

ELECTION EXTRA

LWVSD PROS AND CONS

As part of its Voters Service, the League of Women Voters San Diego publishes an explanation of the city ballot measures with arguments for and against. These arguments reflect public statements from officials, organizations, and the media. The League does not judge their merits nor guarantee their validity.

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Proposition A

Airport Initiative--Advisory Vote Only

The Question

"To provide for San Diego's long-term air transportation needs, shall the Airport Authority and government officials work to obtain approximately 3,000 of 23,000 acres at Marine Corps Air Station Miramar by 2020 for a commercial airport, provided necessary traffic and freeway improvements are made, military readiness is maintained without expense to the military for modifying or relocating operations, no local taxes are used on the airport, overall noise impacts are reduced, and necessary Lindbergh Field improvements are completed?"

The Situation

On July 6, 2001, the State Legislature made an addition to the Public Utilities Code to establish the San Diego County Regional Airport Authority (SDCRAA). Its mandate was to find a site for a larger airport and to place a corresponding initiative on the ballot in November 2006. The Authority was to research all possible civilian and military sites that met a specified set of criteria. The list included Borrego, Imperial Valley, Campo, Cortez Valley, expansion into the Midway area, and North Island Naval Air Station, Miramar, and Camp Pendleton military sites.

However, at the same time, a new Base Realignment and Closure (BRAC) commission was working on a list of more military sites to close. The local congressional delegation from this area asked the Authority to postpone studying any of the military sites until after the BRAC commission had issued its report.

None of the bases was recommended for closure by BRAC, whereupon the Authority commenced its study of them. North Island was deemed unsuitable because of airspace limitations and because it does not meet Federal Aviation Administration (FAA) criteria. Camp Pendleton was also deemed unsuitable because of distance and terrain problems. Furthermore, by this time the civilian sites had been largely eliminated from consideration as well. Therefore, all effort was eventually focused on Marine Corps Air Station (MCAS) Miramar.

No local tax dollars are used for operating the airport or performing the site selection study.

The four major sources of revenue for SDCRAA, providing about 90% of all business income, are landing fees, concession revenues, parking revenues, and building rentals. The remaining sources of revenue (10%) are ground rentals and other aviation and operating revenues.

The FAA owns and operates the control tower.

The Authority also receives federal grants from the FAA for airport improvements, but these funds must be spent only on federally approved projects. SDCRAA paid for the study of sites for relocation of the airport with a federal grant.

The Proposal

- Proposition A gives direction to local officials to negotiate with the military.
- This ballot measure is worded to deal with specific issues such as necessary traffic and freeway improvements, military readiness and noise impacts; however, as a practical matter, the vote on this measure will send a message to our elected leaders in Washington as to whether they should make Miramar available for San Diego's commercial airport.

- In addition to the conditions specified in the advisory measure, establishing a commercial airport at MCAS Miramar would require environmental review under California and federal law, and a change in the federal law that now prohibits civilian aircraft from regularly using MCAS Miramar.

Fiscal Effect

- Aside from the costs of carrying on the negotiations, the long range costs associated with this proposal are unknown.
- SDCRAA cannot by law pay for infrastructure that is not solely dedicated to the airport.
- Since transportation infrastructure costs not connected solely to the airport site are ineligible for FAA funding, and since a new airport site is not included in SANDAG's 2030 Regional Transportation Plan (RTP) or TransNet allocation, new local taxes would be required to make necessary traffic and freeway improvements, **unless** changes were made to the TransNet allocation in the annual review.

Proponents say:

- Two independent parallel runways are a requirement for future growth of passenger and cargo traffic. Lindbergh Field cannot accommodate two independent parallel runways even with acquisition of the Marine Corps Recruit Depot.
- Many business interests are concerned that Lindbergh's growth limitation will restrict San Diego's long term economic growth.
- The FAA predicts congestion, delays, higher prices, fewer route choices, and overcrowded terminals at Lindbergh Field.
- Relocation of cargo and general aviation, currently 9% of traffic, to other airfields would be only a Band-Aid fix.
- Miramar is the most centrally located site that would suffice. Even though military officials insist that Miramar is not available, they have been known to change their minds.
- This initiative is proposing that a dialogue be opened by the Authority and government officials with the military.
- The citizens of San Diego supported an Advisory Ballot Measure to locate a new airport at Miramar in the 1992 Election . Although timely, the opportunity was lost, as our elected representatives chose not to carry out the will of the electorate.

