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**MAYOR BOB FILNER**  
CITY OF SAN DIEGO

**MAYOR BOB FILNER, SIX LABOR ORGANIZATIONS  
AND THE SAN DIEGO CITY COUNCIL  
COME TO AGREEMENT ON FIVE-YEAR LABOR PACT!!!**

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Mayor Bob Filner announced today that the City and its six labor organizations have agreed to a five-year labor agreement. The agreements will save the taxpayers \$60 million in pension plan payments in the first three years.

“This is the first time the City has ever achieved five-year agreements with any labor organization, and to achieve this with all six labor organization is historic,” the Mayor said. “This is a great day for taxpayers, for employees, for the City and for the City’s retirement system. We are going to use the money that would have gone to the pension fund on services, infrastructure repair and reducing our reliance on one-time funds to balance the budget.”

The five-year agreements comply with Proposition B’s restrictions on pensionable increases. That means any increases in employee compensation will not affect the City’s obligation to the pension plan.

“This deal accomplishes exactly what Proposition B had set out to accomplish when it was chaptered into the City’s Charter on July 20, 2012,” the Mayor said. “Even if it is struck down by the courts, we have accomplished the promised \$1 billion savings!”

Employees are guaranteed 5.00% to 5.25% for increases to their flexible benefit allotments to offset the rising cost of healthcare in the first three years. Each labor organization will have the right to re-open negotiations for additional increases in non-pensionable compensation in the fourth and fifth years.

The City’s six recognized labor organizations comprising approximately 10,000 employees are:

American Federation of State, County and Municipal Employees, Local 127-- Local 127  
California Teamsters, Local 911 (Lifeguards) -- Teamsters  
Deputy City Attorneys Association -- DCAA  
International Association of Fire Fighters, Local 145 -- Local 145  
San Diego Police Officers Association -- POA  
San Diego Municipal Employees Association -- MEA

The significant deal points of the five-year agreements include the following:

- 5.00% to 5.25% non-pensionable increases over the first three years for all represented employees through flexible benefit allowances that pay for health and other benefits
- Elimination of all mandatory furloughs within two years.

“This long-term agreement provides stability to the City and ensures the City can responsibly provide increases to employees who have gone years without any increases,” the Mayor said. “At the same time, this allows funds in the budget for increased services to the public. We will be able to build future budgets knowing exactly how much money to set aside for pension obligations.”

The Mayor congratulated the San Diego City Council, the labor organization leaders, and the City’s negotiation team for listening to each other, understanding the City’s economic situation and reaching an agreement that protects the City’s short-term and long-term goals

“They all had the City’s best interest in mind. That was the bottom line,” the Mayor said. “This Council should be proud of what they have done. I’m proud of them. The labor organizations should take pride in their diligence, too. The City negotiating team should take a bow. We pushed and we pulled, but we finally worked things out. Congratulations to all,” the Mayor said.

Upon full ratification by each labor organization, each contract will be brought before the full City Council to approve and ratify the agreements.

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**Attachments:** Signed Tentative Agreements with all six labor organizations.  
Five-Year Agreement Non-Pensionable Increases FY2014 – FY2018