

Hello, this is Tom Cookman with a Community Comment.

In my last comment I compared the public union workers compensation and retirement package to that of the average private sector employee. My comments are not directed at the unions. Their responsibility is to get the best possible benefit package for their members, and I think they have done an outstanding job in doing just that. The problem is that whoever is negotiating with the unions is not negotiating with money that is coming out of their own pocket. The money is coming from the tax payers, and this is critical to the financial mess we find our government agencies in. Whether you are in charge of a budget in the private or public sector, the single largest expense is employees. The private sector negotiates with a union or the employee and everyone knows the money has to be in the business's accounts in order for the employee to have a job. Until recently, this same reasoning was true for the government worker as well. Unfortunately, a number of years back, public worker unions and the administrators who negotiated with them committed an epic fail when they stubbornly fished from what they thought was an endless tax stream. When the economy was growing, and there was revenue increases every year, the union negotiated wage and benefit package was absorbed with very little resistance. Now that the economy is moving along at a snail's pace, the high wages and early retirement pensions are bankrupting major cities in California. Stockton and San Bernadino are just the first, and the unfunded pensions and high wages are going to be the downfall of not only many more cities, but the state as well. Why? Because it is mathematically impossible to financially sustain employees who retire in their fifties with close to 100% of their wages as a pension, along with full medical for life. This is great for the

employee, but it is a disaster for the budget. This is why the unions must renegotiate these packages to ones that parallel private sector employees'. If you work for the government, analyze the numbers. You may think that your pension is funded, but if they file bankruptcy, your future isn't nearly as rosey as you think. It is time for everyone to roll up their sleeves and get to work reducing these benefit packages. The hard cold facts are that California is hemorrhaging industry to states like Wisconsin, Idaho and Texas. I have heard officials in these states thank California for their extremely high taxes and hostile policies towards businesses. California businesses are moving and the tax dollars they and their employees pay are moving with them. This is a recipe for bankruptcy. I have a friend who relocated to Idaho to oversee the maintenance department for a new school district. You heard right, Idaho is building entirely new K-12 school districts while California school enrollment continues to decline. The liberal government policy to squeeze every drop of tax revenue out of businesses is killing our economy in California. The elected officials don't care that businesses are struggling and continue to add heavy tax burdens. This, coupled with other states' advertising a friendly business climate, is a major reason we see this exodus of industry happening in California. There were thirteen Republican governors recently elected, all of whom campaigned that they would be fiscally conservative. In all thirteen of their states, unemployment has dropped and their budgets are balanced or are turning around. Unless the same happens in California, it won't matter if you get a great retirement at 55 because our state will be bankrupt, and so will your pension. The unions need to think about that the next time they negotiate a contract.

This has been Tom Cookman with a Community Comment