

PVP Watch Newsletter – May 17, 2013

To Our Friends and Supporters

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RPV – Public Announcement

This November RPV will be electing two Council members as the current terms of Brian Campbell and Anthony Misetich are terminating. Neither are “termed out” and expected to run for reelection. Initial filing period is early July which is “right around the corner.”

This is to advise residents who may have an interest in seeking a Council position that the opportunity is here and PVP Watch stands ready to advise anyone so interested in what is needed to seek a Council position. For those wanting to “Become Involved” here is your opportunity.

RHE – 300 Housing Units

The Sunday May 12th edition (pg. A3) of the Daily Breeze included an article written by Nick Green concerning the proposed development of four properties on Deep Valley with a total of almost 300 residential units (townhouses and condominiums) in addition to undetermined commercial elements. The larger project is a mixed- use development on 8 acres above the Brickwalk.

A major issue is stabilizing the 1997 landslide and according to the PV News the RHE Council discussed this matter extensively at their May 14th meeting. There is concern, and rightfully so, as to the financial viability of the proposed project. Other important issues are traffic, density and use that will have a significant impact on the Peninsula community as well. We wonder, will there be resident age limitations or will residential units be open to families as well?

We envision that these projects will require "EIR's" (Environmental Impact Reports) and that there will be many discussions and hearings before these projects are approved. PVP Watch will strive to provide factual updates as the process moves forward.

PVE – Via Panorama Open Space

We have been told that the Palos Verdes Estates City Council has moved forward on a path to create a new zoning category for "open space owned by private individuals" for which the former City-owned Parkland property adjacent to 900 Via Panorama will be the only property so designated. The City then plans to write codes that will allow the City to permit the construction of such structures as gazebos, barbecues, walls and a sports field on the property as was promised in the last year's Memorandum of Understanding (MOU) between Palos Verdes Estates City Council, Palos Verdes Homes Association and the owner of 900 Via Panorama.

Nearby residents have joined with a group of concerned members of the community called the Citizens for Enforcement of Parkland Covenants (CEPC) who believe that the sale of parkland was a dangerous precedent which needs to be reversed. The concerned community members believe the City's proposed solution is inappropriate since they believe the parkland should not have been sold in the first place. We understand that the concerned citizens group has asked the City and PVE Homes Association to reconcile their actions with the legal requirements of the restrictive covenants. So far, the City and PVE Homes Association have not provided any explanation as to how approved covenants can be disregarded. The residents have consulted with legal counsel and are evaluating legal options.

The Concerned Citizens have created a website - www.pveopenspace.com and have posted information and numerous documents relative to their concerns there.

PVP Watch understands that currently the PVE Council is evaluating alternatives and we trust that a determination can be made that satisfies all concerned.

RPV.....The Continuing Saga

At the recent May 7th Council meeting, current Mayor Susan Brooks again demonstrated her anti Marymount bias. Past Mayors usually allow the other Councilmembers to speak before expounding their rhetoric but that is not the Brooks routine. The initial purpose was Marymount's filing of modifications for the proposed athletic field at Marymount's PV Drive East campus. The requested athletic field modifications are to eliminate the proposed tennis courts, change the grading and footprint

/ location and several other items i.e. fencing etc. The issues has become complex as the City has made it so.

Brooks started her questioning with a query to Dr. Brophy concerning the college's enrollment numbers. Mr. Davis, the College's attorney, then objected stating that the College's enrollment numbers were NOT on the agenda and thus it would be a Brown Act violation to discuss this matter. Readers should remember that the College has expanded and has students at locations other than RPV and wherever those locations may be, RPV has no jurisdiction over those other campuses. The topic that was scheduled to be discussed was the City's requirement that another CUP (Conditional Use Permit) was required that will cost Marymount approximately \$100,000. The anti-Marymount crowd was in full force objecting to whatever Marymount might wish to do. After some extended discussions the Council approved the request and, as we understood the decision, Marymount has until September 30th to complete the EIR. Of course the College has little control of the process (they pay for it) as the City provides direction to the EIR consultants.

