Scapegoating Public Employees: Reasons to Vote “No” on Adachi’s Prop B

by Patrick Monette-Shaw

San Francisco’s elected public defender, Jeff Adachi, appears to have climbed into bed with anti-union business organizations to scapegoat and demonize public employees, and to peddle propaganda to the public.

There are multiple reasons to vote “No” on Proposition B.

Adachi — alarmed by the San Francisco Civil Grand Jury’s report that concluded pensions for police officers and firefighters are out of control — pulled out his bazooka and is going after all City employees, not just police officers and firefighters, by scapegoating every public employee.

Police officers and firefighters make up only 19 percent (4,203) of the 22,209 current retirees; the remaining 81 percent of retirees are considered “miscellaneous” employees who were not of such concern to the Civil Grand Jury. Similarly, of the current 37,277 City employees, police officers and firefighters make up only 10.8 % (4,044) of the workforce, while 89.2 percent (33,233) are “miscellaneous” employees.

Shamefully, Adachi’s bazooka is aimed at the very employees that were ***not*** the focus of the Grand Jury’s concerns, scapegoating those who earn the least, both as current employees or pensioners.

Word around town is that Prop B may have gotten on the ballot in San Francisco because Jeff Adachi went looking to increase his Public Defender Office budget, and took a look at the City budget.

For all we know, he may have decided that both financial damage to thousands of low-paid City employees could be put at risk, and dangerous electoral precedents might be set, ignoring multiple unintended consequences.

And for all we know, he may have concluded going after pensions and healthcare benefits of public employees was easier than solving the chronic increases to bloated management salaries and the City’s escalating long-term debt.

Then Adachi went out and collected enough signatures — thought to be obtained using paid signature gatherers — to place Prop B on the ballot, using a quarter of a million dollars venture capitalist Michael Moritz shoved into Adachi’s proposition coffers.

Collectively, Jeff Adachi, San Francisco Planning and Urban Research (SPUR) executive director Gabriel Metcalf, billionaire Michael Moritz, and *San Francisco Weekly* news magazine contributors Joe Eskenazi and Benjamin Wachs claim San Francisco will save up to $121 million annually if Proposition B on San Francisco’s November 2 ballot passes.

Each of them has a loose relationship with the facts, and the truth. Don’t believe everything — let alone anything — they’ve have written about Adachi’s measure he’s pitching as a so-called “pension reform.”

They each wrongly claim as a large part of their rationale that the average salary of City employees is $93,000 annually, which is untrue (or a lie, depending on your point of view). Average city employee salaries are only $63,400, discussed below.

They collectively claim City employee salaries are out of whack with what private sector employees earn, but the *San Francisco Chronicle* published an article on October 19 by **Marisa Lagos** which indicates public sector workers in California earn seven percent less than private sector employees, but make about the same amount after adding other benefits, according to a UC Berkeley study that found “there’s no significant difference [in total compensation] between public and private sector workers in California.”

It’s a wash: Public sector and private sector employees earn about the same, just in different buckets.

The Berkeley study noted government employees are being vilified, since pension costs are a small fraction of State spending. It's the same in San Francisco.

Adachi's measure seeks to save $121 million out of a $6.6 billion budget (a 1.8 percent budget savings, at best), even while he turns a blind eye towards increasing hundreds of millions of dollars being spent on management salaries, and hundreds of millions of dollars in long-term debt saddling future generations, each equal to or more than Adachi's measure seeks to save.

His measure does nothing to reign in compensation to managers. Between 2003 and 2009, the City added one ***billion*** dollars to salaries of employees earning over $90,000 annually, while cutting salaries to employees earning less than $70,000.

The City Controller's voter guide statement indicates just $38 million will be saved in retirement costs; the remaining $83 million — 70 percent of the $121 million — will be "saved" by massive cost-shifting of healthcare costs onto City employees, the vast majority of whom can ill afford it.

Eskenazi and Wachs acknowledge Proposition B will cost shift 14 percent of benefit costs onto employees, which SPUR's Metcalf tries to pass off as being a "modest" amount. Metcalf acknowledges Prop B will result in a *de-facto* pay cut.

