

South Tahoe council reaches its lowest level to date

By Kathryn Reed

Bruce Grego. That was the topic for more than two hours as the South Lake Tahoe City Council conducted a special meeting Thursday about whether the city councilman should have been reimbursed with taxpayer dollars for his use of outside counsel.

Tension filled the room. Hostilities – verbal and body language – were everywhere.

In the end, nothing was resolved.



Councilman
Bruce Grego,
standing,
defends his
actions as
colleagues
Jerry Birdwell
and Hal Cole
listen.

Photo/Kathryn
Reed

The council did agree things could have been handled better regarding the issue. But how they should be handled in the

future was neither discussed nor asked to be put on a future agenda.

One thing the city could do is have warrants come before the council before they are paid – all but staff paychecks. This would eliminate situations like the Grego brouhaha. This is common practice in other cities.

The city has changed the policy when it comes to hiring outside legal counsel. It now all goes through the city attorney's office. Grego, with everyone else, voted on this last summer. Still, he did not bring to his colleagues' attention that he had personally sought outside legal counsel with the city manager's permission and that he had billed the city for it. The other council members were not aware of this until the warrants were in their packet for the April 6 meeting or *Lake Tahoe News* called them. (Here is the original story.)

Grego never said Thursday he would have done anything differently. He was adamant it was his right to collect \$937.50 in taxpayer money for having hired Dennis Crabb work on his behalf with the Fair Political Practices Commission regarding a potential conflict of interest he has as the attorney for Lakeside water district when it comes to voting on redevelopment matters near Stateline.

It has not been explained why the money is coming out of the Redevelopment Area 2 fund when the council hasn't even created such an area.

Grego was a member of the public for the hearing because legally he couldn't vote on the matter because it involves him and more than \$500.

Most members of the public in situations like this are given five minutes to defend themselves or make their case. Grego was allowed to talk as long as he wanted.

Mayor Kathay Lovell looked a bit despondent through much of the proceeding. Lovell was inconsistent with the use of her gavel as about a half dozen members of the public spoke, and the councilmen kept interrupting each other and the public.

Lovell and Councilman Bill Crawford kept squabbling like children.

All the meeting at Lake Tahoe Airport seemed to accomplish was to further divide the council and make it apparent that it is going to be a long four months until City Manager Dave Jinkens retires, and even longer until a potential new council is seated in December.

What did come to light is:

- Jinkens admitted he's talked to the grand jury about various issues in the city.
- City Councilman Jerry Birdwell has spoken to the district attorney and taken the Grego issue to the Justice Department via the FBI. His issue is the use of public funds for private matters. (He called for the meeting and was visibly upset through the proceedings.)
- Crawford believes Grego and Jinkens are in collusion and that corruption has occurred. He considers his most important responsibility to be fiduciary.
- Grego called the comments against him slanderous and welcomes any investigation.
- Jinkens said comments spoken Thursday were atrocious and possibly violated state law.
- Cole and Lovell said no criminal behavior has occurred.
- Former City Attorney Cathy DiCamillo signed the letter to the FPPC that Crabb wrote. Grego, when asked by Crawford if he had an ethical issue with that transaction, said "no." After

the meeting, City Attorney Patrick Enright said that behavior is not normal in legal circles. (DiCamillo no longer lives in South Lake Tahoe.)

- Grego and Birdwell remember having breakfast in April 2009 to discuss the reimbursement issue. Grego said Birdwell's advice was to submit the bill to get a check from the city. Birdwell said his advice was to take it before the City Council.

- A memo from now former City Attorney Jacqueline Mittelstadt dated Aug. 20, 2009, said she vetted the reimbursement issue with the finance committee of Hal Cole and Birdwell. Cole has zero recollection of any such meeting. Grego said he has no memory of it either. Birdwell has a copy of the document. (Most items are emailed between staff and council members, however Grego has documents faxed to him or hand delivered because he doesn't use email.) Grego said perhaps Birdwell's friendship with Mittelstadt is why he has the document and others don't; implying that the memo may never been disseminated to the people who were supposed to get it.

- The sequence of Grego asking for permission from Jinkens to seek outside counsel, subsequent emails, memos, other conversations-documentation, requisition for payment – the time line of it all was convoluted and never linked together in a manner to prove everything was on the up and up or not. (Grego has never explained why he didn't immediately seek clarification about the potential conflict when first elected since he knew all along there could be one. He was on the City Council in the last 1980s and is not a newcomer to how things work in city government. Plus, he has worked for the water district for 10 years and the hole was there when he was elected.)

- The timing of Cole, Grego and Lovell seeking the dismissal of Mittelstadt was linked to the timing of memos involving the Grego issue. Nothing was proved.

- Kenny Curtzwiler, a vocal member of the community who lives in the county, said he thought this matter should have been heard in closed session. He said until this meeting he thought the seated council was the best he's seen South Lake Tahoe elect and called Jinkens the best city manager.
- Peggy Cocores took issue with Curtzwiler's statement.