SLT’s financial future on precarious ground

By Kathryn Reed

South Lake Tahoe’s finances are stable today. Look again in November and it may be a completely different story.

That will be one of the messages delivered Tuesday by Debbie McIntyre, the city’s finance director, when she goes over the midyear budget with the City Council.

What could change in seven months for the city is the potential ballot initiative that would ban vacation home rentals everywhere but the tourist core.

“We could create our own depression in our own city because of the initiative,” McIntyre told *Lake Tahoe News.*

The hotel tax is one of three main revenue streams for the city, with property and sales taxes being the other. If that income were to suddenly go away, so would services and staff.

The other concern is what the VHR ban would do to the real estate market, and therefore property taxes. That’s a scenario that frightens those who are looking at it from a financial standpoint.

The first thing being hit is the new recreation center. Voters approved Measure P in November 2016 which raised the TOT by 2 percentage points. The added cash is to be dedicated solely toward recreation. That includes what is supposed to be a state-of-the-art recreation center to replace the dilapidated one from the 1970s, improvements to Regan Beach and other items.

The rec center started out at $25 million, went to $40 million and now has a price tag of $33 million. The problem is there

is only $2.5 million in the bank. Without stable TOT, the city doesn’t know what it would have for debt service on the rec center.

The council will receive an update about the rec center in late April or in May.

Complicating the matter is that the rec center was used as collateral for the 2006 bonds that the city took out. Now the D Street building and Fire Station No. 1 are the collateral, which means the D Street site can’t be sold until the bonds are paid off in 2026.

This makes it more imperative to finish the D Street project so that site can be used by the city. It is one of the projects, which includes relocating the city’s corporation yard, that is being recommended by staff to be funded by undesignated reserves.

The city has more than $10.27 million in the undesignated reserves account. Of that, about $1.5 million is being recommended to be spent on midyear expense adjustments. McIntyre is proposing then spending about half of the remaining $8.8 million on one-time expenses.

Her other suggestions include:

· Fully funding the retiree health insurance commitment for the remaining two years

· Police building remodel

· Police, fire, public works radio system

· City vehicle and equipment replacement.

It will be up to the electeds if they want to spend any of that money and then to decide how to do so.

The staff report for the April 3 meeting says, “The finance

department did a comprehensive revenue study of the major revenues encompassing the past three years, and determined that TOT budgets should be increased upward but only to the extent actual collections in 2015-16.”

Revenues at midyear (the city’s fiscal year starts Oct. 1) are up nearly $2 million. Much of this is TOT and property taxes. Expenses, though, are at more than $3.2 million. This is why the cash from undesignated reserves is being requested.

Some of the larger additional expenses include:

· $1.159 million one-time costs for employees per contracts that were recently agreed to;

· $500,000 to account for salary adjustments;

· $220,000 for city attorney contract;

· $200,000 for snow removal from the 2016-17 season;

· $160,000 three new firefighters.

What isn’t in the report is any compensation for Fire Chief Jeff Meston for taking over as acting city manager. Nor is there money for an interim to take over. The budget is being adjusted by $140,000 to pay out former City Manager Nancy Kerry for her sick and vacation time. The city manager budget stays the same to reflect Kerry’s payout of nine months’ worth of salary. The report notes it is not anticipated to have a new city manager until after Sept. 30, at least as far as budgeting goes.

There also isn’t any money for roads. This is usually when that budget is adjusted.

The line item capital improvement projects are $100,000 for the stream environmental restoration at the Whole Foods site and $85,381 for new equipment in council chambers.

A change going forward is that the city is likely to return to where it has a more comprehensive budget process in the fall, and the midyear would have fewer alterations. McIntyre said this is easier on her department. Doing it the current way, she said, is like preparing two budgets. For department heads, it will mean being more precise at the get-go. That doesn't mean there won't be a midyear budget adjustment, it will just be less robust because of the change.

U.N. chief: Climate change biggest threat to humanity

By Somini Sengupta, New York Times

UNITED NATIONS — Nuclear weapons? Famine? Civil war? Nope.

The United Nations secretary general, António Guterres, on Thursday called climate change "the most systemic threat to humankind" and urged world leaders to curb their countries' greenhouse gas emissions.

He didn't say much, though, about the one world leader who had pulled out of the landmark United Nations climate change agreement: President Trump.

Instead, Guterres suggested that Trump's withdrawal from the Paris accord nearly a year ago didn't matter much. The American people, he said, were doing plenty.