For the majority of City employees who already gave up nearly six percent of their wages in the current fiscal year, taking on another 14 percent *de-facto* pay cut will result in a 20 percent loss in their pay and benefits. This is hardly a "modest proposal."

It's surprising Adachi didn't collect signatures from voters demanding that we heed Jonathan Swift's modest proposal to just eat our children.

Collectively, Adachi, Metcalf, Moritz, and Eskenazi and Wachs would have you believe that devastating cuts to the City's mental health, substance abuse, and other health programs, along with cuts to school programs, parks, and other City services will be avoided if Prop B passes.

They're either lying, or are completely playing loose and fast with the facts, since there is no provision in Prop B that any so-called pension or health care savings will be dedicated or set aside in the General Fund to protect the vital services they claim are being eliminated.

And there's no provision in Prop B that any "savings" realized from cost-shifting healthcare expenses onto employees will actually be used to fund any of the purported $4 billion in unfunded healthcare liability the City claims it faces in future years.

Prop B may just be a blank check to use any "pension savings" or "health care savings" to pay for City Hall's drunken-sailor spending on increased salaries for top managers and on increasing costs of long-term City debt, both of which are implemented without voter approval.

After all, Adachi is a seasoned politician and knows how to distort facts like the best of them. He's presented lots of inaccurate reasons to vote for Proposition B, which other Prop B supporters are piggy-backing on.

The Lie About Average City Salaries

Gabriel Metcalf, SPUR's executive director, Adachi, and Moritz have all been promoting the lie that the average San Francisco city employee makes $93,000 annually.

Adachi and Company simply aren't telling you the truth about average City employee salaries, and it's not the only inaccurate information they are spewing.

They're relying on data provided in the City Controller's *Comprehensive Annual Financial Report* (CAFR, for short), which reports that there are 27,000 ***full-time equivalent*** employees, when in reality there were 37,277 City employees on the payroll at the end of December 2009, a large percentage of whom are part-time employees who neither earn full fringe benefits nor average $93,000 in annual salaries.

The City conveniently converts its thousands of part time employees into "full-time equivalents," distorting statistics. Excluding fringe benefits, the average base salary for all 37,277 employees in 2009 was $63,400, not $93,000. Even if overtime pay and "other pay" are factored in, the 37,277 employees averaged only $71,296 in total pay.

Adachi needs to be fair: Fully three quarters (74.6 percent, or 27,797) of City employees earned less than $90,000 in base pay in 2009. Their salaries averaged just $46,024 in base pay, or $51,673 in total pay if overtime and "other pay" are factored in. Neither amount comes anywhere near close to the exaggerated claim of $93,000 average City salaries, which Adachi and Company keep wrongly citing.

The remaining one-quarter (9,480) of City employees earned more than $90,000 annually, and averaged $114,350 in base pay. These one quarter consumed $1,084,044,738 (yes, $1.08 ***billion***), or almost 50 percent of the total $2.36 billion in base pay salaries. One-quarter of all City employees — the rich managers who are getting richer with each raise, which pay raises Proposition B does nothing to control — gobble almost half of the City's base pay payroll!

For their part, Eskenazi and Wachs had it backwards when they claimed on October 20 that 62 percent of City employees earned ***more than*** $75,000 in 2009. A simple query of the City's payroll database proves Eskeanzi and Wachs are wrong: Only 37.6 percent (14,007) of the City's 37,277 employees earned more than $75,000 in base pay. Sixty-two percent of all City employees earned ***less than*** $75,000 in base pay in 2009.

Even factoring in "other pay" and overtime pay, only 44.2 percent (16,466) earned total pay of $75,000 or more.

What Eskenazi and Wachs, Adachi, and Moritz aren't telling anyone is that fully 17,508 — nearly half — of the City's 37,277 employees earned less than $60,000 in base pay, averaging just $30,061 in base salary.

Eskenazi and Wachs repeat the disinformation about the number of City employees when they wrote "Between fiscal 2001–02 and the present, the size of the city's workforce remained stable — but its budgeted salary jumped by some $566 million."

They were wrong on both counts: The number of employees has increased, not remained stable, and total salaries just for those earning over $90,000 annually jumped by $1.67 ***billion*** (not $566 million), also driving up the cost of pensions for those earning over $90,000.