Another controversial item on the May 7th agenda was the draft proposal of the Five-Year Capital Improvement Plan. Although the plan has some good things listed, some others are, at best, questionable. Mayor Brooks opened the discussions and tried to ram through a vote with no Council discussion. Mayor Pro Tem Duhovic responded that he had a number of concerns that he wished to discuss. This flustered Brooks who apparently had not anticipated an objection to her desire to move on and asked Mayor Pro Tem Duhovic as to why he did not meet personally with Staff to discuss any concerns he might have (so much for Transparency). Mayor Pro Tem Duhovic responded that he believed these discussions to be in the public interest and that they should be discussed in public for all to observe. Mayor Pro Tem Duhovic began his questioning but City Manager Lehr and Finance Director McLean came to Mayor Brooks rescue stating that the proposed CIP items were merely *draft* items and would be back before the Council on several occasions before final approval thus ending further discussion. We will continue to observe these proceedings.

Another May 7th item was approval for hiring eight additional employees desired by City Manager Lehr. These are previously approved positions and included in this year's budget. They had been put on hold by the City Manager and the Council awaiting CalPers approval of a new 2nd / 3rd tier pension plan. That CalPers has approved the new plans, the reason for not filling these positions had been eliminated.

Although the recent Matrix personnel assessment had recommended filling these positions Matrix also stated that staffing should not be indiscriminately increased but should be evaluated to determine where positions can be consolidated as well. While a case certain can be made for filling several of

these positions, other positions are questionable and we wonder to what extent the City Manager has made an overall employee assessment as suggested by Matrix. That some positions have been in “the budget” does not necessarily make them needed. An increasing matter is unfunded employee pension liabilities and the more employees are hired the greater that problem becomes.

RPV - Public Records Requests

In the last Newsletter (April 12th) we reported on RPV’s decision to replace two Toyota Prius vehicles and that we had made a Public Records request for more data. Here’s what we found...

The staff report had stated that; *“Two of the four Prius vehicles assigned to the Community Development Department are fully depreciated, have rising maintenance costs, and require replacement. It is the Public Works Department’s vehicle maintenance policy to replace fully depreciated vehicles to assure vehicle safety, utility, lower maintenance costs, and to maintain City resource value.*

One vehicle, a 2006 Prius had 69,000 miles and maintenance costs approximated \$950 in 2012 while the other vehicle a 2008 Prius had about 60,000 miles and maintenance costs approximating \$1,140 that included new tires and brakes during 2012. Hardly overwhelming maintenance costs. Interesting is that Toyota Prius vehicles have a 10 year / 150,000 battery warranty and Staff’s report citing high maintenance costs is, at best, problematic. Wondering how many RPV residents replace their own vehicles at only 70,000 miles.

The City claims that 20% of vehicle costs (and presumably other equipment purchases as well) are moved annually (for five years) to the equipment replacement account. While City Hall uses the term depreciation and perhaps State code may allow that use, since municipalities do not pay Federal or State taxes, it does seem misleading to report that Capital items have been *depreciated*. By the way, the equipment replacement account now has approximately \$3 million that the Council can use in any way it may so decide including the San Ramon project. Incidentally the two new vehicles are being paid from the AQMD account rather than the Equipment Replacement account.

We wrote a report on our findings that was sent to current RPV Mayor Brooks, the City Council and City Manager Lehr which is posted on the PVP Watch website / www.pvpwatch.com. This matter does add to the concern of questionable management practices at RPV City Hall.

Please send comments to info@pvpwatch.com

RPV - The Gala Event at Terranea

Reports are that the 40th Anniversary Gala Event at Terranea on May 5th was well done and enjoyed by a reported 350 people.

