistent with the following requirements and shall work to achieve the following outcomes:

- (a) No Base Compensation for any classification shall be set at an amount higher than the base compensation for that classification established in Ordinance No. O-19952, adopted on May 4, 2010, ("2011 Fiscal Year Salary Ordinance").
- (b) The Earning Codes Included in Retirement Base Compensation, as adopted in Ordinance No. O-19952, shall not be amended to add any new types of compensation to the Base Compensation for the Calculation of Pension Benefits during the effective period of this section.
- (c) Any new job classification may only be created, during the effective period of this Section, with specific findings that the creation of the new classification is necessary to achieve efficiencies and/or salary savings by consolidation job duties or the creation of a more efficient service delivery method to the public. No base compensation for any new job classification created during the effective period of this section shall be set at an amount higher than the base compensation for that classification during the Fiscal Year in which it was established.
- (d) No other forms of compensation shall be provided or increased for any applicable fiscal year that has the effect of increasing Base Compensation as defined under this Section and Section 70.1, above, of this Charter.

City bargaining representatives may be authorized to negotiate tentative agreements with employee organizations incorporating changes in employee compensation and other employee benefits provided, however, that no provision of a tentative agreement that fails to meet the conditions established in (a)-(d), above, shall become effective unless and until it is approved by a two-thirds majority of the full City Council.

From the effective date of this Section until June 30, 2018, prior to any City Council action that establishes the initial bargaining position of the City to meet and confer with recognized employee organizations or bargaining groups which include increases to salaries and benefits for any City officer or employee, in any proposed Memorandum of Understanding or other agreement, the Retirement System shall prepare and submit to the Mayor and City Council an actuarial study that identifies and discloses the impact on the City's Defined Benefit Pension Plan of any increases in proposed compensation or benefits contained in the initial Council proposal, and certifies whether the proposed action increases the average or mean Base Compensation, for any job classification. Prior to any submission of a tentative agreement with any recognized employee organization or bargaining group to the City Council for approval of a Memorandum of Understanding, the City shall refer the tentative agreement to the Retirement System's Actuary to update the actuarial study to include any additional fiscal impacts of the tentative agreement. Such analysis shall be made readily available to the public ten days prior to any final action taken by the Council.

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Nothing in this section shall be interpreted to limit the ability of the City to offer additional compensation for City officers and employees during the effective period of this section, provided however that such compensation shall not have the effect of increasing the Base Compensation for Establishment of Pension Benefits for that City officer or employee without complying with the requirements of this section.

Nothing in this section shall be interpreted to limit the ability of the City to exercise authority under Charter Section 124 (Promotions). This section shall be implemented in a manner consistent with the requirements of any applicable labor relations laws. This Charter Section 70.2 shall be automatically repealed and removed from this Charter on July 1, 2018, unless extended, modified or repealed by a vote of the People.

Section 4. The San Diego City Charter is hereby amended to add the following sections in Article IX (Retirement):

#### Section 140: ESTABLISHMENT OF SEPARATE RETIREMENT PENSION SYSTEMS; DEFINITIONS

As of the election at which this Section becomes operative, the electorate of the City of San Diego has found and declared that the fiscal best interests of the City are served by reforming the retirement system authorized by this Charter to be established for City employees.

"Defined Benefit Pension Plan" or "Defined Benefit Pension System" is a system or plan to provide a specified allowance to a city retiree or a retiree's spouse after retirement that is based on a set formula based on factors such as age, years of service, and elements of compensation as established in this Article.

The Defined Benefit Pension Plan in place prior to said election, established by the City Council pursuant to Sections 141 through 149 of this Charter, may remain in place until, for any reason, there remain no participants in the Defined Benefit Plan. The City Council may by ordinance utilize any lawful means for terminating the Defined Benefit Plan. Any closure of the Defined Benefit Plan shall be designed and implemented to protect the employees' vested rights in the Defined Benefit Plan, generate cost savings for taxpayers, and ensure compliance with applicable laws and regulations, including tax regulations.

At such time as there remain no participants in the Defined Benefit Pension Plan, the City shall take such actions as are necessary and appropriate to promptly wind down and terminate the Defined Benefit Pension Plan.

