

WE ARE BROKE **Michael S. Williams**

We are broke. Make no mistake, it is true. We are financially, morally and ethically broke. Moreover, we are spoiled, as well as physically and intellectually lazy. Needless to say, this is not a good combination to find ourselves.

We are broke. This is not the ramblings of self-appointed experts, radio show pontificators, “pajama bloggers,” left or right wing kook groups, religious zealots, coffee shop campers or bar stool barkers. No, this is from the people all too many of us chose to ignore; the accountants, treasurers and controllers. The numbers do not lie, people do.

Today, a good section of our community is discovering what the little brackets on each side of a number means on a Profit & Loss statement. Self-esteem may be important in today’s public schools, but in the real world, no one cares how you feel. Being laid off, filing bankruptcy, defaulting and seeing your dreams and retirement vaporize are not esteem building events. “Nothing personal, it’s just business.”

In the movie “A Few Good Men,” Coronal Jessep, played by Jack Nicholson, yells across the court room “You can’t handle the truth!” Indeed, we can’t. Denial is the status of the day. Bottom line: If you are living on borrowed money, you are broke. Put yet another way, the day of free is over.

The Public Policy Institute of California December 2009 report “Perceptions of Local Fiscal Stress during a State Budget Crisis” should be required reading for everyone. This report was supported with funding from the California State Association of Counties. This is a real report written by real people about the real situation that the state, counties and cities find themselves today. The report also describes in simple terms the fundamental differences in how county and municipal government is funded. No matter how they slice it, local government is not going to be able to make up the difference with fee increases and parking citations.

We are broke. What does this mean to you, your business or who you work for? What does this mean for our community? What does the future hold? You need to find out. The sooner you engage in real terms what this situation may mean to you, the sooner you can develop a plan on how to best overcome what is coming. More importantly, a plan helps reduce fear. When fear sets in our community, we will then see the real impact of the world we now find ourselves.

For public safety, the financial abyss of the state is impacting local government in profound ways. Layoffs of public employees are going to replace the current furloughs. Prisoners and local inmates are being released while law enforcement is retiring as many within their ranks as they can. These are positions that will not be replaced.

The inmates that staff many of the state’s wildland fire hand crews are going to be released, potentially leaving the crew busses empty. Fire stations are going to be closed, or at least reduced

in hours of operation. In Escondido, a new fire station is now staffed by a private contractor. Yes, change is not coming, it is here. Alas, we now see clearly that the emperor has no clothes.

You can sit back and complain, or argue if this is true, or even find someone to blame - this is your prerogative. However, the truth is we are all to blame.

Being intellectually lazy means we voted for initiatives and bonds we did not truly understand. We voted for politicians based on their looks, their speaking abilities, their promises or where they claimed to be on our favorite issue of the day. We failed to engage our local government on issues that are a concern to us, electing instead to let someone else do it. We failed to hold our local officials accountable for their actions, inactions, political behavior and self-interest. We failed to hold the corporate world accountable, electing for instant gratification and promotion instead. We failed to question the obvious. We failed period! If you are in the blame game, it is easy, blame yourself.

We are broke. So, what are we going to do about it? How do we prepare for the significant changes that are going to occur, whether we like it or not? In the end, the accountants will win. It's simple, no money - no services.

Some folks support more taxes, but tax what? If people are not working, they are not paying income tax. If people are not purchasing, they are not paying sales tax or property tax. If people are not traveling, they are not paying gas tax, sales tax, occupancy fees, and highway tolls and so on.

Picking up the phone and calling 9-1-1 for the non-emergency ride to the hospital is about over. Expecting a police officer to come to your house to take a report is all but done in many jurisdictions. Burglary reports have been reduced to a card that you have to fill out at the station. Major crimes have to be investigated. This takes time and skilled detectives. These ranks have been seriously culled.

What about the sewers, animal control, public health, schools, libraries to name a few? The DMV is already making significant changes and scaling back with closing offices and reducing staff. Public transportation, road repairs, public events, airports, schools and public medical facilities are going to be impacted.

Public and private employer insurance and retirement benefits are going to be reduced. Fees and fines are already increasing. The courts are going to be more expensive and less available. Legal aid is going to be more challenging for those in need.

We are broke. The potential bankruptcy of municipal governments is real. This is no longer an idle threat. Many city administrators are carefully watching the City of Vallejo bankruptcy and the subsequent aftermath. Orange County, California, filed bankruptcy in 1994. Orange County is one of the wealthiest counties in the country. The conduct of public officials in 1994 should

have been a huge warning to everyone, but we were too busy entertaining ourselves. Even the Los Angeles City Council is now openly talking about potential bankruptcy.

The state cannot file bankruptcy, but it can go into a form of federal receivership. This would not be good for anyone living in California. However, it seems enviable. In the view of many, it is the only way out of the mess, providing the ability to reset and start over.

The necessity for non-profits, community and church groups is going to return and grow. Do you help support your community, or leave it to someone else? If public resources are important to you, have you offered to volunteer to help? Have you made a donation to the library to help keep it open? Have you gone to your local park and cleaned up trash? Have you attended a local Community Emergency Response Team (CERT) training so you can be better prepared in the event of an emergency to help yourself, your family and your neighbors?

We are broke. Complaining is not an option. What are you going to do about it?