OFFICE OF COUNCIL PRESIDENT TODD GLORIA
COUNCIL DISTRICT THREE

MEMORANDUM

DATE: August 7, 2013

TO: Mayor Bob Filner

FROM: Council President Todd Gloria

SUBJECT: Mayor's Designee to SDCERS Board

I am writing to request that you take immediate action to replace your designee to the San Diego City Employees Retirement Board (SDCERS).

On July 30, 2013, your current designee, interim Chief Financial Officer Greg Bych, gave testimony to the City Council regarding his absence from the June 28, 2013 SDCERS board meeting. In response to councilmember questioning, Mr. Bych indicated that he chose to recuse himself from voting on the FY 2014 actuarial valuation at the June 28 meeting because he believed that he had a conflict of interest. As you are aware, a motion that would have resulted in an approximately $25 million reduction to the City's annual pension bill was considered by the SDCERS board that day and failed to pass by one vote.

In his July 30 testimony, Mr. Bych stated that he made the decision to recuse himself from matters involving the FY14 actuarial valuation when his position changed to interim Chief Financial Officer in March 2013. He claims that he shared his decision with you and others in your administration around that same time. Mr. Bych is the Mayoral Designee to the SDCERS Board and according to the SDCERS bylaws, this board position is unique in that its appointment is at the sole discretion of the Mayor. Given this information, I believe you should explain to the City Council why Mr. Bych was not replaced with someone who was clearly able to vote on the actuarial valuation in advance of the June 28 SDCERS board meeting.

Further, I ask that you use the authority given to you by SDCERS's bylaws to immediately replace Mr. Bych on the SDCERS board with another qualified designee without Mr. Bych's conflicts.

cc: Honorable City Councilmembers
Andrea Tevlin, Independent Budget Analyst
Mark Hovey, SDCERS