A plan to revise federal tax structure

By Keith Libbey and Evan Thomas, Newsweek

Most Americans spend dozens, if not hundreds, of hours attempting, not always successfully, to do their tax returns. We spend almost $30 billion paying accountants to fill out the complicated forms, and by some estimates we devote $110 billion of our own labor just keeping track of all the necessary records and paperwork. Americans pay about 85 percent of the taxes they owe, better than in most countries, but the shortfall is still a drain on the Treasury (and the rich seem to find a way to avoid taxes legally). Is this costly, demoralizing struggle between the IRS and the rest of us really necessary?

The short answer is no. There is a way to relieve almost all Americans of the annual April 15 nightmare. What's more, it's a necessary first step toward a plan to cut the looming federal deficit. The time is right for thoroughgoing tax reform—a true clean slate—that will bring in more revenue while giving the public a greater sense of fairness. The reforms we propose will even allow most people to take home more pay than they do now.

The place to start is to cut almost everyone's payroll and income taxes by half. Yes, you read that right. Cut most tax rates, which now run from 10 to 39 percent, by half. All individual taxes would be collected through company withholding taxes on compensation (salary, bonus, deferred payments, etc.) and investment income (dividends, interest, capital gains, rents) to individuals. The very rich—those making more than $2 million a year—would still pay a top tax rate of 30 percent on earned income. The rate on investment income would be 15 percent. The result: individuals would not

have to file tax returns, most Americans would take home more pay than they do now, the tax base would be broadened, and the AMT—the alternative minimum tax, which sweeps up more taxpayers every year—would be eliminated.

Read the whole story

Judge: Lakeview Commons' future in SLT council's hands

By Jeremy Evans

South Lake Tahoe discovered last month that it was operating under an invalid contract with construction company Reeve Knight, the contractor selected to complete the Lakeview Commons project.

On Monday, El Dorado County Superior Court Judge Steve Bailey ruled the city needs to start the bid process all over again, a decision that will derail any improvements to the El Dorado Beach area until at least next spring.

"We expected the judge to send it back to the city," said City Attorney Patrick Enright. "Now we need to decide what we will do next."

The city will meet on Tuesday in a closed session to evaluate its next move, although the city is likely facing two options. It can either appeal the judge's decision within 30 days or it will turn the bid process back over to the City Council, which would restart the process of accepting bids for the project.



The future of Lakeview Commons is uncertain. Photo/Kathryn Reed

If the closed session results in a decision that the project's fate be handled by the City Council, it will discuss the matter at its next meeting on Oct. 19.

"We might wait until the full 30 days are up before we do anything or we could turn it over to the City Council to decide," Enright said. "We will go over our litigation options tomorrow in the closed session."

Bailey could have ruled that the city had to award the bid to Clark & Sullivan, the Sparks-based firm that brought the case to court. While Reeve Knight was awarded the bid on Aug. 3 on a 4-1 vote by the City Council, Clark & Sullivan challenged the awarding of the $4.5 million bid after excavating had begun. Bailey issued an injunction on Aug. 30 that halted construction, and then ruled in mid-September that the contract was void and invalid.

Since construction will remain at a standstill until spring at the earliest, Bailey signed an executive order to ensure proper winterizing of the property, per requirements by the Tahoe Regional Planning Agency and the Lahontan Water Board.

Calls from *Lake Tahoe News* to both Clark & Sullivan and Reeve Knight went unreturned as of Monday evening.

Gibbons remains hospitalized; improving

Nevada Gov. Jim Gibbons continues to improve from injuries and surgery after a horse riding accident on Sept. 21.

The governor’s prognosis for a full recovery remains excellent, according to his surgeon. The governor was moved Monday from his hospital room to another part of Renown Regional Medical Center that specializes in rehabilitation.

The medical experts have determined that the governor’s injuries have healed enough to allow for more active rehabilitation which will eventually lead to his release from the hospital and his return to the governor’s mansion. Doctors say no timetable has been set for the governor’s release.

The governor continues to receive briefings from senior staff and state department heads about state issues and other matters several times a day.

Flood advisory issued, snow level dropping

Last night’s thunderstorm was only the beginning, as a winter weather advisory is in effect for the Lake Tahoe region until 11am Tuesday. The National Weather Service in Reno is warning of snow at elevations above 8,000 feet, with 4-8 inches

expected through Tuesday morning. Periods of snow are likely to continue at higher elevations through Wednesday.

