

EYE ON SACRAMENTO

KEEPING WATCH ON LOCAL GOVERNMENT FOR SACRAMENTO'S FUTURE

INITIATIVES/PROPOSALS OF EYE ON SACRAMENTO

May 2012

Major Transparency Reforms

After examining transparency policies in other California communities and assessing Sacramento's needs, Eye on Sacramento has compiled a list of ten proposals to make city government significantly more transparent to its citizens. Two of the ten proposals, however, stand out in terms of their importance to the city and the need for prompt City Council adoption:

1. Sunshine Rule on Major City Contracts. We propose that the City Council amend its Council Rules to require the full disclosure of all proposed major contracts at least 14 days before the Council takes action on such contracts. Major contracts would include all contracts with a value of over \$5 million, including all labor pacts.

In addition, the Sunshine Rule would require that city staff publicly, concurrently release a complete analysis of the financial impact of every proposed major contract on city finances, as well as a disclosure of all material staff assumptions underlying its projections.

2. Ballot Initiative Creating an Independent Redistricting Proposal. We propose that the City Council refer to the November 2012 ballot an initiative to create an independent redistricting commission to draw future council district lines. Working in collaboration with other community groups, Eye on Sacramento is preparing a proposed charter amendment initiative that would create a redistricting commission whose members would be chosen by judges on the Sacramento Superior Court, a model based on the successful experience of the City of San Diego over the past 12 years. Extensive public hearings and outreach by the redistricting commission would also be mandated.

Major Budgetary Reforms

Given the complexity of the city budget and resource limitations, Eye on Sacramento has elected to focus its policy efforts on three initiatives for the balance of 2012:

3. Council Rule Prohibiting Multi-Year Labor Agreements (or "Fiscal Out"). In recent years, the City Council has been unable to manage its labor costs due to the existence of multi-year labor agreements. When faced with a budget deficit, the city

can only threaten bargaining unions with lay-offs to obtain needed labor cost concessions. This practice has led to the decimation of city services in department after department. By limiting labor pacts to no more than one year, the City Council will preserve the necessary fiscal flexibility to reduce labor costs through negotiation and, if need be, mediation and would no longer be compelled to savage city service levels in reaction to union intransigence. Alternatively, all labor pacts should include a "Fiscal Out" granting the city the right to terminate all labor pacts if the Council declares, in its sole and absolute discretion, a fiscal emergency.

4. Launch Task Force to Save City Pools. In next year's budget, virtually all city pools will face closure absent major budgetary reforms. Eye on Sacramento is launching a six-month project to examine the operations and costs of city pools. It will be appointing a task force comprised of community leaders, pool industry representatives and experts, private swim club executives and parks and recreation department managers to comprehensively study ways to reduce the costs of operating city pools, to explore alternative ways of managing and maintaining city pools and to identify additional resources to support city pool operations.

5. Community Study to Restore City Parks. City parks have borne the brunt of city budget cutbacks and staff layoffs. Many city parks are dependent on volunteers for basic maintenance. The current "triage" approach to city parks is not sustainable and long-term solutions must be identified. Eye on Sacramento, in conjunction with park volunteer groups, community leaders and city staff, will launch a "community study" of alternative solutions, assessing tax options, outsourcing options and the launch of park conservancies.

General Fund Budget Analysis; "Open" Labor Pacts

In addition to pursuing the above policy initiatives, Eye on Sacramento, in discharging its "watchdog" mission, will be offering critiques of various aspects of the city manager's proposed 2012/2013 general fund budget during budget hearings. The central theme of our critiques will be to identify and advocate for long-term, multi-year budget reforms that will help arrest the city's structural deficit and provide opportunities for the restoration of badly frayed core city services.

The city has two labor pacts expiring this year, including its pact with the city's largest union, Local 39. The city should use these expiring pacts as opportunities to permanently realign its labor costs to conform to budgetary realities. We applaud the Library Authority for its recent action in submitting a "last, best" contract offer to Local 39 to realign labor costs in the face of union opposition. Cost-saving opportunities in labor pact renegotiations include: (a) controlling future pension costs by creating a lower tier of pension benefits for new hires; (b) eliminating pension spiking by shifting "pensionable pay" from the final year of employment to the final three years of employment; and (c) requiring employees to contribute to reserves to cover the currently unfunded cost of retiree health care costs (now over \$380 million).