

Retirement Cost-of-Living Increase



PROPOSITION L

DECLARATION OF POLICY: Shall the Board of Supervisors submit a Charter amendment to adjust cost-of-living increases or decreases in retirement allowances for miscellaneous employees, from funds legally available for such purposes, in accordance with percentage cost-of-living allowances determined to be in effect annually in other San Francisco Bay Area counties; provided that such cost-of-living allowances to San Francisco retired employees or beneficiaries shall not be less than 2 percent annually?

Analysis

By Ballot Simplification Committee

THE WAY IT IS NOW: The Charter now provides for a cost-of-living adjustment for retired city employees. This adjustment cannot be more than a 2% increase per year of the basic retirement allowance. Only a charter amendment can change this.

THE PROPOSAL: Proposition L would direct the Board of Supervisors to put such a charter amendment on the ballot. This amendment would set cost-of-living adjustments in retirement allowances according to a formula based on cost-of-living allowances in other Bay Area

counties. Any increase could not be less than 2% per year of the basic retirement allowance.

A YES VOTE MEANS: You want the Board of Supervisors to place a charter amendment before the voters which would change the method of adjusting retirement allowances for cost-of-living.

A NO VOTE MEANS: If you vote no, you do not want a charter amendment changing retirement cost-of-living adjustments.

Controller's Statement on "L"

City Controller John C. Farrell has issued the following statement on the fiscal impact of Proposition L:

"Should the proposed Declaration of Policy be approved, in my opinion, it would neither increase nor decrease the cost of government.

"If a Charter amendment is subsequently approved by the electorate granting permissive powers to the Board of Supervisors to adjust cost-of-living allowances, in and of itself, the legislation would have no effect on the cost of government. However, future legislative action by the Board of Supervisors increasing the current 2% ceiling on cost-of-living allowances could result in an increase in the cost of government. Based on existing actuarial data, each 1% increase beyond the current 2% ceiling could add approximately \$8,000,000 to the cost of government."

How "L" Got On Ballot

Proposition L was placed on the November 4 ballot through a provision in the present City Charter which allows four or more members of the Board of Supervisors, acting individually rather than as a legislative body, to place an ordinance or a policy measure on the ballot. San Francisco is believed to be the only city or county with a legal provision of this type.

On August 21 Registrar of Voters Jay Patterson received a request signed by seven supervisors asking that the issue of cost-of-living adjustments for retired City employees be placed on the ballot as a "Declaration of Policy" for the voters to decide. The Supervisors signing the request were Don Horanzy, Quentin Kopp, Nancy Walker, Harry Britt, Doris Ward, John Molinari and John Bardin.

ARGUMENT IN FAVOR OF PROPOSITION L

Vote "Yes" on Proposition L

For years our retired city employees have struggled to meet the increased cost of living on fixed incomes. More than 65 percent of our members, who paid into the Retirement System during their working years, are living on monthly retirement allowances of less than \$500 with an existing non-compounded 2 percent annual adjustment for inflation. Cost-of-living statistics are nagging reminders that 2 percent provides only \$3 to \$4 monthly to meet living costs. **This ballot measure won't cost the taxpayers one dollar. As a**

declaration of Policy it merely authorizes the Board of Supervisors to study and develop a more reasonable cost-of-living adjustment. Results of the Board's study would be included in a Charter Amendment for submission to the people at a later election. San Francisco's 2 percent cost-of-living allowance is among the lowest of Bay Area Counties. In fairness, we urge a "YES" vote on Proposition L.

Frank H. Dunne, President

Jaykee Ford, 1st Vice-President

Retired Employees, City and County of San Francisco.

NO ARGUMENT AGAINST PROPOSITION L WAS SUBMITTED

Arguments printed on this page are the opinions of the authors and have not been checked for accuracy by any official agency.