

Money Matters: If inflation returns, are you ready?

By Rick Gross

Inflation is the normal state of affairs in the U.S. economy. Most economists consider an annual increase in the cost-of-living of 2 or 3 percent per year to be a manageable level of inflation. This increase usually is a good trend because it is an indication of a growing economy.

While inflation has not been a concern in recent decades, the 1970s and early 1980s are remembered as a time when inflation created major economic challenges. In some years during this timeframe, the cost-of-living (as measured by the Consumer Price Index or CPI) increased more than 10 percent per year.



Rick Gross

Signs of an inflation uptick

Through much of the current economic recovery, which began nine years ago, inflation has remained modest. Some economists and analysts believe this could change going forward. One key factor that could contribute to an accelerated inflation rate is the unemployment rate, which dipped to its lowest level in years. This may mean employers will have to start offering higher wages to attract and retain qualified staff, which could trigger higher inflation. Another contributing factor could be that most global economies are simultaneously

experiencing economic growth. This synchronized expansion may continue to stimulate demand for products and services, leading to faster price increases. Investors are also watching for the impact of the recent tax reform legislation, which could contribute to inflation should consumers spend more and prices rise.

Watch the Federal Reserve

One way to keep an eye on inflation risk is to follow actions taken by the Federal Reserve (the Fed). It targets an annual inflation rate of two percent, a goal it has had little difficulty maintaining in recent years. If the Fed begins lifting the short-term interest rates it controls more quickly than expected, it may be a sign that Fed policymakers are concerned that the threat of higher inflation is upon us. If the Fed raises rates quickly, consumers could see rising interest rates and a more volatile stock market. Your financial advisor can provide you more guidance as you prepare for changes that may lie ahead.

The potential impact on your bottom line

While no one can predict what will happen in the future, you should consider how to respond to a changing environment for living costs. If inflation increases rapidly, the impact can be dramatic for consumers. When prices of everyday items begin to noticeably increase, consumers could have, in effect, less disposable income. The greatest impact can often be on big-ticket items. For example, the price of houses or cars could begin to climb. In select housing markets, this has already happened even though the broader inflation rate has, at least until now, remained subdued.

Does that mean you should quickly adjust your spending? While it may seem prudent, you must be careful not to let short-term economic trends overly influence your long-term financial strategy. Being mindful about your spending and saving is a

helpful strategy no matter the economic backdrop.

Prepare your portfolio

Investors also need to be cognizant of the potential impact inflation can have on their portfolios. In what has generally been a period of low inflation (the 1980s through now), stocks and bonds have both performed consistently well. In the 1970s, when inflation was much higher, stocks lagged their historical averages and bonds were negatively affected by rapidly rising interest rates.

If inflation rises, interest rates historically have tended to follow that trend. If inflation should begin to accelerate, bond yields may as well. This could hurt bond investors; as existing bond holdings can lose value when yields rise in the broader bond market.

If you are concerned that inflation risks will become a greater concern, this may be a good time to review your portfolio. Consider taking steps to prepare for potential changes in the investment environment that could be caused, in part, by changes in the inflation scenario.

Rick Gross is a financial advisor and private wealth advisor with Ameriprise Financial Services Inc. in South Lake Tahoe.

Snippets about Lake Tahoe

- Bona Fide Books' second volume of "Permanent Vacation" will be out this summer. Free shipping **on orders** placed before June 8.

- The second annual Lake Tahoe Brewfest will be June 2 at Heavenly Mountain Resort's California Base Lodge.

· The Truckee EAA Chapter 1073 hosts a pancake breakfast and free airplane rides for kids 8-17 on the second Saturday of each month. The next event is April 14, 8-10am. Meet at the Truckee Tahoe Airport EAA hangar and explore the area by air. RSVP to yecoord1073@outlook.com.

· The 17th annual Tour de Tahoe – Bike Big Blue event is Sept. 9. It starts and ends in Stateline.

SLT's dysfunction stalls recreational marijuana

By Kathryn Reed

Recreational marijuana, while not extinguished in South Lake Tahoe, is having a hard time getting out of the starting gate.

