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TAXPAYERS ASSOCIATION OPPOSES LATEST ATTACK ON PENSION REFORM

SDCTA urges Mayor Faulconer to reject request from unions seeking to overturn Proposition B

SAN DIEGO (May 16, 2016)---Government employee unions have ramped up their attacks of voter-approved pension reform by seeking to overturn the law through a backroom deal. In a letter to Mayor Kevin Faulconer and City Council, attorneys representing the unions asked the City to overrule the will of the voters and water down or eliminate pension reform.

This is the latest in a long list of attacks against Proposition B, the Comprehensive Pension Reform initiative that 66% of San Diego voters approved four years ago.

“The Taxpayers Association helped write Prop. B, and we will not sit back and watch union bosses dismantle reforms that saved the City from near-bankruptcy,” said Greg Stein, who was board chair of the San Diego County Taxpayers Association (SDCTA) when Prop. B was passed. “Prop. B will save San Diego taxpayers \$1 billion. Tax dollars that would have paid for bloated public employee pensions can instead be invested in roads, parks, police, fire and other city services.”

Stein added: “Mayor Faulconer, the City Council and City Attorney Jan Goldsmith should reject the union’s request to strike a backroom deal. San Diego voters made a clear and definitive choice: they support comprehensive pension reform.”

Prop. B is a citizens’ initiative drafted by San Diego residents concerned with the City’s pension crisis and the tax dollars it was diverting from core city services, including police protection.

The City and unions cannot eliminate or negotiate away Prop. B, said attorney Ken Lounsbery, who represents Prop. B’s proponents.

“The City and the unions are powerless to negotiate away the terms of a measure approved by nearly 66% of the San Diego voters,” Lounsbery says in a May 12th letter to the Mayor and City Council in response to the May 3rd letter from the union attorneys.

Separately, the unions challenged the validity of Prop. B, but they did so before a state review board, not the courts. The board ruled in favor of the unions, but the [author of the ruling previously worked as a union leader in San Diego and campaigned against the pension reform initiative in 2012](#). City Attorney Jan Goldsmith has said the author, Eric Banks, should have disclosed his conflict

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and recused himself.

"If PERB was a court of law, he wouldn't have been involved in this case," Goldsmith told the *San Diego Union-Tribune* in March story headlined, 'Ethics of pension ruling questioned.'

The City Council voted unanimously to appeal the review board's decision to the courts. The City and the proponents of Prop. B each have filed their legal briefs for the court to consider, but the state review board has not and has instead asked the Court of Appeals for an extension.

"We can expect to see further attempts to deceive and delay until the November election, and the reason is obvious," Stein said. "The politically-motivated and biased state review board and its union patrons hope to convince a newly-elected City Council and City Attorney to dump the voter approved Prop. B and illegally negotiate away the will of the people."

In 2012, the Citizens' Pension Reform Initiative proponents drafted the measure known as Proposition B, or Comprehensive Pension Reform, which secured more than 120,000 signatures to qualify for the ballot.

"Proposition B replaced defined benefit pensions with a 401(k)-style retirement plan for new city employees, except police officers, since implementation in 2012," noted Haney Hong, President and CEO of the San Diego County Taxpayers Association.

The state Public Employee Relations Board (PERB), made up of political appointees, exceeded precedent last December when it inexplicably concluded that because former Mayor Jerry Sanders supported Proposition B, the citizens' initiative was somehow transformed into a City measure, requiring its terms to be subject to meet and confer negotiations with the unions. PERB argued that the Mayor was acting as an agent of the City, rather than a private citizen.

"The trouble with that argument is it chillingly ignores the right of each and every citizen to independently advance an initiative," Hong said. "The authors of Proposition B drafted it with assistance from the Taxpayers Association, and the Mayor and many other elected leaders were certainly entitled within their First Amendment rights under our Constitution to support a citizens' initiative. They saw what voters saw – a comprehensive pension reform measure that would protect taxpayers, resolve the city's financial crisis and provide retirement plans to city employees that are no better or worse than what employees receive in the private sector.

"The Taxpayers Association will work tirelessly to protect voter-approved reforms and facilitate the stability of the City's General Fund, which is needed for good governance."

The San Diego County Taxpayers Association is a non-profit, non-partisan organization, dedicated to promoting accountable, cost-effective and efficient government and opposing unnecessary new taxes and fees. Founded in 1945, SDCTA has spent the past 70 years saving the region's taxpayers millions of dollars, as well as generating information to help educate the public.