



#### Position on Pension Reform:

Ten years ago CalPers was telling City Management that the pension system was so well funded that no contributions would be necessary to fund current benefits. CalPers also told management that benefits could be increased without increasing the normal funding costs. I have personal knowledge of these facts as I was the Fullerton Police Chief at the time.

Now after a decade of negative investment returns it is clear that the current system is broken. Further complicating this problem is the overall tough economic environment and the raid on City revenue sources by Sacramento.

This will be one of the biggest financial challenges we must face as a City. We must put our retirement plans on a stable and sustainable footing. In order to better understand the problem I have sought advice from business leaders more knowledgeable in pension plans and I have begun to better understand the options that must be considered.

The gap between promised benefits and retirement funds can only be closed in one of the following ways.

- Increase the amount contributed to the plan by Employee Contributions
- Increase the amount contributed to the plan by Employer Contributions
- Slow the accrual of pension benefits by returning the formula to its previous level
- Slow the accrual of pension benefits by increasing the normal retirement age to reflect the longer life expectancies of our City employees.
- Slow the payout of retirement benefits by lowering the Cost of Living Adjustment in retirement

We do not have the luxury of simply increasing the City Contributions to CalPers. And we cannot ignore this problem while we continue to dig a deeper economic hole.

As your City Council member, I pledge to act responsibly with your tax dollars. I believe all of the options outlined above must be on the table. I strongly support public safety and understand that the pension problem is a direct threat to our ability to provide that public safety. I also believe I am uniquely qualified to rally the support of our Public Safety officers in reaching agreements that will put our retirement system on that stable and sustainable footing.

If you have suggestions about this issue, please do not hesitate to share them with me through our Website.