

PVP Watch Newsletter – March 23, 2016

To Our Friends and Supporters

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Editor: A long overdue Happy New Year to all.

The change in the RPV Council with the election of Ken Dyda and the voter’s rejection of Jim Knight has dramatically changed how the RPV Council now functions and it seemed appropriate to spend some time observing developments at RPV City Hall. Observations are that the new majority, Dyda, Campbell and Duhovic, are striving to move RPV in the right direction but are getting pushback from Councilwoman Susan Brooks and City Manager Doug Willmore.

One of the lingering problems is lack of oversight and absence of good policy that enables our elected representatives, the City Council, to perform their responsibilities. Readers may recall it was June 3rd, 2014, Jerry Duhovic was Mayor, and when Duhovic attempted a discussion to update the Municipal Codes (MC 2.04 / MC 2.08) that identify Council and City Manager responsibilities. These MC’s were written in 1973 and are terribly out of date. Duhovic was supported by Councilman Brian Campbell another believer in good government principles. However, the then Council majority of Susan Brooks, Jim Knight and Anthony Misetich quickly “harpooned” Duhovic and his ideas and RPV residents continue to suffer from poor management at RPV City Hall. It is time to “dust off” those ideas and begin a public discussion on improving management processes at RPV City Hall.

Budgeting Time

The annual budgeting “kabuki” dance will soon begin and residents, whether or not you reside in RPV, RHE or PVE all should watch how taxpayer funds are being used (or wasted) as different scenarios play out. RPV has a new City Manager and a Finance Director, both from El Segundo in 2015. It will be interesting to observe whether or not new Finance Director, Deborah Cullen, continues the “hide & seek” budgeting of the past or will put reality into financial discussions.

RPV - Storm Drain User Fee: The current Storm Drain User fee will terminate this June 30, 2016 and there was concerted effort by staff to renew / place a similar tax on RPV residents. There is little doubt that if the prior majority of Knight, Brooks and Missetich had prevailed, an unneeded Storm Drain User Fee would have been placed on a ballot and the resources of the City would have been used to pressure voters for approval.

What the current majority of Dyda, Campbell and Duhovic have found is that there has been improper use of Storm Drain User Fees as funds have been used for projects not authorized by the voter approved ordinance. This Council has rejected that approach and has directed the staff to develop a supportable logic as to why a Storm Drain Tax is needed. Recently Staff submitted a document that outlined approximately \$17 million in Storm Drain projects over 10 years. PVP Watch believes that an average of \$1.7 million annually of Storm Drain maintenance can be easily included in General Fund planning and no dedicated Tax / Fees are needed. Good financial management not more taxes is the solution.

RPV - Cash Balances

As previously mentioned, this year's budget session should be interesting; will the "hide & seek" budgeting of the past continue or will reality be introduced into financial discussions? To make adequate commentary of the RPV (and probably other cities as well) budget management process would take way too many words. So some snippets:

RPV staff, and likely others as well, do a poor job of anticipating revenues as well as ignoring known revenue sources.

Terranea, since its opening in mid-2009, has paid RPV over \$30 million dollars in various fees and taxes. The TOT alone contributes over \$5 million annually to RPV. How have these funds been spent? What benefits have the taxpayers received or have these funds contributed to lawyer fees and legal settlements for improper staff actions?

January 2014 RPV had over \$10 million in Capital reserves. December 2015 there was almost \$24 million in Capital reserves. Having \$24 million in the bank is a good thing but it does cause public employees and some elected officials to be wasteful. These large sums also assist litigants to perceive "deep pockets."

January 2015 RPV had approximately \$39 million deposited in a State investment fund. December 2015 there was almost \$48 million in this fund. Clearly RPV does not suffer the ills of limited revenues as do many other cities, but greater skillful financial management is needed to better utilize RPV resources.

The December 2015 RPV Cash Balance Report is posted at www.pvpwatch.com.

RPV – The Hawthorne Blvd. "Boondoggle"

PVP Watch has reported repeatedly on **The Hawthorne Blvd. "Boondoggle"** and staff managed to get Council approval for this scheme at the March 15th Council meeting. Staff did have a good presentation that accomplished the illusion that staff wished to achieve. In the bid presentation costs were significantly less than

what had been presented previously. How was this accomplished? City Manager Willmore's response was that there is a difference between engineering and actual bidding. As there was not an opportunity to fully analyze all costs, who knows?