Heavy rain and hail will fall at lower elevations Monday night, with a half an inch of rain or more leading to increased pooling on roads and rising streams. Check conditions before heading into the backcountry or over mountain passes, and drive with caution.

Sunny skies will return toward the end of the week, with temperatures back to the mid-60s by the weekend.

Davis: keep taxes low, encourage and reward incentives

Publisher's note: ***Lake Tahoe News is profiling candidates for South Lake Tahoe City Council and Douglas County Commission. The stories are being published in the order they were received.***

Name: Tom Davis

Age: No response

How long have you lived in South Lake Tahoe?: 39 years

Job/profession: Businessman



Tom Davis

What would you build or tear down on the South Shore to make it great, as in what Whistler is like?: Millers Outpost Center at the Y. By the way, Design Workshop, who designed the current Project 1 area at Stateline, is the same company who designed Whistler.

What form of recreation do you participate in? What recreation improvements would you strive to make in SLT?: Boating, camping, bike riding. I would like to advocate for an additional dog park and for more picnic and barbecue areas with lake views. I want us to continue to make improvements on our Bijou nine hole golf course. I would also like to design and build an additional disc golf course.

Recreation tourism is expected to be the driving force of the South Shore economy in the coming years, and according to a decade-old study, the majority of the South Lake Tahoe residents would like to see cycling-type facilities and maintenance projects. So, what do you specifically plan to do to improve our substandard, dangerous bike paths and lanes and roads beyond hiring a consultant to tell us how bad they are?: The answer is, I can’t do anything about it as an individual, but by building a consensus with my fellow council members, I will continue to advocate the city to lobby for grant’s from any and all federal, state and private organizations, to build and maintain world class bike paths.

What are the three major issues facing South Lake Tahoe and how do you expect in four years to make it so they are not major issues when your tenure is through?: The economy, the

hole in the ground, and the grand jury report. To encourage and promote more special events, both large and small, year-round. Eco-tourism and sell the “sizzle” to our guests of what beautiful Lake Tahoe has to offer. After the project comes out of bankruptcy, we must find a qualified developer, and make sure that the financial guarantees are in place, before any further construction resumes. When I was on the council, we required finical guarantees before the developer could even move forward, that’s why as you can see Project 1 was successfully completed. I feel with a new city manager and three new council members out of the five total council members if the new council members are willing to work well together, the grand jury report will become a non-issue in the following years.

What compelling idea have you read in the citizens’ input of the revamped, in-progress update of the city’s General Plan?: The citizens want real change, with limited red tape and they want financial incentives. The citizens also want these projects done in a fair and timely manner, not taking years to complete.

How do you plan to boost revenue in SLT?: Advocate more special events, both large and small for South Lake Tahoe. By working with Heavenly Ski Resort to bring the World Cup Ski Races back to South Lake Tahoe. I also want the city to work closely with the Tourist Improvement District and the Lake Tahoe Visitors Authority, and bring my years of marketing experience to the table.

What stands out to you in the 2010-11 budget?: How complex the city budget really is. There are over 79 budgets within the city budget. This budget gives you a very clear understanding of what services the city provides for our community. Also, over half of the operating budget goes to our police and fire services, which has been along with snow removal my priority for years. It is also very important for the public to know, this city has been very successful in receiving grants for

multiple projects and services that greatly benefit this community.

What needs to be done to allow businesses to thrive in SLT?: Reduce the regulation and red tape that has riddled and haunted our local business community. We must keep taxes low and encourage and reward incentives. I propose that the City Council form a blue ribbon task force of approximately five new business in South Lake Tahoe. We need to sit and meet with these businesses along with city, county, and TRPA representatives so we can find out exactly what government could have done and should do to encourage more businesses to relocate to the city of South Lake Tahoe.

