

# Financial workings of South Tahoe unveiled

By Kathryn Reed

It is up to the finance department of most agencies to have the pulse of the organization. South Lake Tahoe is no different.

“We try to remain emotionally detached,” Mark Carlson, assistant city manager and director of Financial Services said.

He admits the council has made decisions he disagrees with. All he can do is keep them informed of the consequences of those actions.

Everything that goes on in the city touches the finance department because those employees are the keepers of money.

Carlson, along with Maryann Brandt, who is the manager of the department, delved into the city's finances with this year's Citizens Academy students.

The free seven-week course is designed to give residents a better understanding about how the city works as well as an opportunity to ask questions of staff. (This reporter is part of the current class.) The first session was an overview about the city, the incorporation and basic functions.



Members of South Lake Tahoe's Citizens Academy learn about financial dealings of the city. Photo/LTN

Also part of the April 14 session was a lesson about the airport by Sherry Miller, who oversees that facility. The city is actually a tenant of the airport's, paying \$1.45 per square foot. That will go up to \$1.50 a square foot in June per the council's approval earlier this year. That is the same rate all tenants pay.

The finance gurus touched on how the city has \$160 million in debt, with the bulk of it – \$90 million – being for the construction of Heavenly Village. That total, though, does not include pension debt for the California Public Employee Retirement System. A change in how the state wants financial documents recorded will put that \$19 million liability on the ledger in a more visible manner. Carlson stressed how the city has no ability to change PERS.

The debt would be substantially higher if the city had not changed its health care plan.

Carlson explained how public safety employees are the most expensive because of their training, equipment and pension costs.

Carlson also stressed how there is no denying South Lake Tahoe is a tourism-based economy.

“We live and die by the tourists who come to town,” he said. He mentioned how the city is considering raising the hotel tax by 2 percentage points, which could be on November’s ballot.

The next academy group will be hearing about the financial part of the city from other workers. This is because Carlson is leaving at the end of the month to take a job in Union City and Brandt is retiring in late summer.

The airport used to be a much larger financial drain on the city’s coffers. Seven years ago \$630,000 came from the General Fund for the facility, while today it is \$106,000.

Any money that is made at the airport – including the vending machine – must be reinvested in the airport per Federal Aviation Administration rules.

The FAA has tremendous say over what goes on at Lake Tahoe Airport. The city even looked into closing the facility and the feds said no way. It’s deemed too valuable for the region.

It’s the FAA that wants more trees cut down because they are deemed an obstruction. Miller has a meeting scheduled for Monday to talk to various agencies about which ones will come down. It’s a careful balance between negotiating for safety (trees aren’t why planes go down here) and keeping the natural surroundings as they are.

While the South Lake Tahoe airport has not had commercial air service since 2001, it has some of the infrastructure from those days. A tunnel on the runway level runs the length of the upstairs entrance and council chambers. This is where the baggage would come in. A spot on the ceiling is obvious where the conveyor belt would have come down to carry bags to the carousel that was in what is now the empty entrance way. Today the tunnel is used for storage.

Even without commercial service, the airport is busy. Caesars flies in guests at least once day, sometimes five times. There are 23,000 takeoffs and landings a year. Helicopter tours are given, a flight school operates there and the medical helicopter CalStar is stationed at the airport. The busiest time is during the July celebrity golf tournament.

Miller is a one-person department. New to her plate is having to deal with drone activity.

"They are starting to fly in the same airspace as the big airplanes," Miller said.

"They can be just as dangerous or more so than birds. It would only take one to be ingested into an engine or fly into a cockpit window."