

Hotel taxes bright spot in SLT budget

By Kathryn Reed

An unexpected spike in the cost of retiree pension benefits and a continual declining value of some redevelopment properties is being offset by a substantial increase in transient occupancy taxes in South Lake Tahoe.

All of this means the 2015-16 budget that takes effect Oct. 1 is balanced. And while legally the city has to have a balanced budget, it is being done so without borrowing from other funds.

The City Council on Sept. 1 will hear a presentation on the budget, with adoption likely two weeks later.

CalPERS has rejiggered how it calculates what public agencies must contribute. Just to make the police and fire department retiree costs South Lake Tahoe has to come up with another \$1.2 million.

"They don't have to have a good return on their investments. They just send us a bill," City Manager Nancy Kerry said of how CalPERS operates.

Earlier this week CalPERS announced a **2.4 percent return** on its investments, which is much lower than what most entities are posting. Because these are defined benefits, retirees are guaranteed a set dollar amount no matter what CalPERS has in the bank. This means the entities where the retirees worked must make up the difference. This is unlike the private sector, which mostly has 401(k) plans where workers deal with market volatility, not the business.

The other big thing throwing a wrench into the city's coffers

is the value of condos at the Marriott Grand Residence. The price per condo is \$183,776. This compares to the Timber Lodge condos across the sidewalk that are selling for \$502,836. Grand Residence has 199 units, while Timber Cove has 264. At the former, they are sold as 13-week intervals, with 940 parcels on the tax rolls. Timber Lodge is mostly weekly timeshares, with 11,703 taxable parcels.

While every place else in the city limits the assessed value is going up, that is not the case for the Marriott properties that anchor the Heavenly Village. There has been a 43 percent drop in value from fiscal year 2009-10 to FY 14-15. Half of the decline in property value in the redevelopment area – which runs from Ski Run Boulevard to the state line – is from the Marriott properties.

There is a \$100 million difference between the assessed values of the two Marriotts. Part of this has to do with there being a number of foreclosures at the Grand Residence as well as the ownership criteria. Plus, Marriott has restructured the value of the properties with a point system that is helping to keep the value down.

City officials are in talks with the assessors' office to see if anything can be done to have the numbers be more reflective of the true value.

Kerry does not anticipate the same thing happening when the Chateau hotel-condos open in 2017. For now, that site is all one parcel and therefore is assessed as one property. With the project calling for a 32-room hotel-condo with full ownership, the developer would have to seek separate parcel numbers after build out.

While the city always wants more money in the bank, a big concern with any decreased value in the redevelopment is that \$180 million is still owed in bond debt. This includes principal and interest. It should be paid off in 2038.

Property taxes pay for the debt as well as TOT.

Even though the city is not reaping as much in property taxes from these parcels, throughout the jurisdiction the transient occupancy tax collection has been well above what was anticipated. TOT is up 20 percent – or more than \$2 million – from what was forecasted.

Much of that will be reinvested in fields as a joint project with Lake Tahoe Community College and Lake Tahoe Unified School District.

The other big piece in this budget and those going forward is how the city revamped its **health care costs** in the last year.

“Were it not for the changes in the health care program, we’d be facing deficits today. Decisions to completely revamp the health care benefit structure reduced annual costs by over \$1 million and reduced our unfunded liabilities by 73 percent,” Kerry said. “Without these changes, regardless of TOT increases, regardless of growth in the economy, etc., we’d be in deficits today.”

One thing Kerry plans to stress at Tuesday’s meeting is that if the city is to continue in its quest to be a recreation destination that it will take more money beyond current revenues to upgrade facilities. This may mean going to the voters in 2016 for a tax – be it increasing the hotel tax or a new amusement-recreation tax. The goal would be to dedicate that revenue stream to recreation, with the tourist bearing the burden.

Kerry’s presentation will also include a note of caution as the city looks to the future. Monetary issues run in cycles, with many forecasting 2017 as when the next recession may hit – though not necessarily like the Great Recession.

“The value of looking ahead is to mitigate the risks,” Kerry told *Lake Tahoe News*.

This means being conservative with spending, while also looking at how to generate sustainable revenue. The latter, the city believes, is through offering quality recreation facilities for locals and tourists.

Note:

- The council meeting starts at 9am Sept. 1 at Lake Tahoe Airport.
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Opinion: The nature of fire has dramatically changed

By Mike Benefield, High Country News

It's time to move irrigation pipe. It's one of those things you have to do when you have a certain amount of land and enough water to irrigate it. My knees hurt as I walk each piece of pipe over to the next dry spot. Here in central Oregon, it's always a race with evaporation. The sun beats down hot as I hear that familiar sound overhead; it's a DC-7 air tanker flying to another wildfire.

I didn't always spend my summers moving irrigation pipe. I was a city kid growing up on the beaches of Southern California until I turned 18 and started fighting wildfires. At 19, my wife and I loaded up all our possessions in a Volkswagen bus and moved to north-central Washington.

It was 1978, and a new world lay before us. We had both ended up working for the Forest Service. We rented an old, five-bedroom farmhouse on the banks of the Entiat River for \$185 a

month. It was surrounded by massive black walnut trees and heated by a woodstove. I was fighting fire in the summer and doing whatever I could do in the winter to survive until the next summer. Some winters, I'd work at the local salmon hatchery. As the years passed, I worked as a fire lookout and served as a fire-prevention technician, while gaining more fire experience on hotshot, helitack, engine and fuels crews.

