



**OFFICE OF COUNCIL PRESIDENT TODD GLORIA  
CITY OF SAN DIEGO**

**M E M O R A N D U M**

**DATE:** June 6, 2014

**TO:** Mark Hovey, Chief Executive Officer  
San Diego City Employees' Retirement System (SDCERS)

**FROM:** Council President Todd Gloria *Todd Gloria*

**SUBJECT:** Potential November 2014 Ballot Proposal Relating to Improving Wages and Working Conditions in San Diego

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As requested by the San Diego City Council Committee on Economic Development and Intergovernmental Relations (Committee), I have been working with the City Attorney's Office to draft a proposition, which may be presented to San Diego voters in November 2014, related to Earned Sick Leave and Minimum Wage for employees working in the City of San Diego. The proposal involves increasing minimum wage for employees to \$13.09 an hour by July 1, 2017. The proposal also involves providing up to five days of earned sick leave per year, based on the number of hours worked by employees. The Committee will likely consider various options related to phasing in the increase to minimum wage. In the meantime, a copy of the most recent draft of the proposal is attached to this Memorandum as Attachment A.

The proposal is still being considered by the Committee. Further discussion is docketed for the Wednesday, June 11, 2014, and I expect further direction from Committee members on the proposal. In the event that the Committee advances the proposal to the full City Council for consideration, I am seeking your assistance to ensure compliance with San Diego Charter Section 70.2.

It appears that the proposal will impact certain City of San Diego employees, whose hourly rate of pay is presently lower than \$13.09 per hour. Before the proposal advances to the ballot, the City must engage in meet and confer with its recognized employee organizations impacted by the proposal.

As you are aware, San Diego Charter section 70.2 provides, in part, that before the City proposes increases to base compensation for any employee classification at an amount higher than the base compensation for that classification established in the 2011 Fiscal Year Salary Ordinance (San Diego Ordinance O-19952, May 4, 2010), the City must obtain from the City's Retirement System "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." The actuary must certify "whether the proposed action increases the average or mean Base Compensation, for any job classification." San Diego Charter §70.2.

A copy of the relevant tables from the 2011 Fiscal Year Salary Ordinance are attached as Attachment B.

If the proposal advances to the full City Council for consideration, I would like to docket an information item related to Charter Section 70.2 compliance in conjunction with Council consideration of the proposal on June 16, 2014.

This Memorandum is to request that the SDCERS actuary be prepared to submit the required actuarial study, in the event the full City Council considers the proposal.

Thank you in advance for your attention to this matter. To discuss this further, please contact Jessica Lawrence, Policy Advisor, at 619-236-7787.

Attachments:

- A. Proposed Earned Sick Leave and Minimum Wage Proposition
- B. Fiscal Year 2011 Salary Ordinance Tables

TG:jl