

Opinion: Complaint against South Tahoe filed with grand jury

By Steve Kubby

Recently, the South Lake Tahoe City Council boasted that it is going to spend \$4 million a year on roads for the next five years. Unfortunately, that \$4 million promise, which is probably only half of what needs to be spent to do the job properly, is just an empty promise that history tells us will soon be forgotten. The reality is the City Council has only budgeted a pathetic \$100,000 to fix our roads.

History also tells us there has been a clear pattern and practice of raiding funds from road repairs and maintenance in order to prop up redevelopment failures and to reward special interest groups. These actions have been going on for 15 years and it has resulted in an enormous unfunded liability of somewhere between \$150 million and \$250 million in crumbling roads, broken drainage pipes and dangerous potholes. The only success in this area has been for a few individuals who reward their supporters with money and favors, so they can continue to get themselves re-elected to office.



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Jim Marino, an engineer with the city, told the council in 2009 that it would take \$5.2 million a year for 25 to 30

years, just to get the streets back up to par. The City Council responded by doing nothing, resulting in more unfunded liabilities as well as ever more runoff polluting our beaches and creating further loss of lake clarity. Meanwhile, the city budget does not even recognize these unfunded liabilities.

On May 31, 2011, I sent a letter to the South Lake Tahoe City Attorney Patrick Enright to inform hi I had discovered that sometime around 2002, someone transferred \$7,007,000 from the general fund, without the knowledge or consent of the City Council. I explained that my research had indicated that those funds were deposited to the Redevelopment Agency, again without the knowledge or consent of the City Council. I then told the city attorney that it appears the purpose of this raid on the general fund was to cover the financial failures of the Redevelopment Agency and the Park Avenue development.

To my astonishment, the city attorney sent me a "loan agreement," dated March 16, 2004, which was about two years after the unauthorized transfer of the \$7,007,000 from the general fund. This agreement, signed by then Mayor Tom Davis, asserts that the \$7,007,000 is a "loan" and that it is to be paid back with TOT funds. Since the TOT funds had already been allocated to the general fund, I could not understand how such a loan could be legal. It also struck me as suspicious that the city attorney would proffer this backdated document, especially since the El Dorado Grand Jury had previously admonished the City Council about backdated documents.

As a result of these disturbing findings, I have filed a formal complaint with the El Dorado County Grand Jury.

Steve Kubby is a South Lake Tahoe resident.