

# PERSPECTIVE

SACRAMENTO COUNTY TAXPAYERS' LEAGUE

PROMOTING ACCOUNTABILITY, EFFICIENCY AND ECONOMY IN GOVERNMENT—SINCE 1961



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# Reining in City Utility Rates

By Cecily Hastings

Last month, city utility rates rose 9.2 percent, on top of the 9 percent rate hike that hit city residents a year ago. While some residents may not have noticed, the folks at the Sacramento County Taxpayers League certainly did. League officials spent the past seven months drafting and qualifying for the ballot a measure that—if approved by city voters in November—would roll back the latest hike in city utility rates and place significant new limits on future rate increases.

“Between 2006 and 2010, such rates rose 1,300 percent above the inflation rate.”

The Utilities Rate Rollback Initiative is the brainchild of the league's director, local attorney Craig Powell. Powell, a civic and neighborhood activist, researched the history of city utility rates increases and found that between 2001 and 2010, water, sewer and garbage rates rose by 321 percent more than the rate of inflation for the same period. Between 2006 and 2010, such rates rose 1,300 percent above the inflation rate.

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## PRESIDENT'S MESSAGE

If you were reading this column in the Summer 2005, you'll remember that I just moved into

a new house in Placer County. At the time, it was exciting moving into a new home. But, soon thereafter, I found out about the property TAXES. (Actually, they were "disclosed" at the closing of escrow, when I initialed one of hundreds of pages.) At the time, I wrote about "another Prop. 13", because the home prices had so increased that NOW (or then), one percent (1%) was too much! Well, what I found out was that the total property taxes FAR exceeded 1% that Prop. 13 allowed. With the Community Service Areas (CSAs) and Mello-Roos, the tax rate hits 1.75%--that's nearly a 50% higher rate than my two rental properties in Sacramento County.

But, that's not the punch line—only the tip of the iceberg! Have you ever heard of "Predatory Lending?" Well, that's what happened, and I just found out, about a month ago. In order to get me qualified for the loan, "someone" changed, what I intended to be a "fully-documented" loan application to a "stated income" loan application. When the application was typed from my hand-written version, the income was increased by about 90%--not quite double. When I submitted my loan application, I said to the salesman, "I won't be able to qualify (having "run the numbers")," but the salesman said, "I think you will." Evidently, a lot of people were qualified by this method, and presumably, many of them have already lost their homes, without realizing that they were not qualified from the first payment. I just thought this happened to OTHER people—not me. Of course, this experience gives me a lot of sympathy for other struggling home owners.

Through the Redevelopment Committee, the League has been following the Convergence Plan/Arena/Cal Expo proposals. The League is listening to all sides and will throw its support behind the proposal that best protects the taxpayer and accomplishes the goals of renovating Cal Expo and building a sports arena. Please review these proposals and make your opinion known.

Lastly, a huge "Thanks" to Craig Powell and his team for a tremendous effort on the City Utility Rate Initiative. I know it's been an "up-hill battle!" Thanks, Craig!!

Ken

# EXECUTIVE DIRECTOR'S MESSAGE

Beginning with this issue, the Leagues newsletter 'Perspective' will be produced totally inhouse, and will be in color. Not only is it a huge visual improvement, but ultimately it will save on outside layout costs, outside printing costs and postal mailing costs. The production/distribution method of the newsletter has been a concern for the last couple of years, because of the time element involved (putting on mailing labels, postage stamps and sealers) and the cost of production. Currently the postal copy costs us about \$2.00 per copy by the time we mail it out. By contrast, the electronic newsletter you are receiving costs only the couple hours of staff time to set up - a huge savings.

But we have a problem - we don't have email addresses for about 1/3 of our membership. Some of you may not use a computer, or just don't want another email coming in. We respect that and will continue to postal mail 'Perspective' to you if you choose. For those of you that just have not made an electronic connection with us, please provide your email address to us so that we can send you the newsletter electronically with the next edition. The electronic newsletter will be in color if you have a color printer; the postal mailed newsletter will remain black and white because of the high cost of color printing.

You can reach us at [info@sactax.org](mailto:info@sactax.org), or call (916) 399-5600. Thanks for helping us with this process.



**Bob Blymyer**  
Executive Director

**Cheers:** To the Cal Expo Board - For voting against the complex land swap Convergence Plan. Who knows how many tax dollars this may have saved us?, and to Marcia Fritz, for being honored as Howard Jarvis Taxpayer Association Taxfighter of the Year. Thank you Marcia, great effort.

**Jeers:** To the California Teachers Association - For spending \$211.8 million dollars on campaign contributions and lobbying efforts over the past decade (July 2010 Comstock's). I wonder how many textbooks and other school supplies that would buy?

