

San Jose tax hike: Don't do it, more savings are possible

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Does San Jose need new tax money? We say no.

Facing an annual general fund shortfall of \$115 million, City Hall's answer is a resounding yes. The city council is shopping around for a tax that voters will support. So far, a sales tax that raises \$30 million annually looks most promising.

Wondering where all our money is being spent while services are diminishing, some other volunteers and I requested a copy of the city's organization chart. There isn't one. Pasting-up what they sent us by department resulted in a 30-foot-long document.

Our first reaction: there's got to be multiples of \$30 million that could be saved by eliminating duplicative services and combining or reorganizing departments to reduce the number of managers per worker.

Our goal is not to avoid taxes. We want existing tax dollars to be spent putting more boots on the ground, delivering and improving services that are deemed essential by a majority of San Joseans.

We learned that total compensation increased 16.5 percent per city employee since 2009, in part because of lower-level staff reductions through layoffs that take boots off the ground.

In 20 meetings with council members, high-level city staff and business groups we found a gratifying level of support for refocusing resources on a set of publicly endorsed core services. This need was created by across-the-board cuts in pay, which implied that all departments were equally important.

They're not. Our police department was devastated. Few citizens would argue that protective services aren't essential, yet police officers' pay was cut the same amount as others.

Despite that hard-won lesson, our council is now proposing across-the-board pay increases, again implying that all services are equally important. They're not.

A decade of budget deficits and service reductions illustrate that our city has taken on more than funding can support. Even if voters pass a tax, it will likely fall far short of known needs, so savings will be needed. Services deemed less essential should be pared back or contracted out.

This discussion must be central to the 2014 election campaigns.

Prime candidates for savings are departments that duplicate services provided by other public or private agencies.

Only 6 of 100 San Jose Fire Department calls are for fires; 94 are for emergency services that the state says counties are responsible for. San Jose Police also respond to emergency calls.

A State-County-City cooperative is suggested; let's contract with Cal Fire to fight our fires and fund a more adequate County EMS to provide emergency services. This would save at least \$50-million per year. Requiring three instead of four firefighters per truck would save even more.

Do we need a Public Works and a Transportation Department? Combining these infrastructure related departments would at a minimum save millions in management overhead -- money for workers to fix crumbling streets.

Parks could be included. Planning and Economic Development could be merged. All city departments should be regularly evaluated for managed competition.

In all, we identified more than \$140-million in possible annual savings.

Perhaps the smartest and easiest way to save money while improving services is to encourage and engage creative city employees via a generous employee suggestion program. They know where efficiencies can be found. We support a plan that can make millionaires out of those who save us tens of millions.

A sales tax isn't needed and probably wouldn't pass this year. San Jose should reconstitute its Fiscal Emergency Task Force to explore all possible ways to improve core services and make our city a model of cost-effectiveness.

We stand ready to help.

Dave Fadness is a longtime neighborhood leader in South San Jose and a founder of Citizens for Fiscal Responsibility, a volunteer group analyzing the city budget and proposing changes. He wrote this for this newspaper.