Notwithstanding the foregoing, and except as expressly provided in this Article IX, all Officers and employees, with the exception of sworn police officers, who are initially hired or assume office on or after the effective date of this Section shall participate only in such Defined Contribution Plans as authorized by Sections 150 and 151 of this Charter.

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The provisions of Sections 141 through 149 shall apply only to the Defined Benefit Plan, and those City employees eligible to participate in the Defined Benefit Plan. The provisions of Sections 150 and 151 shall apply only to the Defined Contribution Plan, and those City employees eligible to participate in the Defined Contribution Plan, except as expressly stated.

Notwithstanding the foregoing, and except as provided in this Article IX, the City Council is hereby authorized and empowered by ordinance to enroll sworn police officers hired after the effective date of this section in either the Defined Benefit Plan or the Defined Contribution Plan. This section shall be implemented in a manner consistent with the requirements of applicable labor relations laws.

# Section 141.1: REFORM OF SWORN POLICE OFFICER DEFINED BENEFIT PENSION PLAN

Notwithstanding any other provision of this Charter, or any ordinance or other action taken pursuant hereto, the maximum amount of retirement benefit payable to a sworn police officer, who is hired after the effective date of this section and who is a participant under the Defined Benefit Pension Plan, shall be an amount equivalent to 80% at age 55 of the average of the participant's highest consecutive 36 months of Base Compensation as defined by Section 70.1. The maximum set by this provision shall decrease by 3% (three percentage points) for each year that such participant retires before age 55.

#### Section 141.2: FULL AND FAIR EMPLOYEE CONTRIBUTIONS FOR THE DEFINED BENEFIT PENSION PLAN

For officers and employees who have the legal right to remain in the established Defined Benefit Pension Plan, the City shall contribute annually an amount substantially equal to that required of the employee for a normal retirement allowance, as certified by the Actuary established in Charter Section 142, but shall not 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 employee. The City shall not pay, cap the employee contribution rate, or otherwise compensate for any portion of a contribution to the Retirement System by a City Officer or employee.

To the fullest extent permissible by law, in calculating annual contributions for the City and City employees, the Retirement Board shall divide equally between those two parties all costs except those costs explicitly and exclusively reserved to the City in this Section and Section 143. Contributions shall also be governed by Section 143 of this Article. In the event of a conflict between this Section and Section 143, this Section shall prevail. This section is not intended to interfere with vested defined rights of any retiree receiving benefits from the Defined Benefit Retirement System or of any employee enrolled in the Defined Benefit Retirement System as of the effective date of this section.

Nothing contained in this Section shall preclude the City from entering into a settlement of City of San Diego v. San Diego City Employees' Retirement System Case No. #37-2010-00091207-CU-WM-CTL to define responsibilities of the City and employees for unfunded liabilities of the Retirement System even if the settlement includes terms that might otherwise conflict with the above restrictions, as long as the settlement is approved by the court as a good faith settlement and approved by a two-thirds vote of the City Council.

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## Section 141.3: ELIMINATION OF PENSION BENEFIT FOR FELONY CONVICTIONS

On or before July 1, 2013 and subject to meet and confer requirements with recognized employee organizations or bargaining groups, the City Council shall adopt an ordinance to implement this section that eliminates, to the extent permitted by law, the Defined Benefit Pension Plan for any individual City Officer or employee who is convicted of a felony, as defined in California Government Code Section 1770(h), as amended, related to their employment, duties, or obligations as a City officer or employee. The City Council shall have the authority to reinstate benefits upon a finding that the felony conviction was overturned on appeal.

# Section 141.4: TRANSPARENCY AND PUBLIC DISCLOSURE OF CITY PENSION PAYOUTS

Within 30 days of the start of each calendar year, the City shall post online a listing of the total amount paid to each individual city retiree for the preceding calendar year from assets held by or managed by the Retirement System. The City shall redact the name of each individual, but shall provide the final classification held by each individual and the number of creditable years of service worked by the individual. This section shall be implemented in a manner that protects the privacy rights of officers and employees to the extent required by law and consistent with applicable labor relations laws.

