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## **Republicans promote Costa Mesa as a pension-slashing leader**

**The Orange County city may lay off half of its workers. The GOP sees it as a local 'ground zero' in efforts to curb the collective bargaining powers of public employees.**

By Catherine Saillant, Los Angeles Times

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At a recent talk to a roomful of "tea party" supporters, Orange County Republican Party chairman Scott Baugh excitedly described how the next big GOP movement could be taking root in their own backyard.

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In Costa Mesa, home to South Coast Plaza and the Orange County Performing Arts Center, the City Council has proposed cutting its workforce in half and outsourcing many of those jobs to private contractors.

The radical cutbacks are being led by new councilman and longtime GOP activist Jim Righeimer, who says the layoffs are necessary to deal with rising government pension costs for employees.

But Baugh and other Republicans see Costa Mesa as the beginning of something bigger. They hope other cities around California that are dealing with rising pension costs will take the same action.

On blogs and in speeches, local Republicans are framing it as a historic struggle against what they call "Obama's union bosses." On its website, [OCGOP.org](http://OCGOP.org), the party urges other cities in Orange County to "stop the taxpayer rip-off." Officials are urging other Republican council members to take similar stands.

The rhetoric is similar to that used by the GOP in Indiana and Wisconsin, where Republican governors have been battling to roll back the collective bargaining powers of state employee unions. The GOP is hoping to use public pensions as an issue against President Obama and the Democrats in the 2012 election. And the push in Orange County takes the battle to the municipal government level.

"Costa Mesa is ground zero for cities," Baugh said.

It remains to be seen how far the GOP can spread the Costa Mesa labor fight. Cities around California are struggling with budget problems fueled at least in part by rising pension costs. But no others have proposed the dramatic cuts embraced by Costa Mesa.

Still, political analysts say the recession has left many government agencies with no choice other than to trim labor costs, even in cities where unions hold great sway.

There are estimates that state pension funds alone could eventually face a \$1-trillion to \$3-trillion shortfall for retirement benefits. San Diego officials have warned that pension payments could consume half the city's annual budget by 2025.

In Costa Mesa, this year's pension tab is \$15 million of the city's \$93-million budget. City officials say they expect pension costs to grow to more than \$25 million within five years.

Polls show strong public support for changes in government workers' benefit structure. In April, a Los Angeles Times/USC College of Letters, Arts and Sciences poll found that seven in 10 people support a cap on pensions for current and future public employees. Nearly as many, 68%, approved of raising the amount of money government workers should be required to contribute to their retirement, and 52% supported raising the retirement age for government workers. And in a recession-battered and post-Bell political environment, emotions are running even higher, said Dan Schnur, director of USC's Unruh Institute of Politics.

"You've got a Democratic governor and the mayor of Los Angeles, a former union organizer, calling for changes," Schnur said. "This isn't just an Orange County Republican issue anymore.... The challenge for their opponents is to convince voters that these types of cuts would directly affect their daily lives. It's too early to tell whether that's going to be successful or not."

Several Southern California cities are facing major cutbacks. Struggling Compton announced this week that it could layoff up to a fifth of its workforce. But Costa Mesa's cuts have come with a distinct political edge, leading some to say politicians are using the belt-tightening to score political points for Republicans.

Organized labor is definitely taking notice, pouring hundreds of thousands of dollars into the battle in Costa Mesa.

The Orange County Employees Assn. is holding rallies, filling council meetings with speakers and backing a community group called Repair Costa Mesa. The group regularly runs local cable TV ads attacking the council's Republican majority and issues press releases challenging every dollar the council spends.

"Everyone in the labor community is very concerned about what appears to be a strategy to eliminate collective bargaining by essentially dismantling cities and selling them off to cronies and friends and contractors," said association chief Nick Berardino. "There are dire consequences when services go to the cheapest bidder and to folks with no accountability to the citizens of Costa Mesa."

Union leaders say the council is picking a fight that is based on ideology, not necessity. Costa Mesa workers have already agreed to cut pensions for new workers and are paying more toward their retirement funds, they say. But city leaders seem intent on making a public statement, they charge.

Costa Mesa became a hot topic at last month's state Democratic Convention in Sacramento. Art Pulaski, secretary of the California Labor Federation, drew comparisons between Costa Mesa's layoffs and the union battles in Wisconsin.

"We see it in Wisconsin, and now Wisconsin has come to California," Pulaski said. "I have seen the memos from the leaders of Costa Mesa to the leaders of other cities in Orange County and beyond that say join us in this plan to do away with collective bargaining so that we can make a change in America, for what they think is better for them and corporations but bad for the middle class."

When more than 200 layoffs were announced March 17, one worker who got a layoff notice climbed to the top of City Hall and jumped to his death (an autopsy released this week found he had cocaine in his system).

A few weeks after the suicide, someone threw a brick with a note attached through the glass window of Mayor Gary Monahan's bar. He said the vandalism was linked to his support for the cutbacks at City Hall. Then another council member got into an altercation with a Costa Mesa teacher at a charity event, and layoffs were blamed for that dispute.

Council meetings have turned into shouting matches, with residents and employees accusing council members of trumping up economic woes to carry out an ideological agenda. Businessmen have criticized the council for moving to dismantle a city-operated police aviation unit that flies helicopters to the scenes of auto lot thefts.

The leading voice behind the Costa Mesa plan is Righeimer. A 52-year-old real estate developer, Righeimer is a familiar face in GOP circles in Orange County.

He has been involved in anti-labor efforts in the past and was one of the backers of 1998's Proposition 226, aimed at blocking unions from using donations for political purposes. It was defeated. He also was involved in a failed attempt to get school vouchers approved by voters.

After two unsuccessful election campaigns, he won a seat on the Costa Mesa Council in November. He attributes the victory to his focus on pension costs.

"South Coast Plaza is the No. 1 sales tax-generating mall on the planet, and we can't afford to slurry-seal our streets," he said. "Voters know something is wrong."

Earlier councils sweetened pension benefits. The Times reported that Costa Mesa boosted the retirement benefits of 84 firefighters in 2008, at a cost of \$694,000 per year. At the time, officials thought the deal made financial sense because the firefighters union agreed to forgo more raises in exchange for new pension rules that would allow firefighters to retire at age 50 with 85% of their salary if they'd been on the job 28 years.

The City Council has drawn about \$30 million from its general fund reserves to continue providing services over the last five years. Now, Righeimer said, large-scale layoffs are necessary to "stop the bleeding" of ever-higher pension costs.

"If it's going to be a political issue, let's have it," Righeimer said. "Let's get it done.... We have to have this discussion."

Whether Righeimer and Baugh lead Costa Mesa in a conservative movement along the lines of Wisconsin Gov. Scott Walker's battles with union remains an open question. When Costa Mesa announced the layoffs in March, the city manager of Orange sent that city's workers a memo trying to reassure them that their city was not planning similar action.

"I can assure you, however, that those adjustments and changes will be made through a reasoned process, and I will do everything I can to prevent the type of actions that gave rise to the traumatic situation that our colleagues in the city of Costa Mesa are dealing with," he wrote.

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