

South Tahoe may layoff 2 dozen to close \$5.2 mil. deficit

Publisher's note: *This is the first of two stories about South Lake Tahoe's fiscal situation.*

By Kathryn Reed

South Lake Tahoe has 43 days to figure out how to close a \$5.2 million budget deficit. That's the start of the next fiscal – Oct. 1. The reality is the deadline is 25 days from now because the City Council is expected to approve the 2011-12 budget Sept. 13.

What seems to be a constantly increasing ledger of red has to do with the potential loss of \$1.3 million a year depending on the outcome with the state regarding redevelopment agencies, property taxes and the associated income from this source like vehicle license fees continuing to drop below expectations, and the bulk of the bargaining units not making concessions to their pension and health care benefits as hoped and budgeted for in the five-year financial plan approved earlier this year.



As a tourist destination, South Lake Tahoe's economy is expected to recover more slowly than other regions. While economists argue whether the nation is about to enter another recession, many locals don't believe the Lake Tahoe Basin ever emerged from the one that began three years ago.

The South Shore is in a worse state than the nation as a whole. Unemployment is near 17 percent, the value of single-family residences has declined by 35 percent since 2006, about

40 percent of the houses on the market are in foreclosure, and hotel occupancy is at 23 percent.

Considering property and hotel taxes are two of the three largest revenue sources for South Lake Tahoe, the above paragraph points to two of the reasons why the general fund is not healthy.

With sixty-seven cents of every dollar in the general fund going toward employee salaries and benefits, this is another large component of what is hurting the city's financial health.

Looking at city figures, some of which are provided in the Aug. 23 staff report, the combined property tax, transient occupancy tax and sales tax from 2008-09 compared to the next fiscal year has dropped by 3 percent. Those are the three main revenue sources for South Lake Tahoe.

And even though the city's workforce has decreased by 42 positions or 17 percent since fiscal year 2009, the employees are still the biggest drain on the general fund. But that is the case for most organizations and is not unique to South Lake Tahoe.

On the Aug. 23 City Council agenda is the five-year financial plan's quarterly update. While the staff report by Finance Director Christine Vuletich says, "The City's General Fund revenues are estimated to grow slowly, at approximately 1.5 percent annually over the next five years," it doesn't mention the nearly two dozen employees who are likely to add to the 16.7 percent unemployment rate when they are terminated next month if city employees don't make concessions.

Of the city's seven bargaining units, only the fire association has come to the table, with the intent of agreeing to the concessions asked for by the city. This also ensures their jobs are intact.

It has been this administration and council's philosophy that frontline staff should have their jobs preserved while middle management positions are flattened.

That scenario is one that is being playing out across the country – though mostly in the private sector.

The general services group is the only bargaining unit that must negotiate this year because its contract is up at the end of September. But they only started negotiating in the last couple weeks after having become part of the Teamsters.

Aug. 23 is only the second time this year that in closed the council will have discussed labor negotiations. That is not because the council has not wanted to move forward, but because the employees have been dragging their feet.

This council has made it known it will not dip into reserves to make ends meet – which is what employees are used to.

What is being asked of employees is for them to pay their share of their pension costs as well as part of their health care expenses.

Even if employees were to agree to the proposals by the city that would save \$1.5 million through pension and health care changes, layoffs would be necessary because of the ever-increasing budget deficit.

It has been known for months if the employee groups don't help defray costs – \$1 million a year in savings if they pay their PERS and \$500,000 with health care changes – jobs will be lost.

Of the nearly two-dozen positions that may be axed, three are definitely going away, according to O'Rourke. Those are the division chiefs in the fire department. The three are in an associatin by themselves and are technically at impasse with the city.

Sources have told *Lake Tahoe News* the nine captains will be asked to do more, and that eliminating the three division chiefs will be part of the budget plan the council will vote on next month no matter what.

Other jobs going away are the captain's position in the police department when Martin Hewlett retires early next year. The department will run with five sergeants instead of seven.