#### Section 150: CREATION OF A DEFINED CONTRIBUTION PLAN

In order to implement the requirements of Section 140, the City Council is hereby authorized to establish by ordinance a Defined Contribution Plan consistent with this Article. This Plan shall meet the legal requirements established under the United States Internal Revenue Code in order to allow the City to retain its Social Security Safe Harbor Status, under the Internal Revenue Code, as amended, unless the City enrolls in the Social Security System under the restrictions established hereunder. Any ordinance adopted under this section shall take effect immediately if the City Council finds that the Ordinance must take immediate effect to meet a legal deadline for compliance with this Charter or any other law or regulation.

The City shall not contribute in excess of 9.2% of an Officer's or employee's compensation, as required by the Internal Revenue Code as amended, to defined contribution retirement accounts for that individual officer or employee. For a Uniformed Public Safety Officer, the City may contribute up to 11% of that Officer's or employee's compensation to his or her defined contribution retirement account. The City may elect to re-enroll in the Social Security System, provided that the City's total cost for retirement benefits do not exceed 9.2% for each Officer's or employee's compensation, or 11% for Uniformed Public Safety Officers.

To the extent allowed by law, the City may offer plans that allow employees to convert their defined contribution retirement account into an annuity or other City Council approved investment instrument as of their date of retirement. No conversion under this section shall require the City to contribute additional funds to convert the defined contribution retirement account to another approved investment instrument.

Years of service accrued by an Officer or employee participating in the Defined Contribution Plan shall not be credited towards vesting or calculation of years of service in the City's Defined Benefit Plan.

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Subject to compliance with applicable laws and regulations, for any individual City employee where the City can demonstrate that cost savings can be achieved, the City shall create a mechanism by which an employee currently enrolled in the Defined Benefit Pension Plan pursuant to Sections 141 through 149 may switch on a prospective basis to the Defined Contribution Plan created in this Section.

The implementation of this section shall be subject to the requirements of applicable law including, but not limited to, applicable labor relations laws and the requirements of the Internal Revenue Code, as amended.

For the purposes of Section 150 and 151, "Uniformed Public Safety Officer" shall have the same meaning as "Safety Member" as defined in Section 24.0103 in the Municipal Code as of January 1, 2011.

# Section 151: DISABILITY AND DEATH BENEFITS FOR DEFINED CONTRIBUTION

For officers and employees enrolled in the Defined Contribution Plan, the City may provide for disability benefits to support an employee who has become physically or mentally disabled by reason of bodily injury or illness caused actions related to the discharge of their duties. Any benefits authorized hereunder may be in addition to any state or federal benefits required by law applicable to a Charter City.

For Uniformed Public Safety Officers, the City shall provide death and disability benefits for officers who are killed or injured in the line of duty. The City may provide greater death or disability benefits than those required by law applicable to Charter Cities.

# Section 5. Article IX (Retirement) Section 143.1 of the San Diego City Charter is hereby amended as follows:

(a) No ordinance amending the retirement system which affects the benefits of any employee under such retirement system shall be adopted without the approval of a majority vote of the members of said system. No ordinance amending the retirement system which increases the benefits of any employee, legislative officer or elected official under such retirement system, with the exception of Cost of Living Adjustments, shall be adopted without the approval of a majority of those qualified electors voting on the matter. No ordinance amending the retirement system which affects the vested defined benefits of any retiree of such retirement system shall be adopted without the approval of a majority vote of the affected retirees of said retirement system. To the extent allowed by law, the requirement for a majority vote of employees and the requirement for a majority vote of retirees for adoption of an ordinance as described in this section shall sunset and be deemed unenforceable as of the effective date of this section. Unless required under a pre-existing Memorandum of Understanding as of the effective date of this article, any City employee hired after September 1, 2012 shall not have a right to vote in any vote required under this Section.

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#### Section 6. EFFECTIVE DATE

This Charter amendment shall become effective in the manner allowed by law. This Charter amendment addresses the subject of public employee compensation and benefits under the plenary authority granted to the Citizens of San Diego by Article XI, Section 5(b) of the California Constitution. As specified herein, the implementation of various provisions may be delayed in their implementation pursuant to provisions of any Memorandum of Understanding in effect on the effective date of this Charter amendment. Nothing herein is intended to remove legally established rights held by any officer or employee held by virtue of their employment status before the effective date of this Charter Amendment.

#### Section 7. SEVERABILITY

It is the intent of the People that the provisions of this Charter amendment are severable and that if any section or provision of this act or the application thereof to any person or circumstance, is held invalid, such invalidity shall not affect any other provision or application of this Charter amendment which can be given effect without the invalid provision or application.

