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JAWS I AND THE POLITICS OF BUDGETARY REDUCTION  
THE CITY OF PASADENA: A CASE STUDY

Joel Balbien



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ABSTRACT

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On June 6, 1980 California voters passed the Jarvis Gann Property Tax initiative, cutting statewide property taxes by 57 percent and thereby reducing local government revenues by seven to eight billion dollars annually.

The property tax initiative and location of Caltech within Pasadena provided a unique opportunity for a detailed case study of the manager council system of local government.

INTRODUCTION: PASADENA BEFORE JARVIS-GANN

Pasadena is a general charter city of 108,000 people located at the western end of the San Gabriel Valley about twelve miles north of Los Angeles. Formally it has a strong manager-council system of government with the emphasis on a strong manager. In Pasadena the City Manager's office has been divided into three parts: the City Manager, who is the chief executive of the city and liaison between the Board and city staff, and his two assistants--one in charge of advance planning and economic development, and another who heads the Management Analysis Division, responsible for the efficient current operation of the city departments. The City Manager's office helps set the agenda and controls much of the information received by the seven members of the Board of Directors. As a result, he has substantial influence over city policy.

The power of the City Manager's office is also strengthened by Pasadena's political system. There is no opposition party searching for issues that will enable it to regain power in the next election. As a result, elections become personality contests with candidates

and their supporters usually choosing the issues they want to raise. Moreover, electoral and organizational resources are concentrated in interest groups most often allied with office holders and the City Manager's office rather than being concentrated in party organization (e.g., the Chamber of Commerce, professional associations, service clubs, and the Tournament of Roses Committee, etc.) Such organizations receive annual funding or grants from the City.

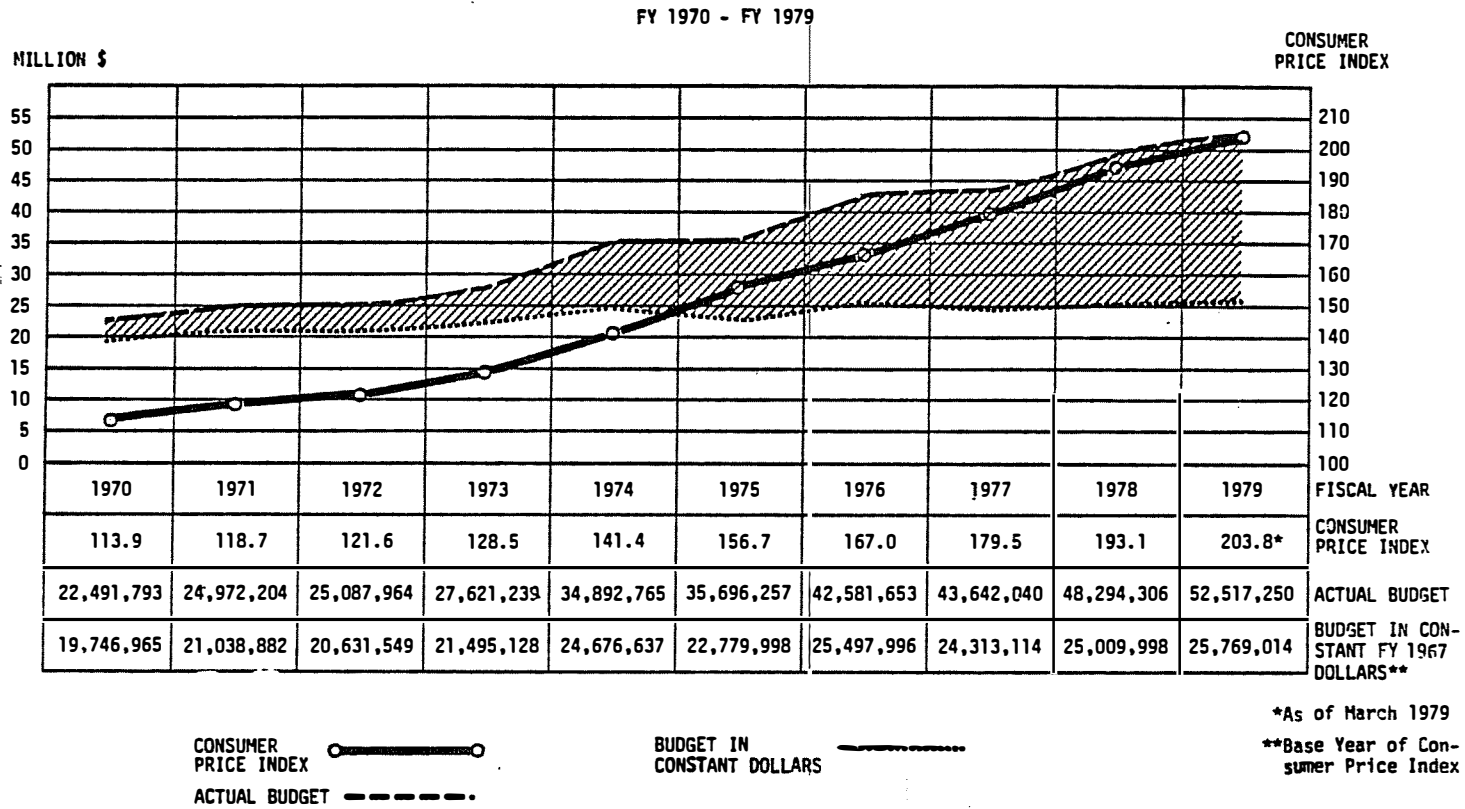
Changes in Pasadena's election laws have strengthened city-wide constituencies. Prior to 1920, city directors were elected by a majority vote of their districts. In 1920 progressive-style municipal reforms swept the City. For the next forty seven years directors were both nominated and elected in city-wide elections. Since 1967 the election rules have been changed again. The seven members of the Board of Directors are now nominated in district primaries. A candidate receiving a majority of the total vote cast is the only candidate on the city-wide ballot. If no candidate receives a majority in the primary, the names of the two candidates with the highest number of primary votes are placed on the ballot. However, the system permits a candidate residing in a district to mount a city-wide write-in campaign against his district's nominee or nominees. As a result city-wide coalitions, e.g., based on common economic interest or race, could utilize write-in campaigns to deny a district's nominee or nominees a place on the council. According to one candidate, this almost occurred in the 1974 city-wide elections, when an unpopular incumbent nearly won reelection as a write-in candidate.<sup>1</sup>

Another major change in Pasadena government in the decade prior to Jarvis Gann was brought about by a large infusion of federal and state categorical grants, redevelopment funds and revenue sharing. As a result, the City was able to expand in both the diversity of government activity and the level of real expenditures. Table 1 indicates that real expenditures have grown by over six million dollars since 1970. This expansion of Pasadena services made possible by federal assistance came in two phases: redevelopment of the downtown area, particularly in the early 1970s, followed by neighborhood redevelopment and human services after 1974.

Downtown redevelopment in Pasadena illustrates a local program initiated by a coalition consisting of city staff, elected officials, and parts of the business community, and funded in part by inter-governmental transfers. Beginning in 1970 city officials approved considerable GF expenditures on staffing, studies, and promotion of downtown redevelopment, as well as a \$87,000 per year contribution to the Chamber of Commerce to promote economic development in Pasadena.<sup>2</sup> The City's Assistant City Manager for Economic Development spent several man years pursuing federal funds and managing federally financed redevelopment programs. These efforts resulted in federal funds for the Pasadena Redevelopment Agency (PRA), which applied tax increment financing for land disposition and assembly within Pasadena's business district.