Read the whole story

Snowmobiler dies near Spooner Summit

An Elk Grove man died Thursday snowmobiling near Spooner Summit.

Thomas Korves, 56, was found deceased beneath his sled.

Douglas County investigators said, “Thomas had been attempting to ride up a steep hill when he turned at an angle, causing the snowmobile to flip and pin him underneath.”

He and a friend had been riding on March 29 when they got separated. The friend called 911 at about 2:30pm when he couldn’t find his buddy.

Search and rescue crews found the snowmobile about 8:30pm pinned up against a tree on a steep embankment off the side of the Tahoe Rim Trail. Korves was under the snowmobile. An autopsy confirmed Korves died from lack of respiration as a result of his chest being compressed underneath the weight of the snowmobile.

– Lake Tahoe News staff report

Casino, pot business slow to

adopt bitcoin in Nev.

By Arthur Kane, Las Vegas Review-Journal

Cryptocurrency promises benefits for Nevada's most regulated industries – marijuana and gaming. Proponents say bitcoin's blockchain technology could help marijuana businesses track sales and inventory, and bitcoin helps big gamblers export their money from countries that limit the movement of cash.

But nearly a decade after bitcoin was created, the Nevada Gaming Control Board and the Nevada Department of Taxation have not created rules to address the use of cryptocurrency in casinos and the marijuana industry.

Representatives from those Nevada agencies declined to discuss the possible use of bitcoin at dispensaries and casinos, saying no one has formally requested permission to accept cryptocurrency for casino chips or cannabis.

Read the whole story

What would Sierra snowpack loss mean for N. Nevada?

By Frederick A. Steinmann, Reno Gazette-Journal

During the region's last drought from 2015 to 2017, area lakes and reservoirs nearly ran dry; ski seasons started late and ended early; hotel rooms in the Lake Tahoe and Reno-Sparks areas remained vacant; and farmers and ranchers saw their crop yields and herd levels plummet.

While the region’s economy continued to recover from the impacts of the Great Recession, some Northern Nevada industry sectors experienced economic hardship on par with the impacts experienced during the Dust Bowl and Great Depression of the 1930s.

Read the whole story

LT Humane Society’s future in state of flux

By Kathryn Reed

It will take the will of community members to make the Lake Tahoe Humane Society relevant, solvent and functioning without a cloud of distrust. Today it is teetering on becoming just a memory.

A handful of people gathered Thursday at the South Lake Tahoe office of the 51-year-old nonprofit, begging the board not to shut down the Humane Society.

The three-member board – Sue Pritchett, Lorna Lefler and Kim Stephenson – were at the helm when former Executive Director **Niki Congero** allegedly stole more than $100,000. She was fired a year ago this month. The case rests with the El Dorado County District Attorney’s Office.

In the past year, the three have done nothing to build the community’s trust. They have not taken control. They have implemented few new policies. They have not brought on new board members. They have not tried new fundraising techniques.

They admit to being exhausted and burned out.



Lake Tahoe Humane Society board members Lorna Lefler and Sue Pritchett on March 29 express a willingness to move on. Photo/Kathryn Reed

“I can’t think of anything we haven’t done,” Pritchett said when asked what the board is doing to be solvent. Yet specifics were in short supply, and ultimately it was evident little has been done.

At least three people on Thursday expressed interest in keeping the Human Society’s doors open. Wendy Jones said she would help keep the Disaster Animal Response Team viable. After Hurricane Katrina the federal government said cities had to have a plan to care for animals during an emergency. However, Fire Chief Jeff Meston told *Lake Tahoe News* the city has functioned just fine without the Humane Society and wasn’t even aware of its DART group.

Others at the gathering questioned how the Humane Society had the audacity to simply give away crates that cost more than $100. Or why the trash service was canceled, which then led to

wild animals getting into the garbage. This all occurred in the last week.

The board appears to be on a path of downsizing, purging assets and throwing in the towel.

The **board fired** the last remaining staff member. They have paid off some debt. They would all like to resign. They have contemplated selling the office on Emerald Bay Road that is paid for.

It was only about three weeks ago that Pritchett even asked Judy Brown, the now former office manager, how to go about changing the bylaws. Brown told her it’s a complex process. Pritchett didn’t pursue it further.

The bylaws are an issue because they put a great deal of power into the executive director’s hands. This was a problem when Congero was at the helm. It’s not known why the board, which is the boss of any employee, has not made the changes to prevent another fiasco.

