



*Tavern at the Vogue (230 Third Avenue) will be opening this month! The fun new restaurant will feature sausages, sandwiches, and cheeses. There is a private, members-only rooftop deck. Click [here](#) to read more.*

August 1, 2019

Dear Northwest Chula Vista Neighbors and Friends,

I hope this newsletter finds you relaxed, happy, and continuing to enjoy this beautiful Chula Vista summer.

The summer months are a great time to visit and explore our bi-national region. My family and I love to explore Baja California, especially gorgeous coastal Ensenada and the inland wine country of Valle de Guadalupe. This summer (July 25 – August 18) marks the 29th annual Festivas de la Vendimia, the Wine Harvest Festival. Click [here](#) for more information.

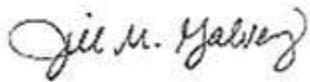
We were saddened to learn of the passing of former Chula Vista City Councilmember, Patty Davis. Rest in peace, Patty, and thank you for your service to our community.

At the end of this newsletter, for the curious constituent who is interested in learning more about pensions in the City of Chula Vista, there is a 2-1/2 page explanation (with links) about our pension obligations, how pensions are funded, and (spoiler alert) the

billion dollar \$ price tag if we were to leave the state pension system and go to a 401K style program.

Thank you for taking the time to read this newsletter. If you find it informative, please pass it along. *If you would like to unsubscribe, please click [here](#).*

Warm regards,



[Chula Vista](#) City Councilmember, District 2 Northwest

P.S. Happy 130th Birthday, Tijuana! Click [here](#) to see the city of Tijuana's website.

*Si desea recibir este boletín en español, responda a este correo electrónico y solicite la versión en español.*

## • • Happening in August • •

### **The 2018 Annual Report of the Growth Management Oversight Commission** – 8/1/19, 6pm, 276 Fourth Avenue

The GMOC Annual Report will be presented in a joint meeting with the City Council and the Planning Commission. Eight of the eleven threshold standards for quality of life were compliant: Air Quality and Climate Protection, Drainage, Fire and Emergency Medical Services, Fiscal, Parks and Recreation, Schools, Sewer and Water. Non-compliant were Libraries, Police responses (priority 1 and 2 calls) and Traffic. *To read the 2018 report, click [here](#). To read past reports, click [here](#).*

**On-Stage Playhouse**, August 2 – Sept 15, 8pm (Th/Fri/Sat), 2pm (Sundays) at 291 Third Avenue

Playing this month, “A Bright New Boise,” a dark comedy about a new Hobby Lobby employee. *Tickets \$25 are available by clicking [here](#).*

**10th Annual Farm to Bay Celebration**, Saturday, August 3, 4pm – 7:30pm at the Living Coast Discovery Center

Food and beverage sampling, wildlife encounters, live music, silent and live auction to benefit educational programs. *This is a 21+ event. Click [here](#) for details and tickets.*

**23rd Annual Chula Vista Lemon Festival**, Sunday, August 4, 11am – 5pm, Historic Downtown Third Avenue

The Third Avenue Village Association’s most famous event that celebrates and commemorates Chula Vista’s history of being the #1 lemon producing city in the world at the turn of the 20<sup>th</sup> century. *Click [here](#) for more information.*

**National Night Out with the Chula Vista Police Department**, Tuesday, August 6, 4-8pm, Chula Vista Police Headquarters, 315 Fourth Avenue

Family event, kids activities, demonstrations, food, music, dancing, and a DUNK TANK!! Uh oh...

**Chula Vista HarborFest**, Saturday, August 17, 10am-6pm, Bayside Park

FREE family event with live music performances, vendor booths, children’s activities, and Food Truck Alley.

Wristband areas (specialty \$25 ticketing) - use code HarborFest 4th for \$3 off VIP tickets, includes parking, 2 street tacos, 2 drinks, lounge seating, from 11am – 3pm.

*Click [here](#) for music lineup, tickets, parking passes, and more information.*

**39<sup>th</sup> Annual Orange Crate Derby Races**, August 17-18, West end of Rancho Del Rey Parkway

This fun annual event for youths 7-14 and adults is sponsored by the Chula Vista Sunrise Rotary Club. Click [here](#) for more information.

