

Pot shop property thrown out of bankruptcy court

By Kathryn Reed

The future ownership of the strip of land that houses South Lake Tahoe's lone medical marijuana dispensary is in limbo.

Patty Olson, who owns that retail area in the Bijou Center, had filed bankruptcy earlier this year. Tied to that case was whether Tahoe Wellness Cooperative owner Cody Bass' allegations that he had the first right to buy the property were legally correct.

The bankruptcy judge in Reno this week threw out the case. This is because Olson had received rent payments from Bass for a business that is illegal under federal law. It doesn't matter that medical pot is legal in California. Per federal law that rent money would be deemed illegal cash. Rent was \$10,200/month.

Bass is still operating his business there, and Olson still owns the property. Bass is operating without a valid city permit. He must have the owner's OK to operate. While that had been obtained in the past, it could not be secured last year. That is a separate legal issue tied up in local courts.

Bass can't just rent or buy another place because of the city's pot shop ordinance. It limits the number of such businesses and where they can operate. It would take the City Council's approval to open elsewhere.

The bankruptcy filing occurred after the commercial property and Olson's nearby home were foreclosed on. The bankruptcy halted the foreclosure hearings. (Olson now lives in Sparks.)

The bankruptcy judge put a 60-day stay on the foreclosure

process. This gives Olson time to decide if she would want to appeal the bankruptcy court's decision. If no appeal is filed, the legal wrangling would resume to where it was before bankruptcy court.

Bass believes the agreement he has with Olson to buy the commercial and residential properties for \$4.2 million is still valid. Not true says Olson's lawyers. Bob Hassett, who owns a neighboring apartment complex and operates the Timber Cove Marina, has offered Olson \$2.35 million for the commercial property with the contingency all matters with Bass are resolved and that the property not need more than \$400,000 in repairs. He also wants the residential property.

Free small business tax seminar

Business owners and aspiring entrepreneurs who would like to learn how to comply with California's tax laws are invited to attend a free small business tax seminar and resource expo in Placerville on June 8.

California Board of Equalization Vice Chair George Runner is sponsoring the event with state Sen. Ted Gaines, Assemblyman Frank Bigelow, the city of Placerville, and El Dorado County Chamber of Commerce.

Topics include avoiding common sales and use tax problems, forms of ownership, employee versus independent contractor, and recordkeeping. Representatives from the BOE, Employment Development Department, Franchise Tax Board, and Internal Revenue Service will conduct presentations and answer questions.

It will be from 8:30am-noon, with registration at 8am. It will be at the Placerville Town Hall, 549 Main St.

Gaming regulators to fine-tune regulations on nightclub employees

By Richard N. Velotta, Las Vegas Review Journal

Gaming regulators will spend a little more time fine-tuning regulations designed to monitor employees within the nightclub industry, the state Gaming Control Board agreed Thursday.

Following a 90-minute hearing, Control Board members directed their staff and attorneys to review comments from a representative of the Nevada Resorts Association on a series of amendments to regulations regarding nightclub employee registrations and independent agents.

Regulators first established rules for nightclubs in 2015 and 2016 when the club industry was beginning to heat up in Nevada casinos.

Read the whole story

Nevada races to get recreational marijuana on shelves

By Jenny Kane, Reno Gazette-Journal

Now that Nevada has the green light to move forward with its early start recreational marijuana program, it could set the national record for the fastest turnaround of retail reefer.

In a rush for kush, the state is attempting to power forward with recreational marijuana sales in a mere eight months since voters approved Question 2 in November.

That's faster than any other state so far.

[Read the whole story](#)

Rubicon trail delivers exquisite views of Tahoe



Rubicon trail has stunning views in all directions.
Photo/Kathryn Reed

By Kathryn Reed

EMERALD BAY STATE PARK – Fifty shades of blue; that's what you see along the Rubicon trail.

From Emerald Bay to D.L. Bliss State Park the spectrum of color is breathtaking. It seems to change every few feet; the hue altering with the sun and depth of water.

With so much terrain in the Lake Tahoe Basin off-limits because of lingering white stuff or impassable water, it's necessary to find trails below the snow line. This is one of them.

What makes this trail so special is that either Emerald Bay or Lake Tahoe is constantly in view. As the elevation of the trail changes, the perspective alters from it seeming to be within reach to being a scary dive.



Emerald Bay shimmers on a warm spring day. Photo/Kathryn Reed

The Rubicon Wall is where some of the deepest waters of Tahoe exist. In the summer, when the water is warmer, people are often jumping off rocks.

