

# Prop A is Smart for the City and its Employees



By Gary Delagnes  
POA Political Advisor

Proposition "A" is of extreme importance to every San Francisco city employee. This legislation, introduced by Supervisor Mark Farrell, will secure the Retiree Health Care Trust Fund for future generations and will do so without unfair and unaffordable increases in future health care rates.

San Francisco currently has a \$4.4 billion unfunded liability for retiree health care and doesn't have the money to pay for the health care needs of our *future* city retirees. This is as troubling as it is real because San Francisco's unfunded liability is the third highest in the nation. Similar in scope to the pension problem that was addressed in Proposition "C" two years ago, this is an issue that is not to be swept under the rug. It needs to be proactively addressed.

Borrowing from the strategic success of the Prop C campaign, the POA has once again joined a coalition of San Francisco business, labor, and civic leaders to develop a forward-looking consensus plan designed retire the debt over the next 30 years. Joining the coalition has significantly broadened our base of influence and will demonstrate

our willingness to work cooperatively with all concerned parties to reach an equitable solution to a looming catastrophic problem. The plan would be implemented with the passage of Prop A this November.

Supervisor Farrell's amendment will effectively switch San Francisco from a pay-as-you-go system to a fully pre-funded system that will be funded into perpetuity in the next 30 years. It will cap San Francisco's payroll expenses for healthcare costs at 10% of payroll so that city government can have a greater certainty in their budgeting process.

The legislation will also protect the Retiree Health Care Trust Fund (RHCTF) from the possibility of being "raided," and will ensure that the RHCTF will do exactly what it was intended to do — pay for city employee retiree health care costs.

San Francisco has once again demonstrated vision and creativity in addressing the pension and health care issues that confront us. Supervisor Farrell has shown great leadership as we continue make the structural changes necessary to ensure the economic health and vitality of San Francisco for many years to come. Tell your family, friends, and neighbors to vote YES ON A!

## HONOR OUR RETIREES & PROTECT OUR CITY

San Francisco city employees including firefighters, police, and nurses, work tirelessly to keep us safe and our city services up and running. They should feel confident that the healthcare benefits they depend on will be available when they retire.

But right now, San Francisco has a \$4.4 billion unfunded retiree healthcare liability that puts retiree healthcare benefits at risk.

Proposition A mandates the fiscal discipline necessary to ensure the City keeps its promise of healthcare benefits made to retirees, and ensures we do not pass on accumulated costs to future generations.

Without increasing employee contributions, and without reducing retiree healthcare benefits, Proposition A is the right choice for retirees and the right choice for the residents of San Francisco.

- Proposition A prevents the City from raiding the Retiree Healthcare Trust Fund for uses other than paying retiree healthcare benefits.
- Proposition A eliminates our City's \$4.4 billion liability in about 30 years.
- Proposition A switches from a pay-as-you-go model, to a fully-funded model to pay for retiree healthcare costs now and in the future.
- Proposition A will result in major cost savings for San Francisco, future tax payers, and employees, as pre-funded assets earn investment income that will be used to pay portions of the benefit costs.
- Proposition A makes sure that we don't shift costs to future generations.



commitment and protect our city's financial future."

— Supervisor Mark Farrell

"Proposition A honors the commitment our city made to the hard working men and women who protect us, care for us and ensure the city services we depend on are delivered. It's our responsibility to honor that

## PROPOSITION A IS SUPPORTED BY:

### ELECTED OFFICIALS

- Mayor Ed Lee
- Assessor Recorder Carmen Chu
- District Attorney George Gascon
- Supervisor John Avalos
- Supervisor London Breed
- Supervisor David Campos
- Supervisor David Chiu
- Supervisor Malia Cohen
- Supervisor Mark Farrell
- Supervisor Jane Kim
- Supervisor Eric Mar
- Supervisor Katy Tang
- Supervisor Scott Wiener
- Supervisor Norman Yee

### LABOR

- Alliance for Jobs and Sustainable Growth
- IBEW Local 1245
- IFPTE Local 21
- LiUNA! Laborers Local 261
- Municipal Executives' Association
- San Francisco Deputy Sherriffs' Association
- San Francisco Firefighters Local 798
- San Francisco Police Officers' Association
- UA Local 38, Plumbers & Pipefitters

### ORGANIZATIONS

- Alice B. Toklas LGBT Democratic Club
- Asian Pacific Democratic Club
- Building Owners and Managers Association of San Francisco
- Chinese American Democratic Club
- City Democratic Club
- Coalition for Responsible Growth
- Committee on Jobs
- District 3 Democratic Club
- Harvey Milk LGBT Democratic Club
- Noe Valley Democratic Club
- Protect Our Benefits
- Raoul Wallenberg Jewish Democratic Club
- Retired Employees of the City and County of San Francisco
- Richmond District Democratic Club
- San Francisco Chamber of Commerce
- San Francisco Council of District Merchants Association
- San Francisco Democratic Party
- San Francisco Republican Party
- San Francisco Young Democrats
- San Francisco Veteran Police Officers Association
- Small Business Network
- SPUR
- Westside Chinese Democratic Club

**Vote Tuesday, November 5**