**National Senior Citizen Day**, Wednesday, August 21

**Bike the Bay**, San Diego's Annual Community Bike Ride, Sunday, August 25

Once a year, the beautiful Coronado Bay Bridge allows bicycle traffic! Enjoy a scenic 25 mile bike ride around San Diego bay, along the Bayshore Bikeway. Refreshments and a post-ride festival make the morning (6:30am – 11:30am) even more special. Registration is required. The ride begins and ends at the Embarcadero Marina Park in San Diego and routes through National City, Chula Vista, Imperial Beach, and Coronado. Ages 10+. Registration is \$60-\$65 per person. There is an optional 8 mile off-road "Gravel Loop" through the Otay Valley Regional Park. *More information can be found [here](#).*

**21st Annual Christmas in October Applications** are being accepted during the month of August. Christmas in October is 10/12/19.

Military veterans and their families, the wounded, elderly or widows/widowers who reside in a Chula Vista house that needs some care and repair are urged to apply. Houses may be painted, carpeted, with new fixtures and more, with donations from generous groups and individuals. *Applications can be picked up at Fire Station 1, 447 F Street, or the City Clerk's Office at 276 Fourth Avenue. Contact Emerald Randolph to apply or volunteer to help, [email](#) or phone (619)669-0538. Monetary donations are welcome and are tax-deductible. Volunteers wanted. Click [here](#) for more information.*

• • **Happening in September** • •

**Deadline to Submit Starlight Parade Participation Requests**, Sunday, September 1

Participants will be selected from various categories. Space is limited. Parade Floats will be given priority. *Click [here](#) to learn more. Click [here](#) to help sponsor the December 7, 2019 Starlight Parade.*

**Labor Day**, Monday, September 2<sup>nd</sup>. City offices will be closed.

**35th Annual Coastal Cleanup Day**, Saturday, Sept 21, 9am – 12pm

Help clean up sections of the Chula Vista Bayfront and other inland Chula Vista sites during this international event! *Click [here](#) to sign up and for more information.*

**9th Annual Chula Vista Police Department Shoes and Socks Give-Away**, September 21st

Join our CVPD School Resource Officers and help provide monetary donations to provide new shoes and socks for 500 local boys and girls. *Click [here](#) for more information.*

**Rosh Hashanah**, Sunday, September 30th

**• • Recent City Council Items of Interest • •**

Council accepted (5-0) 7/22/19 the findings of a **feasibility study to evaluate community choice aggregation**. The findings identified a potential 2% electricity bill savings for Chula Vista customers if the city were to form or join another agency to buy electricity. *To read the feasibility study, click [here](#).*

Council voted (4-1) 7/22/19 to ask staff to **further research different methods of purchasing electricity**, as there is the potential that the city could join San Diego in purchasing electricity. A council decision will need to be taken prior to October 31, 2019 on whether the risks outweigh the possible savings.

Council voted (5-0) 7/22/19 to follow the City of Chula Vista's Charter, voted on by the public in 2000, which ties Councilmember salaries to 40%, Mayor's salary to 66%, and the City Manager's salary to 100% of that of a California Superior Court Judge. The city of Chula Vista's **Charter Review Commission determines which issues of the City Charter need to be changed by a vote of the people**. They are currently exploring whether to change the City Charter to require that future elected City Attorneys live in Chula Vista, and that there is a process to suspend an elected official without pay if the official is charged with a felony. *To learn more about or to contact the Charter Review Commission, click [here](#).*

The Mayor proclaimed July 11, 2019, as **City of Tijuana Day in the city of Chula Vista**, in recognition of Tijuana's 130th anniversary. Mayor Juan Manuel Gastelum and Tijuana City Councilmembers were in attendance at the council meeting.

**The next city council meeting is Tuesday, August 6<sup>th</sup>**, at 5pm, Chula Vista City Council Chambers, 276 4th Avenue. Council meetings are generally the first four Tuesdays of the month. Agendas are usually posted the Thursday prior to each meeting. *To view the agenda, click [here](#).*

**City council meetings can be viewed live on television on Cox Cable channel 24** (only in Chula Vista) or AT&T U-Verse channel 99 (anywhere in the county), via live-streaming on your computer, tablet, or smart phone.

## • • And the Survey Says • •

### **9 out of 10 Chula Vistans are very happy with our police department!**

The San Diego Association of Governments (SANDAG) surveyed residents in July 2019, and found that 91% of those surveyed are very satisfied with the Chula Vista Police Department. However, **concern about homelessness** is a top concern amongst residents, along with **traffic issues, thefts, and drug/alcohol/marijuana use**. Most residents think the CVPD can improve by **hiring more officers**, and for officers to be more **visible in the community**. *You can see the survey results [here](#).*

## • • Items of Interest • •

If you missed **TEDx, Chula Vista** this year, the six talks are now available to watch online by clicking [here](#). Two of the speakers are from District 2!

