Opinion: EDC CAO great at misrepresenting the truth

By Larry Weitzman

On May 3 the El Dorado County CAO's office, directed by CAO Larry Combs, published an article in *Lake Tahoe News* defending the EDC's road maintenance policy claiming that our roads are better maintained and that any problems are due to less funding because the state gasoline tax is down due to lower oil prices and more fuel efficient cars.

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The Comb's directed piece quoted a recent *Los Angeles Times* article saying, "The last month, the California Transportation Commission said the state would cut transportation funding by $754 million – a 38 percent decrease. Why? Because revenue from the state's levies on gasoline sales, which provide much of that funding, plummeted as gas prices dropped and more fuel-efficient vehicles proliferated. Those falling prices cut the state's gas excise tax revenue from 18 cents a gallon two years ago to 12 cents last year, and revenue is expected to sink to 10 cents in July."

The above statements are absolutely incorrect, and by large numbers. The tracker and collector of gasoline data and sales tax revenue is the state Board of Equalization (BOE). If the California Transportation Commission said they were cutting funding $754 million, it would mean the prior budget was about

$2 billion.

But first let’s go through the facts on the issue and CAO Combs’ misrepresentation of the truth. While the California Transportation Commission is cutting funding, it has nothing to do with road maintenance; those funds are for transportation improvements only and not for maintenance. Perhaps a new or improved bus system or new bike paths, but it’s not for fixing roads. The CAO’s office should have done better research and fact checking, but one must assume that words are intentional and designed to mislead. But it is much worse.

What the CAO’s office didn’t tell in an attempt to magnify the problem is that the $754 million isn’t for one year, but the cut will be made over five years. This is an example of an unforgiveable half-truth and this money is divided between all 58 counties, so EDC’s portion would be miniscule anyway.

The column then claims that funding has dropped due to plummeting gas prices and less fuel usage. Again, mostly untrue. Lower priced gas does lower the sales tax revenue on gasoline sales. But sales taxes have changed since 2010, when it was 7.5 percent. But effective starting with F/Y 2010, sales tax dropped to 2.25 percent of which only 1.25 percent is for local use. But that same year gasoline excise tax doubled from 18 cents/gallon to 35.3 cents/gallon and over the next five years it gradually has been adjusted upward to reach a peak of 39.5 cents/gallon until this year when it dropped to 36 cents/gallon. Next year it will drop to 27.8 cents/gallon. But the numbers quoted by Combs’ office are wrong. He quoted those numbers (18 cents, 12 cents and 10 cents) to make the gas tax cuts from 2014-2015 to look much more dramatic.

A few phone calls to the state Board of Equalization and the California Traffic Commission rendered accurate info and website documents all pointing to the errors of the CAO’s office writings to have been done intentionally in the worsecase and gross negligent in the best. Whoever wrote this in Comb’s office must have been under extreme pressure from the CAO to create this propaganda and perhaps become the fall guy.

The claim of falling gasoline sales is also a lie. Consumption is climbing steadily with the last year (2014-15) reporting the most gallons of fuel consumed ever with 14.9 billion gallons reported by the BOE. It had been climbing for three years. And this year will exceed that number, according to the BOE.

As to total gasoline excise taxes collected, the numbers speak for themselves. Starting in FY2010, excise taxes collected were $2.67 billion, but the excise tax was the old fix rate of 18 cents a gallon with a 7.5 percent sales tax. In the next year (10-11) (with just a 2.25 percent sales tax and an excise tax of 35.3 cents/gallon) total revenues from excise tax alone doubled to $5.20 billion. The following year the tax was adjusted to 35.7 cents/gallon and excise tax revenues went to $5.22 billion In FY12-13 at 36 cents/gallon, excise tax revenue fell ever so slightly to $5.21 billion. The next year (FY13-14) the rate was set at 39.5 cents/gallon and excise tax revenues went beyond projections to $5.76 billion and last year (14-15) with even higher gasoline sales and a reduced rate of 36 cents/gallon revenues only fell to $5.37 billion. This year (15-16) the rate is 30 cents/gallon and next year (16-17) projections put the excise at 27.8 cents/gallon.

As to this bogus downturn claimed by the CAO’s office being responsible you can see for yourself it is wrong, especially when you cite bogus data from the wrong agency (CTC). The slight downturn was because too much tax was collected the year before, but it was essentially insignificant. The column was also referring to an allocation from the California Transportation Commission that has nothing to do with maintenance. It is for traffic and mass transit improvements. The CTC’s most recent allocation was for about $5.5 million (2014) to do the Highway 50 Placerville, Ray Lawyer Drive onramp and absolutely no road maintenance.

A company, Global Insight, is hired by the BOE to recommend the excise tax year to year and stay within a formula set by the state to attempt to keep revenues constant and not to “overcharge” motorists. That’s why revenues went down slightly, by about 6 percent because of the previous year’s overcharge (13-14).

All the facts relative to the CAO’s office claims about road maintenance were absolutely false and misleading. The county has known for years that General Fund money was required to supplement road fund money to properly maintain the roads (the No. 2 priority of county residents), and now the CAO has recommended and the BOS agreed to stop using General Fund money for road maintenance. The state of our roads are and will continue going downhill. The claims made by the CAO’s office that our roads are better with ratings that are a point above average are untrue. Comparing EDC to other counties is a comparison in mediocrity. Our ratings should be 70 not 62 or 63, and I even question those numbers as to what they mean. On top of that, EDC has over a thousand miles of improved roads not counting Highway 50 and 49 which are not county maintained. The few miles of EDC roads the county claimed to have recently maintained or repaired is a drop in the bucket.

Anyone who drives in EDC knows the conditions of the roads. They are undermaintained and after all the errors of the article, Combs has no credibility. His letter is full of misrepresentation, half-truths and outright misstatements. The BOS should investigate why. Every director, Veerkamp, Mikulaco, Novasel, Frentzen and one term Ranalli should call for a hearing of CAO Combs regarding this column and why. We shall see if there is accountability in EDC. This is exactly what EDC will get from a PIO or spin-doctor. Is that what you want to spend $150,000 on while our roads decay and our sheriff’s department is stripped of $4 million?

Combs won't even return the sheriff's calls about this new issue. He must be too busy with lobbying for a spin doctor PIO. In another important story about flip-flopping, one-term Ranalli, (as I predicted) on the revote on raising county fees (taxes) about $1 million annually, changed his vote from no to yes to carry the matter by a 3-2 vote, Mik and Frentzen voting no. One-term Ranalli also voted against road maintenance.

On May 6, supervisor of District 2, Shiva Frentzen, sent an open letter to all BOS members and the CAO and ACAO and others that in order not to violate the Brown Act the BOS needed an additional item placed on the agenda for a discussion of the options of the CAO's not timely filing with the USDA the loan application the BOS authorized to lock in a 2.875 percent loan rate for the new sheriff's facility. Now that rate is lost it may cause a rate increase to 3.5 percent and will cost EDC about $10 million over the life of the loan. Will there be accountability? Will the CAO's office even put it on the agenda and try to keep it from the public? Will the CAO hire even a one-time PIO to shield themselves from their egregious mistakes?

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