



NEWS

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COUNCILMAN SAL DICICCIO STATEMENT ON DEFEAT OF PROP. 487

Many are questioning what is next after the defeat of 487. The answer is I am not quite sure. But, I made a commitment to you to work on fixing our fiscal problems in Phoenix. Be assured one election does not put an end to my commitment and my promise to you. This debate is far from over because the fiscal problems still exist.

Elections have consequences. If the fiscal problems are not fixed, you will continue to see more cuts in service and higher taxes and fees.

Wishing these problems away will not make them go away either. Hard decisions must be made - decisions that bring fiscal accountability and stability to our great city.

Here is what we do know:

- * In 2003, Phoenix taxpayers contributed approximately \$56 million to retirement for city employees. By last year, that number had ballooned to over \$240 million despite huge gains on Wall Street.
- * The pension expense is growing at a rate of over \$18 million more each year - directly impacting services such as parks, police and fire.
- *The unfunded debt for all our pensions is about \$3 billion. Detroit was at \$3.6 billion when it hit the fiscal wall.

Here are some scenarios:

There will be continued pressure put on Phoenix politicians to fix the problem - a problem many declared fixed when the city passed their pension plan last year. If they make moves to fix it, then they will be exposed for not leveling with the public when they claimed the problem had already been solved. If they don't fix it, then the problem will continue to grow. They put themselves in a political pickle.

But, true courage and leadership is needed. They should make the moves to fix it even though such a move will bring to light the distortions the public has been fed.

If they take the same path as last time and make small moves to fix the problem, then the public will once again take to the streets with another citizen driven initiative.

Under every scenario this problem will be fixed. It is now just a question of when and how far will

they let it go before the tax increases and budget cuts become too much for the public to tolerate.

Again, you have my commitment to roll up my sleeves and to continue to work making our city secure

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