Brown became the interim executive director last summer and at that time was directed to come up with a budget for the last six months of the year as the agency transitioned from a fiscal year starting July 1 to being on a calendar year. Revenues did surpass expenses for those six months, but that is also the time when the bulk of the income comes in.

The relationship between Brown and the board has completely soured, but why is a mystery.

Board members said they don’t know how to use the office computer or get onto the website. They didn’t even know where a copy of the bylaws reside.

When Brown was there she kept documents like that in a folder on the desk because she knew the public had a right to view them if requested.

Stephenson, who came to the meeting late, had a better handle on the financials and was able to answer some questions her colleagues couldn't, even though Pritchett is the treasurer and Lefler is the president.

There is about $40,000 in the bank account. A hard loan of $180,000 that was secured last year comes with a $1,500/month payment for 10 years. Veterinarians are owed about $20,000. Those aren't the only debts, though.

The board didn't have a definitive dollar figure March 29 for what is owed, nor what the operating budget is. The board's only plan to pay the bills is to sell the building.

Lefler revealed, "Donations never covered everything."

In other words, expenses were always more than the revenue. This became even more apparent when three years ago the board bought the building with money that had been bequeathed to the Humane Society. (Lefler and Pritchett were on the board at that time.) This meant the cash reserves were drawn down by more than $300,000.

Lefler said this was done on the advice of a financial consultant.

The board intends to schedule a meeting soon with the desire to have prospective board members come forward, as well as volunteers. The current board is ready to walk away and turn everything over to others. For more information, to donate or learn about being a board member, email info@laketahoehumanesociety.org or call 530.542.2857.

EPA poised to scrap fuel economy targets; setting up clash with Calif.

By Evan Halper, Los Angeles Times

The Trump administration is poised to abandon America's pioneering fuel economy targets for cars and SUVs, a move that would undermine one of the world's most aggressive programs to confront climate change and invite another major confrontation with California.

The Environmental Protection Agency is expected to announce in the coming days that it will scrap mileage targets the Obama administration drafted in tandem with California that aim to boost average fuel economy for passenger cars and SUVs to 55 miles per gallon by 2025, according to people familiar with the plans.

Read the whole story

Burning Man tickets sell out in 30 minutes

By Jenny Kane, Reno Gazette-Journal

Burning Man tickets disappeared on Wednesday faster than untethered tents in a playa dust storm.

The 2018 Burning Man event presumably sold out 26,000 main sale tickets within a half hour, as purchasers began receiving

notices that tickets were no longer available, though some vehicle passes were left.

Burning Man, which attracts 68,000 people to Northern Nevada's Black Rock Desert each year, will be Aug. 26-Sept. 3 this year. The theme for the 2018 celebration is "I, Robot."

Read the whole story

Nevada high court rules private devices subject to open records law

By Colton Lochhead, Las Vegas Review-Journal

A public employee's personal devices are open to public inspection under the state's public records laws, the Nevada Supreme Court ruled on Thursday.

"We conclude that the (Nevada Public Records Act) does not categorically exempt public records maintained on private devices or servers from disclosure," Justice Michael Cherry wrote in the opinion, which was unanimously affirmed by the six other justices. "To withhold a public record from disclosure, the government entity must present, with particularity, the grounds on which a given public record is exempt."

The ruling overturns a decision by Washoe County District Court Judge Steven Kosach determining that records on personal devices and accounts are not subject to public inspection because they are outside the control of the public agency.

Read the whole story

Truckee changing yard waste collection

To address Truckee's sustainability goals, programs will be introduced to residents within the incorporated area beginning this summer with the goal of eliminating the need for residents to purchase recycling and yard waste plastic bags, preventing recycling contamination, and increasing the amount of materials that can be recycled.

To participate, Truckee residents must opt in and indicate how many yard waste and recycling carts they would like delivered to their property by completing an **online form**.

The waste carts are projected to prevent up to 3 million plastic bags from being landfilled over the next 10 years.

As part of the new waste hauling services contracted by Truckee, one 64-gallon recycling cart serviced on alternating weeks, and up to three 96-gallon yard waste carts will be provided to residents who opt in. Additional carts will be available for a fee.

All Truckee residents will begin new yard waste services in 2018. After June 30, green bags will not be accepted, however additional yard waste disposal services will be offered including discounted dumpster rental and complimentary drop-off services at Eastern Regional Landfill.