The Lie About Current Health Care Premiums

What else isn't Adachi telling you the truth about? For starters, Adachi claimed in the October issue of the ***Westside Observer*** newspaper that "City employees with dependents currently pay [only] $8 per month," and that under Prop B they would pay $2,988 annually.

First, he's referring to the 3,039 City employees with only one dependent enrolled in the Kaiser plan.

He conveniently ignores the 3,545 employees who have two dependents in the Kaiser plan who are currently paying $228 monthly, and who would see their premiums double to a total of $5,383 annually under Prop B.

Adachi also conveniently ignores the 12,415 City employees with one or more dependents currently enrolled in the Blue Shield, City Plan, and Kaiser plans now paying anywhere from $120.88 to $1,410.22 monthly, and who will end up paying anywhere from $5,383 (Kaiser, two dependents) to $9,189 (Blue Shield, two dependents) if Prop B passes.

This is a far cry from the $2,988 Adachi wants you to believe is all she would pay under Prop B.

A single mom with one dependent enrolled in the Blue Shield plan who is currently paying $1,450 per year in premiums faces a $4,228 premium increase, to a total of $5,679 annually, if Prop B passes. If she has two kids, her current $6,550 in annual premiums will jump by another $2,639 annually, to a total annual cost of $9,189.

Add in the additional $995 in new dental premiums this mom with two kids in the Blue Shield plan will also have to start paying, and her total costs will jump to $10,184.

Those employees in the Blue Shield plan with two dependents will end up paying $2,000 to $3,000 more annually than the $7,026 average Adachi claims private-sector employees are paying. Already earning seven percent less in salary than their private-sector counterparts, this increased cost will introduce a significant difference in total compensation between public and private sector workers in California, according to the recent Berkeley study.

Adachi also wrongly asserts that there are only 91 employees who have enrolled in the "Rolls Royce" (City Plan), when in fact there are 1,185 currently enrolled in that healthcare option. Employees in the City Plan with one dependent will pay $13,186 annually or $19,561 if they have two dependents in the City Plan.

A new "Yes on B" Adachi mailer received by this author on Saturday, October 23 wrongly asserts that City employees can insure their entire families for only $448 per month if Prop B passes.

That's a lie, since Adachi is referring to the Kaiser plan for employees with two dependents. He's not telling voters that under the Blue Shield plan plus new dental premiums, the City employee with two dependents will have to pay $848 monthly, for a total of $10,184 annually. There's a huge difference between Adachi's claim of insuring entire families for $448 a month, and the $848 per month it will cost for Blue Shield coverage and dental premiums under Prop B for "an entire family."

And that's excluding co-pays for doctor appointments and prescription coverage, and doesn't take into account any childcare or eldercare for aging relatives with Alzheimer's that a mom with two kids already has to pay for out-of-pocket.

While Adachi, and SPUR's Gabriel Metcalf like to call these increases "modest," the $2,638 to $4,228 in annual ***increases*** for employees with dependents who have chosen the Blue Shield plan on top of what they're already paying will be devastating to the 27,797 employees who earned less than $90,000 and who averaged just $46,024 in base pay.

And he conveniently doesn't tell voters that during labor negotiations in the spring of 2010 — even before he qualified Prop B for the ballot — City labor negotiators had already persuaded most City unions to accept the City's "Health Care Reform 2010" initiative. This reform will cap the 8,909 "medically single" employees (i.e., employees with no dependents) starting in July 2011 to the second highest plan (Blue Shield). But Adachi wants to circumvent this already negotiated reform by imposing more draconian measures.

Callously, Adachi asserted in the ***San Francisco Chronicle*** on October 28, that City employees and retirees who cannot afford the $4,228 annual increase for one dependent in the Blue Shield plan could either switch to the Kaiser one-dependent plan and face a $2,988 annual increase, or simply take their dependent off their insurance coverage and enroll them in the City's so-called "Healthy San Francisco" universal healthcare plan.

Of course, Adachi doesn't compare the healthcare benefits provided in Healthy San Francisco to the benefits paid by either Blue Shield or Kaiser, and what coverage will be lost by shoving dependents into Healthy San Francisco.

