

Table 1: Roadmap to Accurate Data

Councilmember Carl DeMaio's "Roadmap to Recovery" uses outdated information about San Diego's pension payments. The difference between the current data and the old data from the pension system's actuary is noted below.

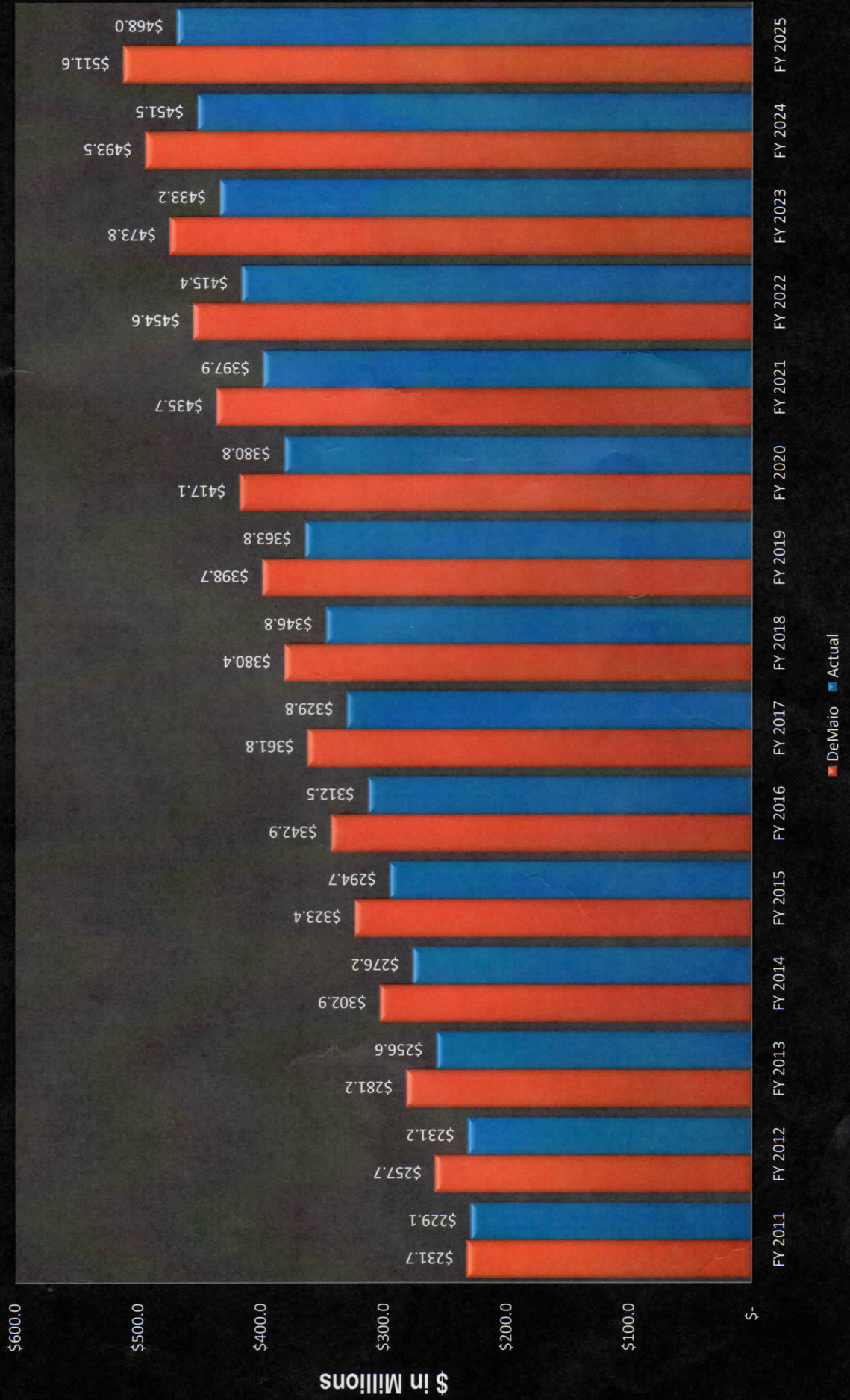


Table 2: Roadmap to Deception?

DeMaio's "Roadmap" only projects pension payments until 2025. Why is that? The table below demonstrates that San Diego's pension payments plummet after 2025, which contradicts DeMaio's claim that "it only gets worse." The truth is it gets much better over time. Did Councilmember DeMaio leave that information out in an attempt to mislead the public?