The police chief for the next year is also the fire chief.

Who else will be in the unemployment line remains to be seen. It's still possible through collective bargaining jobs will be saved.

At several council meetings the topic of privatization of entities besides the ice rink has been broached. If that goes forward, positions could be eliminated that way.

Another issue on the table, according to employee groups, is the elimination of incentive pay.

"Educational degrees and state certification programs were the largest factors for the incentive programs so that the PD would be made up of seasoned and well trained cops and full of rookies. I would suspect that public works had similar things to strive for such as master mechanics or other technical degrees an employee could secure and then be paid for their experience gained," a former police officer said in an email obtained by *Lake Tahoe News*.

It is not known how much this would save the city if this were to be enacted.

El Dorado County supervisory districts up for a vote

El Dorado County supervisors are expected to vote Sept. 13 on the redistricting plan, with the first reading Aug. 23.

On the agenda for next week is having the current district that encompasses the South Shore expanding west. It would have the district now represented by Norma Santiago include the entire basin.

Some of the earlier proposals called for splitting the Lake Tahoe portion of El Dorado County into two supervisory districts as had been done in the past.

– Lake Tahoe News staff report

Residents assess damage from Ray May Fire; containment expected Friday

Updated: 8:30pm Aug. 18

By Jeff DeLong, Reno Gazette-Journal

Making good progress against a wildfire raging in Douglas County's Pine Nut Mountains, fire officials said Thursday they expect to have the blaze fully surrounded by fire lines by 6pm Friday.

The Ray May Fire was reported 70 percent contained Thursday after burning more than 3,600 acres or nearly six square miles.

"We're slowly corralling the fire," said Keith Barker, incident commander for the U.S. Bureau of Land Management. "We're getting a lot of good work done."

The fire was started Tuesday by two 15-year-old boys who had built an illegal campfire at a makeshift fort near the southern Douglas County community of Pine View Estates, authorities said. The pair is charged with felony arson.

One unoccupied home near the fire's origin burned Tuesday, and as the fire rocketed through tinder-dry pinon-juniper forests Wednesday, it destroyed a guest house and five outbuildings to the northeast in the Ruby Mine area near Pine Nut Creek. Two firefighters suffered injuries.

Musician David John, who fled advancing flames before dawn Wednesday, returned home Thursday to find his guest house, garage and a greenhouse destroyed. His home survived the fire.

"That's what happens with forest fires, I guess," John said. "They saved the house, I'm happy to say."

John was more upset over the skeletonized moonscape that used to be the forest he loved.

"It ain't too pretty up here anymore," said John, who has lost a home before to a fire. "It's all burnt. All those trees are gone. They won't ever again look like they did in my lifetime."

Some remote structures, less than 20, remained in danger, Barker said.

"We've got people that are out there off the grid," Barker said. "They are very remote homesteads, very isolated."

While the fire is expected to be fully contained late Friday, “it’s certainly going to be a few days” before it is fully controlled and all interior fire extinguished, Barker said.

The fire burned in particularly dense stands of pinon-juniper that had not burned in a long time, Barker said.

Read the whole story

Placerville mayor arrested on perjury, conspiracy allegations

By Carlos Alcalá, Sacramento Bee

Placerville Mayor David J. Machado has been arrested on allegations of perjury and conspiracy in connection with his interest in property within the Placerville Redevelopment Zone.

Machado failed to disclose his interest in the property and tried to conceal evidence while voting to approve the zone and taking actions on behalf of the property, according to a criminal complaint issued by the El Dorado County District Attorney.

Read the whole story

Nevadans will be able to make DMV transactions at grocery stores

By Sean Whaley, Nevada News Bureau

CARSON CITY – The state Board of Examiners this week approved a 10-year, \$27.6 million contract to install kiosks in grocery stores statewide where Nevadans will be able to renew car registrations, extend driver's licenses and perform other tasks that might otherwise require a trip to a Department of Motor Vehicles office.