Among the notable successes in downtown redevelopment (financed by tax increment bonds and federal funds to support the PRA) were the Bank Americard Center, Parson's Complex, Pasadena

FIGURE I



Source: City of Pasadena, City Manager's Budget Recommendations, FY 1980. Pasadena, California.

Center Holiday Inn, and the Orange Grove Village, a 122 unit condominium townhouse development.<sup>3</sup>

Loretta Glickman, a member of Pasadena's Board of Directors, claimed that a form of "power elite", including community leaders and businessmen pushed the concept of downtown redevelopment as well as particular projects: "Until a few years ago, a small group of people determined the future of the City. They decided a long time ago to redevelop downtown. That is why all the staff is for it. They were hired to be for it."<sup>4</sup> According to former city director Robert Oliver, the members of Pasadena's redevelopment coalition were people from overlapping groups, including the Board of Directors, citizen advisory committees, city staff, Star News, the Chamber of Commerce, and the Tournament of Roses Committee.<sup>5</sup>

In all likelihood the City's Assistant City Manager for Economic Development, together with a former member of the PRA and Chairman of the Board of Mutual Savings, and with Pasadena Now (a select group of the more powerful members of the Pasadena Chamber of Commerce) were influential in guiding one important project, a regional shopping center, through a maze of administrative obstacles and opponents attempting to block its final approval.<sup>6</sup> One Board member (District 5 director for nine years) apparently strengthened the proponents' political power in Pasadena government between 1969 and 1973 through strategic appointments to the two most powerful advisory commissions: the Resource Allocation Committee (R.A.C.) and the Planning Commission.<sup>7</sup>

These appointments also enabled the redevelopment coalition to plan the City's capital budget. According to one high official, its power base also extended into the City Manager's office and into some city departments.

However, Pasadena's ambitious redevelopment policies may be curtailed in the future. There is general agreement that under the limitations imposed by Jarvis-Gann tax increment financing is dead in California. Judy Hopkinson, PRA Assistant Executive Director, commented in May 1978: "There will never be another tax increment bond sold in the State of California if Jarvis passes . . ."<sup>8</sup> Moreover, with real estate assessments rising at only 1 percent per year under Jarvis-Gann, it is questionable whether the existing tax increment debt will ever be fully repaid. The Los Angeles Times reported that as a result of Proposition 13, \$58 million in bonds sold by the Pasadena Redevelopment Agency could go into default.<sup>9</sup> Fortunately for Pasadena, the City is not legally obligated to repay tax increment debt.

Nevertheless, Pasadena's redevelopment projects have forced local street improvements and expansion of the City's infrastructure because of a growing demand for sewerage, natural gas, and electricity. Although users have shared additional city costs through higher service charges, federal transfers, particularly General Revenue Sharing and Federal Urban Aid, which the City receives with few strings attached, have provided additional funds for infrastructure improvements.

From 1975 to 1980 the City used over a million dollars per year in Federal Revenue Sharing funds completely for capital improvements. According to city officials, this practice stemmed from conservative management procedures. "Revenue sharing is here today, but uncertain in the future. . . . Financial managers don't want the City to get hooked on revenue sharing in order to balance the budget."<sup>10</sup> Thus, unless the City faced a serious financial crisis (such as might occur in a recession or with the passage of Jarvis-Gann), GRS funds were used for specific capital programs selected and ranked according to priorities set by the powerful Resource Allocation Committee (RAC).\*

The use of revenue sharing funds for some capital projects tended to raise tax-supported General Fund (GF) expenditures in future years through increased operations and maintenance costs. The City Manager cited two projects funded by revenue sharing, freeway landscaping and a recreation center, as raising the City's operating costs. The recreation center was a major addition to facilities (see Table 1).<sup>11</sup>

Pasadena's recent endeavors in the areas of human services and neighborhood rehabilitation have also increased local government costs. The City Manager's FY 1979 budget recommendations, prepared prior to the passage of Jarvis-Gann, stated: ". . . in the past five years the city has initiated over sixty new programs. Pasadena is involved in a wide spectrum of activities including Helicopter

\*With the passage of Jarvis-Gann, the City plans to shift general revenue sharing funds from its capital to operating budget beginning in FY 1980.

TABLE 1  
DISTRIBUTION OF REVENUE SHARING FUNDS WITHIN  
PASADENA'S CAPITAL IMPROVEMENTS PROGRAM

| Project Category  | Pre-Jarvis<br>Total Cost<br>77-83 | Percentage of<br>Budget Funded<br>or Completely | Capital<br>in Part<br>by GRS* |
|---|-----------------------------------|---|-------------------------------|
| Parks & Recreation  | \$ 7,444,000                      | 58  |                               |
| Traffic Control   | 1,759,400                         | 47  |                               |
| Municipal Bldg. &<br>Facilities                                 | 12,276,000                        | 36  |                               |
| Landscaping &<br>Street Trees                                   | 1,970,500                         | 32.7  |                               |
| Electric Systems  | 41,901,500                        | 0   |                               |
| Water Systems   | 7,214,550                         | 0   |                               |
| Street Improvements   | 22,298,000                        | 30  |                               |
| Street Lighting   | 3,579,000                         | 28.6  |                               |
| Street Lighting<br>Related to<br>Undergrounding<br>of Utilities | 1,343,000                         | 0   |                               |
| Storm Drains  | 1,964,000                         | 9   |                               |
| Sewers  | 2,639,000                         | 0   |                               |
| Golf Course   | 267,000                           | 0   |                               |

\* General Revenue Sharing

Source: City of Pasadena, "City Manager's Budget Recommendations Fiscal Year 1979," May 9, 1978: pp. 4-2 to 4-62.

Patrol, hamburger-content analysis, six separate housing rehabilitation loan programs, cultural heritage and human services activities. New programs begun since FY 1974 now account for \$8.6 million of the annual budget."<sup>12</sup>

These new programs consumed state and local as well as federal revenues. For example, in FY 1977-'78 the City established a commission on the status of women (see Table 2), supported by the general fund to provide a liaison between women in the community and the city government. Such programs increased the City's administrative costs. Although federal categorical programs such as the Comprehensive Employment Training Act (CETA), which provides public service jobs for minorities, low income people, or the unemployed, and Community Development Block Grants (CDBG) set aside some funds to cover administrative cost, an official in the Pasadena Planning Department stated that it required four people funded in part by the general fund to administer the City's CDBG projects.<sup>13</sup> He estimated that smaller grants of between \$50,000 and \$100,000 require 25 percent of a man year to administer.<sup>14</sup>

Federal and state grants, E.G., CETA and NSF, also enabled the City to support both blue and white collar personnel that could not be locally funded. For example, a science advisor could be sheltered with federal money when local revenues declined.<sup>15</sup> However, since 1970 the impact of federal and state programs on the number of full time staff (FTE) employed by the City does not appear significant, being overshadowed by manpower savings associated with the adoption of data processing and administrative changes made by a new city manager.

