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April 3, 2011

Santa Barbara County Board of Supervisors
105 East Anapamu St., 4th Floor
Santa Barbara, CA 93101

2011 APR 34 AM 8:46

COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

RE: Proposed Santa Barbara County Pension Cuts
Board Of Supervisors Hearing April 5, 2011; Departmental Agenda, Item #4

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Dear Supervisors:

I have been a County resident for 23 years and a County employee for 11 years. I'm deeply troubled by the pension cuts you are being asked to consider in the hearing on April 5. Unfortunately, I cannot be present to speak at the hearing.

In the past, Santa Barbara County has been farsighted in providing employees a decent living wage, good benefits, and stable employment. The benefit package has helped attract and retain capable and dedicated staff to do the work of the people of the County. Staff are not overpaid, and many of us could earn much more in the private sector; but it seems we are currently underappreciated.


The proposed pension cuts, especially for new hires, do not take into account the value of a competent and stable workforce. Nor do they consider how degradation of the workforce will impair the County's ability to provide the services that have made Santa Barbara so beautiful, livable, and attractive to visitors.

The options for adjusting the pension formulas have not been fully explored, and I understand that input from SEIU may have been ignored. In addition, some of the underlying assumptions of the analysis are dubious. For example, the retirement fund investment return in 2010 was 13.43%. Yet, the pension cuts assume the investment return will be 8.16% in 2011 and 7.5% thereafter. These lower rates are derived from a 5-year averaging period that includes the worst financial downturn since the Great Depression. Basing future fund returns on the worst markets in 80 years is an invalid premise for cutting future pension benefits that cannot reasonably be justified.

I urge the Board not to make a hasty and ill-founded decision on this matter. I offer the following two suggestions:

1. Carefully reconsider the operative assumptions, and work closely with SEIU to develop better options.
2. Include a 3-year sunset clause in whatever changes you bring forward for negotiation. This will help ensure that you are not enacting extreme measures that may be difficult to repeal, based on transient circumstances; such measures that could ultimately be detrimental to the County and compromise its ability to serve the public interests.

I realize that the Board is under great pressure from reactionary constituents that seek to dismantle government at all levels. The proposed pension cuts are a dangerous step toward that unhealthy end. Imposing a WalMart-style business model on the County is inappropriate and destructive. This is the same model that has led to widespread loss of jobs, loss of homes, loss of hope, and resentment of the public sector in these tumultuous times. I urge the Board not to allow our County government to be undermined by hysteria among a minority of ideologically motivated citizens.

Sincerely,

John Day
P.O. Box 60037, Santa Barbara, CA 93160