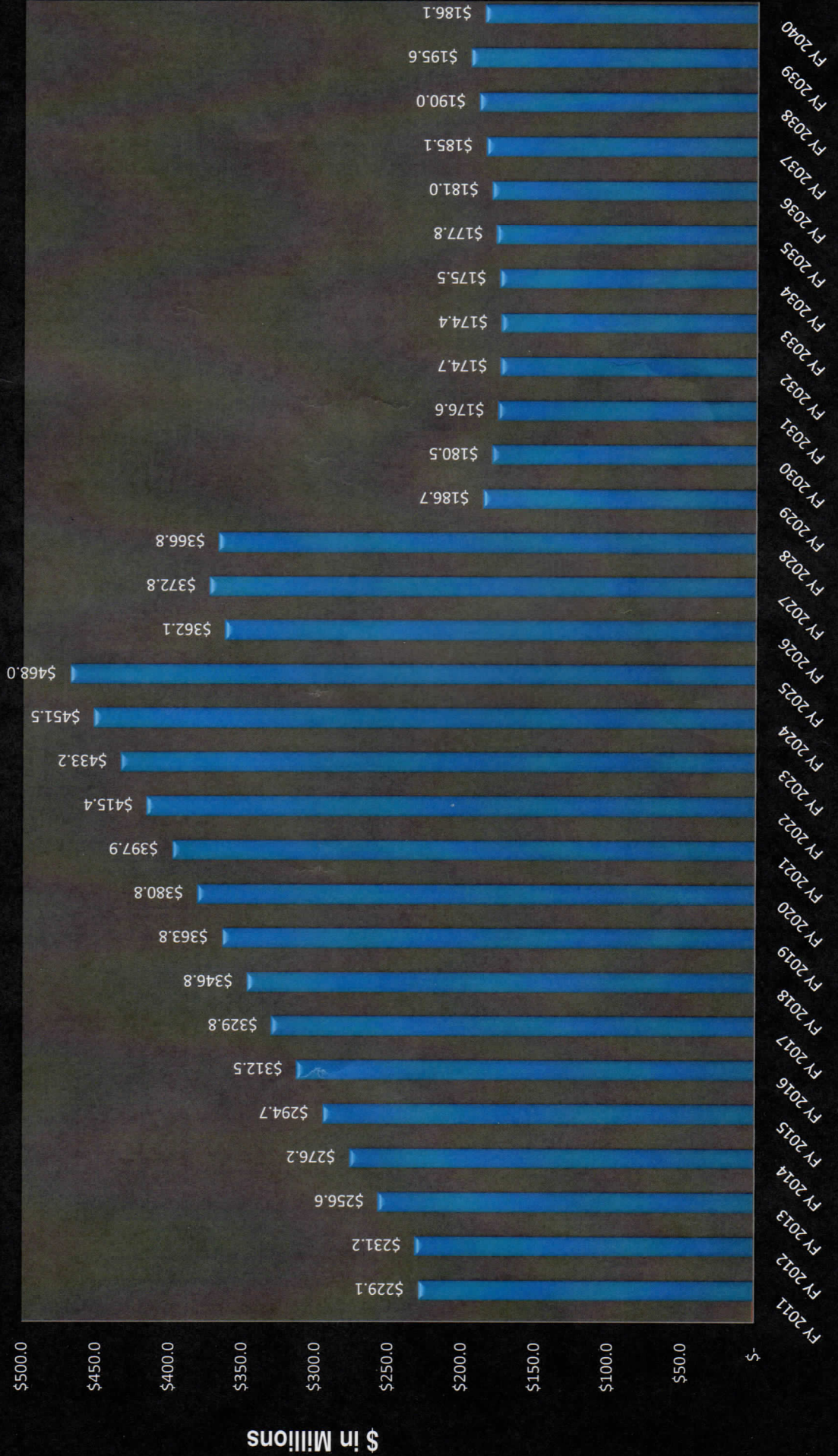


Table 3: City Budget Context

DeMaio's "Roadmap" also ignores the context of the overall City budget. The City's pension payments will likely increase over the next 15 years, but so will the City's budget.