TABLE 2  
NEW LOCAL PROGRAMS AND COMMUNITY INTEREST GROUPS

| Program:                           | Commission on the Status of Women | Fund:               | General             |
|------------------------------------|-----------------------------------|---------------------|---------------------|
| Account:                           | 138                               |                     |                     |
| Department:                        | Personnel                         |                     |                     |
|                                    | Actual<br>1976-77                 | Budgeted<br>1977-78 | Proposed<br>1978-79 |
| REGULAR EMPLOYEES                  |                                   |                     |                     |
| WORK HOURS                         |                                   | 5,520               | 5,520               |
| EXPENDITURES                       |                                   |                     |                     |
| <u>Personnel</u>                   |                                   |                     |                     |
| Regular Salaries                   | \$                                | \$ 28,768           | \$ 16,227           |
| Other Salaries                     |                                   |                     | 5,720               |
| Fringe Benefits and Other          |                                   |                     | 21,947              |
| Total Personnel                    |                                   | 28,768              |                     |
| <u>Services and Supplies</u>       |                                   |                     |                     |
| Materials and Supplies             |                                   |                     | 500                 |
| General Services Supply Store      |                                   |                     | 1,287               |
| Services, Contracts, Rentals       |                                   |                     | 120                 |
| Travel and Educational             |                                   |                     | 1,410               |
| Auto Allowance and Gasoline        |                                   |                     | 200                 |
| Audiovisual and Reference Material |                                   |                     | 700                 |
| Telephone, Utilities, Postage      |                                   |                     | 2,456               |
| Other Operating Services           |                                   |                     |                     |
| Subtotal                           |                                   |                     | 6,673               |
| General Services Charges           |                                   |                     | 5,896               |
| Total Services and Supplies        |                                   |                     | 12,569              |
| <u>Capital Acquisitions</u>        |                                   |                     | 1,575               |
| TOTAL EXPENDITURES                 | \$                                | \$ 28,768           | \$ 36,091           |

DESCRIPTION OF PROGRAM: The Commission on the Status of Women studies and seeks solutions to women's problems, recommends alternatives, and provides referral and other services. Acting as a liaison between women in the community and the City government, the Commission conducts such outreach efforts as monthly community meetings, an annual conference, issue committees made up of local women, and interaction with local women's organizations. The Commission assists the City employment system in its efforts to comply with the law and principles of equal employment opportunities by means of input to the Management Development and Affirmative Action Programs as well as a review of the City's four hundred job classifications.

WORK PLAN: Answer 2000 inquiries from the community as well as referrals from City staff; maintain a talent bank of 500 women to assist the Board of Directors in appointments to other advisory bodies; conduct nine single-issue workshops, one multi-issue conference, and at least twelve community meetings reaching over 1000 women; issue a bi-monthly newsletter to 2000 Pasadena women; maintain seven issue committees (75 citizens participating) and publish information for Pasadena women on the issues of Child Care, Education, Employment, Leadership Development, Violence Against Women, and Media; continue interaction with 50 local organizations concerned with women's issues.

Source: City of Pasadena, "City Manager's Budget Recommendations Fiscal Year 1979," May 9, 1978: pp. 2-30.

TABLE 3

|  |                     |                      |                   |
|--|---------------------|----------------------|-------------------|
| PROGRAM: Auditing and Special Services           | FUND: General       |                      |                   |
| ACCOUNT: 119                                     | DEPARTMENT: Finance |                      |                   |
|  | FY 1978             | FY 1979              | FY 1980           |
|  | <u>ACTUAL</u>       | <u>BUDGETED</u>      | <u>PROPOSED</u>   |
| <b>EMPLOYEES</b>                                 |                     |                      |                   |
| Regular Full Time                                | 6.0                 | 9.0                  | 11.0              |
| Other (Converted to F.T.E.)                      | -                   | -                    | -                 |
| <b>TOTAL EMPLOYEES</b>                           | <u>6.0</u>          | <u>9.0</u>           | <u>11.0</u>       |
| <b>EXPENDITURES</b>                              |                     |                      |                   |
| Personnel  |                     |                      |                   |
| Regular Salaries                                 | \$ 43,221           | \$ 91,043            | \$ 205,522        |
| Other Salaries                                   | 616                 | -                    | -                 |
| Benefits and Misc. Pay                           | 23,330              | 34,480               | 74,360            |
| Subtotal Personnel                               | <u>67,167</u>       | <u>125,523</u>       | <u>279,882</u>    |
| Non-Personal                                     |                     |                      |                   |
| Services and Supplies                            | 21,824              | 19,986               | 47,832            |
| General Services Charges                         | 13,206              | 6,514                | 6,373             |
| Subtotal Non-Personal                            | <u>35,030</u>       | <u>26,500</u>        | <u>54,205</u>     |
| Capital Acquisition                              | -                   | -                    | 500               |
| <b>TOTAL EXPENDITURES</b>                        | <u>\$ 102,197</u>   | <u>\$ 152,023</u>    | <u>\$ 334,587</u> |
| <b>REVENUE:</b>                                  |                     |                      |                   |
| Comprehensive Employment and Training Act (CETA) |                     |                      | \$ 28,881         |
| General Fund                                     |                     |                      | <u>305,706</u>    |
|  |                     | <b>TOTAL REVENUE</b> | <u>\$ 334,587</u> |

PROGRAM DESCRIPTION: The Auditing and Special Services program provides: auditing of the City's internal financial controls and of subcontractors under Federal Grants; specialized accounting services to the Local Housing Authority and the Fire and Police Retirement System; and liaison between independent outside auditors and City staff.

MAJOR CHANGES FROM FY 1979: Accounting for the Local Housing Authority has been transferred to this program from the Housing and Community Development Department.

**FY 1980 WORK PLAN:**

- Audit 26 payrolls
- Review at least 15 daily disbursement registers
- Perform 6 audits of offsite revenue collections
- Monitor 10 audits by independent public accountants

Source: City Manager's Budget Recommendations FY 1980. Pasadena, California, May 10, 1979.

Thus, in the decade prior to Jarvis-Gann, new areas of local government concern in Pasadena -- downtown redevelopment and human services -- underwent rapid growth. These new programs consumed local as well as state and federal revenues.

PASADENA'S EARLY RESPONSE TO JARVIS-GANN

This section describes the response of Pasadena officials to Jarvis-Gann and outlines the factors that conditioned that response. Proposition 13 was brief, combining legal simplicity with bluntness and brevity. However, because of its simple but ambiguous working and uncertainty over how the federal and state government would respond to Proposition 13's passage, it was impossible for local governments to calculate an exact fiscal impact. As a result many city, county, and school officials did little fiscal planning before the election. Their primary response to the initiative was to formally oppose it and warn of cuts in vital services if Jarvis-Gann passed.

Some cities, such as Pasadena, developed a range of fiscal impacts that were used in budgetary planning and political posturing well in advance of Proposition 13's passage on June 6. As a result, the city staff's preparation and directors' approval of the annual budget (June and July) were greatly facilitated. Furthermore, Pasadena was well prepared after the primary to lobby the legislature for a share of the reduced property tax base and the state's five billion dollar surplus.



However, interviews with city officials suggest Pasadena acted early primarily because the City's staff was against the initiative and sought to inform community and city employees of the initiative's probable impact on jobs, programs, and services.

The City's top management hoped their efforts would mobilize opposition to Jarvis-Gann among public-employee unions, low-income people, and neighborhood groups. Discussing the planning of a Jarvis-Gann budget, the City Manager wrote in his first Jarvis-Gann report to the directors: "It is hoped that the Board's decision could be made prior to the end of March so that sufficient time could be available for the media to disseminate this information to the community."<sup>16</sup> A representative of the Firefighters Association commented that although he felt he was being used by management to encourage community opposition to Proposition 13, he couldn't take the chance that proposed closure of stations and resulting layoffs of firemen were scare tactics.<sup>17</sup> The initiative was a threat to firefighters and to community fire protection. As a union representative he had to protect union members, which meant opposition to Proposition 13.<sup>18</sup>

Thus the first phase in the City's response to Jarvis-Gann was mobilization of public opposition to the tax cut initiative. This was done by publicizing an agenda of service reductions and layoffs and exaggerating the fiscal impact of Proposition 13 (see Figure II). For example, in February the Management Analysis Division (MAD) calculated upper and lower limits of cuts in Pasadena's GF that they believed would occur if Proposition 13 passed.