#### Section 8. LIBERAL CONSTRUCTION

The provisions of this act shall be liberally construed in order to effectuate its purposes.

#### Section 9. CONFLICTING BALLOT MEASURES

In the event that this measure and another measure or measures relating to the establishment of compensation and benefit levels of City officers and employees, or both, appear on the same city-wide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail over conflicting provisions in any other measure, and the conflicting provisions of the other measure shall be null and void.

#### END OF PROPOSITION

PR-09L0-21



CARL DEMAIO

# **Businessman and City Councilmember**

# We need a WATCHDOG to CLEAN UP CITY HALL.

#### Carl DeMaio: A Record of Reform

Carl built two successful businesses that specialize in improving performance and cutting costs in financially-troubled organizations. He is also the taxpayer watchdog who helped expose the city's financial crisis.

#### Carl DeMaio: A 90-Page Plan to Fix the Problems

- <u>Balance the Budget</u>: Implement performance audits and proven efficiencies in every city department and pay down the debt.
- <u>Reform Excessive Pensions</u>. Carl authored and led the citizens' effort to allow you to vote on the Comprehensive Pension Reform initiative.
- <u>Fix our Roads and Water System:</u> Enough potholes! Make sure infrastructure funds are used properly.
- Improve Neighborhood Services especially public safety, parks, and libraries.
- Restore Accountability and Transparency at every level of city government.

#### Carl DeMaio: Standing Up to Special Interests

Carl is the only candidate who stands up to Government Unions and the downtown insiders who are squandering our taxpayer dollars.

They are spending big bucks to defeat him, because they know he works for YOU, not for them.

"Together, we can "Clean Up City Hall" – but I need your help to do that." – Carl DeMaio.

www com



**BONNIE DUMANIS** 

**District Attorney** 

## PROVEN. DECISIVE. TRUSTED.

Bonnie Dumanis is an experienced, innovative, three term District Attorney, former Superior Court Judge and prosecutor. She is a proven leader and <u>the only candidate</u> who's run a large government organization with 1,000 employees. She brought accountability, transparency, efficiency and change to the DA's Office while maintaining a 94% conviction rate.

The Courage to Make Tough Decisions. Bonnie sent murderers to prison for life, took on special interests and fought corruption in local government. She has focused on gang prevention and elder abuse to protect our communities. She helped write Jessica's Law and pass Chelsea's Law, making California one of the toughest states on child predators.

**Experience in Local Government.** Bonnie has 30 years experience at every level of government, from clerk typist to DA. Bonnie makes government work for taxpayers!

#### As Mayor, Bonnie will:

- Ensure real pension reform.
- Cut red tape to help businesses bring more jobs to San Diego.

www

- · Fix our city's schools.
- · Repair potholes, sidewalks and streetlights.

Bonnie has lived in San Diego for 38 years; served on MADD and Big Sisters boards.

Endorsed by:

- Mayor Jerry Sanders
- · Police Chiefs' and Sheriff's Association
- Sheriff Bill Gore

Vote Bonnie Dumanis for Mayor

com



# **BOB FILNER**

# **U.S. Representative/Educator**

**Bob Filner** will be a Mayor who will stand up to the powerful special interests and fight for San Diego's middle class.

**Bob Filner** will make City Government work for <u>all</u> San Diegans in <u>all</u> of our neighborhoods -- not just downtown power brokers.

Bob Filner has lived in San Diego for four decades, raised his children here and taught at SDSU.

**Bob Filner** served San Diego as School Board President, Deputy Mayor and Chair of the Veterans Committee in Congress.

On the School Board, **Bob Filner** eliminated millions of dollars in bureaucratic waste and, as Chair of Veterans Affairs Committee, improved health care and education for our troops.

**Bob Filner** will work to create good paying jobs by investing in clean energy, making San Diego an alternative energy leader, and by expanding our Port into a maritime center.

**Bob Filner** will redirect city resources to <u>all</u> neighborhoods by investing in our aging infrastructure and will stop public money being spent on subsidizing expensive downtown development.

Bob Filner will make improving our City schools and the future of our children a top priority.

