

Redding

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Businesses target city budget

Chamber, other groups seek assurance on affordability of pensions, overtime

By **Scott Mobley, Record Searchlight**

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Redding's three business lobbies continue to seek assurance that City Hall can afford its promised pensions, health insurance and other employee benefits.

The Greater Redding Chamber of Commerce, the Shasta Association of Realtors and the Shasta Builders' Exchange have posed a dozen questions to city officials about "areas of concern."

These include employee absenteeism, disability leave and overtime coverage, along with pensions and medical benefits.

Assistant City Manager Randy Bachman has said the city expects to release its response to the questions sometime today.

This latest probe into City Hall's balance sheets comes nearly a year after the three business groups hired Steven Frates, a Southern California consultant, to scrutinize municipal finances.

Frates pronounced Redding in good financial shape but flagged rising pension costs -- especially for firefighters -- as a concern.

He also urged city officials to clarify budget documents so the average resident could easily understand how and where the city is spending tax dollars.

Just after Frates came to town, the city unveiled a public opinion survey showing soft support for a sales tax increase to help pay for more police and firefighters, library services and street maintenance.

The City Council quashed the idea of educating voters on the need for such a tax, as Frates recommended.

Even so, the business groups fear some future council will seek a sales tax increase should pensions, overtime and other benefits become unaffordable.

"Many in the business community have a concern that were the sales tax increased, it could damage our local economy and put Redding at a competitive disadvantage with other adjacent cities," chamber CEO Frank Strazzarino said Wednesday in an e-mail.

And even if the city does not ask voters to approve a higher sales tax to support costly employee benefits, the expenses siphon general-fund dollars that could go to streets and public safety, Strazzarino said.

The business groups presented no evidence that Redding suffers chronic or even mild worker absenteeism.

Nor do the groups have proof that Redding's pension and health insurance obligations, disability claims or overtime expenses are especially onerous.

Indeed, the groups are essentially asking the city to reassure them that the expenses will remain affordable.

"No conclusions have been drawn yet, which is why we look forward to reviewing the city's answers to our questions," Strazzarino said.

The business groups attached their questions to a brief July 26 letter signed by Starzzarino, Builders' Exchange CEO Kent Dagg and Marie Whitacre, Government Affairs Directors for the Shasta Association of Realtors.

The groups asked the city to respond within 30 days.

The letter followed a July 24 meeting between City Manager Kurt Starman, Assistant City Manager Randy Bachman and the three business leaders, the letter says.

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