We have been, for some time, puzzled as to why City Manager Lehr was so evasive and no committal as to potential costs for this event. We did make a Public Records Request asking the following:

1. As of close of business on April 30, 2013 what are total ticket sales??
2. What is the commitment to Terranea for cost per meal and minimum number of attendees that were guaranteed by the city of RPV?
3. How many persons have been given *complimentary* tickets?
4. What is the total publicity / public awareness expense? This is to include all printing and other publicity expense and the documented hours spent by city employees.
5. How much has EDCO or any other vendor of the city of RPV spent or donated to this event?
6. How many purchases of bulk (more than 4 tickets bought at a time) tickets were made, and by whom? Who were the attendees that were then invited by these bulk purchasers?

We thought these questions to be uncomplicated and easy to answer. The response from City Hall is that they exercised their prerogative for a 14 day extension.

Some of the reasoning for these requests is the lack of Transparency and Accountability at RPV City Hall. We received reports that calls from City Hall were going to Peninsula businesses and in the last 8 / 10 days ticket sales went from 188 to 300 plus. It was reported that some generous people were buying tickets / tables for an event that they could not attend. EDCO paid for the wine reception and how might that effect trash hauling fees? Another vendor doing city business paid for the band. Will that impact project fees? Is this how we want RPV City Hall to operate? That some were pressured to attend, is this what we want for Transparency and Accountability? What do readers think?

Send comments to info@pvpwatch.com

Palos Verdes Peninsula Unified Schools

“Local Control Funding Formula” - Governor’s Proposed Budget for 2013-14

The current funding formula/process for the public school system in California is confusing and does not treat all school districts or students the same. Governor Brown is proposing that a new system be

implemented to address school funding over the next seven years. He calls his plan the Local Control Funding Formula. Unfortunately, for PVPUSD and many other school districts in the State, the new plan is not an improvement and if enacted, will create winners and losers among school districts in California. When Governor Brown pushed his increase of sales tax and income taxes for the highest earners last year under Proposition 30, the promise was made to "save education". You would have thought the voters might not have fallen for this line again.

PVPUSD has lost around \$25 million in State revenue since 2007-08 resulting in increased class sizes, furlough days (all employees), reduced or elimination of programs, and the layoff of teachers and management personnel.

The Local Control Funding Formula, as currently proposed, is not the answer for reforming public school funding in California. Districts like Los Angeles Unified, Lawndale, Hawthorne, and Lennox will receive, on average, an additional \$2,900 more per student. If PVPUSD was funded at that level, it would equate to over \$33,000,000 in additional annual revenue for PVP students. Many have called Governor Brown "the modern day Robin Hood" as he continues to tax the rich and give to the poor.

Reader Comments are welcomed – info@pvpwatch.com

California Issues

Following are excerpts from Wall Street Journal editorial published May 6, 2013 comparing Texas to California:

Texas and California have been competing for years as U.S. growth models, and one of the less discussed comparisons is on energy. The Golden State has long been one of America's big three oil producing states, along with Texas and Alaska, but last year North Dakota surpassed it. This isn't a matter of geological luck but of good and bad policy choices.

Barely unnoticed outside energy circles, Texas has doubled its oil output since 2005. Even with the surge in output in North Dakota's Bakken region, Texas produces as much oil as the four next largest producing states combined. The Lone Star State now pumps nearly two million barrels a day, and "total production could double by 2016 and triple by the early 2020s." The entire U.S. now produces about seven million barrels a day.

More than 400,000 Texans are employed by the oil and gas industry (almost 10 times more than California) and it was reported that the average salary is \$100,000 a year. The industry generates about \$80 billion a year in economic activity, which exceeds the annual output of all goods and services in 13 individual states. Now look to California, where oil output is down 21% since 2001, according to

Energy Department data, even as the price of oil has soared and now trades in the neighborhood of \$95 a barrel. This is not because California is running out of oil. To the contrary, California has huge reservoirs offshore and even more in the Monterey shale, which stretches 200 miles south and southeast from San Francisco. The Department of Energy estimates that the Monterey shale contains about 15 billion barrels of oil, which is about double the estimated supply in the Bakken. A large part of the explanation for the Texas boom and the California bust is the political culture. Despite their cars, California voters have elected politicians who consider fossil fuels to be "dirty energy." This attitude is prevalent among California's elite and wealthy. California has also passed cap-and-trade legislation that adds substantially to the costs of conventional energy production and refining. The politicians in Sacramento and their Silicon Valley financiers have made multibillion-dollar and mostly wrong bets on biofuels and other green energy. Texas has invested heavily in wind power but not at the expense of oil production.