#### Bob Filner – Moving San Diego in the Right Direction!





# NATHAN FLETCHER

Legislator

#### TOUGH

Whether standing up to out-of-state special interests to cut taxes on small businesses or interrogating al Qaida fighters, Nathan has the toughness to <u>stand up for taxpayers</u>. He supports the Comprehensive Pension Reform Initiative, and private-sector competition to improve neighborhood services, increase efficiency – <u>without raising taxes</u>.

#### TESTED

Leading Marines in combat against international terrorists tested his ability to make tough decisions under fire. Even in Sacramento's hyper-partisan environment, he brought people together. His forward-looking leadership earned <u>support from over 250 high-tech business</u> leaders, community leaders and military veterans.

#### TRUSTED

When Chelsea King's parents sought stronger protections against violent sex offenders, they trusted Nathan to cut through partisan gridlock to get Chelsea's Law done. That style of leadership is why police officers, parents and small business owners support Nathan.

"Others choose to exploit past failures, or defend the status quo. I choose to turn the page for a more prosperous future, transforming our city into the world's most innovative, creating 21<sup>st</sup> century jobs, strengthening public education, repairing streets, preserving canyons, protecting water quality. My family and yours deserve no less. Let's get our city moving again!

Nathan

P.S. See my detailed plans at www.com."



# **TOBIAH PETTUS**

Roads. Roads. Our roads are horrible! The 8<sup>th</sup> worst in the United States in fact! Disappointed? I am. San Diego, let's fight for our roads! My vision for "America's Finest City" is a city without people living on the streets, where the roads are good, where there is no litter to be seen. Making this vision for "America's Finest City" a reality and making it easier for businesses to expand, come here and prosper, will lead us towards economic recovery. Let's bring San Diego jobs!

I am Tobiah Pettus. Haven't heard of me? Instead of wasting campaign money on advertising, I donated \$16,000 to homeless organizations of San Diego, making a difference now.

Based on my extensive review of the state of the City, my opinion is that the City of San Diego's budget is balanced. In fact, there's a surplus. Comprehensive Pension Reform addresses only ~1.75% of the City's annual budget. Reform, though needed, should not include the unethical reduction of earned retirements.

com

Currently, Tierrasanta Community Council Director. COA(HOA) Board member.

CEO over Yahogle.com. Vice President IPOBuild. Commercial Construction Manager. Biology/Chemistry degree - San Diego; Graduate School.

Currently unemployed, fighting for my wife, Holly (SDUSD Teacher), and our son, Josiah, due 4-26-12.

# CITY OF SAN DIEGO City Attorney



# JAN GOLDSMITH

A City Attorney who focuses on the law, not politics.

#### INDEPENDENT AND FAIR

"He's been an impressive public servant who has given us no reason to question his fairness and professionalism." (Union Tribune, December, 2011)

- Independent legal advice, meaning it is based upon the law and not political or personal considerations.

- Every person is treated equally before the law. There are no "untouchables" who receive favored treatment because of personal relationships or occupations.

#### EXPERIENCED

- City Attorney's office is a well-run and respected law office
- San Diego Superior Court Judge for 10 years
- Adjunct law professor at three San Diego law schools
- Attorney for over 35 years
- Owned /managed successful private law firm before turning to public service
- Married 37 years with 3 grown children

## EFFECTIVE

- Has guided the City to comply with the law

com

- Focused on winning trials, not filing expensive frivolous lawsuits

- Has won major cases resulting in well over a billion dollars in taxpayer savings. One settlement agreement saved over \$700 million: "The agreement came after a Goldsmith court victory." (Union Tribune, May, 2011)

An effective City Attorney who never forgets that he is accountable to the people of San Diego.

www



**RAY ELLIS** 

#### Who Is Ray Ellis?

<u>Businessman & Philanthropist</u>. I built a business from the ground up, employing over 225 people. Since then, I volunteer helping improve San Diego through local nonprofit charities.

<u>Pension Reformer</u>. Mayor Sanders appointed me as volunteer on the Pension Board. My job was to help clean it up after the scandals. I did just that.

#### Why Is Ray Ellis Running?

The City won't solve problems. The results of this mismanagement? Potholes, closed libraries, and underfunded parks and public safety. Special interests run the show. They won't run me.

