

San Francisco voters make pension decisions

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While fiscally conservative San Diego stewes over its pension problems, some unlikely news has come from the north: San Francisco, by many accounts, is operating one of the best municipal pension systems in the state.

That's right. The city of leftists and over-the-hill hippies is proving far more fiscally savvy than the land of moderates and Dick Murphy straight arrows.

San Francisco's retirement system is 104 percent funded, meaning it has slightly more than it needs to cover estimated future retirement benefits.

San Diego is 65 percent funded, the lowest among eight of the state's largest pension systems. The Orange County pension system is 69 percent funded.

Pension experts consider the yawning gap striking.

"Rather painful to hear, isn't it?" said John Moorlach, Orange County's treasurer and tax collector.

"It's a curious thing," said April Boling, the certified public accountant who led San Diego's Pension Reform Committee last year.

San Francisco's success is largely attributed to an unusual law that goes back more than a century: The city **requires voter approval for any pension plan change, including benefit increases.** (emphasis added)

In other major pension systems across California, including San Diego, elected officials make the final decisions on benefits.

Clare Murphy, executive director of the San Francisco Employees' Retirement System, believes the ballot hurdle has helped keep a lid on pension costs, while other systems have sweetened benefits in recent years.

Retired San Francisco employees receive pension checks averaging \$2,195 a month, compared with \$2,350 for public retirees in San Diego.

San Francisco voters have considered 131 pension proposals over the past century, approving 40 percent of them.

In 1996, voters there rejected a proposal by then-Mayor Willie Brown that would have shifted the pension-decision burden to elected officials.

Some community leaders in San Diego, including City Attorney Michael Aguirre, think the city should follow San Francisco's lead and require voters to approve any benefit increases.

Aguirre and others say that more public scrutiny is needed to help fix the financial mess in the city's pension system.

Assemblyman Keith Richman, a leading backer of public pension reform, agrees.

Involving voters ensures "that decisions are made out in the open," said Richman, R-Chatsworth. "It absolutely brings checks and balances."