


**Office of
The City Attorney
City of San Diego**

MEMORANDUM

DATE: February 22, 2008

TO: Council President Scott Peters

FROM: Michael J. Aguirre, City Attorney 

SUBJECT: Purchase of Service Credits

As you know, the San Diego City Employees' Retirement System (SDCERS) Board last September admitted that \$146 million of the pension system's \$1.2 billion liability was due to the under pricing of purchase of service credits sold to city employees.

On November 16, 2007, the SDCERS Board announced that they would take no action on the matter, effectively sticking San Diego city taxpayers with the \$146 million pension service credit bill.

The Office of the San Diego City Attorney has repeatedly asked the City Council to address this matter and consider changes to the City's municipal code to protect city taxpayers from paying the explosive cost of the purchase of service credit program. Because the matter was never docketed for consideration by the Council, the City Attorney's office sought a writ of mandamus that would direct the SDCERS Board to address and rectify the \$146 million shortfall.

This memorandum renews my request for the City Council to consider the municipal code changes recommended by this office. Alternatively, we would seek the City Council's concurrence on the writ of mandamus in order that the court may move swiftly to consider the merits of our argument. We would ask that the matter be docketed for the appropriate city council session on Tuesday, March 4, 2008.

Thank you for your attention to this matter.

cc: Honorable Mayor & City Councilmembers