



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Councilmember Sam Liccardo

**SUBJECT:** FISCAL REFORM PLAN

**DATE:** June 24, 2011

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Approved *Sam Liccardo* Date *6/24/11*  
*by FB*

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**Recommendations:**

1. **Public Airing of Numbers and Actuarial Assumptions:** In a manner that does not obstruct, delay, or distract from the bargaining process, and at a time of her selection, the City Manager shall convene an informational meeting(s), inviting all of the bargaining unit leaders and their actuaries, in a public setting.
  - a. The meeting will serve to vet the City's assumptions, cost estimates, and the impacts of variations in plan design on costs. Actuaries and professionals hired by the bargaining units will also to demonstrate and explain their calculations and assumptions. The duration of the meeting(s) shall not exceed two days.
  - b. The meeting will be conducted in a manner that will best facilitate questioning and the exchange of information, with a goal to clearly understand differences in cost figures and assumptions, as well as to identify points of agreement.
  - c. This meeting will not be hosted by a policymaking body, nor governed by the Brown Act, but will be publicly noticed and made open to the public.
  - d. This direction does not have any bearing on the manner in which the City Manager shall conduct actual negotiations with our bargaining units on this or an.
  
2. **Information Requests:** During these negotiations, City negotiators shall continue their current practice of posting information requests from the bargaining units, and shall inform the Council and the public of the status of those requests, with an estimate of any forthcoming response. In those instances in which the City deems a response inappropriate, the City shall explain the rationale for that determination, such as whether the request is too voluminous, too burdensome, irrelevant, duplicative, tardy, etc.
  
3. **Polling:** the City Manager shall include questions in its summer polling that seek to assess the level of voter support for:
  - a. a revenue-generating measure where it is:
    - i. included on the same ballot with retirement benefits reform,

- ii. Included within the same measure with retirement benefits reform,
- iii. Placed on separate ballot from a retirement benefits reform referendum.
- b. a specific tax (to support public safety) or a general tax.
  - i. Questions shall ascertain whether a measure will be most successful if it is targeted solely on funding police, fire, or more broadly focused on “public safety,” (to include crossing guards, gang prevention programs, and the like) are most likely to engender public support.
- c. Ballot language should be vetted with organizations experienced in proposing and supporting ballot measures, such as the Silicon Valley Leadership Group, South Bay Labor Council, and the San Jose-Silicon Valley Chamber of Commerce.

**Analysis:**

Separate from the issue of Council direction to negotiators regarding the outcome of negotiations, it appears worthwhile to consider the “how” of negotiations in this very unique and uncharted territory. We should recognize the expertise and experience of our negotiating team, but also that to some extent, achieving agreement under these circumstances requires consideration of unorthodox and novel approaches. We offer those listed above.

There appears little question that we cannot continue to cut our way to service level solvency; the City needs new revenues. Accordingly, we direct additional examination of the polling options described above.