**Brian Murphy**, educator, author, and founder of the Quinn Murphy Foundation shares his heartbreaking journey after the shocking death of his son, Quinn, due to medical error, and the lessons that can come out of a tragedy. *Click [here](#) to watch the video.*

**Sandra Scheller**, daughter of a Holocaust survivor, is tasked with the complex responsibility of keeping her mother's memories of the Holocaust alive. *Click [here](#) to watch the video.*

### **Save the Planet while saving money! SDG&E Eco-Choice**

Last month, I enrolled our home in the EcoChoice Program with SDG&E. We are now getting 100% of our energy at from clean or renewable sources. Would you believe we are now saving more than 1.5% each month after enrolling? The SDG&E Eco-Choice Program is closed for commercial accounts but is still open for residential customers. *Click [here](#) for more information, or call SDG&E at 800-411-7343*

**San Diego Regional Airport Authority** has pledged \$500 million to improve transportation to the downtown airport, which could include a new trolley station or people mover. This is good news for Northwest Chula Vistans! Click [here](#) to read more.

## **Your Measure P ½ cent Sales Tax Dollars at Work**

Click [here](#) to see Public Works projects that the city is working on, including street repair, Norman Park Senior Center kitchen and bathrooms, the new roof for the library and other projects. Click [here](#) for an interactive map, which includes street improvements, facilities, parks & recreation upgrades, etc.

## **Citizens Police Academy Enrollment is Open** for residents 18 and up

The very popular academy fills up quickly as space is limited. Classes are Wednesday evenings, beginning September 4th, at the Police Headquarters. Graduation is Monday, November 18. *For more information, please [email](#) Angela Gaines or call (619) 691-5187.*

## **Avoid Getting Scammed by an Unlicensed Contractor**

The San Diego District Attorney has published some guidelines that help consumers protect themselves. Click [here](#) to read the *Star News* article.

## **Help me understand Chula Vista employee pensions...**

Chula Vista Municipal Employees do not contribute to the Social Security system, do not pay Social Security taxes, and do not receive Social Security retirement benefits (including wages, disability, dependent or death benefits).

Chula Vista Municipal Employees instead, like many other government entities, contribute to the State of California's Public Employees Retirement System (CalPERS).

## **FUNDING (PRE-RETIREMENT) for Non-Public Safety Employees**

There are four components that fund Chula Vista municipal pensions: 1) Employee Contribution, 2) City Contribution, 3) City Annual Lump Sum Payment (UAL), and 3) CalPERS' investment returns:

- 1) **The employee contribution** can range from 6.75% to 10.64% of pensionable wages (aka PERS-able wages). It varies depending on the pension tier the employee is in.
  
- 2) **The City of Chula Vista's contribution** (e.g. the taxpayer) is a blended effective rate of 11.76% of all PERS-able wages\* (no overtime or other compensation). This amount varies year to year based on the CalPERS actuarial valuation which is completed on an annual basis and is updated with the most current financial and actuarial information. The City paid approximately \$13 million in normal costs for safety and non-safety personnel combined.
  
- 3) Each year, the City of Chula Vista makes an annual lump sum payment for the **Unfunded Actuarial Liability (UAL)**. The UAL is the difference between the Value of the Assets and the Accrued Liability that the city owes to CalPERS. Partially due to the significant losses experienced during the Great Recession, the Value of the Assets is less than the Value of the Liability. For the current fiscal year (2019/20), **the City received a bill for \$12,914,940** for non-public safety employees. This was to pay for the UAL which is in addition to the normal cost the City pays as part of the blended rate discussed under 2) above. The City pre-pay's this amount at the beginning of the fiscal year to save 3.56%.
  
- 4) **The State of California's pension system (CalPERS)** has a targeted investment return of 7.25% on a pooled state-wide system. The current market value of the state-wide pool is more than \$370 billion. The target return number is important **because when that number goes down, the city's UAL is increased**. Next year, the

target return decreases to 7% which increases the unfunded liability (UAL) that the City will pay – see item #3 above.

## **Employee Contributions – Non-Public Safety**

Employee contributions come in one of three flavors, called “Tiers”, based on when the employee began working for the City of Chula Vista. The tiers will remain for retirement terms based on date of hire.