What have you done to help South Lake Tahoe be a better community?: Where do I begin? When I first moved to Tahoe in 1971, I immediately became involved in various service clubs in Lake Tahoe. I served on the board of directors for the Chamber of Commerce for 15 years and was the chamber president twice. I sat on the board of directors for LTVA for 12 years and was chairman for a term of one year. I started a successful business with my partners, which now provides jobs for over 30 dedicated employees who have stayed with our company for many years. I currently am on the board of directors of Christmas Cheer all year, which provides food for our needy families in the community. I also sit on the board of directors for the Lake Tahoe Wildlife Care. I am a current member and past president of Kiwanis Club. Kiwanis Club provides thousands of dollars annually in scholarships to local students given them the opportunity for a quality college education. I was on the South Shore Marketing Council. I also had the pleasure of serving a a City Council member from 1992-2004 and served as mayor three times. I supported and implemented numerous affordable housing programs within the city.

What boards, commissions, or other experience do you have?: Airport Commission, City Council, LTVA, Lodging Association,

Chamber of Commerce, El Dorado County Fair board, LAFCO, Wildlife Care, Christmas Cheer, Lake Tahoe Educational Foundation, Northern Nevada Hotel Sales Management Association, Kiwanis board of directors.

Why should voters vote for you over someone else?: Because I have the experience and the commitment to getting things done. I have the ability to not only lead, but to listen to the needs of the community. This isn't about me, its about you. The city is at a serious crossroads and it needs someone with experience who has shown success in the past. That's why I am the right leader at the right time.

BlueGo, the public transit, is mired in lawsuits and bankruptcy. Do we need public transit on the South Shore? If so, how do you propose to make it functional?: First of all, it was a mistake that the city gave up control to the transportation district. Second, the city needs to take back control and only provide bus service to the citizens within the city of South Lake Tahoe. Finally, yes we need public transit for our locals and visitors, we need some marketing plans to encourage greater rider ship.

Do you support commercial air service at Lake Tahoe Airport? Why or why not?: Yes, it will a beneficial asset to the community, but only after the convention center is completed.

Is there any individual, group or organization you would not take campaign money from? Why?: I will not take funds from any public employee unions, refuse company due to the fact the city has an existing contract with them. I have in the past returned campaign funds to a local developer who donated to my campaign, who was involved in the convention center project. I will not take funds from Heavenly Ski Resort or Marriott Corp. Nor will I take campaign funds from the casinos. I sleep well at night knowing my obligation is to the citizens of South Lake Tahoe.

Nepotism and favoritism runs rampant in the city when it comes to hiring preferences. The council sets policy. What type of policy would you write regarding nepotism and favoritism?: I would first direct the city manager to develop a comprehensive and transparent nepotism policy.

What did you accomplish in the 12 years you were on the council?: Public funding has leverages in redevelopment Project Site 1. This resulted in $600 million in a new private investment and 300 jobs. Redevelopment is one of the largest economic drivers in the community and contributes over $2 million annually to the general fund, $2 million of redevelopment housing funds leveraged, nearly $18 million in state housing grant funds, $21 million in private investment to construct and rehabilitation, 200 affordable housing units for low and very low income persons, 45 affordable units for seniors, 18 new units for low income persons with disabilities. Also $3.2 million of redevelopment housing funds and state grants provided 46 families with new home ownership through the First Time Homebuyer Program, $1.8 million of redevelopment housing funds and stated grants improved the living conditions of 57 families through Housing Rehabilitation program; quality affordable housing, Sierra Garden Apartments, Tahoe Valley Townhouses, Tahoe Pines Apt, Senior Housing and others. Ski Run Marina project, Embassy Suites Hotel, new fire station, Heavenly Village, gondola, Linear Park, stream environment restoration projects, water quality projects, street lighting from Highway 50 and Pioneer to Ski Run and Pioneer. Implemented a comprehensive taxi cab ordinance to include background checks on all drivers to protect our locals and visitors. Lobbied state politicians and the governor of California to declare an emergency, after the severe flooding and mudslide that closed Highway 50, just after New Year’s 1997. This emergency was costing the Lake Tahoe community over $1 million a day in lost revenue. Because of our efforts Highway 50 was able to be opened a month earlier then anticipated.

How do you defend being on the council at the time when $7.2 million was taken from the general fund to pay for redevelopment and now $500,000 is paid back to the general fund each year for that thievery when it should be used for roads and other projects locals would like?: First of all, there was no thievery from the general fund, it was a loan. The Redevelopment Agency needed the funds to complete Project 1. The loan was discussed in public meeting aired on cable television with clear transparency. The loan is being paid back to the city at a rate of half a million dollars per years, from the Redevelopment Agency. Over $2 million has already been paid back to the city general fund with interest. After all the redevelopment bills are paid, which includes bond payments, the redevelopment agency contributed over $2 million dollars to the city's general fund annually.

