

Argument Against Measure L

We're all concerned about rising employee costs. But Measure L threatens Menlo Park's high quality services to residents by micro-managing city finances and ultimately our ability to attract top quality employees and management. Measure L is not a responsible approach to employee compensation, including retirement benefits.

City council has put a better, more fiscally sound approach in place. City council imposed 2%@60 on regular employees, yes, but in addition requires cost sharing of both the city's portion of retirement contributions (beyond a cap) as well as health care contributions by all employees – innovations that save taxpayer dollars now, not just in the long term. Measure L passage may negate this progress.

Measure L's flaws could have even further costs:

- 1) The 2%@60 retirement formula wording in Measure L is flawed, differing significantly from wording under the statewide retirement plan. This means Menlo Park would have to seek judicial interpretation that could force Menlo Park out of the statewide plan for new employees, causing higher administrative costs and lower investment yields.
- 2) The cost for this judge's decision will be borne by Menlo Park taxpayers.
- 3) Costs of defending lawsuits challenging the initiative also will be borne by Menlo Park taxpayers. If Measure L passes, city council will vigorously defend the voters' choice, of course. But there are legal arguments that Measure L is both illegal and unconstitutional. These lawsuits will be expensive.

Educated Californians know "ballot box budgeting" harms civic finances. Menlo Park is one of just a handful of California cities with the top AAA credit rating as well as excellent services – let's keep it that way.

Don't be fooled by Measure L's easy sound bites and slogans. It isn't a responsible approach, and in the end, taxpayers will be left holding the bag. Vote NO on Measure L.

/s/ **Kelly Fergusson, PhD**
Menlo Park City Councilwoman (Former Mayor)

July 29, 2010