ARGUMENT AGAINST MEASURE A

Chico Area Recreation District, with less than 35 fulltime employees, has a pension deficit over $2,700,000. Pension deficit is the difference between what employees expect in retirement, and what they've paid into the system. CARD's deficit has increased by over $1,000,000 since 2013 because until recently, CARD employees paid nothing toward their pension/benefits costs. Currently, due to the Public Employees Pension Reform Act, CARD employees pay between 8% and 5.5%. The taxpayers pay 14%. This leaves about 80% deficit. The California Public Employees Retirement System has been making increasing demands of public agencies to pay their deficits. Instead of asking employees to pay more of their own pension cost, CARD is asking us to pay a parcel tax.

CARD assures us the new money will go into new facilities, but it will only free up existing funding to pay more of their pension liability.

CARD established a "Pension Stabilization Trust", a restricted fund that can only be used to pay their pension liability. They have since transferred millions from the General Fund into the PST. This year they have budgeted $261,748 toward pension liability payments. The General Manager admitted that the agency has deferred maintenance to facilities like Shapiro Pool while making these "side fund" payments to CalPERS.

CARD's budget is just over $9,000,000, almost $5,000,000 of which comes from property taxes, homeowner fees, and Redevelopment Agency loans. Over $6,000,000 goes to salaries and benefits. With only a quarter of CARD's budget going to "services and supplies", is it a wonder that their facilities are in such poor condition?

Until CARD employees step up to pay a more rational and significant portion of their retirement and health costs, the taxpayers would be foolish to hand CARD more tax money.