



**SAN JOSE DOWNTOWN  
ASSOCIATION**

28 N. FIRST STREET  
SUITE 1000  
SAN JOSE, CA 95113  
TEL: 408-279-1775  
FAX: 408-279-1904  
[WWW.SJDOWNTOWN.COM](http://WWW.SJDOWNTOWN.COM)

## **LETTER FROM THE PRESIDENT**

*By Art Bernstein, SJDA President, 2010*

### **YES on V & W**

As your current volunteer president, and as a former local government and state government employee who now manages a downtown business, I want to offer my perspective on Measures V and W, which will appear on San Jose ballots in the upcoming election.

Most everyone wants to see “fair” compensation programs, especially when it comes to using taxpayers’ money. I can also understand why, back in the ’90s - especially in this area - cities had to go to greater lengths to attract and retain talent necessary to run our public programs. At that time, Silicon Valley was very much alive and well - and the private high-tech, low-tech and start-up companies gobbled up the best employees and heaped wonderful compensation packages on them as fast as they could.

But those days are long gone, and we’re in the midst of what some call “The Great Recession.” Businesses are struggling, houses are being foreclosed, and folks are cutting back on spending.

In the public realm, essential services like police and fire protection, emergency response, swimming pools, community centers, parks and libraries, and street maintenance have been cut in San Jose for nine consecutive years. Adding insult to injury, our potholed streets are showing up on media lists of the worst roads in the nation. We support all these services with our taxes, but see less and less service each year. This year, our City Council closed a \$118.5 million budget deficit - and more deficit busting is yet to come.

One reason we're not seeing as many city services as before is because revenues are first directed to current and former city employees, some of whom were granted full health benefits for life and pensions at 75 percent to 90 percent of their final pay. Once employees are paid, the rest of the funds can be dedicated to services.

While most non-government employers and employees have taken steps in response to the changes in our economy, most city pay packages and assurances of lucrative retirement benefits have stayed their course. As much as we wish we were in the same position as these city workers, the truth is that these deals just don't make sense. The city needs to dial it back. For that to happen, San Jose needs our help supporting Measures V and W, which right the wrong of more than a decade ago by changing the City Charter in two important ways:

- Measure V sets limits on the awards of outside arbitrators who sometimes decide police and fire compensation. The arbitrators would be prohibited from increasing pay and benefits more than the rate of growth in revenues, or raising benefits retroactively thus creating an unfunded liability that the city would be obligated to pay.
- Measure W proposes that all future hires will be subject to new compensation plans that shall be "actuarially sound."

I could go on about how the city got into this mess in the first place, how employee compensation is growing faster than city revenues, and reciting examples of dubious prior arbitration decision-making, but instead, let me put it this way: the numbers are not adding up any more.

Measures V and W would help to ensure fiscal stability, cost controls and sustained maintenance of city services.

You may study both sides of the issues at the City Clerk's web page at [sanjoseca.gov/clerk/elections/Election.asp](http://sanjoseca.gov/clerk/elections/Election.asp). I urge you to vote yes on Measures V and W.