Opponents say:

- Of the 23,000 acres at Miramar, 14,900 acres make up East Miramar, which is rugged terrain and consists of former training ranges and protected habitat. The airfield and main site occupy 3500 acres. The landfill covers 1400 acres and by law cannot be used for 30 years after closure. The remaining 3200 acres occupy smaller parcels, including one in the southeast corner and larger ones on the west side used by agricultural interests and a future site for a VA cemetery.
- Forty percent of all combat training operations are located in southern California and Arizona, and Miramar is the center of 25 air-to-air practice ranges for military aircraft that cannot operate in the same space as loaded commercial aircraft.
- Miramar has been a good steward of the wildlife habitat that still exists on the base.
- Miramar is the seventh largest employer in San Diego County and has an economic impact of \$500 million annually. We must consider the financial losses to the county if the base were to be closed. Also, what would be the effect on the remaining military bases in the area?
- The lifetime of Lindbergh could be extended beyond FAA predictions if regional flights, as well as cargo and general aviation flights, were relocated to other airfields. {Regional flights, such as commuter flights, use smaller aircraft because they are flying shorter distances (roughly 500 miles or less) and thus accommodate fewer passengers per flight}. This measure could open up more gates for larger-capacity narrow-body aircraft that would be flying longer distances.
- The proposal could undermine the ability to make needed improvements to Lindbergh Field by appearing to question the long-term viability of the airport.

Proposition B **Voter Approval of Future Retirement System Benefit Increases, 9/06**

The Question

Shall the Charter be amended to require voter approval for any increases in retirement system benefits for public employees?

The Situation

There is public concern that a large part of the city's current financial problems are due to increases in pension benefits in the last five years (along with a couple of years of a falling stock market). From fiscal year 2000 to fiscal year 2007, the City's annual required contribution to the Retirement System grew from \$47.5 million to \$162 million. Other city services and capital costs have suffered because of this financial burden.

This ballot measure was proposed by the Mayor and approved by the Council to go to the voters to amend the City Charter, Article IX, Section 143.1. It is part of the package of reforms put forth by the city's first strong Mayor.

Currently, many of the city employees are members of unions who negotiate their contracts and benefit packages with the City. These packages are then brought to the City Council for a vote. Council members are familiar with city finances, staffing needs of the City, and retirement packages.

An implementing ordinance needs to be written for this ballot measure and approved by the City Council after the proposal is approved by a majority of the City's qualified voters. During the summer and fall of 2006, the City has been meeting with the Unions to work out the details of implementation. As of August 2006, there were still some areas of difference:

1. prohibited from enacting the ballot measure until \$600,000 is applied to the pension system
2. exemption of public safety employees

They hope to finish this ordinance by November, but, if the City and the Unions fail to reach agreement after negotiating in good faith, the issue will go to an impasse hearing at the City Council. An ordinance could be imposed by the Council regardless of either party's objections.

The Proposal

- The ballot measure amends the City Charter to change the approval process for increases in city employees' retirement system benefits.
- State law requires the City and the union to go through a process of collective bargaining to negotiate a retirement package for represented city employees. A majority of the affected employees must adopt the changes. Any increase in retirement benefits would be tentative and non-binding until it is approved by a majority of qualified voters in the City of San Diego.
- Cost of living benefits would not come before the voters.
- Legislative officers and elected officials' retirement packages would be negotiated in the same way and approved by a majority of the voters.
- An actuarial study of the cost or savings of the retirement package must be completed before the election and published in the ballot pamphlet.
- Any other change to the employee retiree benefits – other than those that result in an increase in benefits – must be approved by a majority of the current members of the system.
- Any change to the system that impacts the vested defined benefits of a retired member of the system must be approved by a majority of the affected retirees.
- The requirement for voter approval of retirement system benefit increases shall become operative on January 1, 2007 and shall remain in effect for a period of 15 years from that date. At that time, this requirement shall be automatically repealed and removed from the Charter.

Fiscal Effect

The fiscal effect of Proposition B cannot be calculated.

Supporters Say

- Voters will be aware of the financial impact of increasing retirement benefits as that must be provided before they vote.
- Increasing pensions usually adds to the city's debt. By having taxpayers approving enhanced pensions, they will be directly sanctioning increased spending.
- The voters' elected representatives on the City Council will no longer be controlling retirement benefits and cannot be made accountable for making the right or wrong decision. There will be no more backroom deals.
- Unions will not have as much clout in negotiating retirement benefits.
- This proposition is only concerned with increasing retirement benefits beyond the cost of living increases and not with salaries.
- The City of San Francisco has been doing this for over ten years and, since then, has avoided under-funding of their pension system.

Opponents Say

- Charter changes should be done in a comprehensive manner using a Charter Commission representing the voters, not piecemeal by the Mayor and/or Council.
- Voters are unlikely to approve a tax increase or an increase in the city's debt.
- Voters will probably not understand all the nuances of a retirement package that has been negotiated between the City and the unions.
- Most voters are not versed in the city's finances and where funds can come from to pay for retirement packages.
- This process will slow down negotiations and changes in benefits. If a package is not approved by the voters, negotiations will start again and then have to be voted on again. Elections are infrequent. If a special election is needed, that is costly.
- Working for the City of San Diego may become unattractive if the benefits do not remain competitive.

