

McCarrell Canyon, etc.

Did you read the article on RPV's McCarrell Canyon in the July 26 edition of the PV News? Some people expressed relief that the storm drain problem was solved. Public Works Director, Jim Bell, even delivered the mandatory political message that if you repeal the Storm Drain User Fee then all bets are off. But, take a minute to consider the facts. Take special note of Item (16) that indicates some of the budget overruns in FY '06-07.

- (1) Long before the 2004-05 storms, the McCarrell Canyon inferior catch basin was known to be a potential disaster.
- (2) Our now departed, excellent working engineer Public Works Director, Dean Allison, recognized this and made it a priority in his 2004 plan.
- (3) Instead of building a real catch basin or at least a temporary catch basin, the finance advisory committee and the city council spent almost 4 years focused on the User Fee scheme and the non-secret special election.
- (4) Other than using about \$500,000 from the Ramon Canyon insurance payment for needed storm drain lining work, nothing was done after the city council election of 2003 prior to the 2004-05 storms. Storm drains were, of course, a big issue in the 2003 elections.
- (5) While the 6 sub-projects identified in the article were included in Dean Allison's plan, an upgraded catch basin inland of PV Drive S. is the key to preventing future problems but was not identified in the current work.
- (6) Some residents think everything "will soon be resolved" but work will not begin until at least spring 2008 – and apparently does not include any real catch basin plan.
- (7) If we have heavy rains this winter it will test our position that a temporary catch basin plus diligent maintenance would have at least mitigated any overflow – but a state of the art catch basin should still be the top priority.
- (8) The cost of the projects appears to be less than that included in the original plan.
- (9) The viability of this project does not depend upon the repeal of the User Fee. The previously transferred \$6 Million plus the \$3 Million to be transferred this fiscal year answers that scare tactic. There will also be about \$2.4 Million from the unneeded user fee for a total of at least \$11.4 Million.
- (10) The city council did the right thing by transferring these monies from the General Fund but also proved that the TAX is not necessary.
- (11) Compared with Dean Allison, Jim Bell appears to be more of a bureaucrat. Even he admitted that he does not have a prioritized plan or updated cost estimate. That, in effect, makes every decision political rather than objective.
- (12) The storm drain program was estimated at \$25 Million as stated in the 2005 election pamphlet. The imposed user fee would generate \$39 Million over 30 years before the annual 2% increase. That is misleading at best and perhaps illegal or at least dishonorable at the worst.
- (13) Don't be fooled by the 5-year "Going Out of Business" model that shows reserves shrinking to about 60% of projected expenditures by 30 June 2009 – coincidentally within the timeline of the opening of Terranea (Marineland site hotel).
- (14) In FY '06-07 it took a concerted effort on the part of the city council to increase General Fund Expenditures from the original proposed \$13.7 Million to \$15.3 Million. This is the first time in years that expenditures have not reasonably tracked the budget. Revenues were \$18.7 Million (originally estimated at \$17.4

Million), thus contributing to the approximately \$25 Million positive difference between General Fund revenues and expenditures over the last 7 years.

(15) Don't be fooled by the Transfers Out argument because this maintains the city council restricted funds (Not Reserves) that can be used for almost anything at a level of \$5-6 Million.

(16) We will provide more detail at a later date about "Expenditures" but here are some examples of how the budget was overrun in FY '06-07.

- City Manager - \$300,000 increase to \$1.07 Million (+40%)
- City Attorney - \$300,000 increase to \$1.33 Million (+30%)
- Public Works Administration - \$85,000 increase to \$675,000 (+15%)
- Information Technology – \$60,000 increase to \$636,000 (+10%)
- Storm Water Quality (Separate Line Item) - \$56,000 increase to \$226,000 (+30%)
- Building Maintenance - \$167,000 increase to \$740,000 (+30%)
- Parks, Trails, Open Space - \$82,000 increase to \$833,000 (+11%)
- Planning - \$222,000 increase to \$1.38 Million (+ 20%)
- NCCP - \$53,000 (+40%) increase to \$187,000
- Palos Verdes Interpretive Center - \$157,000 increase to \$481,000(+50%)

As you can tell from the noted PV News article, the city is in full propaganda mode. The News and the Daily Breeze generally report what the city council wants you to hear. We will try to bring you "the rest of the story".