A larger problem that Adachi conveniently omits mentioning, is that Healthy San Francisco enrolls only San Francisco residents, so obviously this is not an option for both current employees and retirees who have already been forced into moving out of, and don't live in, San Francisco.

Adachi's Sins of Omission

Adachi has presented his propaganda, while withholding key information:

- Adachi has not explained why his official proponent argument in San Francisco's voter guide — which he had to submit by a mid-August Elections Department deadline — claimed "one out of every eight tax dollars" are spent on city employee pension and health costs, then he claimed in the *Westside Observer's* October issue that "one out of every six dollars available to the city now goes to city employee benefits." How did he go from "one-out-of-eight," to "one-out-of-six," in just two short months? Could this be just more propaganda, or did the City suddenly provide new data that only Adachi has heard of?

- Adachi doesn't acknowledge that City employees who previously agreed to pension cost pickups by the City in lieu of pay raises did so to save the City money when the City claimed it couldn't afford pay raises, but agreed to start paying their own retirement costs in July 2011 as part of contract talks last spring. Although he claimed in his voter guide Proponent Argument that "half of City employees contribute nothing toward their pensions," he had to have known that six months prior to his August deadline for the Voter Guide those "half of all City employees" had already agreed during bargaining to begin paying retirement contributions in July 2011 in exchange for a smaller pay raise than the City employees who began paying their own retirement costs in 2006 and received a seven percent pay raise for agreeing to do so. Adachi's Prop B is trying to short-circuit by six months a labor contract already agreed to take effect in July 2011.

- Adachi, SPUR, and Moritz have been curiously silent about the City Controller's "statement" in the San Francisco voter guide that the City may incur additional labor costs negotiated during future labor agreements if Prop B passes, offsetting any "savings." If ever there was an unintended consequence obscured by a sin of omission, this may be it.

- Adachi isn't telling anyone — although he and the Civil Grand Jury, and Moritz and SPUR, must have had access to the Retirement Board's *2009 Annual Report* and must know this — that between fiscal year 2007–08 and fiscal year 2008–09, the City and County of San Francisco contributed $14.3 million ***less*** to the SFERS retirement fund across that one-year period, while at the same time City employees contributed $14.1 million ***more*** to their retirement.

  Across the two-year period between 2006–07 and 2008–09, San Francisco as the employer contributed $12.8 million ***less*** while City employees contributed $23.6 million ***more***.

  Why isn't Adachi telling voters that City employees have been picking up a greater proportion of their benefits for the past several years, rather than scapegoating them?

Why Aren't Adachi and SPUR Talking About "Average Pensions"?

Adachi and his supporters have made great hay wrongly claiming "average" City salaries are $93,000. They've been curiously silent mentioning "average" City pensions.

The 2009 *Annual Report* from the Retirement System suggests City of San Francisco retiree pensions average only $33,482 annually.

This is slightly less than public sector retirees earn statewide in California, 78 percent of whom are reported to earn $36,000, or less, annually in retirement.

Just as "average salary" statistics may mean little when skewed by salaries of top managers, those few retirees earning over $100,000 pensions — such as former San Francisco Police Chief Heather, Fong who is reported to be collecting over $200,000 in retirement — skew "average" retirement benefits.

Take for example, a former San Francisco clerical employee who retired after just over 20 years of service, and who had earned approximately $54,000 in their last year of City employment.

This person now earns an annual City pension of $26,689, $10,000 less than the State's average pension, and nearly $6,000 less than the City's average pension. After taxes and withholding, they take home just $21,837 annually, or $1,819 per month.

Increasing their healthcare premiums $240 per month under the Kaiser plan will reduce their available pension to approximately $1,579, and less if they choose to remain in the Blue Shield plan.

Imagine the thousands of City retirees who had earned far less while an active employee, and now earn far less than the average $33,000 City pension.

Certificates of Participation and Other Long-Term Debt

Adachi and Company aren't telling you about the increase in the City's long-term debt portfolio. There's a good reason that Moody lowered the City's bond rating from "stable" to "negative" in June 2010.

Certificates of Participation (COP's), for example, are a form of long-term debt voters don't get to approve spending.

Take this week, for starters. On Tuesday, October 26, one week before the November 2 election, San Francisco's Board of Supervisors passed two ordinances approving issuing $35.1 million in COP's for the SF Hope housing program, and another $46.8 million in COP's to fix pot holes, curb ramps, and the ADA-accessible "ramp" in the Board's chamber.