Proposition C

Managed Competition

The Question

"Shall the (City) Charter be amended to allow the City to contract services traditionally performed by City civil service employees if determined to be more economical and efficient while maintaining the quality of services and protecting the public interest?"

The Situation

The City of San Diego is currently in severe economic straits and lacking a comprehensive plan to restore fiscal stability. The City is also in its first year of a strong Mayor form of government, having switched from a City Manager system for a 5-year trial period. The new Mayor's goals are to improve government efficiency, streamline work processes, improve services, and bring about cost savings. He has initiated a remedial reorganization of City departments through a program called Business Process Reengineering.

The Mayor would like additional powers to be able to contract out the full range of City services now performed by civil service employees. A public vote is required to amend the City Charter because current Charter provisions place limitations on the City's ability to hire private contractors for City business (now generally limited to services that are highly specialized, unique, and/or temporary).

Prop C is based on a managed competition model sponsored by the Reason Foundation, an organization dedicated to limiting and transforming government through privatization. Managed competition has been tried in a number of smaller U.S. cities during the past decade but is not a common practice in most major cities. San Diego's Prop C is viewed as a test case for other big cities.

The Proposal

- Prop C amends section 117 of the City Charter to permit any service traditionally provided by civil service employees to be awarded to an independent contractor following a competitive bidding process open to City workers and private contractors.
- The Mayor determines which City services will be targeted for competitive bidding.
- Targeted City departments compete with private contractors by submitting a "competitive restructuring plan" to reorganize its operations toward maximum efficiency.
- The Mayor appoints an advisory 7-member "Managed Competition Independent Review Board" made up of 4 private citizens (confirmed by Council) and 3 City employees.
- The Review Board's recommendation is non-binding on the Mayor. An agreement proposal between the Mayor and a private contractor goes to the City Council for acceptance or rejection in its entirety:
- The program is administered by a managed competition team, created and trained through the Mayor's office.
- The Mayor produces annual performance audits for contracted services and seeks an independent audit every 5 years to evaluate the City's experience and performance.
- A new City ordinance will be created to implement the managed competition Charter amendment.
- State law requires the City to meet and confer (negotiate) with labor unions prior to contracting out public services.

Fiscal effect

- Scope of fiscal impact has not been determined.

Supporters say

- The Mayor asserts that current City staff will be used for necessary oversight and contracting activities; that required audits will incur only limited costs; and that significant cost savings will not be immediate but can be expected in future budget cycles.
- Managed competition is an important tool to help the Mayor fulfill his campaign promise of greater accountability and efficiency, and less costly government.
- Managed competition can create a smaller, more responsive and cost-efficient City government while providing quality services and curtailing pension costs.
- Savings from managed competition can be used to fund other City programs.
- City employees will be given the opportunity to compete with private contractors on a level playing field to ensure fairness.
- Managed competition will spur City departments to become more efficient and competitive by encouraging department downsizing, reorganization, and restructuring.
- The measure will provide protection against special influence, corruption, and abuse.
- An implementing ordinance will include minimum contract standards and other measures to protect the quality and reliability of public services.

Opponents say

- Prop C proposes a Charter change that severely weakens San Diego's civil service system. This kind of fundamental change requires thorough analysis and public discussion, preferably via a Charter Review Commission.
- Managed competition is not a strategy to resolve the City's basic problems of massive pension and infrastructure deficits but a political tool designed to shrink the role of City government.
- Managed competition calls for several new layers of monitoring, auditing, and bureaucracy at the same time our highly-distressed City is forced to comply with costly separate demands for new monitoring and auditing systems related to the City's fiscal and legal problems.
- When San Diego switched to a Mayor-Council system, voters did not envision a Mayor with powers to lay off the City workforce by privatizing government services. The Mayor should focus on giving the public what is most needed: a comprehensive plan for fiscal recovery and positive results from his Business Process Re-engineering program.
- Managed competition is a one-shot deal. Once a City service is awarded to a private contractor, City employees lose the option of competing at a future date, due to elimination of department staffing, funding, and equipment.
- Prop C provides no fallback or public safeguard if a private contractor defaults. (Note that the City of Phoenix protects itself by a policy for in-house retention of 50% of an outsourced contract.)
- Privatizing city services increases the potential for patronage, cronyism, and fraud and replaces a healthy and fair workplace with jobs providing low wages, minimal benefits, and marginal worker security.

