

Editorial: Vote no on SLT's Measure U

Publisher's note: *The following endorsement is from Lake Tahoe News after a team of seven community members gathered to discuss the merits of Measure U.*

South Lake Tahoe's City Council and staff are adamant they've gotten their fiscal house in order and that is why they feel secure in going to the voters for a sales tax increase. But if the house were truly in order, then a basic thing like roads would not require a special tax.

On the Nov. 8 ballot is a measure to raise the sales tax in the city limits by one-half cent. This would bring the total to 8.5 percent. Projections are it would raise \$2.5 million annually. There is no sunset for the tax, so it would go on indefinitely.

Raising the sales tax was already done once. It was increased by one-half percent after voters gave the go-ahead in November 2004. All of this "extra" revenue goes right to South Lake Tahoe, whereas the bulk goes to the state. The same thing would happen with this increase – it would go straight to the city.

Therein lies the problem for *Lake Tahoe News*. That pot of cash would go directly to the General Fund. When staff comes up with the budget each year, the sales tax money could be going toward anything. It would take a diligent council to ensure the money is allocated "appropriately." Then it would take a hawk-eye public to oversee the council's decision.

While there is a second component to Measure U that asks voters where the sales tax dollars should go, the city is under no obligation to actually spend the money as the voters wish. Other than possibly being voted out of office, there are

no consequences to not listening to voters' desires.

And because management has said it's time to give staff a raise and there was no money in the fiscal year's budget that started Oct. 1 for those increases or money allocated in future years, we are nervous that this new pot of money from Measure U could find its way into paychecks instead pavement.

We also cannot unequivocally say the three choices are worthy. They are roads, housing and facilities. The advisory measures (Q=housing, R=Roads, S=Facilities) are so poorly written. One has to wonder if this was done to confuse voters. They are not well thought out, precise or concrete. The ambiguity is alarming.

We have seen the city appropriate funds in a manner that leaves us skeptical. There was a time when transient occupancy tax dollars were to be dedicated for tourism promotion. The city gave the visitors bureau and chamber of commerce funds for that cause. Councils changed, trust between the entities evaporated and the checks stopped being written.

Then there were the councils that somehow unknowingly kept spending money to the tune of \$7.2 million to build the Heavenly Village project. These dollars came from the General Fund and to this day are still being paid back.

Think about what \$7.2 million 15 years ago would have bought in terms of road repair. Yes, the village and Cecil's projects are great, and the vision to bring them to fruition is to be commended. But the surreptitious way in how they got funded should never fade from voters' memory.

All of this underscores why we don't universally trust the city's staff or the electeds.

The other problem with a sales tax is that it is a regressive tax, meaning those at the lower end of the economic scale have a greater percentage of their income going to taxes than those

in the upper echelon.

Even so, if the measure were to be written with the dollars going to a dedicated source (roads is our preference), we would be more amenable to it. We realize this would take a two-thirds vote, whereas the current measure only requires 50 percent, plus one to pass. This, though, would ensure the voters would be getting what they would be paying for – roads.