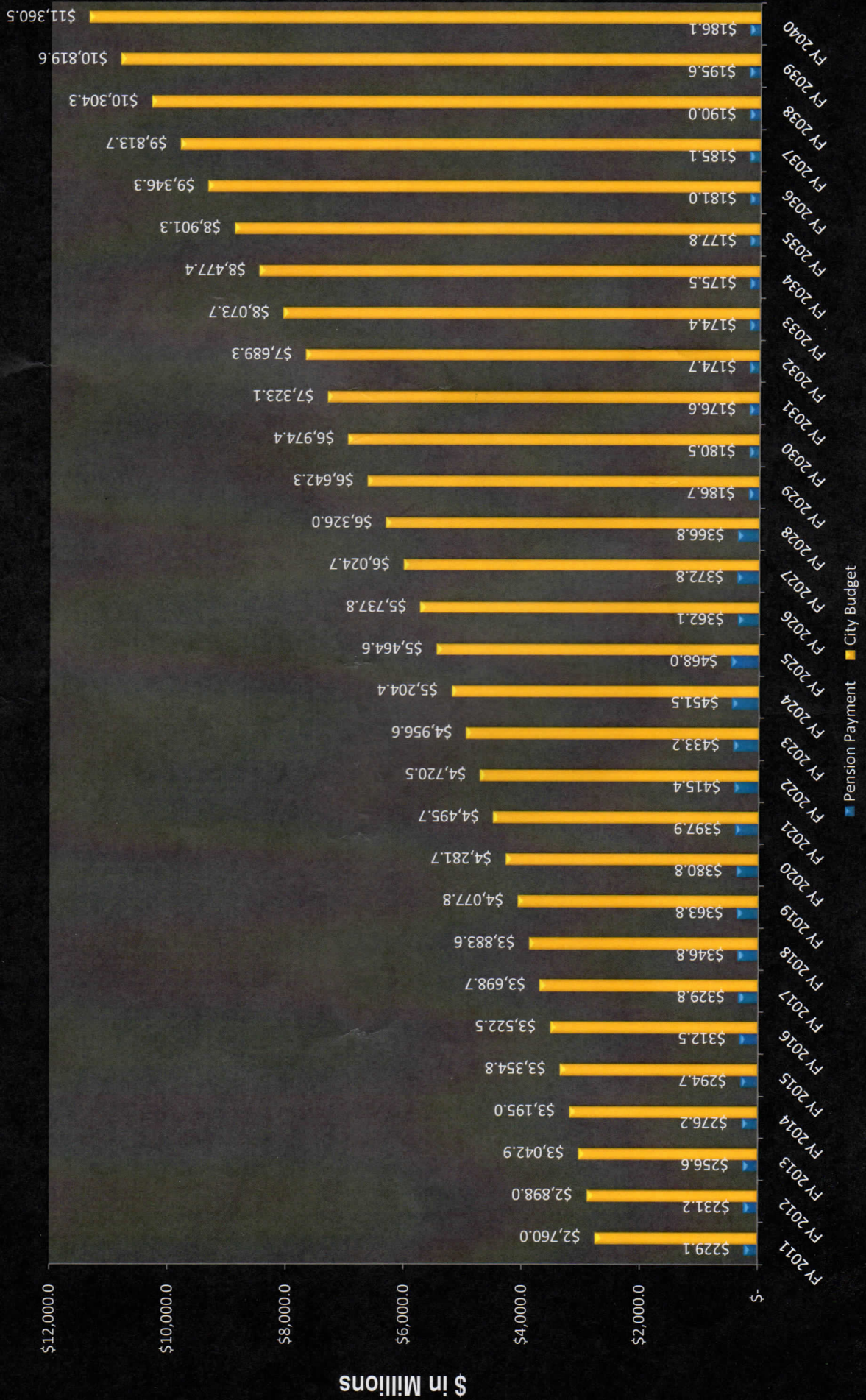


Table 4: City Budget Context (Continued)

As a percentage of the City's budget, even if no changes are made to pension benefits or pension system assumptions, San Diego's pension payments will stay relatively flat over the next 15 years, then decrease substantially.

