

## PVP Watch Newsletter – October 5, 2012

To Our Friends and Supporters

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### **RPV in Crisis..... The Continuing Saga**

At the October 2nd RPV Council meeting, the Council accepted the "IT" report presented by the staff selected "IT" consultants, NexLevel Information Technology, Inc. As previously posted, November 2011 the last Council approved an agreement to pay PV Net \$25,000 per month for undefined Help Desk, Server & IT Support, Website and GIS services. January 2012 the current Council decided to evaluate current PV Net provided "IT" services and directed staff to bring back several consultants for the Council to interview and objectively select a firm select for evaluating RPV's "IT" services. What did occur is that "Staff" selected NexLevel Information Technology, Inc. and a Council majority; Misetich, Brooks and Knight accepted the Staff recommendation without further discussion as requested by Mayor Pro Tem Campbell and Councilman Jerry Duhovic.

NexLevel performed to Staff anticipation when they reported "*we are not convinced the City would yield significant cost savings if the IT services were put out to bid (pg 3-33) and that PV Net costs are not excessive.*" NexLevel based their conclusions on a similar cities assumption (Table 3 below) rather than factual data. A competent consultant would have analyzed the Help Desk, Server & IT Support, Website and GIS services and determined the hours spent, value etc. and applied a reasonable hourly rate to reach a justifiable cost factor. Not only did the NexLevel "IT" consultants fail to make a quantitative cost analysis, they also failed to evaluate the functionality of the Help Desk, Server & IT Support, Website and GIS services thus perpetuating the poor management practices of City Manager Lehr and her senior staff.

Table 3 (pg 3-39) provides information on IT service costs in cities selected by NexLevel and deemed similar by NexLevel to RPV. How Monterey is deemed similar and PVE and RHE are not similar is, at best, puzzling. Dana Point, a city that could be considered similar to RPV spends over **\$100,000 annually less** than RPV. So much for comparing "like" cities.

Table 3

Table 3 – Comparable Cities Cost to Provide IT Services

City	Population	# Full Time Staff	Annual Gen. Fund Budget	IT Out-Sourced	Annual IT Budget	# IT Staff	# Desktops	IT Budget as % of GF Budget	IT Staff as % of Total Staff	IT Staff as % of Total Desktops	Cost of IT per Population
Dana Point	34,000	60	\$28.0M	both	\$436,950	.5	50	1.56%	.83%	1.00%	\$12.85
Manhattan Beach	35,135	268	\$52.9M	no	\$1,534,652	4	285	2.9%	1.49%	1.40%	\$43.68
Monterey	29,440	464	\$59.5M	no	\$2,757,352	10	556	4.63%	2.16%	1.80%	\$93.66
San Clemente	63,500	198	\$53.9M	no	\$1,469,000	5	100	2.73%	2.53%	5.00%	\$23.13
San Juan Capistrano	35,022	89	\$20.9M	yes	\$1,101,100	4	122	5.27%	4.49%	3.28%	\$31.44
Palos Verdes Estates	13,516	50	\$9.8M	yes	\$94,000	1	60	.96%	2.00%	1.67%	\$6.95
Rolling Hills Estates	8,000	20	\$5.9M	no	\$0	0	24	---	---	---	---
Rancho Palos Verdes	41,766	75	\$24.4M	yes	\$548,100	2.75	90	2.24%	3.67%	3.06%	\$13.12
<b>Average All Cities</b>	<b>32,547</b>	<b>153</b>	<b>\$31.9M</b>	<b>---</b>	<b>\$980,163</b>	<b>3.41</b>	<b>161</b>	<b>3.07%</b>	<b>2.23%</b>	<b>2.12%</b>	<b>\$30.11</b>

That NexLevel based their conclusions on what other cities are spending rather than business applications further cements the opinion that the NexLevel firm lacks integrity and professional expertise. That NexLevel judged that RPV is significantly different from PVE and RHE and therefore a not a good comparison, was but another questionable conclusion by NexLevel. RPV uses a "home grown" GIS system developed by PV Net rather than "standard" packages used by PVE and RHE which cost considerably less than what RPV is paying PV Net for a system that reportedly has many operational deficiencies. PVP Watch has posted the entire NexLevel report on the PVP Watch website. Go to the bottom of the Current Issues Page. We will welcome comments from those with "IT" expertise.

