



News from

Councilmember Todd Gloria

City of San Diego — District Three

STATEMENT

For immediate release: October 7, 2015

Contact: Katie Keach, 619-847-8274

Committee Rejects Mayor's Pension Proposal

Budget Chairman Comments on Fiscal Strength of the City and Pension Fund

SAN DIEGO, CA (October 7, 2015) – San Diego City Councilmember Todd Gloria today released a statement after the Budget and Government Efficiency Committee discussion of the Mayor's proposal for a Pension Reserve Fund.

“The City has paid its pension bill in full and on time for eleven years in a row. Even during the depths of the Great Recession, the Mayor and City Council have paid every penny owed to the pension fund, including substantial contributions directed to eliminating the pension debt. Simultaneously, the City, its employee unions and the voters have enacted various reforms to reduce retirement benefit costs.

“The City's reserves are full with over \$200 million available for emergencies and unforeseen expenses. The Budget Committee was informed today that the City had \$42 million in cash over and above our reserve targets at the close of the most recent fiscal year.

“For these reasons, the Mayor's proposal is a solution in search of a problem. In fact it may create more problems for the City.

“This proposal has been interpreted by some that the City's pension crisis has returned. Although this is entirely false, it has the potential to harm San Diego's reputation and undermine the progress we've made in reforming our pension system.

“The Mayor's proposal would take \$21 million that could go to neighborhood services like road repairs and public safety. It diverts that substantial sum to a new pension account that has not been asked for, nor will it be administered by, the pension board.

“Despite the Budget Committee's concerns with the Mayor's proposal, it agreed today to continue the dialogue on the City's reserves and directed staff to research increasing the Stability Reserve. As Chair of the Budget Committee, I believe we can develop a smarter proposal that balances the many needs of the City while continuing to pay all of our pension costs, just as we have done for over a decade.”

###