This trail was not immune to the ravages of winter. One section before reaching the tip of the bay is covered in water. It's passable to the right where hikers have put down limbs to walk across.

Trees cross the path at times, but all are easy to maneuver over or around.

The waterfall midway along the route is passable, but slow going as people watch their step on the rocky-watery crossing. (What was more amazing was all the water coming out of the hillside along the paved path from the parking lot to Vikingsholm.)

While there were several people on the trail last Sunday, it was by no means crowded. Besides the four us, only two people were at Calloway Cove at D.L. Bliss. It was truly blissful.



The colors of Lake Tahoe are dazzling.
Photo/Kathryn Reed

Getting there:

From South Lake Tahoe, take Highway 89 north, through the hairpin turns, and around Emerald Bay. Park in the Vikingsholm lot on the right. Cost is \$10. Go down the paved trail toward the castle. Before reaching the castle, the Rubicon trail is to the left. Round trip it is 11 miles.

Opinion: Rampant fiscal irresponsibility

By Larry Weitzman

“Bullet train Brown” has a brilliant idea recently reported on

by Bay Area reporter Daniel Borenstein. It's Brown's idea that we borrow money from ourselves. That's right, take \$6 billion out of the state's bank accounts and replace it with a low interest note, say 1.3 percent and then give the \$6 billion cash to CalPERS which hopefully would return investment earnings of 7.5 percent or even 6.2 percent and the state would make hundreds of millions in what gamblers call the "vig" or vigorish which is the bookie's 10 percent cut of every bet made, no matter who wins.

In more sophisticated investment circles other than a bookie's, it is called hypothecation, where you borrow by pledging assets at a low rate to invest at a higher rate. Your profit is akin to the "vig." That is exactly what happened with the real estate debacle of 2008 with the leveraging of mortgage backed securities and credit default swaps. The city of Oakland tried borrowing and reinvesting and lost hundreds of millions of dollars.



Larry Weitzman

But now it's "Bullet train Brown" who wants to roll the dice or try the red or the black. The problem is that he will come up with "00." Maybe we should call him "Bullet Brained Brown?" And this all has to do with our failing state and local pensions where there are hundreds of billions in unfunded liability because of CalPERS to either earn the money it said it would and/or optimistic projections of future earnings, sometimes called the discount rate which has finally been nominally lowered from 7.5 to 7 percent (still thought to be too optimistic by CalPERS own consultants who have mentioned

6.2 percent).

Pension issues are going to have a huge negative effect on El Dorado County. Our CAO, Don Ashton, referred to the problem recently in regards to the challenges the county faces, especially in light of the growing salary and benefit (read pension) issues.

Ashton cited two of the major problems, roads and pensions. With respect to roads he said money from the new state gasoline tax should average about \$6.9 million, which will still leave a shortfall of as much as \$3 million annually. But what he didn't mention was that EDC residents will pay about three times that amount as a result of the new gasoline taxes or about \$21 million just to get the \$6.9 million. If EDC were to recover the entire \$21 million, our fiscal problems would be almost alleviated. As to the other \$14.1 million difference, see "Bullet train Brown" above.

However, when roads are compared to the pension shortfall, it becomes the mole hill compared to Everest. At the last board meeting, item 25 was a presentation by the consulting group Bartel who laid out to the board the monster with the most voracious appetite ever created, CalPERS. Thank you, Gray Davis.

Even according to Bartel, the problem is beyond daunting. My column from November 2016 said that our pension obligation will add \$63 million to our pension contributions over the next six years at current employment and salary levels with a possibility of that \$63 million number reaching \$100 million.

Bartel said that over the next five years our percentage of contributions for public safety could rise to 50 percent of salary paid and as much as 25 percent for miscellaneous employees meaning an increase for each of about 25 percent for each category. On top of that, our unfunded liability portion of EDC's pension obligation continues to expand. The unfunded

portion was already at \$282 million in June 2015. Bartel shows that number to be \$349 million in June 2016 and projects the growth of this massive liability at about \$366 million by June 2017.

This issue is not new by any means. Our county auditor-controller sent a letter on Nov. 29, 2005, to the board that our unfunded CalPERS liability totaled \$64 million, a \$10 million increase from the prior year and our unfunded retirees' health care totaled \$36 million. On Feb. 15, 2012, our county auditor wrote the board that as of June 30, 2010, EDC's unfunded pension liability was now \$244 million. At that time, the auditor-controller warned that we need a two-tiered retirement system and more as these amounts are "unaffordable and insurmountable unfunded obligations."

