

## COMPLETE TRANSCRIPT STATEMENT AND EXCHANGE BETWEEN EL CAJON COUNCILMEMBER STEVE GOBLE AND BEN KALASHO

“As the city’s representative to the East County Economic Development Council, I was out of town last week during the normal meeting on business and could not attend. It is not unusual on city council to have different opinions how things should be done. That’s OK that we have different opinions. Differences can result in a sharper outcome at the end,” Goble said. “On this particular instance, I’m told through three sources that Mr. Kalasho’s viewpoint was, with respect to the city budget at that meeting, [he] stated, ‘unless we do something dire to change our current circumstances the city is going to be bankrupt in a few years,’ he said. “That comment concerns me. So I have a different opinion on that. There is no doubt that we will be paying out \$23 million dollars over the next five years – more than we’re paying today – for CalPERS (California Public Employees' Retirement System). The reason we are paying more is because El Cajon is like many of the four hundred eighty-two cities in California. All of these cities are facing the same CalPERS challenge because the CalPERS board lowered its rate of return. That means the cities have to make up the difference. That’s more out of pocket. It is a challenge – there is no doubt about that. And we will face difficult decisions. However, the city of El Cajon has six-and-a-half million dollars set aside specifically towards this twenty-three million dollars. We also have a reserve that’s unspoken for of 8.4 million dollars. Together, today we have 14.9 million dollars to meet that 23 million dollar big bite we have to take in the next five years.”

“So, I’m expecting a new Governor [of the State of California] frankly, after 2018, to help with that situation. I can’t see either him or her allowing cities, who aren’t as well prepared as El Cajon, to suffer Draconian cuts in services to meet this CalPERS obligation up-and-down the state. We must pay people what we promised them. We have 15 million dollars out of the 23 million available, my point of view is that we’re nowhere near going broke, we are nowhere near insolvency, and we are nowhere near on the verge of bankruptcy. Quite the opposite. People who buy bonds in El Cajon projects, investors who want to invest in El Cajon, investors who want to build in El Cajon, and most importantly, the people of El Cajon should know we’ve reserved money for this in the past few years. And that’s very prudent and wise fiscal management. So, I just have a different point of view. I say we’re not near bankruptcy. Will we face difficult decisions? Yes. Are we on the verge of bankruptcy if we don’t do something critical? I say no. In spite of this we’re still able to effectively add three positions to the police department, and add three positions to the fire department...which is a cost of over a million dollars which we are shifting from somewhere else into public safety for the coming year. Well deserved...well needed public safety positions. The fire department has responded to 14,392 calls – that’s more than 10 calls per station. We need more fire fighters there. The police department? The public would love to see more police. Chief Davis....I support you for those three positions. I think we are nowhere near being broke. We are nowhere near being on the verge of being bankrupt. El Cajon is open for

business. El Cajon is a safe community. El Cajon is a growing community. El Cajon has been responsible with the people's money.

Councilmember Kalasho:

"Well Steve, I wish you had spoke to me privately before you said that I said 'couple of years.' I never said a couple of years' Check your sources. I do have a different opinion than you, respectfully," snapped Councilman Kalasho to Goble. "My opinion is that although it is not in couple of years, my understanding of reading the budget is that if we don't find new revenue streams. In ten or fifteen years we could face serious problems. I stand by those comments. It's not 'a couple of years' – I never said that. For a point of clarity, you know what they say about opinion -- everyone has got some. It doesn't mean yours is right."