



City Councilmember
Carl DeMaio

News Release

***DeMaio & Faulconer Outline
Criteria for Achieving Fiscal Reform
without Raising Taxes***

Proposed Sales Tax Initiative Does Not Fix Broken City Government

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San Diego – Councilmember Carl DeMaio joined Councilmember Kevin Faulconer in identifying “10 Criteria for Real Fiscal Reform in City Government.” The reforms include significant reforms to the city’s debt-ridden pension system, immediate implementation of open and fair competitive bidding on city services, and a comprehensive fiscal analysis.

“Tax increases are not needed to fix our city’s financial problems – we need immediate implementation of these cost saving reforms,” DeMaio noted. “These reforms can legally be done within the next 18 months to not only balance the budget in the short term, but restore the long-term financial health of our city,” DeMaio added.

Among the items in the plan:

- Commit to clear accountability targets and a timeline for implementing structural budget reforms
- Establish more affordable pension benefits tiers – and allow city employees to “opt-out” of higher cost benefits into lower cost ones
- Reform retiree healthcare packages to the available level of funding in the FY 2011 budget – thereby eliminating a \$1.3 billion unfunded liability
- Require that city employees pay the full fair share of the cost of retirement benefits – by eliminating employee offsets and resolving the outstanding “substantially equal” litigation
- Immediate commencement of competitive bidding and outsourcing of a bevy of city functions

DeMaio blasted the proposed sales tax ballot measure as a “blank check” of over \$200 million that offered no guarantees that budget and pension reforms would be implemented by city leaders.

“We should not entrust our city’s financial future in a risky tax hike proposal that has virtually no chance of passing in November. City leaders should focus their attention on implementing these long-overdue financial reforms,” DeMaio concluded.

A full copy of the plan can be accessed at www.CleanUpCityHall.com