**Tier 1** employees began working prior to 4/22/2011 pay up to 10.64% of their PERS-able\* monthly wages to CalPERS.

**Tier 2** employees were hired between 4/22/2011 and 12/31/2012 pay up to 8.43% of their gross monthly paychecks to CALPERS. If an employee was a CALPERS contributor prior to 12/31/2012 and came to work for the City at any time after 12/31/2012, they would be allowed to fall under Tier 2 versus Tier 3 unless there was a six-month gap of employment.

**Tier 3** employees began working after 12/31/2012 pay up to 6.75% of their PERS-able\* wages go to CALPERS.

**IMPORTANT: As of June 2020, all non-safety employees will be covering 50% of their normal cost related to their pensions. That is the cost of service accrual for the fiscal year for an active employee (not retired).**

## **Tell Me More About CalPERS**

Now, here is where it gets even more complicated. Employee and employer contributions all pool together in a giant CalPERS investment fund. CalPERS’ investment returns vary year to year, and the pooled funds are over \$370 billion.

In 2011, the investment return was a whopping **21.7%**, but in 2009, the investment return was **NEGATIVE 24.0%**. CalPERS chose a more conservative investment portfolio after the 2009 losses. Click [here](#) to see *CalPERS investment data and historical investment return charts*.

The preliminary investment return for CalPERS 2018/2019 is 6.70% which is less than the target of 7.25%. This equates to an additional \$50,000 per year in City pension contributions for the non-safety active, retired and beneficiaries.

CalPERS expects, no matter what tier of employee/employer match, that the **pension fund is intended to take care of 100% of pension commitments** to retirees.

*To read more about CalPERS valuations and the city's annual contributions, click [here](#).*

*To see look at specific pension-related information in the FY 2019/20 Chula Vista budget, click [here](#) (5), and look at pages 40-42.*

## **POST RETIREMENT**

After an employee retires, the employee stops contributing to CalPERS. However, **the City will still be on the hook to pay UAL (unfunded liability)**, especially if CalPERS does not make its investment return goals. You may remember from the first section above, FUNDING (Pre-Retirement), component #3, that the City is on the hook for \$12,470,784 this upcoming 2019/20 fiscal year! The funds have been included in the City Council adopted budget.

**CalPERS is 100% responsible for sending a monthly retirement check** to the employee for the rest of his/her natural life. Some employees can choose to receive a lesser benefit so that their pension payments continue to their surviving spouse.

How much an employee receives per month in retirement is based on the employee's pre-retirement compensation, when the employee began working for the City, the age at retirement and the number of years the employee contributed to CalPERS.

Per CalPERS actuarial reports, the average retirement income to non-safety employees is \$32,542 annually. The average drops to \$28,962 when you include industrial and non- industrial disability, industrial death and death after retirement.

Here are three examples of Chula Vista employees, in the three different tiers, with different retirement ages and number of years worked:

**Employee X (Tier 1)** began working in 1980 and worked for a total of 30 years and retired at the age of 67. Employee X would receive 90% of her last highest PERS-able\* salary, with annual increases based on inflation.

**Employee Y (Tier 2)** began working in 2012, worked for 10 years and retired at the age of 62. Employee Y will receive 23% of her highest three-year average PERS-able\* salary, with annual increases based on inflation. If this employee works for 20 years and retires at the age of 72, they will receive 48% of her highest three-year average PERS-able\* salary.

**Employee Z (Tier 3)** began working in 2019, worked 30 years and is expected to retire at age 70. Employee Z will receive 75% of her highest three-year average PERS-able\* salary, with annual increases based on inflation.

\*PERS-able wages are wages that are reportable to CalPERS to determine compensation for retirement purposes. *Here is a [link](#) to a list of PERS-able wage components for Tier 3 employees.*

**SO WHY DOESN'T THE CITY MOVE TO 401K – STYLE PENSIONS?**

The short answer: We're in too deep. If the city wanted to untangle itself from the California Public Employee Retirement System (CalPERS), we would be faced with a one-time balloon contribution amount of **\$539M** for Non-Public Safety personnel. To entirely exit all employees, it would cost the city **over \$1 billion**.

**• • Jobs, Jobs, Jobs • •**

Click [here](#) to see a list of current job openings with the city of Chula Vista.

Click [here](#) to bid on projects with the city.

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Thank you for the opportunity to serve you on the Chula Vista City Council.

Warm regards,

Jill M. Galvez | Councilmember | District 2, Northwest

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