

The Regionalist

Under Steinberg, Will Consolidations Be In Our Future?

By Craig Powell
Inside City Hall
February, 2017

In Darrell Steinberg, Sacramento has an aggressive and politically progressive mayor who is a self-acknowledged change agent. His background as president pro tem of the Senate and former city council member certainly gives him the political juice and local government knowledge to potentially be a high-performance mayor.

Exhibiting the energy and confidence of a man who has been preparing for his new role his entire life, Steinberg has moved quickly to seize the agenda of the city of Sacramento, helped along by the fact that almost the entire city council endorsed his election. Even before he was sworn in as mayor, he persuaded the council to defer selection of a permanent city manager until he could weigh in. A final decision on the proposed expansion of Sacramento Convention Center was similarly deferred at his behest. And he will almost certainly play a major role in the selection of a new police chief, even though the selection is, theoretically, interim city manager Howard Chan's to make.

Steinberg has made no secret of his intent to serve as a regional leader. He sees many of the most difficult challenges we face as regional in scope: widespread homelessness, growing traffic congestion, economic development, a looming pension crisis, youth underemployment, land-use and environmental policies (i.e., suburban sprawl), poverty, poor educational outcomes, etc.

And Steinberg is a major adherent of New Regionalism, which consistently calls for a regional approach to solving tough municipal problems. After all, Steinberg is the author of the groundbreaking (some would say local-economy-sapping) Senate Bill 375, which mandates that regional planners take affirmative steps to reduce the climate-changing impacts of local decisions on housing, transportation and land use. He's tried to facilitate sales-tax-sharing agreements between cities and counties to reduce local government competition for major retail developments (like auto malls), which gush the sales-tax revenues that are so coveted by local governments.

Steinberg wasted no time in tapping his three political allies on the five-member Sacramento County board of supervisors (Phil Serna, Patrick Kennedy and Don Nottoli, each of whom supported Steinberg's election) to schedule three joint meetings of the city council and the county board of supervisors early this year. The first such meeting, on Jan. 31, will be on the subject of homelessness. The agendas of two additional joint meetings, set for Feb. 22 and March 22, have yet to be determined.

Given Steinberg's strong support for regionalism and the early signals he's being issuing, we shouldn't be surprised if he emerges as the leader of a renewed push to consolidate Sacramento city and county governments.

The History of City/County Consolidation Efforts

City/county government consolidation has a long and storied history in Sacramento. As early as 1945, the Sacramento Chamber of Commerce (now Metro Chamber) was advocating for consolidation. It renewed its effort in 1957, leading to a 251-page study of the idea. But the idea really caught steam in the early '70s, when a coalition of the Chamber of Commerce, The Sacramento Bee, Democratic Party leaders, restive and ambitious political staffers at the Capitol (some things never do change) and local good-government groups managed to persuade the city council and board of supervisors to create a joint charter commission to study the idea.

Members of the commission were split into three factions: the “old elite” who wanted only modest changes to local government, Capitol staffers who wanted to implement wholesale changes, and the “unaligned” faction, made up of good-government groups as well as newly emergent leaders of the black and Hispanic communities. In 1970, city voters approved a charter change that shifted Sacramento from electing council members citywide to electing them by district. The change had a profound effect on both the makeup of the council and the city’s very political culture. There was a time before the shift when more than half of the city council members were residents of a single neighborhood, Land Park (which was really great for Land Park residents; for others, not so much). After the change, members of minority groups were elected to the council in greater numbers, which helped empower black and Hispanic neighborhoods and groups.

In the end, the charter commission proposed a consolidation plan that called for a strong mayor of a unified government (with the mayor sharing power with a chief administrative officer), an expanded legislative council and a division of the county into five “boroughs.” Each borough government would have the trappings of a mini-city, but with authority that was never well defined. The commission's proposal was put before city and county voters in 1974.

The campaigns for and against the 1974 consolidation proposal showed that the measure lacked broad geographical support. County officials and small-city officials (in those days, the county’s small cities were just Folsom, Isleton and Galt, commonly known as the FIG cities) lined up against the plan, while the Sacramento city council backed the measure. Public employee groups lined up against the plan, while the Chamber of Commerce failed to provide much help to the “Yes” side.

Lacking a recognized campaign leader, the “Yes” campaign struggled along with B-list spokesmen, while the “No” campaign was led by the voluble, energetic and popular Jack Kipp, a longtime mayor of Folsom (and a cousin of mine). Kipp effectively castigated the measure as a power grab by downtown interests, foreshadowing, perhaps, a central theme of the opponents of Measure L, the strong-mayor proposal that was soundly defeated 40 years later. The campaigns were decidedly low-budget affairs, with each side spending about \$14,000, at a time when a typical Assembly campaign was spending about \$40,000.

The 1974 consolidation measure lost big, losing by better than 3 to 1. It carried just seven city precincts and was slaughtered by county voters, who opposed it by more than 80 percent. The proponents of the measure were never able to articulate a good reason for a wholesale

change in local government. There was no governmental crisis that precipitated the vote, no demonstrated inability of government to deal with problems and no consensus among the city's and county's elite on the need for major changes.