LOSS OF PROPERTY TAXES

| <u>Limitation under Jarvis-Gann</u>  | <u>Estimated Loss<br/>February 21, 1978</u> | <u>Actual Loss<br/>FY 1979</u> |
|--------------------------------------|---|--------------------------------|
| 1 percent tax rate limitation        | \$ 7,718,359                                | \$ 6,068,639                   |
| Potential loss of all property taxes | 2,468,843                                   | 0                              |
| Estimated range of revenue losses    | 7,691,695 - 10,187,202                      |                                |

Source: City of Pasadena, "Information Report Jarvis Gann Tax Limitation Initiative," (February 21, 1978): p. 8.

TABLE 4

Do you agree or disagree that there would be drastic cuts in important local services if Jarvis-Gann passed?

| CUTS         | <u>For</u> | <u>Against</u> | <u>Undecided</u> |                        |
|--------------|------------|----------------|------------------|------------------------|
|              |            |                |                  | INCOME < \$8,000/yr.   |
| Agree        | 0          | 85.7           | 14.3             |                        |
| Disagree     | 69.2       | 15.4           | 15.4             |                        |
| Total sample | 31.4       | 34.3           | 34.3             |                        |
|              |            |                |                  |                        |
| CUTS         | <u>For</u> | <u>Against</u> | <u>Undecided</u> |                        |
|              |            |                |                  | INCOME \$8,000-12,000  |
| Agree        | 28.6       | 71.4           | 0                |                        |
| Disagree     | 50.0       | 35.7           | 14.3             |                        |
| Total sample | 36.4       | 36.4           | 27.3             |                        |
|              |            |                |                  |                        |
| CUTS         | <u>For</u> | <u>Against</u> | <u>Undecided</u> |                        |
|              |            |                |                  | INCOME \$12,000-20,000 |
| Against      | 42.9       | 50.1           | 7.1              |                        |
| Disagree     | 74.1       | 3.7            | 22.2             |                        |
| Total sample | 55.6       | 18.5           | 25.9             |                        |
|              |            |                |                  |                        |
| CUTS         | <u>For</u> | <u>Against</u> | <u>Undecided</u> |                        |
|              |            |                |                  | INCOME \$20,000-30,000 |
| Agree        | 11.1       | 88.9           | 0                |                        |
| Disagree     | 53.8       | 30.8           | 15.4             |                        |
| Total sample | 39.0       | 39.0           | 22.0             |                        |
|              |            |                |                  |                        |
| CUTS         | <u>For</u> | <u>Against</u> | <u>Undecided</u> |                        |
|              |            |                |                  | INCOME > \$30,000      |
| Agree        | 21.1       | 75.4           | 3.5              |                        |
| Disagree     | 66.1       | 16.1           | 17.5             |                        |

The Board of Directors and senior staff were also divided over the approach to budget cutting. The directors initially favored across-the-board cuts in department budgets because flat percentage reductions appear politically neutral and are simple to implement.<sup>22</sup>

However, the staff was strongly opposed to the concept of across-the-board reductions. (Pasadena's annual budget is organized into department budgets which are further divided into specific programs or tasks.)<sup>23</sup> Instead they favored program reductions which might result in a few programs of high quality rather than many poor quality services. A union representative seemed to agree with this budget cutting philosophy when he stated: ". . . it is wasteful to cut across the board because if you don't have enough personnel to do a job properly, you might as well eliminate the entire task."<sup>24</sup>

Dennis O'Rourke, administrative assistant in MAD, added the following criticisms of across-the-board cuts:

. . . they ignore relative levels of federal funding (significant in human services and HCD), loss of CETA funds, relative labor intensity of departments, differences in labor contracts and the revenue-raising function of some departments (i.e., Clerk, Finance, and HCD).<sup>25</sup>

However, there were additional reasons for top management's strong preference for budget cuts targeted at specific programs rather than flat percentage cuts. The City Manager and his assistants felt that certain departments were relatively more inefficient and proposed cost reductions that were under consideration well before

the tax revolt.<sup>26</sup> For example, based on a study by an independent consultant, the City Manager proposed the closure of Fire Station 3 in both the FY 1979 budget, prepared before Proposition 13 became an important issue, and the Jarvis-Gann budget.<sup>27</sup> He believed that consolidation of at least two stations could save the City money without reducing the level of fire protection. While Pasadena's fire chief did not disagree with the consolidation of two stations, he felt that in general, "Decisions to close fire stations are based on politics, not economics or science."<sup>28</sup> He also concluded that threatened cuts in firefighting manpower inspired by Jarvis-Gann would have reduced the level of fire protection.<sup>29</sup>

Privatization of certain public works activities was another policy option investigated by the City well before the election. The City Manager argued that independent studies and experience with refuse collection indicated that contracting out to the private sector might be 25 percent cheaper than public enterprise.<sup>30</sup> However, the public employee unions sharply disagreed, countering that private contractors provide lower quality services and invite political corruption through the contract selection process. Proposition 13 provided top management with an opportunity to propose these controversial policies in a political environment favorable towards budget cuts and improving productivity in local government. However, the City Manager recognized that layoffs of public employees, whether to improve efficiency or save money, were politically sensitive. "It is much easier to cut staff from public works than from library, fire and police because the latter have well organized and vocal constituencies."<sup>31</sup>

#### PREPARING AN AGENDA OF CUTS

In January 1978, five months before the election, the Management Analysis Division, with the consent of the Board, developed the agenda of fifty cost reductions and seventeen revenue increases, a combination of which could meet the City's maximum loss of revenue under Jarvis-Gann. After receiving feedback from the division chiefs, the City Manager presented the agenda to the Board of Directors on February 21. Interviews with city staff suggested that after February 2, 1978 the heads of the service departments had little if any participation in assigning priorities to or planning for Proposition 13 budget cuts.<sup>32</sup> Their involvement was limited further by the City's Charter, which precludes direct verbal communication between civil servants and elected officials.<sup>33</sup> Thus, future policy recommendations concerning Jarvis-Gann were developed exclusively by the City Manager and his two assistants with staffing assistance from the heads of Finance, Personnel, and the Management Analysis Division. Public employee unions also did not participate in developing the package of budget cuts or in assigning priorities to specific reductions.<sup>34</sup> Therefore it is not surprising that union spokesmen who attended Pasadena City Board meetings were sharply critical of the proposed package as well as of the priority groups of reductions developed later. Unions also assisted in generating community opposition to specific cuts, particularly closure of fire stations and branch libraries.<sup>35</sup>

The City Manager explained management's hierarchical decision-making as follows: "Proposition 13 forced major changes in

the structure of local government. . . . There has never been a radical restructuring of an institution by participation, under a time constraint. I believe in centralized authority to get things done. A cooperative effort by city employees and the department heads to cut government spending in the spirit of a truth-love model of administrative organization, by the July 1 deadline, would have collapsed because of self-interest."<sup>36</sup> As a result, decisions concerning Proposition 13 were made at the highest levels of the City's management and by the Board of Directors.