Read the whole story

Home invasion defendant arrested in Tahoe in court

By KTVU-TV

A man accused of a home invasion crime in Dublin and linked to a bizarre kidnapping case in Vallejo from March appeared in an East Bay courtroom Thursday.



Matthew Muller

According to court documents, an emergency 911 call was placed from the lock screen of the cell phone, which revealed the telephone number and ultimately led to Muller's arrest at a home in South Lake Tahoe.

Thomas Johnson, Muller's attorney, believes the cell phone was

initially accessed without a warrant. He has filed a motion to suppress the cell phone as evidence.

[Read the whole story](#)

Poll: Calif. voters back \$2-a-pack tax

By Tracy Seipel and Jessica Calefati, San Jose Mercury News

SACRAMENTO – A day after a state senator revived a bill to hike the state's cigarette tax by \$2 a pack, a new Field Poll unveiled Thursday found that two-thirds of California voters back such a tax increase.

That's one of the key findings in the second part of the polling firm's ninth annual health policy survey, funded by the California Wellness Foundation.

The poll also found that voter satisfaction with the state's health care system overall has steadily grown from 50 percent in 2008, to 52 percent in 2012, to 58 percent today – nearly two years after most of the provisions of the Affordable Care Act went into effect.

[Read the whole story](#)

Fire destroys boat at campground



A boat is fully engulfed in flames in Tahoe City.
Photo/Provided

A boat parked at Lake Forest Campground in Tahoe City was completely destroyed Aug. 26 by fire.

A motor home and nearby vegetation also caught fire Wednesday afternoon. The flames did not spread beyond the campsite.

North Tahoe Fire Department officials said rehab of the site is not required.

The cause of the fire is under investigation.

– Lake Tahoe News staff report

League needs help with

Stewardship Day

The 18th annual Tahoe Forest Stewardship Day is Sept. 12.

This is a day of planting, weed pulling, and other restoration activities to preserve and protect Lake Tahoe's watershed. Refreshments, lunch and prizes will be provided.

Bring water, wear clothes that are comfortable.

The event is put on by the League to Save Lake Tahoe. It is from 9am-noon.

Meet at the intersection of Barbara and Lodi avenues in South Lake Tahoe.

RSVP at keeptahoeblue.org/rsvp. For questions or for more information, email events@keeptahoeblue.org or call 530.541.5388.

Partnership to test if forest thinning can grow groundwater

By Edward Ortiz, Sacramento Bee

The purchase of 10,000 acres of watershed land west of Lake Tahoe is slated to launch a living laboratory testing whether the answer to drought lies in fewer trees.

Research by the environmental group the Nature Conservancy has shown that thinning forests of small- to medium-size trees and bushes allows forests to trap more rain because it lets more

water run off to streams and into groundwater stores. In winter, thinned areas may also allow more snow to be deposited on the forest floor as snowpack, said Edward Smith, a forest ecologist with the Nature Conservancy.

The Palo Alto-based Northern Sierra Partnership, which includes the conservancy, seeks to put that theory into practice on former logging land it's bought for \$10.1 million about 10 miles west of Lake Tahoe and south of Interstate 80 in Placer County. It's one of the largest pieces of unprotected land south of Donner Summit and the Tahoe National Forest.

Read the whole story

El Dorado County seeks volunteers

The El Dorado County Senior Nutrition Program is looking for volunteers.

Current volunteer needs include:

Drivers – are needed to deliver meals one day each week from 10:30am to 12:30pm to homebound adults in Placerville, Cameron Park, El Dorado Hills, and the Georgetown Divide, and especially in South Lake Tahoe.

Kitchen volunteers – are needed to help with lunch service, set-up and clean-up at the El Dorado Hills Senior Center at 990 Lassen Lane.

To volunteer or for questions call 530.621.6160.

USFS-CTC to present land swap proposal

The California Tahoe Conservancy and the U.S. Forest Service are hosting two open houses to present a land exchange concept that they say would help both agencies better manage their holdings in the Lake Tahoe Basin.

The proposal would transfer Forest Service urban lots to the California Tahoe Conservancy, while conveying some larger CTC parcels to the Forest Service.

The South Shore open house is Sept. 9 from 5-7pm at the Forest Supervisor's office, 35 College Drive in South Lake Tahoe. The Tahoe City open house is Sept. 10 from 5-7pm at the Tahoe City Public Utility District's Lakeview Room, 221 Fairview Drive.

There will be no formal presentation. Staff members from both agencies will be available to explain the proposal and answer questions.

Under the proposal, the Forest Service and CTC would exchange 1,961 acres. The Forest Service has stipulated that the lots remain open space and that the state agency cannot sell them.

Maps showing areas proposed for exchange are available **online**.

Co-op to close; thousands in Nev. without insurance

By Jackie Valley, Las Vegas Sun

The Nevada Health Co-Op, a consumer-owned and operated health plan created under the Affordable Care Act, is going out of business because of high costs, state officials announced Wednesday.

Consumers insured by the co-op will be covered through Dec. 31, said Janel Davis, spokeswoman for the Silver State Health Insurance Exchange. The Board of Directors for the co-op, which received \$65.9 million worth of solvency loans from the federal government, voted to cease operations effective Jan. 1.

The co-op is one of five insurance carriers offered through the Silver State Health Insurance Exchange, which was established by the Affordable Care Act. Participants in the Nevada Health Co-Op were asked to choose other insurance providers when an open enrollment period begins in November.

Read the whole story