

RESPONSE TO GRAND JURY REPORT FORM

Report Title: The Bloated Retirement Plans of Marin County, Its Cities and Towns

Report Date: May 9, 2005

Response by: Association of Confidential Employees (ACE)
(City of San Rafael)

FINDINGS

- I (we) agree with the findings numbered: _____
- I (we) disagree wholly or partially with the findings numbered: F1-F3, F5-F10
(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.) (See attached response) "statement"

RECOMMENDATIONS

- Recommendations numbered _____ have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered _____ have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered R5-R7 require further analysis.
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.) (See attached response) "statement"
- Recommendations numbered _____ will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: 7/8/05 Signed: Marilyn A. Pecunia
Marilyn A. Pecunia, Chair (ACE)
Number of pages attached 2

RESPONSE TO GRAND JURY

**STATEMENT BY: Association of Confidential Employees (ACE)
(City of San Rafael)**

Number of Members: Eight (8)

Response to F1-F3, F5-F10

- ↳ In May of 2004, the Association of Confidential Employees (ACE) was formed. The eight (8) positions were formerly part of the MAPE SEIU 949 Miscellaneous Unit for San Rafael. Upon formation of the ACE unit, members voted to remain bound by the MAPE contract that was in the middle of its term, due to expire on June 30, 2006. Therefore, the members of this newly formed unit have not yet bargained with the City for any type of benefits or pay increases.
- ↳ ACE does not have the resources to analyze the data or conclusions contained in the Grand Jury Report. However, its members have come to public service because they are dedicated individuals whose commitment to serve the citizens of San Rafael and our community is a career choice. In return for their dedicated service, a defined retirement benefit is part of the compensation that allows them to become long-term, committed public employees. The alternative is potential "job hopping" in the private sector looking for the biggest and best salaries, perks, profit-sharing, stock options, employer paid 401k and in many instances a pension plan as well. In the private sector, if a person works for a company that provides a pension, they still may receive full Social Security benefits upon retirement. This is not the case in public sector retirement. Any Social Security benefits a public employee accrued while working in the private sector will be offset by his/her public sector pension; actually resulting in a reduction of their total retirement income. We would also like to point out that none of the members in our small bargaining unit are receiving the "six figure" salaries that are sensationalized in the newspapers, nor can we respond for other bargaining associations that have different criteria for negotiations.

Response to R5-R7

- ↳ The City of San Rafael has taken the initiative to invite and meet with representatives from all bargaining associations in San Rafael to discuss pension reform and to solicit meaningful dialogue and ideas. The ACE Chair participated in this meeting, and will continue to do so as our association is invited to future discussion.
- ↳ On June 20, 2005, the San Rafael City Council passed Resolution #11783 (copy attached) supporting pension reform. A timetable for potential reform cannot be ascertained at this time. However, if progress is to be made, the first and most important step is that meaningful discussion between all interested parties can take place. The ACE membership is willing to participate in discussions regarding a pension reform process.

RESOLUTION #11783

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL SUPPORTING REFORM OF THE PUBLIC PENSION SYSTEMS IN CALIFORNIA

WHEREAS, public pension systems for most California governmental entities have been experiencing a period of great cost volatility; and

WHEREAS, the primary factor contributing to these volatile pension costs, which have risen sharply over a short period of time, has been the recent and dramatic downturn in investment earnings from pension funds; and

WHEREAS, a secondary contributing factor to rising pension costs has been the adoption of new and higher public employee pension benefits; and

WHEREAS, some state legislators and the Governor's office have put forward proposals to address rising pension costs by eliminating defined benefit plans for public employees and only permitting the adoption of defined contribution plans for public employees, similar to pension models found more commonly in the private sector; and

WHEREAS, defined benefit plans have been the centerpiece for public pension systems in California, and have been a key factor in recruiting and retaining quality public servants; and

WHEREAS, public pension benefits should be set with a sound actuarial foundation that achieves the goals of providing a: 1) fair retirement benefits; 2) designed for a 30-year career employee; 3) that maintains the employee's standard of living in retirement; and

WHEREAS, some of the pension benefits adopted in recent years exceed the above stated pension goals.

NOW, THEREFORE, BE IT RESOLVED, that the City of San Rafael does support the retention of the defined benefit retirement plan model as the central means to provide retirement benefits for public employees in California; and

BE IT FURTHER RESOLVED, that the City of San Rafael supports the League of California Cities efforts to continue discussions among legislative leadership, the Administration, public employee organizations, and public employers to develop pension retirement benefit plans that meet actuarial-based goals of providing public employees with fair retirement benefits for career employees that maintain their standard of living in retirement; and

BE IT FURTHER RESOLVED, that the City of San Rafael supports public pension benefit levels that can be rationally defended to the taxpayers of our local communities.

I, JEANNE M. LEONCINI, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City held on Monday, June 20, by the following vote, to wit:

AYES: COUNCIL MEMBERS: Cohen, Heller, Miller, Phillips and Mayor Boro

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

Jeanne M. Leoncini
JEANNE M. LEONCINI, City Clerk

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