

LEAGUE OF WOMEN VOTERS OF SAN FRANCISCO



PROS & CONS GUIDE

San Francisco Ballot Measures

Election Day: Tuesday, February 5, 2008

PROPOSITION A

General Obligation Bond

Placed on the Ballot by Mayor Newsom and the Board of Supervisors

CLEAN AND SAFE NEIGHBORHOOD PARK BOND 2008

The Question

Should the City issue \$185 million in bonds to fund certain costs associated with the improvements of park, recreation, and open space facilities within the City and County of San Francisco?

The Background

In 2000, the voters approved a \$110 million bond to improve selected parks and recreation areas affected by age, use, and general deterioration. Even with this effort, many city facilities still pose overall seismic and safety risks.

The City uses property tax revenues to pay principal and interest on these types of bonds. When voters authorize new bonds, they are committing future revenues to pay off the debt: a two-thirds vote is required for this measure to pass.

The Proposal

Proposition A would authorize the City to borrow \$185 million for the construction, reconstruction, or improvement of parks and recreation facilities in San Francisco. The proposed allocation of funds is as follows:

- \$117.4 million for twelve neighborhood parks
- \$33.5 million for potential projects at waterfront parks
- \$11.4 million for park restrooms
- \$8.5 million for park athletic fields
- \$5 million for park nature trails
- \$5 million for a "Community Opportunity Fund", which would provide funding for community-nominated recreation and park projects
- \$4 million for park forestry

These expenditures would require the approval of the Mayor, the Board of Supervisors, and the Recreation and Park Commission or Port Commission.

As per the City code, 0.1% of all bond proceeds must finance a Citizen's General Obligation Bond Oversight Committee that would review the management of this bond. Proposition A would also require the City to maintain a website with all progress and activities of the bond for transparency and accountability.

Fiscal Effect

The Controller states the following: *Should the proposed \$185 million in bonds be authorized and sold under current assumptions, the approximate costs will be as follows:*

- *In fiscal year 2007-2008, following issuance of the first series of bonds, and the year with the lowest tax rate, the estimated annual costs of debt service would be \$900,000 and result in a property tax rate of \$.0007 per \$100 (\$0.69 per \$100,000) of assessed valuation.*
- *In fiscal year 2011-2012, following issuance of the last series of bonds, and the year with the highest tax rate, the estimated annual costs of debt service would be the \$16.4 million and result in a property tax rate of \$.0112 per \$100 (\$11.15 per \$100,000) of assessed valuation.*
- *The best estimate of the average tax rate for these bonds from fiscal year 2007-2008 through 2029-2030 is \$0.0077 per \$100 (\$7.71 per \$100,000) of assessed valuation.*
- *Based on these estimates, the highest estimated annual property tax cost for the owner of a home with an assessed value of \$400,000 would be approximately \$43.83.*
- *Landlords would be allowed to pass through 50% of the annual property tax cost of the proposed bond to tenants as permitted in the City Administrative Code. Based on these estimates, the highest estimated annual cost for a tenant in a unit with an assessed value of \$140,000 would be approximately \$7.80. These estimates are based on projections only, which are not binding to the City. Projections and estimates may vary due to the timing of bond sales, the amount of bonds sold at each sale, and actual assessed valuation over the term of repayment of the bonds. Hence, the actual tax rate and the years in which such rates are applicable may vary from those estimated above. The City's current debt management policy is to issue new general obligation bonds only as old ones are retired, keeping the property tax impact from general obligation bonds approximately the same over time.*

Arguments in favor of Proposition A

- This money would go to parks in most need of improvement by replacing broken playground equipment and addressing vulnerable building structures. Safer

parks mean safer neighborhoods and healthier kids.

- This bond would protect and restore our open spaces by providing more trees and nature trails.
- This minor increase in property tax would mean more improvements to our city without a major financial burden on taxpayers.

Arguments against Proposition A

- According to the 10-year Capital Plan, this is the first in a series of bond measures to upgrade City owned properties. Voters should be aware of the scope of these plans so as to prioritize spending.
- Voters already voted for a bond measure for park improvements in 2000 and there was no accountability.
- San Francisco has more public employees per capita than any other American city. The Parks Department needs new management, not new tax money.

☆☆☆VOTE☆☆☆

California Presidential

Primary

Tuesday, February 5, 2008

PROPOSITION B

Charter Amendment

Placed on the ballot by Initiative Petition
CREATING A NEW DEFERRED RETIREMENT OPTION PROGRAM FOR MEMBERS OF THE SAN FRANCISCO POLICE DEPARTMENT

The Question

Should the City Charter be amended to create a new Deferred Retirement Option Program (DROP) for veteran members of the San Francisco Police Department?

The Background

Under the City Charter, police officers are eligible for retirement benefits based on their compensation, age, and length of service. The Charter does not currently allow City employees, including police officers, to continue working full time for the City after retirement.

The Proposal

This proposition would establish a Deferred Retirement Option Program (DROP) for eligible police officers. Any eligible police officer who participates in DROP would continue working as a police officer for a specified period of time, not to exceed three years. To be eligible to participate in DROP, a police officer must have at least 25 years of service as a member of the Police Department, be at least 50 years of age, be a full-duty officer, and agree to retire at the conclusion of his or her service in DROP.