The contract with Intellectual Technology Inc. will be paid for by charging fees to those using the kiosks, \$1 for all transactions but car registration renewal, which will run \$3, said Bruce Breslow, director of the DMV. The state is currently paying the company \$5 for each car registration renewal, but the amount users will pay was reduced in the new contract.

The purpose of the kiosks is to simplify DMV transactions for the public while at the same time reducing the need for staff to operate the state's multiple DMV offices, he said. DMV offices may close at 5pm, but a kiosk in a grocery store will be accessible 24 hours a day, Breslow said.

"Let's say you live out in Summerlin," he said. "By the time you get in your car, take the freeway, find the DMV office, wait in line at the DMV, get back in your car and negotiate the traffic to get back there, that's two hours of your life plus a couple of gallons of gas. So certainly a dollar is a better alternative than that."

The state expects to add 40 kiosks at stores around the state in the first two years of the contract, most in Southern

Nevada where the DMV wait times are usually longer than in other locations. More kiosks may be added if there is demand.

The new kiosks are expected to be available beginning next spring. The state has 27 kiosks now, most located in DMV offices, but some services, such as renewing a driver's license, are not yet available using the existing machines, he said.

The board, made up of Gov. Brian Sandoval, Attorney General Catherine Cortez Masto and Secretary of State Ross Miller, approved the contract.

Dugard-inspired bill would keep 'dangerous' prisoners locked up

By Maria L. La Ganga, Los Angeles Times

Two months after Phillip and Nancy Garrido were sentenced for the kidnap and rape of Jaycee Lee Dugard, a group of Northern California legislators introduced a bill to reform the state parole system and keep "dangerous, life-term prisoners" behind bars.

"Although we can't undo the mistakes of the past, we can make systemic improvements so that all Californians are safer and that victims know government is working to protect them," said Sen. Ted Gaines, R-Roseville, who introduced the bill Wednesday. "Senate Bill 391 is for those Californians who will never become victims because society's most dangerous criminals are kept where they should be – behind bars."

Phillip Garrido was on federal parole for a 1976 kidnap and rape when he and his wife abducted Dugard as the then-11-year-old was walking to the school bus in her South Lake Tahoe neighborhood. They held her for 18 years in a ramshackle compound in Antioch, where she gave birth to two daughters after being raped repeatedly by Garrido.

Read the whole story

Ray May Fire may take week to contain; 2 teens in custody

By Jeff DeLong, Reno Gazette-Journal

Updated 8:45pm Aug. 17:

It could take close to a week to control a fast-moving wildfire in Douglas County authorities say was started by two teenagers who lit an illegal campfire at a makeshift fort.

By late Wednesday the Ray May Fire had charred an estimated 2,730 acres with officials offering no estimate for full containment.

Crews had cut fire lines around roughly half the fire, which burned more fiercely as afternoon winds picked up and the fire burned into steep terrain covered thickly with pinon-juniper. One unoccupied structure was destroyed shortly after the fire started Tuesday afternoon.

“It’s pretty active. It’s burning hot,” said Rita Ayers, fire information officer.

Late in the afternoon, additional fire engines were ordered to

protect about 20 structures along parts of Pine Nut Road threatened as the fire pushed to the northeast.

“It’s obviously going to be those homes that are our concern,” said Tod Carlini, chief of the East Fork Fire Protection District/

One homeowner in that area watched flames march northeast from U.S. 395 toward his home before he was told by firefighters to leave about 5 a.m. Wednesday. Musician David John grabbed a few prized guitars, fiddles and CDs and fled to his second home in Virginia City.

“You can’t take everything so you have to make choices,” John said. “It was getting close, very close. The trees were just exploding.

“It’s like being a sitting duck,” John said.

Authorities investigating the fire determined it was set by two 15-year-old boys who built a campfire at a fort they erected near Ray May Way, Ayers said. The pair were arrested and are being charged with felony arson, she said.

