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A series to inspire a recommitment to free enterprise and our nation's founding principles as the driving forces for economic prosperity and happiness for all in Sarasota County

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Part IV

Bring on the Elephant Eaters

Today's economic realities make privatization essential to easing the burden on taxpayers.

"The turn will come when we entrust the conduct of our affairs to men who understand that their first duty as public officials is to divest themselves of the power they have been given. It will come when Americans, in hundreds of communities throughout the nation, decide to put the man in office who has pledged to enforce the Constitution and restore the Republic. Who will proclaim in a campaign speech: 'I have little interest in streamlining government or in making it more efficient, for I mean to reduce its size ...'"

Barry Goldwater,
Conscience of a Conservative

Ken Thompson, former longtime Sarasota City manager, had a motto: "Maximum municipal services for the least tax dollar."

At General Electric, engineers are designing the next generation of jet engines, which will be introduced between 2015 and 2020.

But before those engines enter the commercial marketplace, GE has a team of engineers scouring every last detail of the new designs to find ways to make the engines more efficient. Their central challenge is this: Make them less noisy, more energy efficient, lighter and more durable than they are now — and do it for less money.

One of the engineers who leads this mission lives on Longboat Key — Lenny Landau. For the past 30 years, Landau has been one of GE's top "elephant eaters." He and other engineers have saved GE billions of dollars by finding ways to carve big chunks of cost out of these huge elephants. They're called GE's "elephant eaters."

This is a way of life in the private sector — cutting costs and improving efficiency. It is a culture and an overarching mindset. If a chief executive officer is doing his job, every day he is questioning: How can we reduce cost and still provide the same or better service? It is central to the job.

Government should be the same.

But alas, we know it is not.

Rare is the day, for instance, when taxpayers hear their mayor, city manager, county commission chairman or county administrator proclaim one of his central objectives is to lighten the taxpayers' burden and reduce the size of government voluntarily?

But it is a new era in Florida.

Over the next three years as taxpayers continue to demand lower property-tax burdens, as property values decline and languish, as state and local economies fight their way out of recession, as population growth has slowed and as government budgets must be reduced, the culture and mindset of city and county elected officials, of city managers, county administrators and school superintendents should be that of Barry Goldwater, Ken Thompson and Lenny Landau: to become "elephant eaters."

They must kill costs and reduce the size of government.

It's not punishment. It's reality.

Where to begin?

Divest. Privatize.

This is far from a revolutionary

strategy. A Google search on the words "privatizing government services" turns up 3.3 million references. It has been a trend worldwide for years. And yet, seldom is privatization — the transfer of assets or services from the tax-supported and politicized public sector to the entrepreneurial initiative and competitive markets of the private sector — employed to the extent it should be.

It works. Evidence is abundant throughout the world. Larry Reed, president of the Mackinac Center for Public Policy in Midland, Mich., has studied results of privatization and notes that "state and local governments have routinely experienced cost savings of from 10% to 40% through privatization, and often with accompanying improvements in the way an asset is managed or a service is delivered.

"When and where assets and services can be left entirely in private hands from the very start," Reed says, "with the middleman of government absent altogether, even greater efficiencies are possible."

Some of the best places to look for privatization in the United States are Indianapolis, Chicago, Sandy Springs, Ga., Hamilton County, Ohio, Anaheim and San Diego, just to name a few.

Take Indianapolis. When Steve Goldsmith was mayor of Indianapolis, he opened more than 60 city services to competitive bidding and other forms of privatization. Goldsmith's motto was: "Sacred cows make the best burgers." Even Indianapolis city employees were given the opportunity to bid on services in his efforts to privatize. And here's no surprise: When these city employees bid to keep the work, they often discovered they didn't really need as many supervisors, make-work rules and smoke breaks.

In Chicago, between 1995 and 2005, Mayor Richard Daley — a Democrat — privatized more than two-dozen city functions or assets. The city estimates it achieved cumulative savings of \$175 million in that period.

When Sandy Springs, Ga., a northern suburb of Atlanta, incorporated a few years ago, the city started with just four government employees. It contracted out nearly every service and function. While the private-sector contractors were responsible for staffing and operations, the city of Sandy Springs maintained budget control by setting priorities and service levels.

Here's a telling indicator: Because Georgia's state constitution requires municipalities to provide public safety

services (police and fire), Sandy Springs hired those personnel. But even after that, in a city of 87,000 population, it recently had 196 employees compared to more than 1,400 city employees in next-door neighbor, Roswell, which has 2,000 fewer residents than Sandy Springs.

What's more, Sandy Springs' budget was nearly \$40 million less than Roswell's and was regarded as providing a higher level of service than its bureaucrat-heavy neighbor.

Locally, the examples of privatization barely register. Former Gov. Jeb Bush engaged the YMCA of Sarasota in privatizing foster care for the state. The Sarasota-Bradenton International Airport privatized its fire protection. But for the vast majority of government services here, the opportunities for privatization locally have barely been touched.

If you look at the city of Sarasota's 18 departments, for instance, two-thirds of the departments could be eliminated and their work handled by the private sector. What is the cost to taxpayers of a city waste-hauling department, with its fleet of trucks and the growing cost of bloated benefits and pensions? For that matter, all of the city's public works activities — from street maintenance to weed-whacking in the parks — could be contracted out. Building inspections and permitting could be and should be privatized. Engineering and accounting could be privatized. Human resource management is routinely outsourced in the private sector. Privatize management of the entertainment facilities.

In Sarasota County, the bureaucracy has become so entrenched and sprawling that one of its departments goes by the moniker of the "Talent and Performance Management Team." Its mission: "workforce planning, compensation, incentive and reward management, employee and labor relations, strategic/business planning, enterprise analytics, process development, internal education services, organizational assessment and development services and workforce collaboration and communication."

This is clearly an indicator of a mindset more focused on maintaining and growing the government apparatus than on reducing it.

Today's economic climate calls for a new way of thinking and a new way of operating at all levels of government. Divest. Privatize. Shrink.

Bring on the elephant eaters.

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