

# Opinion: Keeping tabs on local elected officials not easy

By Joe Mathews, Zocalo

Did we win in Bell?

Thinking LA-logo-smallerThere is no greater symbol of local California corruption than Bell, a city of 35,000 people, 2 1/2 square miles, and many gas stations in southeast L.A. County. For years, Bell City Manager Robert Rizzo and his minions exploited every dark corner of California's convoluted systems of local governance and finance. They paid each other scandalously high salaries (Rizzo's package of wages and benefits was worth \$1.5 million annually), used the city's redevelopment agency like a piggybank, borrowed improperly, squirreled away money in illegal retirement accounts, purchased property off the books, approved illegal fees and taxes, and used a sham charter election to exempt themselves from state laws.



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Today, five years after this malfeasance was exposed, a new narrative of Bell has emerged. That narrative is one of triumph, best exemplified by a conference on the corruption scandal organized by Chapman University last month. The tale's heroes were all assembled: journalists who broke the story, a

police whistleblower, citizens who challenged corrupt officials, prosecutors who won convictions of those officials, and state officials who put through new laws in response. They were joined by the administrators and lawyers who painstakingly put the city of Bell back together. Among their many successes is a \$22 million reserve in the city's coffers.

All this should be cause for celebration. The Bell case—and the response to it—provided a new roadmap for how California communities can respond after they are victimized by city hall. Future municipal corruption cleanup crews will have new laws and two new state appeals courts rulings to aid them in removing and obtaining restitution from corrupt officials.

But when it comes to the question of prevention—of how to make sure that California doesn't see more Bells—there is less reason to party. That's because Californians have failed to learn the central lesson of our long history of municipal corruption: The new rules that are a response to such scandals often enable future scandals.

To put it another way: The sense of triumph we feel after getting past a scandal is part of our problem.

Bell, while spectacular in its particulars, is really part of a larger wave of never-ending local corruption cases that goes back 50 years. Back in the 1950s and 1960s, county tax assessors from San Francisco to San Diego put their discretion up for sale—offering businesses lower property tax assessments in exchange for power, cash, and votes.

The predictable response was to limit the discretion of local officials over property—first with state laws, and later with Proposition 13, which effectively took away the power of local officials to set tax rates. This set the pattern for responding to local California scandals. When cities or school districts find some way to cheat, the state puts new limits on their discretion. This limits the power of local communities

and their appointed leaders. But it hasn't stopped scandals.

Why not? Because the weight of all these new limits on the locals has made community governance in California incredibly complex. So complex that it's nearly impossible for citizens to understand what local representatives are up to—and thus provide a check on their actions. In fact, it's so hard for local elected officials to understand their own actions that most cities must hire expensive administrators and consultants to navigate through the sea of rules.

Effectively, all these limits have left local governments with two options if they want to obtain revenues and improve their communities. The first is to beg the state for money; this has been such a popular option that local governments represent by far the biggest lobby in Sacramento.

The second option is to cheat. Or, to put it less judgmentally: to peer into the dark corners of the complicated system and invent new ways to get around the rules to govern and raise revenues. It's worth remembering that while the Bell officials were corrupt and flouted laws, they didn't steal and they didn't embezzle, at least not in the traditional sense. They were just unusually brazen in exploiting the dark corners of California municipal finance.

So to truly reform local governance, Californians must first recognize a paradox: Preventing local officials from behaving like those in Bell requires giving more discretion and freedom to local officials.

Instead of using limits and restrictions to force city officials into dark corners, let's lift limits and give officials more discretion to operate more easily in the daylight. The best, most direct reform would be to give California's local governments more power to raise taxes and other revenues themselves.

The power of taxation is itself a tool of accountability. When

cities can tax, the citizens and businesspeople who might see their taxes raised have a strong incentive to watch what's happening in city hall. And when taxpayers are watching, it's much more difficult to give your city manager an \$800,000 salary.

If local control means anything, it means letting local elected leaders make their own choices about how much revenue they must raise to meet their local needs. But for 50 years, California leaders and voters have moved in the very opposite direction.

Doug Willmore, the city manager who is now leaving Bell after having dug it out of its hole, noted in his presentation at the Chapman conference that the city's finances remain very complex. Revenues and expenditures are accounted for in 36 different funds. The city's chief objective must be "normalizing" finances, his presentation said.

But California's rule-heavy system doesn't allow for normal. And so here's the bad news about the good news in Bell: The city's recovery may delay our reckoning with our own role in municipal scandals.

Until we understand the paradox of Bell, there will be more Bells.

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