



**COUNCILMEMBER DAVID ALVAREZ**

**City of San Diego  
Eighth District**

**MEMORANDUM**

**DATE:** June 20, 2011

**TO:** Mark Hovey, CEO, SDCERS

**FROM:** Councilmember David Alvarez

**SUBJECT: Inclusion of Police Officers in Potential 401(k) Retirement Program**

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When the idea of moving new employees to a 401(k) style retirement program for city employees was released some time ago, an actuarial analysis was performed to determine its impact on the City's future UAAL and ARC. In a March 29, 2011, letter to me on this topic you stated that the City's ARC would increase by \$40 million over four years if the plan were closed to new General Members.

In a subsequent May 18, 2011, memo to the SDCERS Board you explained that closing the current defined benefit plan will cost the City approximately \$94 million over the first six years if it included Fire and Lifeguard members. While this analysis was valuable, it did not consider the possible inclusion of the city's sworn police officers. As such, I would like to know if such an analysis can be performed that includes Police members as well. Sworn police officers represent a large number of employees, which, if considered would have a significant effect on the City's ARC.

Your timely response is greatly appreciated.

DAA/ks