## November 2 Ballot Measures

At their September 16 Board meeting, the Sacramento County Taxpayers' League reviewed and voted on the statewide ballot measures that will appear on the Nov. 2 ballot. Here is the League's position on those items:

	<u>Y</u>	<u>N</u>	<u>No Position Taken</u>
Prop 19 Legalize Marijuana	-	-	x
Prop 20 Redistricting Congressional Districts	x	-	-
Prop 21 Vehicle License Surcharge	-	x	-
Prop 22 Transpose Funds for Local Govt.	-	-	x
Prop 23 Suspend AB 32 Air Poll Laws	x	-	-
Prop 24 Repeal Legislation Allowing Business to Carry Back Losses, Share Tax Credits	-	x	-
Prop 25 Change Vote to Simple Majority	-	x	-
Prop 26 Increase Legislative Vote Required for State Levies & Charges to 2/3 Majority	x	-	-
Prop 27 Eliminate State Commission Redistricting	-	x	-

Arden/Arcade Cityhood: In addition, the Board listened to presentations from the Arden/Arcade cityhood proponents, and to the opposition position for the new city. Although a slight majority of the Board favored cityhood, it was decided to take "No Position" because it was less than a 2/3 majority. Historically, the Leagues Board had taken a "Let the voters decide" position for the new cities of Citrus Heights, Elk Grove, and Rancho Cordova.

# Howard Jarvis was Crazy

by: Jon Coupal

The passage of Proposition 13 in 1978 changed the political landscape both within California and nationally. Thirty-two years after its passage, candidates for governor still vie to convince voters that they are the strongest supporters of this landmark law. Undoubtedly, this would make Prop 13 author Howard Jarvis very happy. Ironically, 1978 was also the last time Jerry Brown ran for governor. The "boy governor" was running for a second term against then Attorney General Evelle Younger. The overwhelming 65% vote for Proposition 13 in the primary election spurred both candidates to scramble to be identified with this big winner.

Brown, who had originally opposed the measure, and Younger, who had given only lukewarm support, both approached Howard Jarvis asking him to cut television spots on their behalf.

In a move that many thought crazy, Howard Jarvis agreed to accommodate both. Howard was crazy; crazy like a fox. Although he said this did not represent an actual endorsement of either candidate it certainly communicated his approval of both candidates based on their work on behalf of Proposition 13 once it passed.

In ads seen throughout the state, Jarvis praised Younger's defense of Proposition 13 in the courts, and Brown's implementation of the tax limiting measure. But in the eyes of the public, whether or not Howard's message represented "approval" rather than an "endorsement" was a distinction in search of difference.

So what did Howard hope to accomplish? The wily political veteran knew that by soliciting and accepting his help, both candidates had locked themselves into a pact to support Proposition 13. No matter which man was elected governor, he would be compelled to be a friend to Proposition 13 -- no small matter during the time the law was first going into effect. To Howard, the passage and protection of Proposition 13 was much bigger than partisan politics.

So how would Howard regard the current governor's race that includes the return of Jerry Brown? First he would be pleased that Brown is still touting his "endorsement" from thirty-two years previously, and would be chuckling over how his strategy of approving both candidates back then had worked.

However, he would also be chastising Brown for failing to show more enthusiasm for a measure that has saved homeownership for thousands of Californians, and today is still making it easier for new buyers to own their own homes by providing them the security of knowing what their taxes will be from year to year. Brown's current position of saying he sees no need to change Proposition 13 is hardly the ringing endorsement Howard would demand. And Howard would be wary, noting that Brown has chosen to closely ally himself with the state's government employee unions, unquestionably the most extreme anti-Proposition 13 in the state.

"To Howard, the passage and protection of Proposition 13 was much bigger than partisan politics"

So if Jerry Brown is going to try to reassure taxpayers with stories of his relationship with Howard Jarvis, the record must not be left incomplete.

If one wants to know what Howard really thought about Jerry Brown, there is no need to speculate. Howard was still

vigorously involved in protecting taxpayers when Brown left the governor's office in 1982 and this is what he had this to say, "No governor in our state's history...has been so destructive. From all-out opposition to Proposition 13 and Proposition 7 [indexing the income tax to inflation, another Jarvis initiative which passed] to hundreds of millions wasted on the unnecessary med fly disaster [a fruit-fly infestation], Jerry Brown did all wrong. Good riddance!"

*Jon Coupal is the President of the Howard Jarvis Taxpayers' Association.*

# Reining in City Utility Rates

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Powell then found that the rate for the fourth utility service delivered by the city—storm drainage—has remained unchanged since 1996. But while the rates for water, sewer and garbage service can be increased at any time by the city council, because of state law, storm-drainage rates can be increased only by the voters.