#### What Are Ray Ellis' Solutions?

<u>Work Together to Balance the Budget</u>. The bitter politics of the City are nonsense. I'll work with anyone to pass pension reform, cut waste, and promote economic growth and job creation. I've done it before.

<u>Put City Services First</u>. I'm independent. I'll stand up when the City wants to reward special interests instead of funding our roads, parks, public safety and libraries.

Protect Quality of Life. That means our beaches and parks. Let's focus on the things that make life so much better.

Ask yourself: is the City really getting the job done? If you answered 'no' then I ask for your vote.



SHERRI S. LIGHTNER, P.E.

Councilmember Engineer Business Owner

## Experienced Community Leader

- 50+ year San Diego resident and UCSD graduate who raised her family and built a successful small engineering business here.
- Girl Scout Leader, Sunday school teacher and longtime volunteer community group leader before being elected to City Council.
- Will continue to deliver vital community services--fixing potholes, streets and sidewalks, improving library and recreation center hours, and enhancing public safety.

#### Protecting Our Tax Dollars and Quality of Life

- **Supports pension reform:** approved groundbreaking retiree healthcare and pension reforms to save millions of taxpayer dollars. Cut her pay by 8.9%, cut her staff's pay by 6% and eliminated her \$10,000 annual car allowance.
- Managed Competition leader: implemented managed competition requiring city contracts be competitively bid to save millions of dollars.
- Developed San Diego's first-ever Comprehensive Water Policy: successfully authored an innovative policy to ensure a reliable water supply for our city's future.
- Working to create jobs, cut red tape and grow our local economy: chairs the new Committee on Economic Development and established the Village Merchants Association.

Endorsed by: San Diego Fire Fighters San Diego Police Officers San Diego Lifeguards Sierra Club

**Re-elect Sherri Lightner to City Council on June 5!** 

www org



# BRYAN PEASE Public Interest Attorney

I am the public interest attorney who obtained a federal court order **preventing taxpayer funds from being used to destroy** the La Jolla seal rookery, leading the City and state government to protect the seals.

I will bring my problem solving skills and passion for protecting the public interest to the job of councilmember every day. I will vote to **eliminate wasteful spending** and make our government more **transparent**, **open and accessible**.

Cornell University is my alma mater, and I studied law at Oxford University. I have worked for an assemblymember as a legislative staffer, and my work with the Humane Society of the United States helped pass two statewide laws and a popular statewide ballot initiative to **curtail extreme animal cruelty, pollution and harm to consumers.** I have also stepped in as private attorney general when necessary to enforce City of San Diego resolutions.

I believe the **role of government is to provide essential public services** such as police, fire, roads, bridges and infrastructure, and to keep a **level playing field for businesses to thrive** without unfair competition that comes from abusing labor and the environment.

Please call me at

or visit www

com for more information!



**DENNIS RIDZ** 

I'm Dennis Ridz, and I am running for City Council. <u>I will protect</u> your neighborhoods from over-development, and fight for your fair share of funding for libraries, parks, roads, fire and police. I will balance the budget and protect taxpayer money. <u>My skills</u> in management for Johnson and Johnson including accounting, finance, system operations, will be put to work for you and the communities I love.

<u>I have the experience</u> to represent you as your City Councilman: <u>Appointed a Commissioner</u> <u>by County Supervisor Pam Slater-Price</u> to the Redistricting Census Committee. <u>Appointed by</u> <u>SANDAG Board of Directors</u> to serve as the North Coastal Community representative to the SANDAG 2050 Regional Transportation Plan. <u>Elected twice</u> to the Torrey Pines Community Planning Board.

<u>As Chairman,</u> developed Board's response to Draft Environmental Impact Reports issued by Caltrans – I-5 North Coast Corridor, SANDAG 2050 RTP, and Del Mar Fairground's Master Plan.

**Demonstrated leadership:** Issued Board response to the Del Mar Union School District, opposing closure of the Del Mar Hills Academy. Worked with Carmel Valley Community Board, supporting Proposition C, providing for Pacific Highlands Ranch future expansion. Worked on and supported Senate Bill 468, which enacted legislation limiting the scope of Caltrans impactful I-5 NCC project.



TODD GLORIA City Councilmember

Todd Gloria is a third generation resident of District Three, which he has represented since 2008. As your councilmember, he is dedicated to serving our neighborhoods and protecting tax dollars.