You and three other council candidates met with the Lake Tahoe South Shore Chamber of Commerce, though you were not invited back for the follow-up meeting with the three others, tell us about that first meeting: It was my understanding it was a business roundtable meeting, not a chamber meeting. We discussed my three priorities for the city, which are the economy, hole in the ground and the grand jury report.

Tell us something about yourself that voters don't already know: I used to be captain of the Sahara Tahoe Yacht, I hold a 100 ton commercial U.S. Coast Guard license. I took out Johnny Cash, Elvis Presley, Tom Jones, Sonny and Cher, Engelbert, Liberace, Joey Bishop, Mac Davis and many other entertainers. It was an amazing job.

Bad water being blamed on cheese company

By Jane Kay, Environmental Health News

HILMAR -– A century ago, a band of Swedish families settled in California's Central Valley, attracted by land that cost $25 an acre and life-sustaining water from the gushing San Joaquin and Merced rivers.

The Mords, the Ahlems, the Nymans and the Wickstroms started dairy farms, milking cows and growing oats and corn for feed. The settlers, joined by Portuguese immigrants, relied on one another to tend irrigation canals and survive choking dust storms and crop-stripping plagues of jackrabbits and grasshoppers. In 1984, to add value to their milk, descendants created an enterprise that grew into Hilmar Cheese Co., one of the world's largest cheese producers.

Now, much of the well water around the cheese plant, located in the agricultural heart of California, isn't fit to drink.

New documents show that the cheese is the likely culprit in spoiling at least 18 water wells – probably more – in and around Hilmar. High in nitrates, arsenic, barium and salts, the well water tastes bad and violates federal health standards, increasing the risk of cancer and other health problems.

Read the whole story

EDC Board of Supes meeting in South Tahoe

El Dorado County Board of Supervisors will meet in South Lake Tahoe on Oct. 12.

They start with closed session at 8am, followed by the regular meeting at 9am at Lake Tahoe Airport.

Wendy David will be the first presenter for the Lake Tahoe Collaborative, followed by Steve Kooyman and Harold Singer on an update of the Total Daily Maximum Load plan requirements.

Next, Tom Brannon of Caltrans, will review the Highway 50 improvement projects.

Then, Joanne Marchetta will present the TRPA's Regional Plan Update.

The idea is the board will break by 1pm following their other business and attend a lunch at the Lake Tahoe Golf Course, where Pam Armas from State Parks will present the golf course/Upper Truckee River improvement plan, and offer a tour following lunch.

Fall quickly feels more like winter

Fall is turning to winter as a low-pressure system over California and Nevada brings moisture.

Several inches of snow are expected to collect Monday through

Wednesday above 8,000 feet in the Lake Tahoe Basin, according to the National Weather Service. Rain and hail are likely throughout the basin at the lower elevations.

A chance of rain is in the forecast for much of the week, with the most amount of sun predicted for Thursday.

Pea-size hail was reported in South Lake Tahoe and Markleeville on Saturday.

Expect the temperature drop as the moisture does. Highs in the basin for the start of the week will be in the 50s.

– Compiled by Kathryn Reed

Brady: now is not the time for inexperienced leadership

Publisher's note: ***Lake Tahoe News is profiling candidates for South Lake Tahoe City Council and Douglas County Commission. The stories are being published in the order they were received.***

Name: David James Brady

Age: 54

Hometown: Minden

How long have you lived here?: 25 years

Job/Profession: County commissioner, Douglas County, District 2, appointed by Gov. Kenny Guinn in 2005, elected in 2006. Certified financial planner, owner and president of Brady & Associates, a financial services firm, (23years), and CEO the

Brady Company LLC.



David Brady

What would you build or tear down on the South Shore to make it great, as in what Whistler is like?: I would welcome the opportunity to build an entertainment event center so Elton John does not have to perform in a parking lot and build a five-star resort like a Four Seasons or Ritz Carlton on the Horizon property site.

What form of recreation do you participate in? What improvements to recreation would you strive to make throughout Douglas County?: I am a cyclist, surfer, sailor, hiker and motorcycle enthusiast.