To pay for this new $81.95 million in COP's, the City will tack on another $85.9 million in interest on the COP's, for a total increase of $167.9 million in long-term debt. The two COP's will drain a total of $7 million annually from the City's General fund for the next 20 to 25 years, since the General Fund is on the hook to pay annual principal and interest costs of these two COP's.

This new $7 million raid of the General Fund will likely result in more cuts to the City's healthcare services for the poor, and will reduce the amount of discretionary General Funds available to the Board for other City services.

The City also issued other COP's in the current fiscal year, but a summary isn't yet available. What is known is that between fiscal years 2008 and 2009, the City added another $153 million in COP principal alone, excluding interest. According to the CAFR report for the period ending June 30, 2009, San Francisco's total COP debt load now stood at $565.2 million in principal, $274 million of which has been added since Mayor Newsom took office in 2004.

In addition to the COP's, the City added another $693.4 million in "lease revenue bonds," "notes, loans, and other payables," and "commercial paper" between 2008 and 2009 to the City's long-term debt portfolio.

The City's COP's, commercial paper, notes and loans, and lease revenue bonds now stands at $1.6 ***billion***, which excludes (and exceeds) the $1.2 ***billion*** in General Obligation bonds currently issued, all of which excludes interest payments on any of these long-term debts.

Oddly, a follow up records request to the City Controller's office received on Monday, October 24 that the City currently has $1.14 billion in COP's issued, including $500 million in principal and interest as General Fund COP's obligations and another $636 million in principal and interest for "self-supporting" COP's.

Why this new data may conflict with the City's CAFR report for the period ending in June 2009 itemizing COP debt is not yet known, but it is clear the City is heavily extended in the amount of COP long-term debt that has been issued.

The rate at which the City's long-term debts are being issued will wipe out any so-called savings from Prop. B.

One problem with Moody's bad bond rating is that San Francisco will have to pay more in interest to borrow money, because the City is now considered to be at a higher risk of defaulting on the long-term debt.

Increase of Employees Earning Over $90K

Between 2008 and 2009 alone, San Francisco added another 548 employees earning more than $90,000 annually, tacking on an additional $85.9 million to base pay salaries for the City's highest earners. Adachi, SPUR, and Moritz are strangely quiet about these increasing City salaries, while demanding blood from low-earning City employees.

Fully $31.6 million of the $85.9 million increase across this single year went to the additional 191 employees earning between $150,000 and $199,999 annually. We now have 1,918 City employees who earn over $150,000 annually in total pay.

And we now have 11,981 City employees — 32.1 percent of the total 37,277 City employees — who earn more than $90,000.

In fact, between 2003 and 2009, San Francisco went from having 2,918 employees earning over $90,000 at a total cost of $314 million, to the 11,981 employees who now earn over $90,000, at a total cost of $1.48 ***billion***, an increase of almost $1.2 ***billion*** that then Supervisor Gavin Newsom, now Mayor Gavin Newsom, and current Supervisor Sean Elsbernd have consistently voted for when passing the City's annual budgets between 2004 and 2010.

Prop B does nothing to slow this management-fat growth, although the increase in highly-paid employees earning over $90,000 is tied directly to the increase in pension costs.

Admirably, Abraham Simmons, a candidate for Supervisor in District 2, noted during a Young Democrats-sponsored debate in late September that the City has "too many middle managers we are trying to keep busy. We need to reduce the number of people [in middle-management jobs] we are employing," Simmons was quoted in the ***Bay Area Reporter*** on October 7.

Simmons is one of the few candidates who found the courage to note the real elephant in the room. After all, it's difficult to reduce total pension costs without first reducing the high salaries of middle- and senior-managers (unless you're going to indiscriminately punish lower salaried employees, as Adachi seeks to do.)

Nonsense From SPUR

In SPUR's 2010 Voter Guide, SPUR's executive director Gabriel Metcalf claims the City "currently has the fewest employees in over a decade." He's not telling the truth.

