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Redding officials not surprised by business-funded analysis

By Scott Mobley, Record Searchlight

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Relief might be too strong a word.

But top Redding officials seemed happy Tuesday that an independent analyst found no financial malfeasance or budget bombshells at City Hall.

"It's kind of what we expected," City Manager Mike Warren said of the business group-funded report, released Tuesday. "We were not worried. We are audited by outside auditors and we have never had financial difficulty. But it was nice to have an outside body say it."

The City Council could consider the report at its Oct. 18 meeting, Warren said.

The Greater Redding Chamber of Commerce, the Shasta Builders' Exchange and the Shasta Association of Realtors commissioned the \$15,000 report in July. The business groups said they wanted assurance that the city can afford its pension obligations.

Steve Frates, a Newport Beach-based municipal analyst, issued 10 recommendations on the city's finances. Nearly all focus on clarifying the city's budget documents so residents can get a better grasp on pension liabilities, electric utility debt and fund transfers.

Frates briefed the five council members at different times Tuesday, to avoid violating the Brown Act open meetings law.

"He thinks the public needs to see more of what we are doing," Mayor John Mathena said later Tuesday. "And he said retirement is going to eat you alive if you don't slow down. There's nothing wrong with the city otherwise."

City negotiators will meet with public employee unions later this year and next to hash out new labor contracts.

Escalating pension and benefit costs will likely be major sticking points. Union officials have said their members traded more generous salary increases for those benefits.

A city appointed citizens budget committee in June recommended that Redding require its 800-plus employees to pay up to 20 percent of their health insurance premiums to help cut costs.

Frates "might have a valid point" about getting more budget information to the public, said Mathena, who sat on the budget committee before running for council in 2002.

Vice Mayor Ken Murray also said he supports greater transparency in the city's budget documents.

Deputy City Manager Randy Bachman, who oversees much of the city's financial planning, said Frates made some useful recommendations. The city will consider listing operational and capital costs separately and including more years of data, he said.

But officials are wary of giving the public more information than it can use. Interested citizens can already pore through a nine-inch thick budget details document on file at the city clerk's office, Bachman noted.

"It's a balancing act," Bachman said. "We can do a better job. But we'll never be perfect."

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