

To Our Friends & Supporters:

Editors Comments: The following memo was sent to the RPV City Council prior to it's June 19th meeting by Don Reeves, a PVP Watch member. Mr. Reeves is also Co-Chairman of the "Committee to Repeal the RPV Storm Drain Tax. Reeves also appeared at the meeting and spoke on this topic at approximately 1:15 AM.

In addition to the lack of justification for the Storm Drain Tax, there is concern about the priority of any new project and the existence of and basis for current cost estimates. Initial cost estimates were based on then defined Priority 1 & 2 projects. Recent information has come from various staff reports. This is a time consuming task and subject to frequently changing data. PVP Watch suggests RPV begin posting this information including the FY 2007 / 2008 budget on the RPV Web Site. With today's technology, this is not a difficult nor time consuming task. It may be a surprise to some that many RPV residents do not subscribe to the theorem that "City Hall Always Knows Best" and that all should blindly accept their dictates.

Dear Members of the RPV City Council

Tax Freedom Day was extended 4 days this year to May Day. Your indefensible infrastructure User Fee added at least 1 day to many of the 80% of property owners who are paying it. Remember when you solemnly promised the taxpayers to rescind this tax any year it was not needed? Well, you had that chance last year and you have it again this evening. General Fund Revenues have exceeded expenditures by about \$25 Million over the last 7 years and Reserves have grown to almost 100% of Expenditures. This, in spite of transferring \$3.2 Million to the mislabeled Flood Protection / Water Quality fund this year and \$3 Million next year (a good thing) and about \$16 Million to other funds. Do not forget that we have a 3% Utility Tax that should be dedicated to your #1 Goal - Storm Drains

The purpose of government at any level is to do for its citizens what they cannot do individually. At the top of the list is public safety and infrastructure. You have violated this trust by making the "wants" of special interest groups a greater priority than the "needs" of the taxpayers. While the Public Works staff led by Ron Dragoo has done a good job of lining 40 storm drains at a cost less than predicted and has initiated other projects the earned value is about as predicted - \$1.4 Million per year excluding the purchase of property. Management has failed to update Dean Allison's (*then RPV Public Works Director*) 2004 Plan and, thus, there is no prioritized project plan or cost estimate in spite of reports of cost growth.

Your Oversight Committee is hamstrung by a lack of background and financial data and was reduced to an embarrassing debate about how the proposed 2% increase would impact the November elections. They did not know that the \$25 Million program that was approved by less

than 0.5% of the voters is actually \$39 Million because \$9 Million in maintenance and \$5 Million in staffing was added but hidden from the voters. Do the math, thirty (30) years at \$1.3 Million per year before uncollectible's is \$39 Million. Your Finance Director will only acknowledge that \$25 Million is also about \$39 Million in thirty (30) years with a 2% annual increase while the actual tax will be over \$50 Million with the same ground rules. They should be telling you what we are telling you - the tax was not and is not needed if you remember that Storm Drains are your #1 stated Goal this year.

Your 5-year "Going Out of Business Model" and even the 1-year Revenue and Reserve predictions have been proven to be grossly erroneous. Adding insult to injury, the latest projection for this year shows a \$1.5 Million Expenditure overrun - the first time in years that actual Expenses will not track the budget. That is the only reason why Reserves will decrease a few hundred thousand dollars rather than continue to grow.

Look at the budget increases and it is obvious where your real priorities lie. Then take a look at realistic Revenue projections including Terranea and at least acknowledge some part of the \$4-6 Million in occupancy taxes starting in 2-3 years. In the mean time do what is right and kill this tax. If you don't, the taxpayers will do it for you.

Sincerely,

Don Reeves

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We will continue to bring current topics to www.pvpwatch.com. We encourage those who have topic of community interest to bring those issues to PVP Watch

The Editorial Committee