

# Budget myths dispelled

**A**s the former budget director for the city of Phoenix, I must respond to inaccurate information about the food tax and employee pay raises that continues to get reported in the media.

The City Council adopted the 2 percent sales tax on food items in spring 2010 to head off severe cuts to services. But Councilman Sal DiCiccio is leading the charge in claiming that the food tax was implemented solely to increase employee pay.



**My Turn**  
**CATHLEEN  
GLEASON**

So, to the facts. The food tax will bring in about \$50 million this year, while employee raises will be about \$13 million. Obviously not the same.

DiCiccio tries to make them equivalent by considering just part of the food tax (the \$29 million that goes to the general fund) and then putting together all of the pay raises for this year, plus pay raises from previous years. This is phony math.

Next, many are encouraging the city to refuse to give employees any pay raises. The fact is that, unlike most cities in Arizona, Phoenix has had collective bargaining with its labor groups since the mid-'70s.

While the merit of this arrangement can be debated, employees are working under a contract that the council unanimously approved in June 2010 for a two-year period

through June 2012. As part of this contract, employee groups agreed to reduce their pay and benefits, something never done before in Phoenix.

If the city arbitrarily eliminated pay raises, after the council had approved them, it would have violated its contractual obligations. Surely all legal contracts must be honored.

Any elected officials who assert that they did not know that pay raises were in the current contract are rewriting history. They were told. And beyond that, shouldn't they make it their business to know what is in these important contracts?

Changes are needed in the employee pay and benefit structure. I am sure that is why the city has hired a compensation and benefits consultant to provide objective information and recommendations.

But remember, unless the mayor and council eliminate collective bargaining, city management cannot unilaterally implement changes. Assuming collective bargaining will not be eliminated, employee contracts will be renegotiated on their regular schedule next spring. I expect pay and benefit changes recommended by the consultant will be a big part of the negotiations.

Finally, while I am intimately familiar with many of the shortcomings of the city of Phoenix, it is still one of the most well-run cities in the country. There are clearly improvements to be made.

However, making the city an even more political animal will not improve the city's operations.

*Cathleen Gleason retired as budget director for the city of Phoenix in January.*