



San Diego City Attorney Jan I. Goldsmith

NEWS RELEASE

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City of San Diego wins pension decision against State *Court strikes AB 1248 in victory for local control*

San Diego, CA: In a victory for local control, the City of San Diego won a Superior Court decision finding unconstitutional State legislation adopted last year that was aimed at undermining Prop B. The legislation, AB 1248, would have required the City to provide new employees with Social Security benefits despite a provision in Proposition B to the contrary.

Proposition B, a pension reform measure which was overwhelmingly adopted by San Diego voters in June 2012, eliminated defined benefit pension plans for new employees in exchange for either Social Security or a 401(k)-type plan. The city and its labor unions would negotiate those options. AB 1248 sought to mandate Social Security for all new hires.

This morning Judge Joan Lewis confirmed her tentative ruling in favor of the City, a copy of which is attached. Her opinion relies upon the California Constitution:

"Article XI, section 5, subdivision (b) of the California Constitution does give full power to charter cities to provide for the compensation of their employees. It is clear that provisions for pensions relate to compensation and are municipal affairs within the meaning of the Constitution."

San Diego City Attorney Jan Goldsmith hailed Judge Lewis's ruling as a victory for local control:

"This lawsuit was about local control," he said. "We will defend the right of a charter city to negotiate terms and conditions of employment with our labor unions without Sacramento dictating those terms."

"Under the California Constitution, home rule protects this right of charter cities and we will defend it against Sacramento's meddling."

City Attorney Goldsmith noted that all provisions of Proposition B have been implemented to date despite efforts like AB 1248 and lawsuits by the Public Employment Relations Board ("PERB") to undermine the City's efforts. "We will continue to stand strong in support of Proposition B and the voters' will," said Goldsmith. "Thus far, we have been very successful and the State has lost every attempt to undermine us."

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