At the March 27 City Council meeting Sergio Rudin with the law firm of Burke, Williams and Sorensen said he had all he needed to write an ordinance that would be ready for the council's review on April 17.

The issue was brought back two weeks sooner – and without an ordinance to dissect. Mayor Wendy David has asked for recreational marijuana to be on every agenda until the issue is resolved.

The council on April 3, with the absence of Brook Laine, talked in circles – again. In the end, they told Nira Doherty, attorney from the same law firm, not to bring back an ordinance. Instead, David said she would meet with Councilmember Jason Collin and acting City Manager Jeff Meston to get their questions answered.

For more than three hours last week Collin, David, Meston, Doherty, Police Chief Brian Uhler and planning director Kevin Fabino talked. A lot of questions were answered, but the council members are not completely sure where they stand on everything.

Collin appears to want information spoon fed to him. At the April 3 meeting he admitted, "I'm probably the least educated on this." He later said, "This is not the biggest priority of my life. I am not going to do homework on my own." Then he added that he has read some things about recreational marijuana.

The reality of being on any elected body is that everything on the agenda is supposed to be a priority because the electeds are doing the public's work and their job is to do what the public asks. The public is asking for a recreational marijuana ordinance. The electeds are the ones who set policy, not staff, so they must come up with the substance of the ordinance.

Part of the delay is that recreational marijuana is new to California. And while other states have legalized it, each state has its own rules. And being in Tahoe, the city has to deal with constraints imposed by the Tahoe Regional Planning Agency.

The uncooperative working relationship among the five electeds is also impacting the process. They also all don't seem to trust staff. This is bogging down the process.

Then the council is being told by one attorney that an ordinance can be written, while a different person sitting in that chair at the next meeting says more information is needed.

Complicating matters is city staff is not in agreement and let their differences be known for all to hear at the last council meeting. Doherty and Fabino are in disagreement about zoning

laws, especially when it comes to micro businesses. This just adds to the confusion for the council when it comes to being able to make a decision, and for the public to trust the process and future decisions.

Micro businesses are a hiccup in the process that still needs to be addressed, and in large part will dictate how any ordinance is written. While the community working group recommended not starting with micro businesses on Day 1, members said revisiting the issue in a year or so would make sense.

Councilman Austin Sass has advocated for them since the get-go, saying this is a better route for South Lake Tahoe and the individual businesses. It means the businesses would be able have multiple licenses bundled into one, and essentially be self-contained. One example is that they could grow, distribute and sell the product.

Recreational marijuana will be back on the April 14 agenda. The ultimate goal is to have an ordinance that will stand up in court. It remains to be seen when an actual ordinance will be forthcoming.

Letter: Marching for climate change

To the community,

Climate change is the defining issue of our time. We are bombarded daily by those who seek to divide us on the issue of climate change. Those that sow the seeds of division understand the climate science and the catastrophic impacts if

it goes unchecked, but yet they still work tirelessly and at great expense to keep us apart and create doubt.



Nick Exline

The decades-long campaign to mislead the public on climate change was done so for one very simple reason, to ensure the profits of a very select few at the cost of “we.”

But we are waking up. We understand that climate change is not a political issue and that we will feel the impacts regardless of whom we voted for in the last election. We understand that the exploding green economy is providing good paying jobs and can save our city, utility and school districts money. We understand that addressing climate change will provide safety and security to our communities and families as we safeguard against wildfires and decentralize our energy grid. Finally, we understand that fighting climate change is the only way to protect the place we are fortunate enough to call home.

On April 28 at 10am we will be meeting at Lakeview Commons for the second annual South Lake Tahoe People’s Climate March, which will end at the Earth Day event at Bijou Park. We are marching to demonstrate that we, as a community, are united in our fight against climate change.

We came together as a community when the city of South Lake Tahoe and the Lake Tahoe Unified School District made their 100 percent renewable commitments. I can’t tell you how optimistic I am about what “we” can accomplish next.

Nick Exline, South Lake Tahoe

Primary care doctors an 'increasingly endangered species'

By David Ryder, New York Times

Is the doctor in?