Recreation tourism is expected to be the driving force of the South Shore economy in the coming years, what do you specifically plan to do to improve bike paths and roads?: Focus on the development of open space, trails and bike lanes throughout Douglas County. Work on the development of a multi-generational community center in the valley, similar to the Kahle Center. Improve bike paths and roads. We need to explore funding sources such as special assessments or a gas tax to provide a revenue source capable of providing the capital necessary to build the bike lanes and roadways throughout the county.

How do you plan to boost revenue in Douglas County?: While we have added a 3 percent transient lodging license tax to generate additional revenue for the promotion of tourism and

the maintenance of our parks and recreation facilities recently, we need to embrace both the Tahoe Plan for Prosperity, and the County's economic vitality plan which we have just introduced. The focus is multifaceted, and is centered on rejuvenating the downtowns, including the Lake Tahoe corridor, and recruiting businesses to the county that are appreciative of the environment we provide, both to the businesses and their employees. Outdoor adventure, technology and service companies are our target market.

We need to provide the infrastructure, which includes education that attracts industry and individuals that will thrive in the surroundings that we currently enjoy.

We must also continue to control our expenses, as the legislature is looking for opportunities to "confiscate" available monies to balance their own budget in 2011.

What stands out for you in the 2010-11 budget?: What stands out the most for me is that we focused on "Priority based budgeting" rather than "across the board cuts" which creates inequities and subsequently forces departments to recognize the budget will be focused on the board's priorities as identified in the Strategic Plan.

While this process is more labor intensive, it promotes the need to make "data driven" decisions and provides the opportunity for department heads and elected officials to justify their budgets, based on case loads, calls for service and the like.

What needs to be done to allow businesses to thrive in Douglas County?: As a small business owner, I want for the government to "stay out of my way" and "stay out of my wallet".

Excess regulation and unnecessary taxation (financial services tax) restricts my ability to thrive and limits my ability to reinvest my profits back into the community.

As a county, we are aggressively looking for ways to reduce timelines, eliminate costs and create greater efficiencies, so as to allow businesses to survive and thrive in an economy that is struggling.

What needs to be done to allow businesses to thrive in Douglas County?: In keeping with our Strategic Plan, I see the three major issues as: Maintaining the financial strength and stability of the county, providing excellent public safety, generate economic development opportunities through the Economic Vitality Plan and the Tahoe Plan for Prosperity.

I believe the economy will continue to be challenging for years to come, and with the legislature looking for revenue sources, we face a "two front' war as it relates to our finances. We must manage our expenditures better than we ever have, and "reinvent" our approach to economic development. We can no longer rely on gaming and residential construction to carry the day. That has become a failed business model that emphasized "if you build it they will come". Those days or over. Douglas County must become a destination resort for entertainment and lodging, as well as be recognized for the availability of outdoor adventure.

What have you done to help Douglas County be a better community?: For the past 15 years, I have strived to make Douglas County a better community by simply getting involved. My record of participation is as follows:

Douglas County School Board Trustee (9 years)

Douglas County Park and Recreation Commissioner (5 years)

Douglas County Commissioner (6 years)

Douglas County Sheriff's Department Reserve Deputy (11 years)

I strive every day to make a difference in our community by lending my skills, education and experience where possible, to

improve the decision-making and work product provided by the county to the citizens of Douglas County.

What boards, commissions, or other experience do you have?: Certified financial planner (1987- present)

Douglas County commissioner (2005-present)

Board of director, National Association of Counties (2009-present)

Douglas County School Board trustee (1995-2004)

Douglas County School Board president (2002-04)

Douglas County Park & Recreation commissioner (2000-04)

Board of director and treasurer of the Greater Nevada Credit Union (1987-90)

District manager, Gardnerville Ranchos General Improvement District (1987)

Financial investigator, Gaming Control Board (1985-87)

President, Redondo Beach Police Officers Association (1980-85)

Chief negotiator, Redondo Beach Police Officers Association (1980-85)

Police officer, Redondo Beach (1978-85)

Master’s degree in public administration, USC (1980)

Bachelor’s degree in public affairs, USC (1977)

Why should voters vote for you over someone else?: Voters should appreciate my background, education and experience, and recognize that serious and challenging times call for serious individuals who are best prepared to address the difficult financial times we are currently experiencing. Now is not the time for inexperienced leadership.