“What the rate history tells us is, first, that the city’s utilities department can and will deliver utility services effectively and efficiently within a limited budget when it is required to do so,” said Powell. “And second, that the city council is unable to control itself from raising utilities rates through the roof. The temptation and special interest pressure to raise rates is just too overwhelming.”

In addition to canceling the most recent 9.2 percent hike in water, sewer and garbage rates, the ballot measure would limit the council’s authority to raise rates in the future to annual increases in the consumer price index.

“If the city council wants a higher rate hike, it would have to make the case to city voters that such a major rate hike is warranted,” explained Powell.

Powell said the initiative addresses the two biggest concerns of city residents: falling incomes and high unemployment.

“By moderating rate hikes, folks on limited incomes will not have to choose between paying exploding city utilities bills and paying for necessities of life like food, housing and medicine,” he said.

“If the city council wants a higher rate hike, it would have to make the case to city voters that such a major rate hike is warranted,” explained Powell.”

“Secondly, it will help restart Sacramento’s economy by lowering the cost of doing business in the city, keeping more of our local businesses from failing and helping to attract new businesses that are now scared off by our sky-high utilities rates, now the highest of any city in our region,” Powell added.

Look for the Utilities Rate Rollback Initiative on the November 2 general election ballot.

Cecily Hastings can be reached at [cecily@insidepublications.com](mailto:cecily@insidepublications.com).

# Two More Giants are Lost by the League and the Community

On Tuesday, July 13th Senator Dave Cox passed away, followed by Senator Ford owner Bob Creedon on July 16th. Both were strong supporters of the Taxpayers League, and both served on our board of Directors for many years. Dave died at age of 72 and Bob at the age of 82.

Although Dave is famous for his public service, in which he excelled, he had an interesting background before politics. Dave graduated from the University of San Diego on the strength of a football and baseball scholarship. While in college he lived in a mortuary and worked as an embalmer. He graduated from USD in 1961 with a degree in Business Administration. He married his wife Maggie in 1966, and he and Maggie established an insurance business in Sacramento in 1981 His first elective office was in 1988 to the Board of Directors of the Sacramento Metropolitan Utility District (SMUD). He served one 4 year term during which he quickly became Chairman of its Board. In 1992 he was elected to the Sacramento County Board of Supervisors. Dave remained on the Board of Supervisors until elected to the State Assembly in 1998, becoming Assembly Republican Leader in 2002, which continued through 2004. In 2004 he was elected to the State Senate, serving until his passing.

While on the Board of Supervisors he joined the Taxpayers League, and quickly became one of our Directors. Dave was not a "joiner." When he became part of an organization he expected to actively participate. In the League's case, as he was not able to regularly attend Board meetings, he asked the League to add alternates to the Directors with voting privileges. The League did so, and in 2001 Dave appointed Ken Payne his alternate. Ken became a member of the League, serving for Dave, and was later elected a Board member in 2003. Ken was elected League President in 2005, and is still President. Dave often kidded that he sent us his best, and that we stole him. As he became more active in the Senate, and with the difficulties the state is having, he recognized he could not continue his participation in League activities. At the end of 2006 he asked that he no longer be considered for the 2007 Board of Directors. Dave and Maggie, continued as League members until now.

"...our loss goes far beyond..."

Bob Creedon's background is as unusual as Dave's. He learned Japanese as a boy, and at age 16 during World War 2, lied about his age and enlisted in the Army. He had an experience during the war that was unique. The Army, using him as an interpreter, attached him to a paratrooper unit that jumped into Yokohama, Japan the day after the Japanese surrendered, to secure the city's airport. Although not trained as a paratrooper, he was given a short explanation on jumping and landing. He said the event was eerie. When they got into the city, there was no-one on the streets. The only sound they heard was their own boots hitting the pavement. His guess was that when the Emperor said the war was over, it was over.

Bob was in the car business for more than 60 years, starting as a salesman in Philadelphia to earn money to go through law school. However, he found he earned more money selling cars than lawyers made, and stayed in the automobile business. He came to Sacramento in 1979 as manager of Senator Ford, and wound up buying the company, and expanding it to include Mazda, Hyundai, and Subaru dealerships, all on Florin Road. During this time he became a member of the Taxpayers League, was elected a Director, and served as a Vice President for many years until his demise. As a community activist he helped form the Florin Road Partnership, and became its leader. The organization voluntarily taxed itself to strengthen their businesses in competition with other expanding businesses in the county. He met often with the city's leaders to foster cooperation to help build up the Florin Road enterprises. He also engaged in other community activities as an activist, helping introduce the Kings players to the community; and helped the Jessie Baker School for special-needs students in 5th Elk Grove Unified School District

