



Communication Workers of America

Local 3170

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January 9, 2018

To: Gainesville City Commission

From: Communication Workers of America Local 3170 Executive Board

RE: Socially Responsible Investing & Purchasing (Legistar #170655)

The CWA Local 3170 Executive Board has reviewed the presentation by the City's management team about the issues brought up by Divest Gainesville. CWA supports the concept of examining how the City invests the funds for the General Pension as well as responsible purchasing policies. However, based on the information prepared by the City's management team, CWA cannot support changing the current investment and/or banking services.

The General Pension fund has been remarkably well-maintained and has grown at a very respectable pace. Making any change that could adversely affect the fund puts undue stress on the City's (General Government and GRU) financial resources since the General Pension must remain funded and solvent. The City must contribute funds each year to ensure the General Pension can continue to provide the benefits that were negotiated with the workers for many years to come. When the fund under performs, the City must contribute higher amounts to "shore" up the Pension. How these contributions are determined could affect City services and/or tax or utility rates.

Additionally, when looking at a Total Rewards compensation philosophy, would the effect of having to increase contributions then require a reduction in employees' raises or in the ability of the City Commission to continue moving the living wage closer to the \$15.00 per hour mark?

Unlike other government workers in county and state offices, City employees contribute 5% of their gross pay as their portion of the pension fund. In addition, 1.5% of their gross pay is put aside for a Retirement Health Savings account. In total, each employee puts 6.5% of their gross pay toward retirement. Our members invest in their financial future in partnership with the City. When it comes to our futures, we take matters seriously.

The City Commission should not decide to create a divestment policy without a very thorough study and evaluation of the potential future costs to the General Pension. If such a change should be brought about after a significant study, then it should be done in such a way to prevent damaging the General Pension's funding to the extent of requiring a negotiation to reduce benefits or to increase employee contributions.

Thank you.