Police officers participating in DROP would continue to receive their regular pay and benefits. DROP participants would begin accumulating their regular retirement payments, frozen at the level that the officer had earned upon entry into DROP. These payments would be placed in a tax deferred DROP account maintained by the City's retirement system. At the end of the DROP period, officers would begin receiving their regular monthly retirement payment, as well as their retirement benefits that had accumulated in their DROP account. This Proposition provides that the City should not incur any overall cost increase due to the creation and operation of the DROP. This Charter amendment requires periodic evaluation by the City of the costs of the program to ensure its cost neutrality.

Fiscal Effect

The Controller states the following: *Should the proposed charter amendment be approved by the voters, in my opinion, it is probable that the program will meet its goal of being cost-neutral to the City and may even provide some positive benefits, however, since it is a voluntary program, it is not possible to know the actual savings or cost until police officers actually enroll in the program. The charter amendment authorizes the Board of Supervisors to create a Deferred Retirement Option Plan (DROP) for San Francisco police officers. A DROP allows officers to formally retire, put their retirement earnings into a tax-deferred account and continue to work for normal wages and benefits for a period of up to three years. As a result, the City retains a qualified officer for that period of time and delays the cost of recruitment and training incurred in replacing a retiring officer. DROP programs can be useful during times of staff shortages to encourage experienced officers to work for the City past normal retirement age. The San Francisco Employee's Retirement System would have new and complex responsibilities for administering the DROP program which could cost in the range of \$500,000 or more annually. The Charter amendment states that the program is intended to be cost neutral and provides that costs will be evaluated in the fiscal year 2010-2011 when the City has three years of actual experience. At that time, the Board of Supervisors could end or extend the program, however, individuals who had entered it would continue to earn DROP benefits for up to three years.*

Approximately 600 police personnel in ranks from Police Officer to Police Captain would be eligible for the DROP program over the next three years. Current actuarial projections are that the City is likely to achieve the cost-neutral intent of the amendment. However, because the eligible individuals have varying ages, years of service and pay rates, participation in the program is voluntary, and because new recruits would have been paid at lower rates than experienced officers, the program may or may not be cost neutral.

Arguments In Favor of Proposition B

- The City is currently short between 250- 300 police officers and another 600 will become eligible for retirement over the next three years. This proposition is necessary to ensure that qualified officers remain on the job.
- San Francisco has chronic problems recruiting new police officers. This proposition would allow qualified veteran police officers to fill otherwise vacant positions without increasing the department's budget. This type of program has been used successfully in other cities to deal with shortages of police officers.

Arguments Against Proposition B

- The San Francisco Employee's Retirement System would have new and complex responsibilities for administering the DROP program which could cost in the range of \$500,000 annually.
- This proposition does not address the core problem of the City's inability to recruit new police officers. The City should be looking into whether there are other ways to retain experienced personnel.

PROPOSITION C - Declaration of Policy

Placed on the ballot by Initiative Petition
**ADOPTING A POLICY THAT
SAN FRANCISCO ACQUIRE
ALCATRAZ ISLAND AND
TRANSFORM IT TO A GLOBAL
PEACE CENTER**

The Question

Should it be the policy of the City and County of San Francisco that Alcatraz Island be given to the City by the federal government for the express purpose of establishing a Global Peace Center?

The Proposal

Currently Alcatraz Island is operated by the federal government under the direction of the Department of the Interior. This measure proposes to transfer ownership of the Island, remove the main prison block, and construct an international conference center for non-violent conflict resolution.

Fiscal Effects

The controller states the following: *Should the proposed policy statement be approved by the voters, in my opinion, it*

would not increase the cost of government. The statement is not binding on the City, however, should San Francisco actually work to acquire Alcatraz Island from the federal government, there would be significant cost. Such cost would be subject to approval by the Mayor and the Board of Supervisors under the normal budgetary and fiscal provisions of the Charter.

Arguments in Favor of Proposition C

- San Francisco would be well suited for this kind of project, as the City has a long history of progressive values, spiritual enlightenment, environmental awareness, and a community of socially conscious people and businesses.
- The conversion of Alcatraz Island into a peace center would serve San Francisco as a powerful force for cooperation, reconciliation, and healing and would pay due respect to Native American people while providing a peace center for all.
- Approving this measure could bring in additional revenue to the City if it were to become more popular than the use of Alcatraz as a historic prison.

Arguments Against Proposition C

- It is unrealistic that the federal government would transfer the ownership of Alcatraz Island to the City. Furthermore, there are no available funds to purchase, build, or maintain the proposed facility.
- Alcatraz is an internationally known historic landmark and is one of the most widely visited tourist attractions in the City. It is a symbol of San Francisco, and as such should be preserved.
- The fact that this measure did not have the backing of the Board of Supervisors shows a lack of true political will to make conversion of Alcatraz possible.
- The proponents of the measure have not submitted a budget or a source of funding, nor have they demonstrated that they have the qualifications to manage such a complex project.
- The proponent's vision of building a "sacred space" on City land would violate the principle of the separation of Church and State.

ABOUT THE LEAGUE OF WOMEN VOTERS

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