



News from

Council President Todd Gloria

City of San Diego • District Three

NEWS RELEASE

For immediate release: August 8, 2013

Contact: Katie Keach, 619-235-5268

Council President: Mayor Must Correct His Pension Board Conflict *Mayoral Inaction Costs the City \$25 Million*

SAN DIEGO, CA (August 8, 2013) – Council President Todd Gloria today sent a memorandum to Mayor Bob Filner requesting he replace his current retirement board designee to ensure the board of the San Diego City Employees Retirement System (SDCERS) is able to vote on all critical matters.

Council President Gloria specifically requested the Mayor replace his current designee on the SDCERS board, interim Chief Financial Officer Greg Bych. When Bych was elevated to his current official position in March, he claims he alerted the Mayor that he felt the need to recuse himself from voting at SDCERS on matters connected to the five year labor contracts that he was helping negotiate on behalf of the City.

Three months later, the five year contracts were approved, and the SDCERS board considered lowering San Diego's annual required contribution by approximately \$25 million, based on the newly approved long term contracts. Mr. Bych was true to his word, felt it appropriate to recuse himself, and was not present for the vote. Approval of the savings failed by one vote.

"Mayor Filner's failure to act when it was possible to save the City \$25 million is incredibly frustrating," said Council President Gloria. **"This costly mistake suggests the Mayor is either distracted or incompetent."**

Without the \$25 million savings, several beneficial plans had to be scrapped. The City Council's plan to fund additional library hours citywide and add two recruits to upcoming police academies evaporated because of the SDCERS vote, and \$10 million necessary for approved compensation increases was taken from financial reserves.

"The Mayor's unwillingness to listen to his staff and his inability to make decisions that benefit San Diegans are baffling," said Council President Gloria. **"Current and previous City leaders worked tirelessly to right many wrongs done previously. The City Council will continue to work in the best interests of the City and make the progress San Diegans want. It would be helpful for the Mayor to do the same. It'd be even more helpful if he just resigned."**

Council President Gloria's memo is attached.

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**OFFICE OF COUNCIL PRESIDENT TODD GLORIA
COUNCIL DISTRICT THREE**

M E M O R A N D U M

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