Another contrast is that most Texas oil is on private lands, which owners are willing to lease at a price. In California much of the oil-rich areas are state or federally owned, and leasing doesn't happen because of political constraints. In California it can take weeks or even months to get approval for an oil rig. The average in Texas? Four days. The energy boom is creating thousands of jobs related to drilling but also in downstream industries such as transportation, high-technology, construction and manufacturing. The Texas jobless rate is 6.4% while California's is still the third highest at 9.4%. Texans are realizing another benefit from oil production: money to fund government services. According to energy analyst Kathleen Hartnett White of the Texas Public Policy Foundation, "oil and gas production generated \$12 billion in state taxes in 2012." This helps Texas avoid a state income tax. California's top marginal income-tax and capital-gains tax rate is 13.3%.

California has the natural resources and technical expertise to be the next Texas if it wants to be. What it needs is the political will. California Governor Jerry Brown at least says he wants to drill, but his dominant Democratic Party is so beholden to the already-rich greens that the state is paralyzed. So the oil remains locked in the ground, as one million Californians look for work, as its schools and roads deteriorate, and as it keeps raising taxes to balance the budget. What a tragedy. Imagine how fast the U.S. economy would grow if California were more like Texas.

Editor: Issues to consider when we vote in November 2014

Following Are Responses to April 12th Newsletter.

Editor: Reader comments are welcomed. Please send to info@pvpwatch.com

Thanks for the newsletter, I read it all. Maybe we can get the Prius' for free when they throw them out? My daughter could use one!!!

Even though I have moved away it is refreshing to see what you group of renegades are up to. Keep up the good work.

Better than the average newsletter, though the endorsement of HJTA is not a great idea. HJTA is sort of full of itself, and blind to the good things that government has done in California, and can do if properly funded. No one likes taxes, but if one can imagine what the state would be like without taxes (no infrastructure, etc.) then one can see we get a good bit of bang for the buck. That is not to say that pensions are always "right sized" or that there cannot be useful budget cuts (Department of Corrections comes to mind). The more we get ideology out of the newsletter (talking about the "majority" on the board, arguing about a mandate to cut employee expenses, etc.), the more credible and useful the newsletter becomes. Good stuff, in particular, from the Sheriff's presentation.

Thanks for the informative pvp watch but you may want to explain a little more and have your reply address at the top. I need to print out and will try to share this also with the neighborhood watch group I share info with.

Do you have any formal connection or informal connection with them?

Yes, we need to lock all more and I keep reminding my husband to do that when he leaves.... We need "No Solicitors or easier English, No Advertisers or ? signs...."

The other blue and white sticky signs were a little too large and lost their stick on our door.

I always look through our door window or peep hole and remind our family to NOT OPEN THE DOOR.

Yes, we all must be vigilant to lock our doors.

Thanks for all of the good tips and info.

I would like to know what it would cost RPV to get out of Calpers. Not that we necessarily want to leave, but we should recognize the liability. Canyon Lake has two full time employees, or about 330k per employee.

PVP Watch – Newsletter List - A reminder to ALL PVP Watch supporters, should you change your e-mail address don't forget to advise PVP Watch of your new address. We suggest that pvpwatch.com be added to your computer address book to assure delivery of PVP Watch Newsletters.

PVP Watch – Contributions

PVP Watch thanks the many subscribers who have contributed to PVP Watch. Those desiring to make a modest contribution, please send checks to PVP Watch PO Box 7000-22 Palos Verdes Peninsula, CA 90274

Subscribers

The PVP Watch e-mail list continues to grow. For those who wish their addresses removed, please send notice to info@pvpwatch.com. Those who have topics of community interest are encouraged to bring those issues to info@pvpwatch.com as well.

The Editorial Committee