*<u>Fiscal Responsibility</u>*. Todd chairs the City Council's Budget Committee and has worked to restore the City's financial stability.

- Developed on-time, balanced budgets that saved critical services like fire-rescue and libraries.
- · Voted for pension reforms that saved taxpayers millions of dollars.
- Supported budget reforms that streamlined government and reduced costs.

Investing in Infrastructure. Todd refocused the City on infrastructure needs and ensured his district benefited.

- Repaved 27 miles of streets throughout the district.
- Repaired 280 sidewalks.
- Added 223 public parking spaces to serve our small business districts.

<u>Strengthening Public Safety</u>. Todd worked with law enforcement to achieve the City's lowest crime rate since 1963.

- Established neighborhood Police Bike Teams to prevent crime.
- Authored legislation that sets minimum service levels for fire safety.

#### Prioritizing Community Needs

- Leading efforts to prepare Balboa Park for its 2015 centennial celebration.
- · Eliminated legal barriers to establishing community gardens.
- Collaborated with schools to create new park space for students.

Endorsed by San Diego's Police Officers and Firefighters!

Re-elect Todd Gloria for City Council



# MARK KERSEY

I'm a small business owner running for City Council to fundamentally change the way things are done at City Hall.

<u>I support Comprehensive Pension Reform</u> to fix the city's broken pension system, saving the city millions of dollars every year.

<u>I will fully implement Managed Competition</u> to allow private sector companies to compete for city services, helping find new efficiencies and saving taxpayer money.

We must cut the red tape that makes it hard to start or grow a business. Government needs to be a partner with job creators rather than a roadblock to them. We must reduce City Hall bureaucracy so that entrepreneurs can get San Diegans back to work.

Our quality of life makes San Diego the best place to live in the country, which is why I will make sure that city government gets its finances under control. We must invest in our city's streets and roads, beautify our parks, and provide the neighborhood services we all deserve.

City Hall needs people with private sector experience who understand the economy and how to create jobs. That's why I'm running and I hope to earn your vote. Read more at www come com.



# RIK HAUPTFELD Stay at Home Parent

# The INDEPENDENT Candidate for District 7

**Rik** believes in being **beholden** <u>**ONLY**</u> **to the people**. **Rik** will make <u>**YOUR VOICE**</u> more **powerful** than the money that is given by big businesses.

#### Three Pillars Rik stands by:

Fiscal Responsibility; We must take control of finances just as we do at home and in our businesses – we must operate within our means.

<u>Community</u>; Ensuring the community's **VOICE** is heard on all issues, as they are most affected. <u>Economic Growth</u>; Promoting policies that ensure growth; Such as, supporting our local businesses to thrive.

#### **Experienced Professional**

<u>Construction Manager</u> – Balanced the needs of multiple stakeholders; Kept open lines of communication; Built strong relationships from laborers to executives to City Hall; Negotiated & moderated to achieve the best possible result for <u>all</u> parties.

#### **Community Service**

- Tierrasanta Elementary Foundation
- Kumeyaay School Sight Council / Governance
- Kumeyaay District Advisory Council
- Big Brothers & Habitat for Humanity

**Rik** stays **INDEPENDENT** of party affiliations and their big money influences.

**Rik** will **Inspire**, **Serve**, **Engage**, **and Empower District 7** and you will make San Diego a better place when you **Pick Rik**.

# PICK INDEPENDENT – PICK RIK!

com

Have Your Voice Heard at org



NATHAN E. JOHNSON Retired Transit Operator Age: 69

I am running for the newly redrawn District 7 City Council Seat emphasizing the need to deal with the many traffic problems throughout the district. I have lived in the San Diego area since 1959 and in Mission Valley since 1990. I am active with The Bluffs 1 Condominium Owners Association where I serve as Secretary of the COA Board. **Quality of Life** issues ranging from time lost sitting in traffic to wondering if public transportation effectively services your neighborhood affect all of us. I believe we can and must improve the current situation.

I am also Pro Life and Pro Second Amendment.



# MAT KOSTRINSKY

I'm an independent, common sense leader who will stand up for neighborhoods, not downtown special interests. I would be honored to have your vote.