In this new medical age of urgent care centers and retail clinics, that's not a simple question. Nor does it have a simple answer, as primary care doctors become increasingly scarce.

"You call the doctor's office to book an appointment," said Matt Feit, a 45-year-old screenwriter in Los Angeles who visited an urgent care center eight times last year. "They're only open Monday through Friday from these hours to those hours, and, generally, they're not the hours I'm free or I have to take time off from my job.

"I can go just about anytime to urgent care," he continued, "and my copay is exactly the same as if I went to my primary doctor."

That's one reason big players like CVS Health, the drugstore chain, and most recently Walmart, the giant retailer, are eyeing deals with Aetna and Humana, respectively, to use their stores to deliver medical care.

Read the whole story

Groups debate if Calif. has gone too far on crime reform

By Don Thompson, AP

Crime survivors and law enforcement leaders on Monday criticized a legal system they said has gone too far in reversing get-tough-on-crime policies of past decades as they stood before hundreds of photographs of crime victims as part of their annual Capitol rally.

They urged voters to support a ballot initiative that would roll back portions of measures passed in 2014 and 2016 that critics say impede investigations and free violent offenders too soon.

On the opposite side, a reform group wants to further scale back what was once the nation's toughest law targeting repeat offenders.

Domestic violence survivor Jennifer Adkins said her attacker was sentenced to 12 years in prison in 2015 on charges of assault with a deadly weapon, making terrorist threats, causing injury and assaulting a police officer. Under recent legal changes his sentence was reduced to three years and he is due for release next year, she said.

"I fear for my life," she said.

El Dorado County Sheriff John D'Agostini said stories like hers show recent changes "have exacerbated that revolving door."

Read the whole story

Calif. housing bill narrowed before first legislative debate

By Liam Dillon, Los Angeles Times

Ahead of its first legislative committee hearing scheduled for next week, a Bay Area lawmaker has narrowed his bill aimed at building more housing near transit across California.

Under the newly amended Senate Bill 827 from Sen. Scott Wiener, D-San Francisco, cities would be allowed to restrict building heights to four or five stories, down from a maximum eight stories, within a half-mile of rail and ferry stops. Wiener also limited changes surrounding bus stops. The new version of the bill wouldn't mandate height increases around bus stops, instead allowing for increased density and lower parking requirements. It would also only apply at bus stops with frequent service throughout the day, rather than just during rush hour.

[Read the whole story](#)

Chamber tourism forum set for May

Lake Tahoe South Shore Chamber of Commerce's annual tourism forum will be May 10.

This year's event will feature two keynote speakers, as well as breakout sessions focusing on the hospitality, retail, and culinary industries.

Early bird tickets are on sale now through May 1. They are \$30 for chamber members, \$50 non-members. Then they go up to \$40 and \$60, respectively.

The event will be from 8am-noon at the Hard Rock in Stateline.

National test data show Nevada students still lagging

By Sam Gross, Reno Gazette-Journal

Newly released national testing data show Nevada still has work to do to get its students on par with the rest of the United States, but the results do reveal some bright spots.

Results from the National Assessment of Educational Progress, a national test administered by an arm of the U.S. Department of Education, shows that Nevada is still trailing the national averages in math and reading.

[Read the whole story](#)

Controlled burns to resume in

Tahoe basin

The Tahoe Fire and Fuels Team, which includes local, state and federal agencies, will continue prescribed fire operations this week around the Lake Tahoe Basin.

Weather and conditions permitting, the Tahoe Douglas Fire Protection District, California State Parks, California Tahoe Conservancy and the U.S. Forest Service will continue prescribed fire operations in Sugar Pine Point and Burton Creek state parks on the West Shore, Carnelian Bay and Kings Beach on the North Shore, Logan Shoals on the East Shore and on Kingsbury Grade and off Ski Run Boulevard on the South Shore. Smoke may be present.

Each prescribed fire operation follows a specialized prescribed fire burn plan that considers temperature, humidity, wind, moisture of the vegetation, and conditions for the dispersal of smoke. This information is used to decide when and where to burn.