The two teens arrested were not identified because of their age.

Read the whole story

Future of pension reform in Calif. remains cloudy

By Jon Ortiz, Sacramento Bee

Public pension reform in California, once a top-shelf cause on both sides of the statehouse aisle, has become something of a political orphan.

While a handful of government pension bills await action when lawmakers return to the state Capitol this week, reformers say the measures mostly tinker at the margins of an unsustainable system that needs fundamental change.

Gov. Jerry Brown has stopped talking about the issue. Although he promised to change pensions when he ran for office and again signaled his support for rollbacks during budget talks this year, Brown spokesman Evan Westrup said last week that the governor has made “no decision on timing” for moving ahead.

That silence – and news on Friday that a Texas billionaire put money into a new report favoring a pension overhaul – has lawmakers wondering what’s next as they head into the last four weeks of the legislative session.

“We don’t know if there’s anything the administration is planning for pensions,” said Sandra Sanchez, chief of staff for Assemblyman Warren Furutani, D-Gardena.

Furutani chairs an Assembly committee that deals with public employee retirement legislation and has several pension bills pending action.

Read the whole story

Casinos, state on opposite

sides about food comps

By David McGrath Schwartz, Las Vegas Sun

Food fight!

The state says it has been stiffed tens of millions of dollars by casinos that give free meals to patrons and employees but don't pay taxes on the value of the comps.

And casino companies are trying to reclaim \$210 million that they think the state wrongfully collected because of shifting legal opinions.

Who says the capital is quiet when the Legislature has gone home?

At issue is whether casinos should be taxed for the food they give away – whether to employees in their lunchrooms or to gamblers as a way to entice them to linger and gamble.

“The stakes for both sides are very high,” said Carole Vilardo, president of the Nevada Taxpayers Association. If casino companies win, the state would have to pay refunds “which would be very difficult in this economy.” But if the state wins, casinos would to pay a much higher sales tax based on the retail value of the food versus the wholesale value.

A state Tax Department audit found Boyd Gaming Corp. owes the state \$20 million in unpaid taxes and interest, according to a company filing with the Securities and Exchange Commission. Boyd is fighting that decision, and argues the state owes the company about the same amount in taxes it wrongfully paid on comped meals from 2000 to 2008.

The comped-food battle will also test the will of Gov. Brian Sandoval and lawmakers to tangle with the state's most powerful industry. Once, in 2008, gaming lobbyists successfully killed legislation that would have settled the

matter.

Read the whole story

South Tahoe police increase DUI enforcement

Avoid the 6 El Dorado County DUI Task Force will join nearly 10,000 other law enforcement agencies nationwide in support of an intensive crackdown on impaired driving Aug. 19–Sept. 5, known as “Drive Sober or Get Pulled Over.”

DUI-driver’s license checkpoints, multi-agency DUI task force deployments and local roving DUI patrols are schedule locally in partnership with law enforcement nationwide during the summer-Labor Day campaign.



Impaired driving is a serious crime. In 2009, 10,839 people died in crashes in which a driver or motorcycle rider was at or above the legal limit, according to the National Highway Traffic Safety Administration. The age group with the highest percentage of alcohol-impaired-driving fatalities in motor vehicle traffic crashes was the 21-24.

“All too often, innocent, law-abiding people suffer tragic consequences and the loss of loved ones due to this careless disregard for human life. Because we’re committed to ending the carnage, we’re intensifying enforcement during the crackdown. Since twice as many alcohol-impaired accidents occur over the weekend and four times as many occur at night, we will be especially vigilant during these high-risk times

when impaired drivers are most likely to be on our roads," South Lake Tahoe police Sgt. Shannon Laney said in a statement.

Violators will face jail time, loss of their driver's license, or being sentenced to use ignition interlocks.

The program is funded by the California Office of Traffic Safety.