What is clear is that City Manager Willmore FAILED to in his responsibility for "due diligence." Unknown is the amount of staff hours spent chasing only one solution, construction of a city owned fiber optic cable wherein the city has limited expertise, rather than using a local carrier to provide service. When RPV IT Manager Dan Landon was queried as to why a Cox solution was not considered, he responded with an ambiguity of words implying that Cox could not provide what RPV needed, that Cox was downsizing, etc. his comments concerning Cox were found to be **untrue**. Unknown is whether or not Landon surmised his opinions from a lack of knowledge or deliberately mislead the RPV Council.

Subsequently PVP Watch learned that RPV had very recently installed a Cox video connection between Hesse Park and Cox in Peninsula Center under a multiyear contractual agreement for less than \$1,200 per month to solve RPV's current video / audio problems that developed when RPV attempted to take control of the Council video. This is exactly what Landon stated that Cox could not do. City Manager Willmore was advised many months ago that Cox was an option and he failed to ensure that a Cox option was presented to the RPV Council. In our opinion, this is malfeasance and we shall ask the LA County District Attorney for an opinion.

Update for PVP Watch on Panorama Parklands Sale

The following report on the Via Panorama parklands issue was submitted by John and Renata Harbison, who led the citizen's efforts to save parkland properties.

As previously reported by PVP Watch, Last September the LA Superior Court found in favor of the plaintiffs (CEPC) that the sale of 1.7 acres of parkland to a private resident violated the underlying deed restrictions, and ruled in September 2015 that:

- The transfer of title be reversed
- The Defendants acted "ultra vires" (illegally)
- Documents from this case be permanently attached to the title of this parcel
- That the defendants (or other successors) are prohibited from selling any of the other approximately 800 acres of parklands and school properties that are encumbered with the same deed restrictions. Any attempts to do so can be brought before the Judge on 24 hour notice and resolved without further litigation or delay
- That the encroachments on the property (including a paved driveway, wrought iron gates and 9-foot pillars with lion statues, gazeboes, a sports field with 21 foot high wall, a row of 40 foot trees, etc.) be removed and the hillside be restored to its original state
- That the Defendants pay for the legal fees incurred by the plaintiffs

However, all three defendants (The City of Palos Verdes Estates, the Palos Verdes Homes Association (PVHA) and the Luglianis (the encroaching private resident)) filed appeals of the case, as well as appeals of the award of legal fees. As such, the implementation of the ruling has been stayed until the resolution of the appeal, which will likely take 1-2 more years. For further information including all the relevant documents and newspaper articles see www.pveopenspace.com .

Editor: The decision to appeal has caused uproar in the PVE community, who saw this ruling as an affirmation of the value of open space and a victory for all PVE residents. That elected PVE Council members would decide to appeal the Court's ruling seems like a waste of taxpayer funds by a Council apparently lacking good legal advice. How much will it cost PVE taxpayers to pursue a frivolous legal action that apparently has minimal chance of success?

Another matter is the PVHA (Palos Verdes Homeowners Assoc.) and its Bylaws that require that 50% of members vote in order to achieve a quorum. A group of concerned citizens called Residents for Open Board Election (ROBE) formed to promote an alternative slate of candidates to replace the PVHA directors in the annual election that was held January 12th, 2016. ROBE collected over 200 petitions nominating an alternative slate, which is more than the 100 signatures required by California law. When the votes were counted, 33% of PVHA members voted. Lacking the required 50%, PVHA declared the election void and the incumbents voted themselves back into office as they have every year since 2009. Interesting is that the ROBE candidates all had at least 20% more votes than any of the contested incumbents. For more information, the documents and newspaper articles are posted at www.pvegoodgov.org .

On the positive side we will undoubtedly hear more from ROBE in the future.

PVPUSD – Palos Verdes Peninsula Unified Schools

In case anyone has missed it, the PVPUSD and Schools Superintendent have bought themselves an oversized headache when they approved by majority vote (3/2) to install solar electricity generating systems at most schools. There is ample information in other venues so we will not recap all of that.

However, it appears that the main points of public controversy are the lack of aesthetic considerations and the eyesore the panels will likely be. The financial benefits to PVPUSD are also being questioned. Stay tuned.

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One of the current email issues is overactive "spam" detectors and we urge everyone to enter info@pvpwatch.com and PVP Watch into their computer address book

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