Proposition N

Bond Issue for SD Community College District

The Question

"Shall San Diego Community College District upgrade existing educational facilities, including renovating classrooms for nursing, police, paramedic, and firefighting careers, upgrade science and high-tech training labs; repair aging roofs, electrical and safety systems; and construct and equip facilities and sites; by issuing \$870 million in bonds, at legal rates, with citizen oversight, mandatory audits, no money for administrative salaries, and maintain current tax rate limits?"

The Situation

The primary source of funding for Capital Improvements for the Community College District is through local bond measures such as Proposition N. The Board of Trustees of the San Diego Community College District recently conducted a comprehensive evaluation of the District's urgent and critical facility and resource needs. This evaluation was based on professional and comprehensive facilities master plans for each campus funded by the prior bond measure. An outcome of this task is the submittal for the November 2006 ballot of Bond Prop N.

The California Community College share of state education funding under Prop 98 has consistently fallen below the 11% "assured" level of allocated state funds, averaging only an 8.9% share for the period between 1988-2002. In contrast, the K-12 share of state funding averaged 89.0% of total state funding under Prop 98 during that same period.

The Board of Trustees of the San Diego Community College District periodically evaluates the adequacy of the District's class sizes, facilities, safety, information technology, as well as other facets of their operations. One outcome of such needs assessments has been the submittal of District Bond Propositions to the electorate.

The San Diego Community College District includes City, Mesa, and Miramar Colleges and San Diego Adult & Continuing Education Centers

In November 2002, San Diego voters approved Prop S, which authorized the District to issue and sell \$685 million in general obligation bonds to repair leaking roofs, worn wiring/plumbing; renovation of ageing/deteriorating classrooms and libraries; repairing, acquisition and construction of and equipping college buildings and improving campus safety. Mainly due to increased construction costs, only approximately 70% of the construction and renovation projects planned in Prop S have been completed, although plans to complete the remaining improvements are scheduled and underway.

A Citizens' Oversight Committee monitors plans, and independent audits have been performed and made public. All reviews of financial and program management have shown exemplary performance.

The Proposal

- Prop N involves Community College Classroom construction and upgrades as well as repairs and safety improvements, including the renovation or addition of classrooms for nursing, police, paramedic and firefighting careers, upgrading science and high-tech training labs and equipment, and expanding the District's electrical and technology infrastructure..
- Thirty major projects are proposed through Prop N for implementation within the District: 9 at SD City College, 6 at SD Mesa College, 13 at SD Miramar College, and 2 at SD Continuing Education.
- Passage of Prop N requires approval by 55% of the voters.
- Prop N prohibits the use of monies for administrative/staff salaries
- Monies can not be spent to benefit facilities other than those of the District's Community Colleges and Centers.
- Stipulates strict fiscal controls and accountability for Prop funds.

Fiscal Effects

- Under Prop 39, each separate San Diego Community College District bond authorization that is approved by the voters allows a maximum tax rate of \$25 per \$100,000 of Assessed Valuation. The legal tax authorization of Prop N, when combined with the previous Prop S, could be a maximum potential total of \$50 per \$100,000 Assessed Valuation. However, the San Diego Community College District has made the commitment that if Prop N is passed by the voters, the combined rate for Prop S and Prop N will be limited to a maximum of \$25 per \$100,000 of Assessed Valuation.
- The San Diego Community College District will sell the remainder of the Prop S bonds in 2007, and sell the first issue of Prop N bonds in 2008. The result is that revenue can be received as needed to complete construction projects as quickly as possible and still keep the combined tax rate to no more than \$25. Thus, the existing tax rate will be “extended” an additional 13 years but not increased. The steady increase in Assessed Valuation in San Diego County is a further factor that assists the District in this plan to continue, and not raise, the existing tax rate.

Supporters say

- The San Diego Community College District plays a unique role in the educational system and educates and trains much of San Diego’s workforce.
- The goal is to better prepare San Diego Community College District students for four year universities and meaningful jobs. Each year the District prepares over 125,000 students for quality jobs and university transfer. The District’s technical/vocational training programs have resulted in nearly 100% employment rates for its graduates.
- Passage and implementation of Prop N will provide more courses to students closer to home and provide high quality, affordable, education to local students who might otherwise lack the educational opportunity.
- Prop N will provide a more positive alternative for students who want to work and go to school or seek vocational training.
- Implementation of the initiative will increase the District’s responsiveness to its students’ educational needs.

Opponents say

- We have a spending problem, not a revenue problem. There are over forty billion dollars worth of state bonds on the 2006 ballot. We cannot afford to add local bond issues at this election.
- Community College students and families should pay the District’s expense bill through fees.
- San Diego Community College District Prop S was passed in 2002. Prop N is being submitted to the voters too soon after the 2002 bond issue was approved by the voters.
- Prop S is due to be paid off in 2030 but Prop N would extend bond repayments.