

Unable to figure out nuts and bolts of SLT's 10-11 budget

By Kathryn Reed

In two days, a new fiscal year begins in South Lake Tahoe. The multi-million dollar budget approved in August on the eve of then-City Manager Dave Jinkens' departure is rife with questions.



Lake Tahoe News has been trying to put the pieces together, but the city has been hampering those efforts.

The budget for 2010-11 was approved 5-0 by the City Council on Aug. 3 even though now City Manager Tony O'Rourke wanted to be at the helm when it came before the council. Jinkens at the time told *Lake Tahoe News* it was important to pass the budget then. Why it was important was not articulated. And without the full budget available, *Lake Tahoe News* can't answer the question.

What city staff, aka Finance Director Christine Vuletich, presented to the council is on the website.

What's missing in these documents is the detail.

The city each year sends the budget to some firm to be bound. This takes months to be done. *Lake Tahoe News* has asked for the documents in PDF form and not bound form.

To this request, last week Vuletich replied, "We have not forgotten you, but must check with the City Attorney to make sure the work papers you are requesting are public

information, that can be provided to you.”

All *LTN* wanted was the documents that were sent to the printer or backup material that allowed the Finance Department to put the budget together.

On Sept. 27, after *LTN* asked again, Vuletich confirmed what *LTN* already knew – the documents are for public consumption.

However, the 500-plus pages will not be available until sometime today. *LTN* will need time to scour them before reporting on the detail. This is assuming they are actually available.

In the documents available to the public and media via the website, *LTN* was able to come up with 21 questions. They were sent Vuletich, O’Rourke and the five councilmembers on Sept. 27 with a deadline of noon Sept. 28.

Vuletich per an email said, “Regarding the twenty one detailed budget questions you asked (Monday), these will take considerable staff time to research in order to provide answers for you. It is not possible to complete this work by noon (Tuesday). We will do our best to complete this work as soon as possible, and will let you know when it is done.”

The response by this reporter was, “... when it comes to answering the questions, I don’t believe you when you say it will take considerable staff time to answer them. You could not have put the budget together without knowing the answers.

“I’m writing the first budget story (Sept. 28) based on the answers or non-answers to these questions. Subsequent stories will follow once I get through the documents you will be providing.”

No word from Vuletich since then.

O’Rourke weighed-in with a phone call Sept. 27 saying he’d like to talk. Calls to him that evening and on Sept. 28 were

not returned.

Lake Tahoe News will print the answers when the city answers all of them. A question *LTN* has been able to answer is the increase in the redevelopment budget by \$1.5 million. It's the lead paint grant.

In other cities grant income and then expenditures are classified separately and not part of the overall budget. Not in South Lake Tahoe.

Although the below reference to the STR Trust Fund still remains a mystery, *LTN* has learned several departments in the city have trust funds. These are specified funds the public may donate to for a specific cause that are not part of the general fund.

When *Lake Tahoe News* receives the detailed budget documents it will be looking at those funds more closely and specifically to see if the \$20,000-plus for Linear Park that was given to the city from Core 24 Charities is in a fund like this or anywhere else. (This reporter was a founding member and past vice president of the now defunct nonprofit.)

Here are the questions *Lake Tahoe News* asked the city. The councilmembers were part of the email. Mayor Kathay Lovell and Mayor Pro Tem Hal Cole make up the finance committee. Neither emailed nor called *LTN* with a comment.

Unanswered budget questions:

1. Why did the City Council budget go up 15 percent? How much of that \$192,541 is for salary and how much for health benefits? And what is the rest for?

2. The City Attorney's Office in 2009-10 had budgeted revenues of \$100,000. Why no revenue this fiscal year? How does this department generate revenue?

3. Why did the vehicle abatement budget increase 144 percent?

What specifically is this line item?

4. Is it true there is one less fire captain position in the 2010-11 budget? And is it true the fire chief didn't know about this reduction until the morning the council voted on the budget in August?

5. Fire prevention costs went up 17 percent? What is the public getting for those \$42,721?

6. Fire training and safety budget was decreased by 20 percent. What was cut? Is this prudent?

7. Engineering under Public Works had an increase of 25 percent or more than \$181,000. What is this money for? Are these the same people responsible for bids like the Lakeview Commons fiasco?

8. Can the city be doing its share of EIP projects with this kind of cut? Please explain what isn't getting done with the quarter million dollar cut.

9. Is the 38 percent increase in the TID bottom line related to the TOT increase that went into affect this year?

10. How/why did the Redevelopment and Housing budget increase 58 percent or \$1.5 million? Where does that money come from and where will it be spent?

11. The Parking Enterprise category, is that just the Heavenly Village garage? With the numbers indicated, it looks like the projection is for it to lose even more money than this past fiscal year? How was that scenario arrived at?

12. Why are the airport environmental operations increasing 52 percent? And what are "airport environmental operations"?

13. What is AB939? And why did this fund increase 150 percent?

14. What is the \$840,000 in the 2009-10 STR Trust Fund? What

is that fund?

15. My calculations come to a deficit of \$4,972,735, yet the city talks about \$3 million taken from reserves to compensate for the 2010-11 deficit. Please explain how you wiped away the other nearly \$2 million from the ledger? From the budget documents on the website, revenues for 2010-11 are \$66,061,944. Expenses are budgeted at \$71,034,670. This creates the earlier mentioned deficit. These numbers, though, don't tie back to the PowerPoint on the city's website. It seems like the Capital Improvement Plan Budget is not in the budget documents that are on the website. Please explain the discrepancy.

16. Did the budget get approved without the specifics of the CIP being documented or discussed? The website said the CIP revenue budgeted is \$34,524,280, while expenses will be \$30,805,295. Is this the surplus, so to speak? Does that mean the CIP has been "robbed" unknowingly by the council, or perhaps knowingly, I'll let them weigh-in individually.

17. The lack of detail provided in the documents on the website don't allow for thorough analysis of how the cost savings from one budget year to the next have been made. Details would be nice.

18. Is it possible to get the actual balance sheet? This would show all assets, including fund balances, equipment and reserves. It should also show all debt obligations. This should be in one easy to read document. May I please have it?

19. In regards to using the \$500,000 from the Workers' Comp Reserves during the 2009-10 midyear budget revise, was this legal? Is it prudent?

20. There is also the use of the RDA Loan Transaction for \$300,000. The document states, "Principal repayment is a balance sheet transaction, not typically budgeted, but increases fund annually." This sounds like a slush fund to me.

Please explain. And what about the interest on this account? Where is it? And how is it spent?

21. Regarding the TOT delinquencies: How do you account for these potential receivables? Is there a "bad debt" account? Interest is added to delinquent TOT, but where is the interest accrued? Is it included anywhere in revenues?