No doubt, if implemented, the cost reduction outlined in the first Jarvis-Gann report would have had a major impact on both city services and city employees. This supports the thesis that the agenda was designed to mobilize both public and union opposition to Jarvis-Gann. The complete package would have required a total reduction of 380 employees or 24 percent of the City's work force, including seventy three CETA-funded employees.<sup>37</sup>

These layoffs would have disrupted Pasadena's Affirmative Action efforts. For example, of the seventy three CETA positions to be eliminated, fifty seven were minority people and thirty three were women.<sup>38</sup> Moreover, among union-represented employee groups, layoffs would have been made on the basis of seniority, as required in contracts. Thus women and minorities would suffer most. The complete package of budget cuts would have reduced Pasadena's total women and minority work force by 39 percent.<sup>39</sup>

The complete package of service reductions called for closure of fire stations, elimination of some police services such as the

Helicopter Patrol, and major cutbacks in library services and public works. Examining Table 5 several patterns emerge. The largest absolute reductions in staffing and budgets were in labor-intensive departments (i.e., public works, fire and police protection, and libraries). Personnel, salaries, and fringe benefits are the single largest factor in the cost of local government, totaling 60.5 percent of Pasadena's FY 1977-1978 department operating budget. The Table also suggests that the architect(s) of the agenda felt that the Board of Directors and library departments showed the greatest potential for cuts on a percentage basis, suggesting that the services of those departments were either inefficiently produced or less important to management.<sup>40</sup> In contrast, the smaller percentage cuts in the GF budgets of Human Services and Housing and Community Development may have reflected local costs necessary to maintain federal and state programs. Recall that personnel in Human Services and HCD manage the county health and federal CDBG and CETA programs. The minuscule reductions proposed in the Finance Department budget reflected its revenue raising, auditing, and accounting functions, considered critical by management to the City's operations.<sup>41</sup>

This first group of reductions developed by the City Manager's office and MAD represented staff's priorities as to the direction and form that Proposition 13 budget cuts should take. The City Manager made it clear that management could live with the entire package of budget cuts. Thus the list of proposed reductions was a feasible subset, selected by staff, of all possible cost reductions. It preserved the basic administrative structure of Pasadena government.

TABLE 5  
IMPACT OF FIRST PACKAGE ON DEPARTMENTS  
FEBRUARY 21, 1978

|                  | FY77-78 G.F.B.<br>Less Federal,<br>State Grants<br>in G.F. | 20 Percent<br>Cut in<br>Department<br>Budgets | Total Staff<br>Recommended<br>Reduction/<br>Avoidance<br>Feb. 21, '78 | Personnel<br>Impact<br>(Equiv.) | Cuts as a<br>Percentage<br>FY 1978<br>Budget |
|------------------|--|---|---|---------------------------------|--|
| Board            | \$ 214,394   | \$ 42,879                                     | 95,200  | 2                               | 44.4   |
| City Manager     | 590,191  | 118,038                                       | 115,588   | 4                               | 19.6   |
| City Attorney    | 243,939  | 48,788  | 31,030  | 2                               | 12.7   |
| City Clerk       | 138,819  | 27,764  | 23,540  | 2                               | 17.0   |
| City Prosecutor  | 229,361  | 45,872  | 35,310  | 1                               | 15.4   |
| Finance          | 2,491,865  | 498,373                                       | 136,000   | 5                               | 5.5  |
| Personnel        | 554,255  | 110,851                                       | 134,300   | 7.75                            | 24.2   |
| Fire             | 5,664,758  | 1,432,952                                     | 1,080,700   | 41.4                            | 19.1   |
| HCD*             | 1,203,660  | 240,732                                       | 152,640   | 8.0                             | 12.6   |
| Human Services   | 1,345,612  | 269,122                                       | 68,558  | 5                               | 5.1  |
| Library          | 2,514,735  | 502,947                                       | 792,000   | 31                              | 31.4   |
| Police           | 9,858,399  | 1,971,680                                     | 1,022,568   | 30                              | 12.5   |
| Public Works     | 8,439,222  | 1,687,844                                     | 2,447,500   | 145.7                           | 31.3   |
| (1) Total        | <u>33,489,210</u>  | <u>6,697,842</u>                              |   |                                 |  |
| General Services | 5,294,312  |   | 280,366   | 10                              | 5.3  |
| City Wide        | 37,056,882   |   | 150,000   | -                               | .4   |
| Water & Power    | 0  |   | 297,422   | 13                              |  |
| CETA             | 126,000  |   | 66,000  | 73                              |  |
|                  |  |   | <u>6,631,300</u>  | 380.8                           |  |

\*HCD = Housing and Community Development.

Source: City of Pasadena, "Information Report Jarvis Gann Tax Limitation Initiative." (February 21, 1978).

The package did not include a number of alternatives such as: a four day work week; employee hiring freezes; renegotiation of cost-of-living increases; across-the-board cuts in management personnel; cuts in the City's transportation budget; privatization of general services, police, fire, legal and accounting activities; major reorganization of city departments to eliminate duplication, and reevaluation of the General Fund cost of some federal and state programs such as redevelopment. Some of these alternative cost-reductions were proposed for consideration by individual Board members or adopted after the elections. Perhaps the public interest would have been served if the City's staff had presented the Board with a complete set of potential cost-reductions.

The first list of potential Jarvis-Gann cuts also somewhat disorganized in the sense that program cuts were not ranked in any particular order or assigned to priority groups. The assignment of priorities to proposed cuts was a second critical phase in the City's response to Jarvis-Gann. Although the City executives informed the directors that they needed policy guidelines before making further decisions, the City Manager offered to assign his priorities to the proposed list of reductions if the Board wanted him to do so. However mid-management and other public employees preferred that the Board, an elected body, assign priorities to service reductions and employee layoffs. Nevertheless, the directors, demonstrating confidence in the City Manager, and desiring information in a concise and organized form, agreed to consider his priority groups of reductions, which they received on March 16, 1978, less than three months before the primary.

Political considerations apparently played a major role in the City Manager's ranking of budget cuts within departments and the organization of reductions into priority groups.<sup>42</sup> Some constituencies were spared having high priorities assigned to budget cuts in favored services while other groups were less fortunate. For example, consider the City's Public Works Department (PW). Mandatory PW commercial and curbside rubbish collection was ranked seventh among eight cuts. Yet curbside as opposed to backyard collection (which was extremely popular among both wealthy and elderly citizens) could have saved the City's GF \$500,000 per year.<sup>43</sup> Moreover, privatization of Public Works activities didn't even make the City Manager's priority list.

In contrast, the highest priorities were assigned to major budget cuts in fire and library services, suggesting the City Manager wished to further mobilize opposition to Proposition 13 among the politically influential supporters of these services, even though he knew that such cuts would be nearly impossible to pass. An alternative explanation is that he sincerely believed that the Fire Department was overstaffed and the branch libraries underutilized, and pursued the cuts even though he knew they would be unpopular. Under recommended fire reductions, the closure of three stations accompanied by the layoff of 37.4 fire fighters was ranked first followed by reclassification of positions (which reduced the income of fire engineers), and reduction of management levels (which would have eliminated the management of the Fire Department).<sup>44</sup>

For the Library Department, closure of all branch libraries, a savings of \$679,000 and a reduction of twenty-seven personnel, was ranked first, followed by reduction in administration.

Table 6 shows the potential impact of the City Manager's Priority Group I set of cuts on department budgets and personnel, and then compares the City Manager's recommendations to Board-approved actions completed by May 16, 1978.