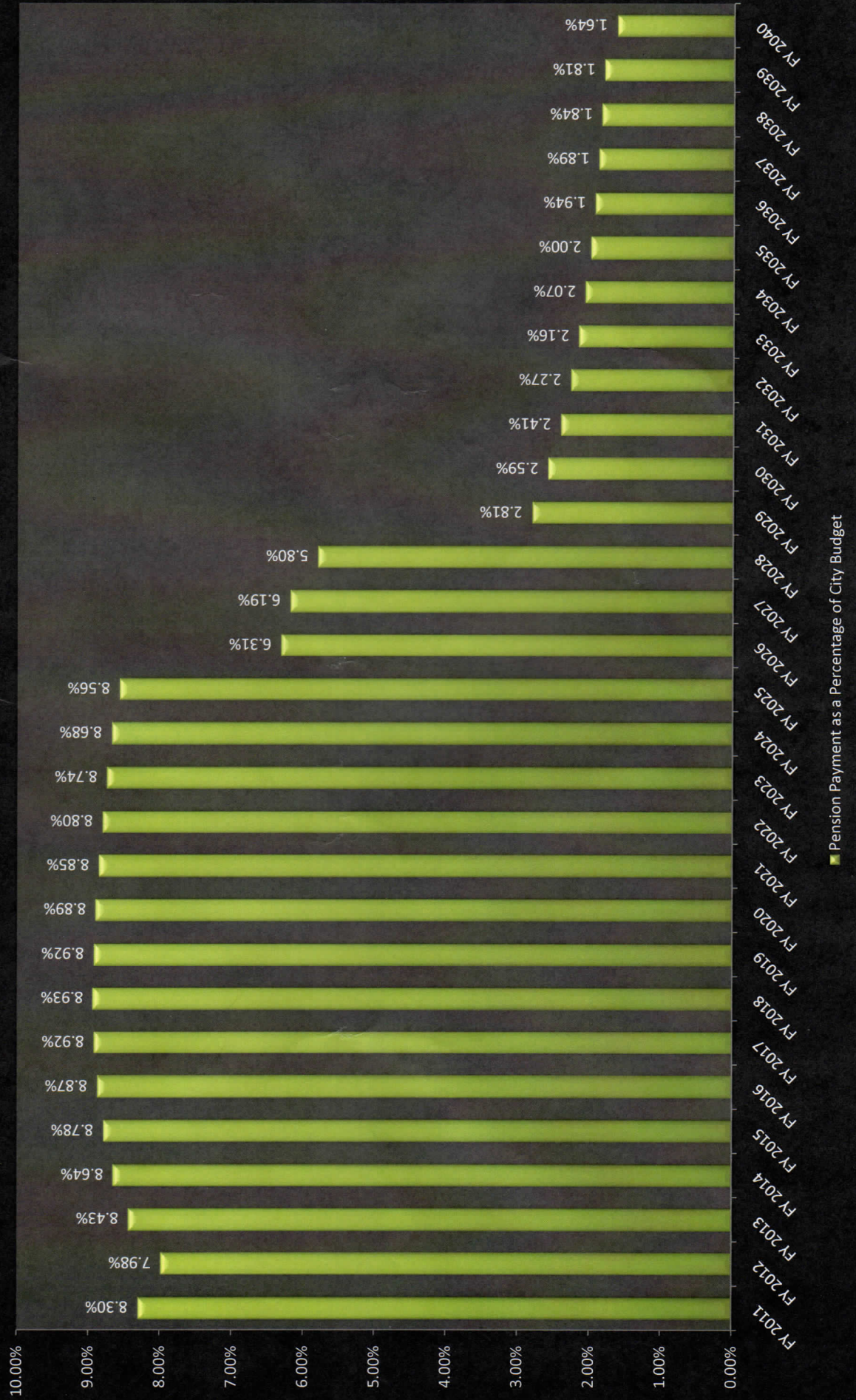


Table 5: Debt Payoff Timeframe

The reason that the City's pension payment plummets in 15 years is that San Diego amortizes its pension debt much more quickly than other forms of long-term City debt. While City debt for stadiums, ballparks, convention centers, and other long-term obligations are usually paid off over 30 years, San Diego's pension system recently decided to accelerate paying off the pension debt to about half that time, which substantially increases the payments in the short term. It would be like a homeowner changing from a 30-year mortgage to a 15-year mortgage -- the monthly payment would increase substantially overnight even though the amount of actual debt didn't change at all. Below is a comparison of how the City's future pension payments might change if -- consistent with the City's other long term debts -- a 30-year amortization was used. The payment schedule would be "smoother" but still decrease over time.