Examples of my leadership include:

-Called for a change in leadership in the county manager's office in 2007.

-Advocated for the implementation of a Strategic Plan.

-Championed fiscal restraint (i.e. performance audits).

-Emphasized greater use of technology.

-Recommended the use of outside money managers to increase the total return on our investment portfolio.

-Supported the addition to our valley jail facility in lieu of a regional juvenile detention center.

-Positioned against a business license or utility tax.

-Directed the use of "Priority Based Budgeting".

What would you do to make the lake and valley more unified?: Physically connecting the lake and valley would be a start. A tram that could provide access for tourists and residents to access the lake and valley would allow for a greater sense of community. The physical divide lends itself to the "unity" issue and if we can provide enhanced access to both the lake and valley that would be a requisite requirement.

Greater communication would enhance the opportunities for meaningful dialogue, and create relationships more conducive to positive results for all residents.

BlueGo, the public transit, is mired in lawsuits and bankruptcy. Do we need public transit on the South Shore? If so, how do you propose to make it functional?: Public transit at the lake is critical, necessary, and required. The "sustainable service plan" as identified by BlueGo needs to be adopted and supported. Routes need to be evaluated on a cost-benefit basis and changes made accordingly.

Additional traffic in the Tahoe corridor detracts from the “quality of life” we all desire, and additional participation by those who benefit from the service should be considered.

Our community plan for the lake needs to emphasize connectivity through the design and use of walking trails, bike lanes and public transit.

What is your stance on the 100-room rule for gaming growth in the county?: The Master Plan encourages the support of existing businesses in the community. With the deterioration of gaming revenues in the past years, it is important to recognize that allowing for additional non-restricted gaming, absent any capital contribution, only dilutes market share and creates no “net gain” to the community.

Gaming venues should be “destinations” for tourists that add value to their vacation experience. To allow for minimal investment by gaming operators (no 100 rooms) only creates “spot zoning” opportunities and negatively impacts those operators who have invested in their operations.

Moreover, we have excess inventory in the valley of projects on the books that create less incentive to offer additional gaming opportunities.

I support the 100-room minimum and believe it creates a “level playing field” with our neighbors to the north.

Consolidation of water agencies is stalled, yet ratepayers are faced with higher bills. What are your thoughts on this issue?: It was the expectation of this board that the water consolidation initiative would unite the valley and the lake. We got that wrong. The consolidation effort alienated the valley and lake, quite simply.

As we move forward, we must consider separate systems. The lake needs to be consolidated, separate from the valley.

Residents of the valley have no appetite for “subsidizing” the lake, plain and simple.

On the November ballot is an ordinance regarding the Minden airport. What is your position on it and why?: My understanding is that as a sitting commissioner, I am unable to comment on the ballot issue presented for the November election.

Is there any individual, group or organization you would not take campaign money from? Why?: I accept campaign contributions with the clear understanding that such contributions will not in any way affect by voting record. Historically, I self-funded my campaign so as to eliminate any question of impropriety.

Tell us something about yourself that voters don’t already know: I am a twin.

El Dorado struggles to provide child care without state budget

By Vicki Barber

The failure by the Legislature and the governor to pass a state budget threatens child care for hundreds of local families and potentially closes down local child care businesses.

State preschool and child care providers with state contracts have not been paid since July 1 for services provided to approximately 1,100 children, creating a cash flow crisis that

threatens their ability to keep the doors open and the children served. Businesses cannot continue to provide services and make payroll without getting paid.

Choices for Children, El Dorado County's local resource and referral program, makes payments for child care for low income working families and has been forced to notify providers that they will not be able to pay for child care services as of Sept. 1 until the budget is passed and the state begins to make payments.

"This is the first time ever that we will have to delay payments affecting local child care providers caring for 187 families involving 323 children. Since child care keeps El Dorado County working, this will heavily impact county unemployment and the economy. When families can't pay for child care, licensed programs are forced to close their businesses," said Tina Barna, Choices for Children director.

The current record-setting budget impasse is harming the businesses that contract with the State of California and threatens working families. Child care is an essential service that enables parents to go to work and supports children learning. Please contact your legislators and insist that they get back to work and pass a budget that is fair to our children and families and supports quality education.

Vicki Barber is superintendent of education for El Dorado County.