As evident in Table 5 and Figure III, the final cuts agreed to by the directors differed significantly from the City Manager's recommendations. Prior to the election, the directors authorized cuts of \$4,155,899 in expenditures and deferment of \$1,186,700 in capital projects. This released GRS funds for use in general operations for the first time since 1975.<sup>45</sup>

In addition, the directors cut the City's transportation budget, doubled staff recommended reductions in human services and the City Manager's office, cut the budget for HCD by five times the staff recommendation, and approved modest reductions in their own department. Finally, the directors ordered a 1 percent cut in all city services supported by GF. The final package of cuts, if implemented, would have eliminated 157 positions.<sup>46</sup> As can be seen in Table 10, the biggest reversal for the City Manager was the Board's rejection of major cuts in fire operations. Yielding to the weight of public opinion, "No fire stations were ordered closed and no on line fire or police personnel were eliminated."<sup>47</sup> In addition, although ordering major reductions in operating hours, the Board refused to close the City's branch libraries.

TABLE 6

COMPARISON OF CITY MANAGER'S PRIORITY GROUP I  
TO BOARD-APPROVED CUTS

|                  | City Manager's<br>Priority Group I<br>March 16, 1978 | % FY78<br>G.F. Budget | Impact<br>on<br>Staff | Board Approved<br>Cuts<br>May 1978 | % FY78<br>G.F. Budget | Impact<br>on<br>Staff |
|------------------|--|-----------------------|-----------------------|------------------------------------|-----------------------|-----------------------|
| Board            | \$ 67,200  | 31.3                  | -                     | \$ 56,000                          | 26.1                  | 0                     |
| City Manager     | 47,080   | 8.0                   | 2                     | 115,588                            | 19.6                  | 4                     |
| City Attorney    | 11,770   | 11.5                  | 1.                    | 31,030                             | 12.7                  | 2                     |
| * City Clerk     | 35,310   | 11.5                  | 2.0                   | 0.0                                | 0.                    | 0                     |
| City Prosecutor  | 23,540   | 11.5                  | 1.0                   | 0.0                                | 0.                    | 0                     |
| Finance          | 136,000  | 5.5                   | 5.                    | 136,000                            | 5.5                   | 5                     |
| Personnel        | 28,000   | 5.0                   | 1.75                  | 64,000                             | 11.5                  | 4.75                  |
| Fire             | 903,080  | 15.9                  | 37.4                  | 177,620                            | 3.1                   | 6.                    |
| HCD              | 32,419   | 2.7                   | 2.0                   | 152,640                            | 12.6                  | 8.                    |
| Human Services   | 64,537   | 4.8                   | 14.0                  | 146,939                            | 10.9                  | 18.                   |
| Library          | 679,000  | 27.0                  | 27.0                  | 400,500                            | 15.9                  | 15.                   |
| Police           | 83,140   | .8                    | 4.8                   | 231,053                            | 2.3                   | 10.                   |
| Public Works     | 1,654,500  | 19.6                  | -                     | 1,880,047                          | 22.3                  | 9.                    |
| General Services | 272,000  | 5.14                  | 23.0                  | 83,000                             | 1.57                  | 2                     |
| City Wide        | 150,000  | .4                    | -                     | 615,482**                          | -                     | 0                     |
| Water & Power    | 0  | 0                     | 0                     | 0                                  | 0                     | 0                     |
| CETA             | <u>126,000</u>                                       | 100.00                | <u>73.0</u>           | <u>66,000</u>                      |                       | <u>73</u>             |
| Total            | \$4,313,576  |                       | 193.95                | \$4,155,899                        |                       | 157.0                 |

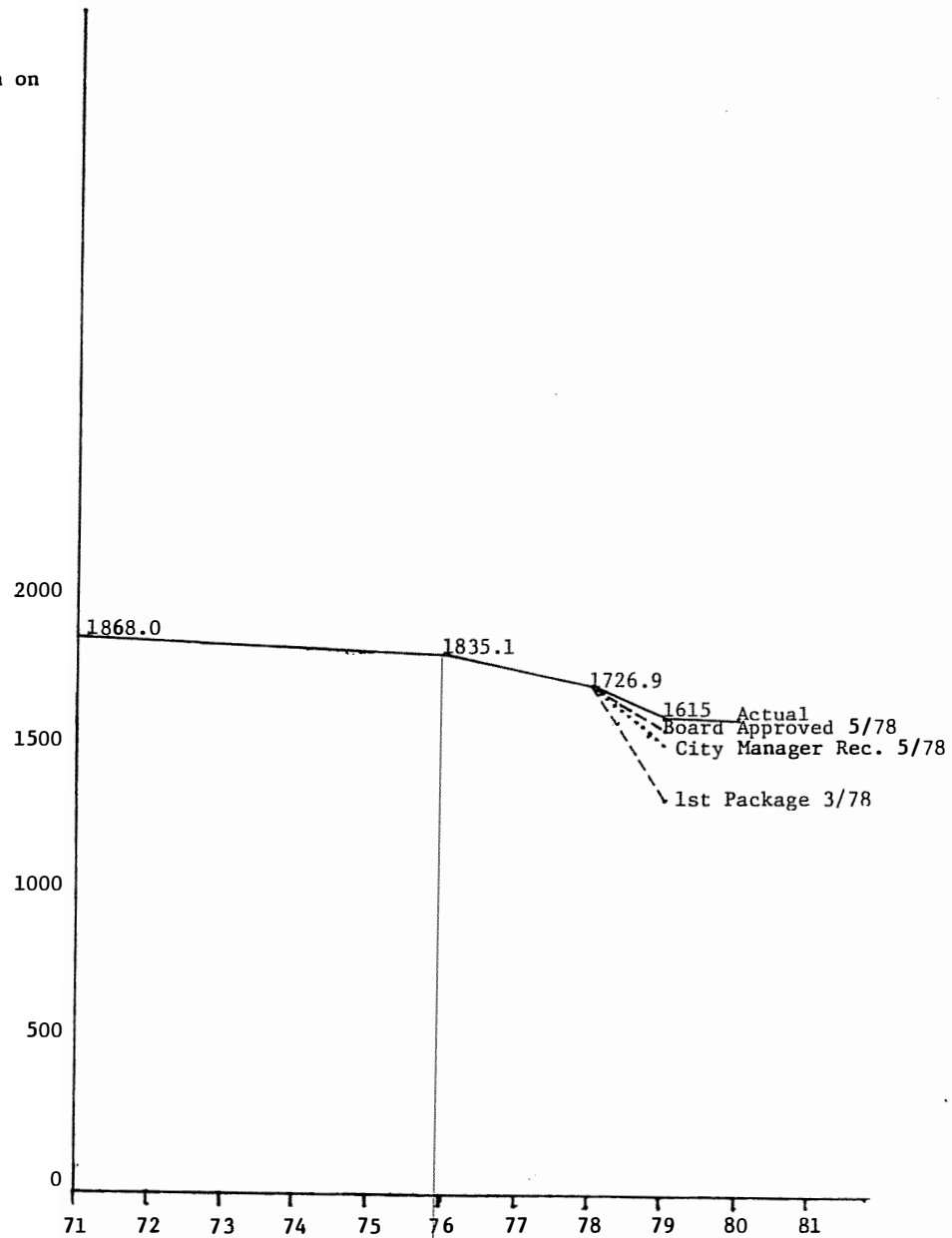
\* These proposed cuts represent a consolidation of bookkeeping activities.

\*\* This total includes a one percent across-the-board cut in the total General Fund budget and a \$57,443.00 reduction in the citywide travel budget.

Sources: City of Pasadena, "Jarvis-Gann Initiative Proposition 13," (March 16, 1978); Management Analysis Division, City of Pasadena, May 1978.

