



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

Mr. John Arntz
Department of Elections
City Hall 1 Dr. Carlton B. Goodlett Place Room 48
San Francisco, CA 94102-4689

August 16, 2022

RE: Proposition A – Charter amendment regarding retiree supplemental cost of living adjustment and Retirement Board contract with executive director

Dear Mr. Arntz,

Should the proposed Charter amendment be approved by the voters, in my opinion, it would have a significant impact on the cost of government. Based on the Retirement System's current actuarial assumptions and policies, the measure would result in expected costs to the City of approximately \$8 million annually for ten years, of which \$5 million would be paid from the General Fund.

The current Charter dictates that a portion of the cost of living adjustment (COLA) paid to members of the San Francisco Employee Retirement System (SFERS) that retired before November 1996 are paid only when certain conditions are met and the pension system is fully funded. The proposed Charter amendment would eliminate the full-funding requirement for these members and their qualified survivors and beneficiaries in future years. In addition, the measure would increase these monthly COLAs, going forward, to account for five prior years when they would have been added to these members base pension payments but for the fully-funded requirement. Any future annual COLA adjustments enabled by the measure would be limited to \$200 per month (or \$2,400 annually).

The amendment also allows the Retirement Board to enter into an individual contract with SFERS executive directors hired on or after January 1, 2023. Currently, the Retirement Board must follow terms set out by the Civil Service Commission, the San Francisco Charter and Administrative Code, and the Memorandum of Understanding with the Municipal Executives Association.

Sincerely,

A handwritten signature in cursive script that reads "Janice Levy".

FOR
Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.