I grew up in this District, where my wife and I are raising our family.

Working my way through Patrick Henry and SDSU in our family's local business, I learned the values of hard work, fiscal responsibility, and getting things done.

I worked for U.S. Senator Dianne Feinstein and our Chamber of Commerce, and currently serve as a home healthcare advocate for seniors, veterans, and people with disabilities.

As your Councilmember, my top priority is ensuring your neighborhood gets its fair share of the taxes you pay, so we can pave local roads, create more parks, increase neighborhood safety, and protect seniors.

#### Senator Feinstein, in endorsing me, said:

"I have known Mat Kostrinsky for more than a decade, and relied on his counsel on matters in San Diego. He's strong and independent. I'm confident Mat will make sure city government is working for you, and all the people of District 7."

For more information about my campaign for less bureaucracy, more accountability, and more support for local small businesses, please go to <u>www</u>.com.



# SCOTT SHERMAN Small Business Owner

Good people with good ideas <u>can</u> make a difference. Imagine a City Hall that delivers essential services with no hassles... a City Hall that is responsive to the people instead of the Special Interests. We can have that kind of city government and that's why I'm running.

**Deep roots in our neighborhood.** My military family moved to San Diego when I was 5 months old. I went to Patrick Henry and Grossmont College. My business is here. My wife Norma and I own a home and raised our family here.

A successful small business owner. I've spent my career building a local family business. I'm an insurance provider who created jobs for more than two dozen hard-working San Diegans.

<u>Willing to fight for fiscal reform</u>. I'm a strong supporter of comprehensive pension reform, balanced budgets, and accountability. We must have fiscal reform to free up dollars we should spend on services like roads, libraries, parks and public safety.

<u>Will stand up to special interests</u>. Union Leaders and other Special Interests have too much power at City Hall. When they win, we lose. I'm committed to reducing their influence so that your voice counts, not theirs.

www\_\_\_\_com



# MATEO CAMARILLO Businessman/Social Worker

I am businessman. I opened a McDonald's restaurant in 1976 and other businesses such as Radio Station K1040AM, the 1<sup>st</sup> FCC Spanish Language station in San Diego.

Aided by scholarships from Hoover High and the G.I. Bill, I attended college, San Diego State University (SDSU) receiving two degrees. I participated in sports (Hoover, SDSU and in the US Army.

I also taught at SDSU School of Social Work and received the Alumni of the Year Award (1989). As a social worker, I have incorporated over a dozen non-profit corporations and have served as CEO, President and Board Member of several including the San Diego Convention Center Board of Directors (1976-1982), California Universal Lifeline Telephone Board (1999-2008).

I have advised public officials for 15 years on the needs and solutions impacting underserved populations. I have been involved in empowering community leaders and underserved groups to participate in educational, civic and business opportunities to advance communities facing challenges achieving the American Dream by helping our youth stay in school, get a job, register to vote, start businesses and become homeowners. The only limit to full participation in our society is our ability to participate.



MARTI EMERALD City Councilmember

#### Re-Elect Marti Emerald for City Council

#### **EXPERIENCE THAT MATTERS!**

Marti Emerald has been working to protect our neighborhoods for 25 years. As your Councilmember and a Consumer Advocate, Marti understands the needs of our communities.

#### Fighting For Public Safety

As Chair of the Public Safety and Neighborhood Services Committee, Marti has led the fight to:

- · Restore fire engine closures.
- Maintain full emergency staffing.
- Improve rescue services citywide.
- Sponsor free CPR/AED classes.
- Partner with police and neighborhoods to keep kids safe from gangs and drugs.

## Endorsed by San Diego Police Officers and Firefighters

#### **Protecting Neighborhood Services**

- Ensure our tax dollars are spent in our neighborhoods on important services like parks, streets, libraries, recreation centers and sidewalks.
- Stopped the City from abandoning plans for a joint use park that was supported by the community.

#### Endorsed by Neighborhood Market Association

#### **Reforming City Government**

- · Supported pension and retiree health care reforms that save nearly a billion dollars.
- Advocates for transparency in government and posts her calendar online for public review.
- Serves on Budget and Finance Committee, where she helps balance the budget and make cost-saving financial decisions.

www com

## VOTE MARTI EMERALD FOR CITY COUNCIL ON JUNE 5!