The City Controller's CAFR report for the period ending June 30, 2009 indicates on page 204 in a table titled "Full-Time Equivalent City Government Employees by Function" — premised on converting part-time positions into full-time equivalent positions — that the City had a total of 28,280 FTE's in June 2000, but has grown by 1,041 employees to a total of 29,321 employees as of June 2009.

Does Metcalf not read the annual CAFR reports? How could he have made such a stupid assertion? Doesn't he check facts readily available on the City Controller's web site?

That's not all.

SPUR's voter guide claims that the total General Fund budget grew from just under $2 billion in 2001, to just under $3 billion in 2011 (the current FY), claiming the "increase in the cost of government provides one of the major backdrops to the debate over pension reform."

SPUR offered no commentary about the fact that the total City budget climbed from approximately $4.3 billion to $6.6 billion over the same period, a two-billion dollar increase. If the General Fund increase was just $1 billion, what was the other $1.3 billion increased City budget for?

SPUR's *2010 Voter Guide* "analysis" also claims that the "very idea of democracy hinges on the idea that one generation of voters cannot bind future generations of voters from changing prior decisions."

What SPUR and Metcalf ignore, in part, is that 12 people — the Mayor and the 11 members of the Board of Supervisors — have been binding future generations of San Francisco voters to increasingly higher costs of long-term debt issued by the City without voter approval, and increasingly higher costs of salaries for employees earning more than $90,000 annually.

No small wonder that when SPUR issued its recommendation to vote "Yes" on Prop B, the City's Management Executive Association, and the San Francisco Labor Council, both resigned their memberships in SPUR.

Nonsense From Michael Moritz

In his October 15 op-ed piece in the *Chronicle*, **venture capitalist Moritz** claims Prop B merely "asks existing city employees to do what every other citizen is doing to play some part in bailing out the City." Moritz ignores that City employees have already bailed out the City's budget multiple times.

He laments that San Francisco will be paying $1.5 billion a year for pension and benefit costs five years from now.

Moritz ignores the $1.2 billion increase the City is ***already*** paying to those earning over $90,000 annually … and he has no idea of how much more they will be paid in future years, or how much of the City budget they will eat up in future years.

Talk about ignoring the two elephants in the room.

Second, Moritz ignores that City employees gave back approximately $250 million just last spring to help the City balance its budget. City employees are thought to have already given up over three quarters of a ***billion*** dollars in recent years to help the City balance its budget, which Moritz and SPUR simply ignore.

Moritz also ignores the $1.6 billion in "certificates of participation," "lease revenue bonds," "notes, loans, and other payables," and "commercial paper."

Moritz appears to have now enlisted San Francisco Health Commission president Jim Illig to spread disinformation. Illig claimed in the "Yes on B's" mailer Saturday, October 23 that increased pension and benefit costs are causing the Health Commission to cut health programs to the City's most vulnerable residents.

They both ignore how much the increased City salaries to top managers have been a root cause of cutting services to the poor. They both ignore how the City's increasing long-term debt load — which the General Fund is on the hook to fund — is curtailing discretionary funds available to preserve public health services.

They're both ignoring that nothing in Prop B will dedicate any so-called "savings" from health care or pension reform to stave off cuts to — let alone redirect savings to fund — health programs for any San Franciscan.

They both claim pension and healthcare savings from City employees "can" be used to save critical services. There's no such guarantee in Prop B that any savings "will" be used towards this goal, and no guarantee that the savings won't be directed to further management raises, or to pay interest on more long-term debt.

The Certainty of Litigation If Prop B Passes

As I noted in a paid argument against Prop B with labor leaders Sylvia Alvarez-Lynch and Linda Jang on page 82 of the November 2 voter guide, voters aren't permitted under California's constitution to set raises, change vested benefits, or intervene in collective bargaining between employers and employee bargaining unions.

Neither are Adachi, Moritz, or SPUR.

SPUR's *Voter Guide 2010* acknowledges Prop B opponents will probably argue contracts with current employees and retirees may illegally be broken if Prop B passes. SPUR notes it is a virtual certainty Prop B will be litigated, since it is legally questionable whether contractual rights of employees will be abridged if Prop B passes.

Most voters understand that when they enter into any contract — say a mortgage between them and their bank — third-parties cannot come along and after-the-fact arbitrarily change the terms of the initial contract, particularly if they cannot establish a cause of standing.