FIGURE III

Impact of  
Jarvis-Gann on  
No. of FTE  
Employees



Source: City Manager's Office, City of Pasadena.



REVENUE INCREASES

Examination of the list of potential revenue-raising measures presented to the Board before the election reveals the following. Unlike county agencies and school districts some cities were capable of recovering tax revenues lost because of Proposition 13 if local officials wanted to raise fees and taxes (see Table 7). In fact, a loophole in Proposition 13 enabled cities to raise taxes without a two-thirds approval of the electorate, if they acted before the July 1 deadline. However, while approving \$2,213,000 in increased fees, taxes, and service charges, Pasadena's Board of Directors considered most proposals for tax increases politically unwise.

The revenue increases the Board disapproved seem consistent with their desire for reelection. All proposals for increased business or real-estate taxes and fees, again with the exception of an occupancy-inspection-fee, were rejected, suggesting the importance of the business community in Pasadena's non-partisan citywide elections. Business and real-estate taxes were dismissed by the entire Board despite the fact that it was estimated that two-thirds of the Proposition 13 tax savings would go to businesses and landlords.

Facing the prospect of major reductions in future city revenues, the City Manager suggested in June 1978 that the Board approve a standby 1 percent city payroll tax as a contingency against severe cuts in revenues which might follow the initiative's passage. However, the Board unanimously rejected the proposal following strong objections from constituents.<sup>48</sup>

The largest tax increase approved by the directors was a

TABLE 7

PASADENA: REVENUE INCREASE ALTERNATIVES

| <u>BUSINESS TAXES AND FEES</u>            | <u>ESTIMATED REVENUE INCREASE</u> | <u>ACTUAL REVENUE</u> | <u>FY78-79 INCREASE</u> |
|---|-----------------------------------|-----------------------|-------------------------|
| Accepted by the Board                     | \$ 0                              |                       | *                       |
| Rejected:                                 |                                   |                       |                         |
| Business Tax                              | 110,750                           |                       | *                       |
| Business License                          | 1,500,000                         |                       | *                       |
| Total Rejected                            | \$1,610,750                       |                       | *                       |
| <u>REAL ESTATE TAXES AND FEES</u>         |                                   |                       |                         |
| Accepted:                                 |                                   |                       |                         |
| Occupancy Inspection                      | 106,875                           | \$ 210,875            |                         |
| Rejected:                                 |                                   |                       |                         |
| 5% Property Transfer Tax                  | 350,000                           |                       | *                       |
| Construction Tax                          | 90,750                            |                       | *                       |
| Building Permits                          | 293,000                           |                       | *                       |
| Total Tax Rejected                        | \$ 733,750                        |                       | *                       |
| <u>CONSUMER TAXES AND SERVICE CHARGES</u> |                                   |                       |                         |
| Approved:                                 |                                   |                       |                         |
| Ambulance Fees                            | 48,000                            | 43,884                |                         |
| Recreation Fees                           | 100,000                           | -123,318              |                         |
| Overdue Library Books                     | 30,000                            |                       | **                      |
| Parking                                   | 55,625                            |                       | *                       |
| Mandatory Commercial Trash                | 150,000                           | 25,000                |                         |
| Non-Business Licenses                     | 52,500                            |                       | **                      |
| Utility Tax                               | 1,600,000                         | 1,476,000             |                         |
| Total Tax Approved                        | \$2,036,125                       |                       | **                      |
| Rejected:                                 |                                   |                       |                         |
| Utility User's Fee                        | 4,404,648                         |                       | *                       |
| Sewer Use Charge                          | 286,000                           |                       | *                       |
| 1% Payroll Tax                            | 4,000,000                         |                       | *                       |
| Total Tax Rejected                        | \$8,690,648                       |                       | *                       |

\*Not applicable.  
\*\*No data available.

Sources: City Manager's Budget Recommendations FY 1980, May 10, 1979;  
Finance Director, City of Pasadena, December 1979.

utility user's tax that the staff estimated would raise \$1,600,000 for the General Fund. The City Manager commented that ". . . our studies found that the SLAC tax was less regressive than the property tax."<sup>49</sup>

Low-income and elderly people tend to spend a higher proportion of their income on energy and food. Thus a utility user's tax is more regressive than a proportional income tax or excise tax but perhaps less regressive than the property tax. Yielding to the argument of regressivity, the Board voted to exempt a customer's first 200 KW hrs. of electricity from the SLAC tax.<sup>50</sup>

Thus the City of Pasadena sought to remove voter uncertainty over the impact of the initiative on city services, and therefore responded to Jarvis-Gann prior to the election. However, the City spoke with two voices. Initially the City's staff sought to influence public opinion by exaggerating the fiscal impact of the measure and encouraging the Board to offer the public a promise to cut both vital and discretionary services if the initiative passed. But the Board, under the impetus of political rationality, refused to cut any police or fire services, instead offering more modest reductions in less essential services. As the measure strengthened in the polls, the City Manager pushed for revenue increases that would compensate in future years for the loss in property taxes. While the Board of Directors did approve some new fees, they were responsive to politically influential constituencies in Pasadena and voted down most tax increases.

#### FIRST YEAR IMPACT OF JARVIS-GANN I

This final section surveys the first year impact of the passage of Jarvis-Gann on the City of Pasadena. Because of legislative action following the passage of Proposition 13, Pasadena's actual revenue loss in FY 1978-'79 was considerably less than the most optimistic projections made by the city staff (see page 13). First the League of California Cities and other pro-city lobbyists persuaded a reluctant state legislature to continue providing cities with their share of the remaining property taxes collected under the 1 percent limit. As a result, Pasadena received \$3,255,311 in property tax revenue in FY 1979.

Next the legislature allocated to cities two billion dollars in bail-out funds from the state's surplus. As a result Pasadena collected an additional 2.4 million dollars in revenue.<sup>51</sup> Together with other new funding sources, the state bail out reduced the FY 1979 loss of revenue under Jarvis-Gann from 17.3 percent to 6.8 percent of the projected General Fund.

Because of the City's improved financial position the tax revolt had a minimal impact on city services in FY 1979. Out of 157 layoffs approved in May 1978, Pasadena reportedly eliminated only ninety seven positions with sixty two layoffs.<sup>52</sup> As a result much of Pasadena's preelection planning became 'much ado about nothing.' The City was able to expand its police force by fifty five officers, transfer 2.2 million dollars in first year bail out funds to a capital reserve and delay transferring GRS funds to general operations until FY 1980.<sup>53</sup>

However, analysis of the FY 1979 and FY 1980 budgets suggests that Proposition 13 has brought subtle but perhaps lasting changes to local government. For example, in FY 1979 Pasadena began a major reassessment of its multi-year capital spending budget. Almost all categories of planned capital spending will be reduced in FY 1980 with the biggest cuts in municipal building and facilities and Parks and Recreation, which experienced rapid growth in recent years. The austere capital budget suggests at best a much slower growth in the City's infrastructure, and at worst a more rapid deterioration in capital facilities.<sup>54</sup> These sharp reductions, which do not appear justified by the loss of revenues, may also indicate a period of retrenchment in capital spending in response to mounting O & M costs associated with previous expansion.