We sorely miss Dave and Bob, but our loss goes far beyond that. The community's loss is greater than ours when such active giants as Dave and Bob pass away.

by: Joe Sullivan

# MONTHLY BOARD MEETING

The Sacramento County Taxpayers' League meets for lunch on the third Thursday of each month (except August and December) at :

**Denny's Restaurant**  
**7900 College Town Drive**  
**(Howe Ave. and Hwy 50)**  
**Sacramento CA 95826**

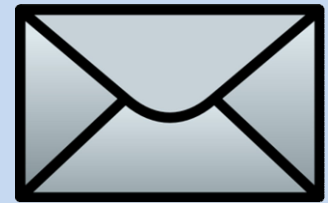
Although this is an official Board meeting of the League, guests are encouraged and welcomed to attend. Each month the Board discusses topics of community interest that affect all taxpayers.

Come join us at anytime!

## MEMBERSHIP

YES! I am concerned about Sacramento. Please enroll me as a member of the Sacramento County Taxpayer's League. I have checked my membership level below, and my check is enclosed.

Name: \_\_\_\_\_  
Firm name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_



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|---|-------|
| <input type="checkbox"/> Gift (1 <sup>st</sup> year only) | \$20  |
| <input type="checkbox"/> Student                          | \$20  |
| <input type="checkbox"/> Individual                       | \$45  |
| <input type="checkbox"/> Family                           | \$60  |
| <input type="checkbox"/> Professional                     | \$75  |
| <input type="checkbox"/> Small Business                   | \$140 |
| <input type="checkbox"/> Medium Business                  | \$295 |
| <input type="checkbox"/> Large Business                   | \$600 |
| <input type="checkbox"/> Large Corporation                | \$850 |

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# What is the Taxpayer's League?

In 1961, the Sacramento County Taxpayer's League was formed by you, the local citizens and your businesses and professional organizations. The goal: to monitor tax issues, utility rates, bond measures and City and county budgets. When concerns arise, the league is there writing to your elected officials, testifying at public meetings and making certain that Taxpayer's concerns are represented.

## 2010 OFFICERS & DIRECTORS OF THE TAXPAYERS' LEAGUE

### President:

\*KEN PAYNE, Project Manager

### Vice Presidents:

\*JON COUPAL, President,  
Howard Jarvis Taxpayer  
Association

\*KATY GRIMES, Political  
Journalist

\*CRAIG POWELL, Attorney

### Secretary:

\*DIANE SCHACTERLE, ACRI,  
Director of Policy & Planning

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JEFF ALLEN, IT Analyst

JEFF ATTEBERRY, Civil Engineer

CARL BURTON, People's Advocate, Inc.

LARRY CARLI, Retired, Co. Sheriff, D.A.

TED COSTA, CEO, People's Advocates, Inc.

KARL DAMBACHER, Professor

MIKE DAY, President BESTCO

TROY DININ, Raley's Superstores

MARCIA FRITZ, Pres. CA Fnd. for Fiscal Responsibility

ED GREBITUS, JR., E.A. Grebitus & Sons, Inc.

THOMAS HILTACHK, Bell, McAndrews & Hiltachk

\*BILL HIRSCHFELT, John O. Bronson Company

BILL JOHNSON, Geophysicist & Civil Engineer

W. BRUCE LEE, Fiscal Policy Analyst

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LARRY MASUOKA, San Juan Sch. Dist., Bd. of Trustees

AL McNULTY, Taxpayer

\*RICHARD MERSEREAU, Taxpayer-Policy Analyst

ROGER NIELLO, Assemblyman 5<sup>th</sup> District

TIMOTHY RAY, AT&T

DAVID SANDER, Rancho Cordova, City Councilman

\*Executive Board



### Sacramento County Taxpayer's League

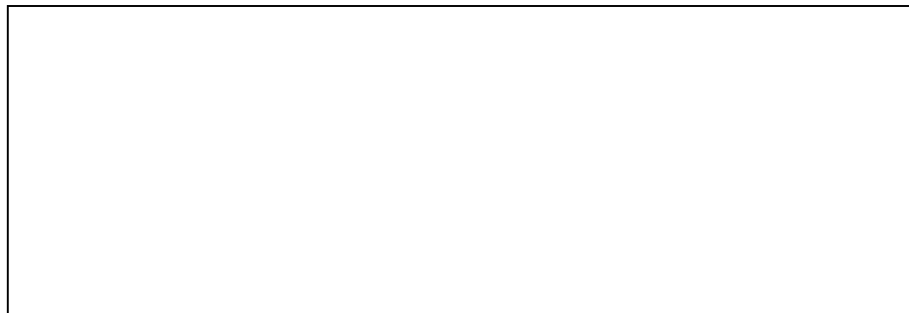
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