

Argument in Favor of Measure L

Dear Menlo Park Voter,

Vote YES on Measure L if you agree we must protect the future health of our city by reining in pensions for new Menlo Park City (non-police) employees.

Every major newspaper has reported on the “pension tsunami”--how public pension benefits are **unsustainable**, are **drowning out government services** and creating unfundable future debt. Measure L addresses the problem, while still providing generous pensions for our employees.

Measure L:

- Changes full retirement age from 55 to 60 (Social Security is 67).
- No longer allows pensions of up to 81% of best salary. (Instead, returns to last year’s formula with lifetime benefits of approximately 60%).
- Prevents retroactive retirement benefit increases—preventing the unprecedented increases awarded in 2007 (a 35% pension increase retroactive to first day on job).
- Requires voter approval for future pension increases above these limits, because those at the negotiating table now—staff, council members, and unions—all can benefit when pensions go up.

Until recently, municipal workers accepted lower salaries than their private-sector counterparts in exchange for better benefits and absolute job security. Now salaries AND benefits are higher. A 30-year Menlo Park employee earning \$89,000/year can retire at 55 with an annual pension of \$72,090, plus inflation. Based on average life expectancy, that’s a pension payout of more than \$1.9 million!

Pension costs to California cities are skyrocketing because of huge salary increases, retroactive pension increases, and longer life-spans. Worse, **if CalPERS, which manages employee pensions for Menlo Park and most**

California cities falters, we are legally obliged to make up the shortfall. CalPERS is notoriously under-funded. We must start reducing our pension obligations and protect the future fiscal health of our city.

It's fair. It's prudent. It's time. Vote YES for reform!

www.MenloParkPensionReform2010.org

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| /s/ Henry L. Riggs
Co-Chair | July 24, 2010 |
| /s/ John C. Boyle
Council Member | July 27, 2010 |
| /s/ Andrew Cohen
Council Member | July 27, 2010 |
| /s/ Charles M. Kinney
Former Mayor | July 28, 2010 |
| /s/ Alice Hom | July 29, 2010 |