The underlying reason for the falling discount rate and lowering rate of return for CalPERS is the growth of the national debt from \$10 trillion in 2008 to \$20 trillion by the end of 2016. Because we pay rent for the use of that money called interest, a 1 percent rise in interest rates would cost taxpayers \$200 billion annually, it is unlikely that interest rates will rise precipitously in the near future. And the rest of the world governments are deeply in debt as well, so there is great pressure to keep interest rates artificially low to keep the cost of the debt low. There is no free lunch. In fact, for seniors who live on interest bearing investments, this situation is raising the cost of their lunches as their income dwindles.

The results of these artificially low interest rates are creating tremendous pressure on governments paying for the pensions they promised. I don't mean to scare our wonderful residents, especially our seniors of which I am one, but services in El Dorado County may eventually get limited to public safety and roads. There will be no money for senior programs and certainly less for public health. Libraries will be on line and counter service will be a thing of the past.

But there are other solutions. First, a complete reform of the pension system. Vesting rules will need to change and the benefits promised need to be lowered. Employee contributions will have to increase or perhaps public pensions will have to be combined with social security which might be a good thing as it will add more contributors to the system (more current workers per retiree).

The bottom line is that public servants in general are overpaid for the “public service” provided. However, there are a few categories of underpay, but not many. It used to be that the private sector was the place to make money, but job security was less and performance was how you got ahead. Retirement was an individual proposition. Now the best jobs are in government where the earnings are good, the job security is almost a guarantee and the pensions are phenomenal. Public servants now covet and own the public trough. The world has become upside down. Righting it might be an impossible task.

Larry Weitzman is a resident of Rescue.

Tips for fun on USFS lands during long weekend

By Lisa Herron

Here's some important information for residents and visitors to keep in mind this Memorial Day weekend at Lake Tahoe.

Warm temperatures have accelerated melting of our tremendous snowpack, streams and rivers will be cold, swift and high. Snowmelt water is extremely cold and exposure for even for a

few minutes can cause hypothermia. Avoid crossing flooded areas and keep in mind stream and river levels can fluctuate rapidly. A stream crossed early in the day, may not be able to be crossed later in the day as temperatures warm.

Hikers are advised that 2 to 20-plus feet of snow remains in the back country. Trails may not be visible, a map and compass are essential, along with proper footwear, clothing and gear. In addition, your mobile device may not work in some areas, develop an emergency plan in case you cannot call for help.

Expect Lake Tahoe beaches to be much narrower than in previous years, some beaches with vegetation or rocky shoreline may be inaccessible. Arrive early to beat the crowds and use this opportunity to explore new areas.

Due to the large amount of snow remaining in some areas, many trails, roads and some campgrounds are still closed. Check **online** for the latest closure information (dates are subject to change).

Campfires and portable charcoal grills are only allowed in designated campgrounds and are never allowed on the beach or in the general forest. A California campfire permit is required for gas stoves outside of designated areas. Think first and learn more about keeping Tahoe fire safe **online**.

Finally, remember to pack out all garbage and **leave no trace**.

Lisa Herron works for the Lake Tahoe Basin Management Unit.

Motorcyclist

survives

collision on Hwy. 50 in SLT

A motorcyclist on Friday night was hit by a vehicle turning into Safeway in South Lake Tahoe.

The motorcyclist was taken to Barton Memorial Hospital out of precaution. Police officers plan to interview the South Lake Tahoe man after he has been treated.

The accident occurred about 8:48pm May 26 on Highway 50.

"The damage to the car is in the middle of the passenger side car," police Officer Doug Sentell told *Lake Tahoe News*. No one in the car was hurt. The driver as of Friday lives on the North Shore, having moved there from the South Shore.

That vehicle was going west, and the motorcyclist east.

The accident is under investigation.

– *Lake Tahoe News staff report*

Trump budget OKs sale of wild horses for slaughter

By Scott Sonner, AP

President Donald Trump's budget proposal calls for saving \$10 million next year by selling wild horses captured throughout the West without the current requirement that buyers guarantee the animals won't be resold for slaughter.

Wild horse advocates say the change would gut nearly a half-century of protection for wild horses – an icon of the

American West – and could send thousands of free-roaming mustangs to foreign slaughterhouses for processing as food.

Read the whole story

Wildfire Safety Expo in South Lake Tahoe

South Lake Tahoe Fire Rescue along with multiple local agencies are coming together and hosting the fourth annual Wildfire Safety Expo on June 17.

It will be from noon-3pm at the TJ Maxx parking lot located at the Y.

The event will include information on creating a home evacuation plan, preparing for fire, creating defensible space property and more. There will also be an appearances by Smokey Bear.