The 1990 Consolidation Election

The Chamber of Commerce led a renewed consolidation push in the late '80s, focusing, nominally, on unlocking cost savings that consolidation promised through the elimination of overlapping and duplicative government functions, as well as realizing economies of scale. The promised savings to taxpayers: \$27 million annually, which may strike modern readers as pretty modest. But, then again, we live in an era when the city of Sacramento's annual budget is expected to blow past the \$1 billion mark for the first time next year.

It was also claimed that consolidation would make it easier to deal with air quality, transportation and other regional problems. Current federal judge Kim Mueller, then a Sacramento council member representing Tahoe Park, said that the opportunity to have regional planning was the primary reason she supported consolidation. "We don't want this to become another Los Angeles," Mueller told a Los Angeles Times reporter.

But the real reason county government pushed consolidation was to shut down the incorporation of new cities, which were poised to drain the county of tax revenues already constrained by the 1978 passage of Proposition 13. The communities of Citrus Heights and Elk Grove were making moves toward incorporating, potentially imperiling the county's ability to fund health, welfare and other services. Following the 1990 defeat of consolidation, both Citrus Heights and Elk Grove did, in fact, incorporate and were joined not long after by the new city of Rancho Cordova. All three cities signed long-term reimbursement agreements with the county (typically 30 years), providing the county with a stream of cash designed to make up for the diversion of tax revenues to the new cities. But those streams will start expiring in the next 10 years.

The legendary and always quotable Wendell Phillips, long-time president of the Sacramento County Deputy Sheriffs' Association, backed consolidation for that very reason: "These new cities draw their boundaries and their tax districts and say to hell with everybody else."

But law enforcement was not united in favor of the proposal. Jim Jorgensen, president of the Sacramento Police Officers Association, strongly opposed it: "You're going to create a mega-government that's going to make this entire county into one humongous city... it's going to be a financial nightmare." Other opponents argued that consolidation "would cost more money not less, lead to poorer public services within the city of Sacramento and would create a metropolitan government that would be less responsive to local neighborhood needs," according to a 1990 LA Times story.

The 1990 proposal, dubbed Measure S, called for a semi-strong mayor and an 11-member council of supervisors. It called for a two-tiered structure that would divide the city into 20 local

community councils, each with five elected members. The local councils would make local zoning decisions and create community plans that would have to conform to a general plan.

Measure S would also have consolidated 13 independent fire districts into a single district, governed by an independently elected board. In the years following the defeat of Measure S, most of these same fire districts agreed to merge and formed the Sacramento Metropolitan Fire District, led today by an independently elected board (although one under the considerable influence of the firefighters union).

Measure S lost 56.3 percent to 43.7 percent, less of a shellacking than the 1974 defeat of consolidation, but still a walloping.

“Functional” Consolidations

In 2010, when Sacramento city and county governments were hemorrhaging money, then-interim city manager Gus Vina and the county executive announced an effort to identify opportunities for “functional” as distinct from “political” consolidations. The idea was for one government or the other to take full responsibility for functions they were particularly adept at providing efficiently and effectively. But the moment passed with few results. The traditional cold-shoulder relationship between city and county governments and leadership turnovers made such efforts challenging, to say the least.

With Steinberg’s close political relationship with three county supervisors, the old frosty relationship may be warming up and opportunities for functional consolidations may have a renewed chance for success. Functions that were once considered candidates include building inspections, code enforcement, vehicle abatements, animal services, parking, SWAT teams and helicopter operations.

Full Consolidation: The Discouraging Experience of Other Cities

It might seem from Sacramento’s two tries at consolidation that city/county consolidations are a popular move elsewhere. In fact, consolidation is exceedingly rare. San Francisco is California’s only consolidated city and county, and Sacramento is the only one of California’s other 57 counties to even try to consolidate.

New Orleans and New Orleans Parish were the first city and county in the country to consolidate in 1805. But in the ensuing 212 years, only 26 counties out of more than 3,000 counties in the nation have chosen to consolidate with their major cities. Since 1970, 110 counties have attempted to consolidate with their largest cities, but only 19 have succeeded. Despite the long odds, the attraction of consolidation continues unabated as a kind of evergreen issue for local governments.

And those few governments that have chosen to consolidate have had mixed results. Academic studies show that few of the promised cost savings from consolidation have been borne out. Instead of economies of scale, as is commonly seen in private-sector mergers, consolidations of local governments all too often lead to “diseconomies,” with the aggregate

costs of the combined governments higher than before consolidation. Why? Merged governments tend to adopt the salary/benefit schedule of the government that was paying the higher salaries and providing the more generous benefits. Also, the larger a bureaucracy becomes, the more prone it becomes to bloat. Large units of government also tend to lose their focus on, and connection to, the public they serve, leading to greater inefficiency and diminished public satisfaction. (Helpful research aid: VA hospitals.)

Politically, it's very hard to convince skeptical voters that a consolidation of governments will make them more efficient, even when proponents vastly outspend opponents. Those few consolidation campaigns that have been successful have focused, instead, on how it will improve local economic development efforts rather than saving taxpayer money. But that may not be an argument for consolidation that Darrell Steinberg can credibly make given his background as the author of SB 375, which placed considerable restraints on local economic development.

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