

PVP News Letter #3 - Budgets - (14 June '04)

The RPV City Council (CC) has over the years done a pretty good job of balancing the budget and creating a reserve. There are, however, valid priority questions. The following are items worth considering.

(1) The city currently has reserves of \$11M+ with a comparable \$12M budget. There are also designated reserves of ~\$4M which can be used for any project at the discretion of the CC; they are currently identified for specific uses but can be reallocated by the CC. With CC approval the reserve funds will be reduced to \$9M+ at the end of FY '04-05 by allocating \$1.6M to needed Capital Improvement Projects (CIP).

(2) Traffic and crime are current issues. The Sheriff has recommended TEAMRPV that would put 3 more cars on the Peninsula at a cost of \$500K. RPV's share would be \$300K. During the CC campaign the Sheriff recommended and I supported a 1-car increase at a cost of about \$2-4 per resident per year (\$100-170K) depending upon the participation of RHE and PVE. The Sheriff is also pushing a half-cent increase in the sales tax for more law enforcement that would (probably) only reduce near term cost increases for the same Peninsula coverage. There is no higher priority than citizen safety but the RPV CC "balked" when the cost was mentioned. How do you feel about this cost compared with other budget items?

(3) The cost of the NCCP has been previously noted including the PV News article. Approximately \$300k had been expended through 11/03 plus \$295K in state grants; this does not include staff and other "incidental" costs. The purchase price of the Forrestal and Barkentine properties was \$11.8M. Over \$60K has now been allocated for a Sacramento lobbyist and at least \$125K per year plus \$100+K of in-kind funds for general maintenance of open land. The purchase price is \$27-31M and annual costs are \$300K in '04 dollars for 50 years. Are you aware that \$1M of Measure A, Prop12 and 40 funds that could be used for parks, recreation, athletic fields, etc is part of the RPV commitment to the land purchase? In city Goal #4 (Open Space, Park and Recreation Master Plan) the timeline does not require "design and finance plans to implement the phasing program" until June '05 while the NCCP will be up for approval in July of this year. The implication of schedules is the commitment of resources.

(4) The Recreation and Parks Task Force recently climaxed with Chair Kevin Yourman resigning and Councilman Stern taking charge. The group spent over \$100K including consultant fees but not staff time and provided a "wish list" that included "drinking fountains and landscaping". The girls softball issue is to be further studied while an additional \$50K has been allocated to the Interpretive Center

(5) The city has recently incurred millions in litigation costs. The expenditure in FY '03-04 through Feb is \$400+K. The estimate for FY'04-05 is "only" \$400K. The cost of litigation since FY'00-01 will thus be over \$4M. The CC is planning to pursue the antenna case in the U.S. Supreme Court having lost in the 9th District Court. The issue of private vs. community property rights is a different subject but the implication is always cost.

(6) The city recently sold \$0.72M in Community Development Block Grant funds at 50-60 cents on the dollar due to inadequate contingency planning. With all of the city's needs this seems to be inexcusable but there are counter arguments.

(7) Finally, storm drain and sewer upgrades were debated during the election and are on the horizon. Although Les Evans and Dean Allison might disagree, the planned study completion has slipped from the beginning of the year. Some councilmen have pursued the need for a ballot initiative for Nov. '05 prior to first defining the problem. Nevertheless, it could be a \$20-30M project spread over 10-20 years (\$1-3M per year). If

Long Point were operational it would be providing city revenues of at least \$3-4M per year.

These are just a few of the budget issues facing RPV and the CC. We will try to address them and others in an appropriate and timely manner. The approved FY '04-05 budget is currently available for review at City Hall.

Sincerely,

Don Reeves