Jarvis-Gann also brought significant change in the relative contribution of revenue sources to general city operations (see Table 8). For example, the property tax supplied 8.7 percent of city revenues in 1979 compared to a projected 17.9 percent without Proposition 13.<sup>55</sup> Because of the state bail out, the contribution of state subventions and grants rose from a projected 10.7 percent to 12.6 percent of total revenue. However, under AB-8 Pasadena received state funds with fewer strings attached than prior to Jarvis-Gann, which seems to negate the hypothesis that Proposition 13 precipitated a loss of local control.<sup>56</sup> Finally, charges for services supplied 12 percent of local city revenues in FY 1979 compared to projections of 9.5 percent without Jarvis-Gann. This percentage is likely to rise in

TABLE 8  
REVENUES BY SOURCE AND FUNDS  
GENERAL CITY OPERATIONS

|  | Pre-Jarvis-Gann<br>Projection FY79 | Jarvis-Gann 1<br>FY79 |        |
|--|------------------------------------|-----------------------|--------|
| Property tax<br>% of total                 | \$ 9,200,000<br>(17.9)             | \$ 4,118,563<br>(8.7) | -35.23 |
| Sales tax<br>% of total                    | 6,950,000<br>(13.5)                | 7,530,555<br>(16.0)   | 8.35   |
| Utility users tax<br>% of total            | 4,600,000<br>(9.0)                 | 4,704,570<br>(10.0)   | 2.27   |
| SLT tax<br>% of total                      | -0-<br>(0)                         | 1,506,770<br>(3.1)    | -      |
| Other local taxes<br>% of total            | 2,090,000<br>(4.1)                 | 2,480,800<br>(5.3)    | 18.7   |
| Licences and permits<br>% of total         | 660,000<br>(1.3)                   | 650,291<br>(1.4)      | -1.47  |
| Federal government<br>% of total           | 11,767,573<br>(22.9)               | 8,064,186*<br>(22.1)  | -31.47 |
| State subventions and grants<br>% of total | 5,476,887<br>(10.7)                | 5,969,621<br>(12.6)   | 9.0    |
| Local agencies<br>% of total               | 2,938,844<br>(5.7)                 | 2,064,588<br>(4.3)    | -29.75 |
| Charges for services<br>% of total         | 4,896,192<br>(9.5)                 | 5,635,467<br>(12.0)   | 15.1   |
| Fines and forfeitures<br>% of total        | 500,000<br>(1.0)                   | 687,505<br>(1.5)      | 37.5   |
| Miscellaneous<br>% of total                | 2,259,250<br>(4.4)                 | 3,828,722**<br>(8.1)  | 69.47  |
| Total general city operations              | \$51,338,746                       | \$47,241,638          | -7.98  |

\*City did not spend available funds

\*\*Revenue class redefined

Source: City of Pasadena, City Manager's Budget Recommendations FY 1981 (May 13, 1980).

the future as the percentage of gross revenues derived from property taxes declines and an ordinance adjusting service fees to changes in the Consumer Price Index is implemented.

However, as is apparent in Table 7, the City will not always be successful in raising revenue via higher service charges. The demand for certain services is elastic. For example, prior to the election the directors voted to increase recreation fees by 50 percent and thereby hopefully replace \$100,000 in lost property tax revenue. Instead the higher fees led to a drop of \$123,318 from 1979 projections which assumed no increase in fees.<sup>57</sup>

The shifting mix of sources in the City's revenue base implies a change in the relationship between the private economy and city revenues. AB-8 linked the size of the City's annual state grants to the level of state surplus, thereby increasing the sensitivity of city revenues to swings in the business cycle.<sup>58</sup> This suggests that both recession and high inflation will work to tighten local budgets in the future.

Another apparent effect of Jarvis-Gann was to trigger a major reorganization of several Pasadena departments (see Table 9). These bureaucratic shakeups were not part of the City's preelection planning. The Police, Fire and Paramedics were merged into one Public Safety Department headed by the former Chief of Police. According to the Pasadena's Director of Finance, ". . . the purpose of this and other reorganizations was to conserve executive talent and reduce the

TABLE 9  
FISCAL IMPACT OF JARVIS-GANN ON  
DEPARTMENT OPERATING BUDGET

|                          | Projected FY79<br>Pre-Jarvis-Gann | Budgeted FY79<br>Jarvis-Gann | %Δ    |
|--------------------------|-----------------------------------|------------------------------|-------|
| Board of Directors       | \$ 211,647                        | \$ 192,427                   | -9.1  |
| City Manager             | 622,696                           | 558,675                      | -10.3 |
| City Attorney            | 256,790                           | 253,675                      | -1.21 |
| City Clerk               | 297,402                           | 300,807                      | 1.14  |
| City Prosecutor          | 252,714                           | 250,172                      | -1.00 |
| Finance                  | 2,807,995                         | 2,497,198                    | -11.1 |
| H & C. D.                | 5,962,274                         | 5,269,299                    | -11.6 |
| Public Safety Agency*    | 16,897,577                        | 16,724,683                   | -1.02 |
| Police                   | 10,686,323                        | 10,245,565                   | -4.1  |
| Fire and Paramedics      | 6,211,254                         | 5,625,083                    | -9.4  |
| Administrative Services* |                                   | 7,050,845                    |       |
| General Services         | 5,936,221                         | -                            |       |
| M.A.D.                   | -                                 | -                            |       |
| Personnel (1979)         | 749,680                           | -                            |       |
| Community Services*      | 10,613,945                        | 9,011,640                    | -14.2 |
| Human Services           | 7,352,304                         | -                            |       |
| Personnel (1980)         | -                                 | -                            |       |
| Library                  | 3,261,641                         | 2,548,079                    | -21.9 |
| Public Works             | 11,571,489                        | 11,737,798                   |       |
|                          | 56,180,430                        | 53,847,219                   | -4.15 |
| *New departments.        |                                   |                              |       |

Sources: City Manager's Budget Recommendations FY 1979 (May 9, 1978),  
FY 1980 (May 10, 1979).

number of people reporting directly to the City Manager."<sup>59</sup> Although the reorganization did not result in any layoffs in FY 1979 and 1980, the Finance Director suggested that strong opposition to the Public Safety Department from firefighters may have contributed to an unsuccessful effort by some community groups to recall three conservative Board members.<sup>60</sup>

Two other reorganizations also began in 1979 and were also motivated by a desire to conserve executive talent and narrow the top of the City's administrative pyramid. Formerly General Services, Management Analysis Division, and Personnel were combined into one super department called Administrative Services. At the same time, Human Services and Library were united into a new Community Services department. In an aftershock beginning in FY 1980, Personnel functions were again transferred, this time from Administrative Services to Community Services.<sup>61</sup> While the impact of these reorganizations on administrative costs are uncertain, they have certainly altered the bureaucratic politics in Pasadena.

Increased power and control has been shifted to the City Manager as well as the new department heads.<sup>62</sup> In addition, aggregation of functions into a single administrative unit may make it more difficult for directors to relate budget inputs to service outputs and in general to monitor the cost of city services. As a result increased responsibility for cost effectiveness is transferred to the City Manager and his assistants.

Other aspects of municipal politics will also be affected by the reorganizations, particularly the creation of a Public Safety

and Community Service department. Community coalitions supporting specific services will have to compete directly with other groups for political and organizational leverage within a single departmental unit. As a result, the political influence of any one group will be reduced.

## FOOTNOTES

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8. Judy Hopkinson, Assistant Executive Director, Pasadena Redevelopment Agency. Personal Interview, May 8, 1978.

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21. The Public Opinion Poll was conducted by a graduate Social Science class at the California Institute of Technology, under the direction of Professors John Ferejohn and Gary Miller on May 6, 1978.
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28. James Shern, Fire Chief, City of Pasadena. Personal Interview, May 12, 1978.
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