

## JIM GRIVICH, PUBLIC COMMENT

### DECEMBER 1, 2020, WEST COVINA CITY COUNCIL MEETING

I would like the Council to refer to this document that has been distributed which is a chart of the last six years expenditures.

As was already stated, West Covina's Financial status has deteriorated. Two years ago, the City was ranked 17<sup>th</sup> worst in the state and now the City is ranked 9<sup>th</sup>. That happened under this City Council's watch.

Today, the State Auditor has published a report that states, "*West Covina's Ineffective Fiscal Management Threatens its Ability to Meet its Financial Obligations and to Provide City Services.*"

You may wonder why the city has gone from bad to worse.

In simple terms, the answer is that expenditures have been rising rapidly every year. They have increased 30% in the last five years which is an average of 6% a year.

Revenue has actually been going up too even though the City talks about not having enough money. It's gone up 20%. However, you notice there is a difference: 30% vs 20%. If you spend two percent more than you take in every single year, you are going to go broke—and that is where the city is going.

There are two primary sources for this problem:

The first source is pensions. And, I have to say almost all of the pension costs are for public safety—fire and police. About 95% of it because their pensions are extremely rich. They actually get a huge raise every year just in pension expenditures that the city is paying for them. It's much more than the salary increase.

Second the City has not managed its budget effectively. The auditor pointed out many cases—primarily firefighter overtime and, as was already mentioned, legal expenses. Huge overdrafts every year. Nothing has been done about it. That's terrible management. That's terrible oversight by the City Council.

Something has to be done. Nothing has been done.

I have personally spoke on this issue 12 times over the last five years. Nothing has ever been done.

What the City did do was lay off the lowest paid employees of the city and saved a few pennies and simultaneously gave people who make huge salaries and huge benefits a huge raise. It doesn't make any sense what you are doing.

My recommendation on this subject is that you have a mechanism to deal with the State audit. It's called the Finance and Audit Committee. The City has chosen not to have that Committee meet. That's their job to [help] deal with these issues. I strongly recommend that the City Council direct staff to ask the Finance and Audit Committee to give you alternatives on what to do with this problem. The City isn't doing it [addressing the problem].

As the State Auditor said you are going from bad to worse and you are going to go broke and you are going to go bankrupt and that is going to cost millions of dollars that is just flushed down the toilet because in effect you have no wherewithal to deal with the real issue. Please, I am imploring you stop doing nothing about this. Something has to be done.