SPUR goes further, claiming it may be up to the courts to decide whether Prop B's supporters can claim that the "very idea of democracy" hinges on the idea that one generation of voters cannot bind future generations from changing prior decisions.

Where was SPUR when the Board of Supervisors increased the salaries of employees earning in excess of $100,000, burdening future generations with paying these increased, bloated salaries?

Where was SPUR when the Board of Supervisors approved the increases in COP's and other forms of long-term debt that will surely burden future generations?

Prop G's Failure to Curtail Muni's Management Salaries

In the one-year period between 2008 and 2009, base pay salaries for Muni managers in job classification codes 9140, 9141, and 9172 through 9182 (managers and other transit managers) increased by $1.97 million, to a total of $15.4 million in base pay. It's not yet known how much more these management base-pay salaries increased in the current calendar year between 2009 and 2010.

While Supervisor Sean Elsbernd has led the charge against Muni drivers, Elsbernd ignores that in the two-year period between 2007 and 2009, total pay for Muni managers in just the 9172 to 9182 job classification codes increased by $3.9 million. Elsbernd should know this, since he has served on the Board of Supervisors Budget and Finance Committee during these time periods; indeed, he voted to give these managers at Muni their raises.

While Prop G claims it will direct resources into services for riders, and will make Muni more reliable and responsive to riders' needs, the additional costs of Muni managers' salaries have done nothing to increase on-time performance at Muni. If I know Elsbernd, he'll just redirect salaries raided from bus drivers to increase salaries for the drivers' managers.

Prop G does nothing to curtail management salaries at Muni, or to make the buses and trains run on time. Instead, Prop G seeks to punish bus drivers (transit operators), while doing nothing to reign in management salaries at Muni.

Vote "No" on Prop G.

Setting Multiple Dangerous Precedents

The Adachi Prop B measure, with SPUR's and Moritz's backing, may set multiple dangerous precedents.

SPUR's 2010 Voter Guide claims Prop B supporters "argue that the very idea of democracy hinges on the idea that one generation of voters cannot bind future generations of voters from changing prior decisions."

Imagine, if Adachi's Prop B measure passes, another unintended consequence: After the current generation passed general obligation bonds to rebuild the Bay Bridge, San Francisco General Hospital, Laguna Honda Hospital, and other capital improvement projects, ***will future voters — who don't want to be bound by past generations — be permitted to opt out of paying off general obligation bonds*** (or heaven forbid, certificates of participation) a previous generation approved?

Will such a precedent become the new normal?

Another precedent may involve overturning decades of labor law, which has long held that collective bargaining over wages, benefits, and working conditions are the exclusive domain of public employers and the recognized bargaining representatives (unions) representing public employees. Will Prop B permanently alter this relationship, allowing voters to set wages and benefits outside of the bargaining table?

If so, what kind of leverage would public employers like the City of San Francisco lose if their negotiating strategies could be overturned by the electorate? Why would public employees ever agree to any contract concessions, if they knew voters could over-ride concessions by unilaterally requiring even more draconian concessions?

Is Adachi's measure just union-busting in disguise, with SPUR's and Moritz's backing?

Or is this Adachi's true intent: To eliminate collective bargaining altogether for public employees, including police officers, firefighters, and nurses?

Don't Be Fooled

Even if Prop B passes, there's no guarantee that the $121 million in "savings" Adachi hopes the City will gain will actually be used to prevent continuing cuts to healthcare for the poorest San Franciscans, or to preserve other vital city services. Prop B will not be the "antidote" to continuing healthcare cuts for the poorest of San Franciscans Adachi claims.

As the recent past has shown us, any savings gained by the passage of Proposition B will likely be spent on increasing pay raises for the City's highest-paid managers, and for issuing additional forms of long-term debt, including COP's.

Both measures will simply punish the City's lowest-paid employees.

Eskenazi and Wachs also note that Adachi admits Prop B "doesn't come close to solving the fiscal" problems with the retirement and healthcare situation

If Adachi knows Prop B won't come close to solving San Francisco's underlying structural budget problems, why is he scapegoating public employees?

Vote "No" on Proposition B. And while you're at it, **vote "No" on Proposition G, too.**

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