**RPV - Transparency and Oversight is Lacking**

Here we go again..... City Manager Lehr rejects Transparency and any Oversight of her pay, professional capabilities and management practices. After over a year of council / community pressure to fully disclose her pay as required by California law, City Manager Lehr recently released a copy of a recent "Earnings Statement." For whatever reason, the previous Council awarded Ms. Lehr 80 hours of "Administrative leave" time, in addition to vacation and sick time,

and she has been apparently using the "Administrative leave" time in lieu of vacation time which can then be sold back to the City. That City Manager Lehr has approval on payroll processing, including her own paycheck, is more than disturbing. What oversight is there of RPV funds for both payroll and other expenses? We are not accusing anyone of nefarious activities, but the lack of oversight controls is troubling. We shall watch and observe what the Council does with this matter.

Another matter under discussion is the MOU (Memorandum of Understanding) that will lead to an agreement with the new employee union. We understand the MOU is being drafted by the RPV labor attorney and WE THE PEOPLE want to see this document before it is discussed with the union. A questionable matter is allowing City Manager Lehr or any of the senior staff to participate in union negotiations when they are likely to benefit from any salary or benefit increases the union may receive. Is this not a clear Conflict of Interest?

October 5th, the Easy Reader headline was "*Rancho Palos Verdes union seeks raises.*" The Easy Reader reported that "*Eduardo Schonborn, association president, said the 41 non-management employees represented by the association would like to continue receiving cost-of-living adjustments each year. Last July was the first year in recent history that COLA increases were not granted city employees, Schonborn said.*" The article went on that RPV is financially sound, a matter that *needs confirmation* (our opinion) from a third source, It would seem that RPV employees are not aware of current United States, California and local economies. Some of these union employees might want to express their appreciation for their well paying jobs that they cannot likely replicate anywhere else.

Apparently overlooked by union president Schonborn is that RPV will likely have to take \$10 million from reserves and possibly sell bonds for the San Ramon project as the Council committee of Brooks and Knight were unable to get any financial assistance from LA County Supervisor Knabe for this project although LA County contributes to the problem. Not to be overlooked when evaluating RPV finances is that the Citizen-led Finance Advisory Committee (FAC) has recently determined that RPV has between \$18 and \$36 million in previously unknown unfunded pension liabilities for these employees who are now seeking further salary increases on top of the recent increases, bonuses, merit pay and less than a year ago an additional across the board 5% salary increase..

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## **November 6th Ballot Candidates**

Two elections on the November 6th ballot that impact the Peninsula are the 33rd Congressional District and the 66th State Assembly District.

**33rd CD** - The two candidates for the 33rd CD are Henry Waxman (Dem) and Bill Bloomfield (independent). Waxman was first elected to Congress in 1975 and has spent the last 38 years pushing liberal causes such as ObamaCare.

Bill Bloomfield resides in Manhattan Beach and is a successful businessman making his first run at a political office. To us, Bloomfield is a refreshing change, a person of considerable integrity and is what we need representing us in the US Congress.

**66th AD** – The two candidates are Craig Huey (Rep) and Al Muratsuchi (Dem). Craig Huey is also a successful local businessman and Muratsuchi is an attorney and Torrance school board member. Muratsuchi is largely funded by the Sacramento special interests and we are posting a partial list of his contributors

SEIU United Health Care Workers West PAC	<b>\$7,800.00</b>
California Teachers Association / Association For Better Citizenship	<b>\$7,800.00</b>
California Correctional Peace Officers Association PAC	<b>\$7,800.00</b>
American Federation of State County and Municipal Employees	<b>\$7,800.00</b>
Committee on Political Education California Labor Federation	<b>\$7,800.00</b>
California State Council of Service Employees	<b>\$7,800.00</b>
Faculty for our University's Future California Faculty Association	<b>\$7,800.00</b>
ILWU Local 13	<b>\$7,800.00</b>

**One of the great problems in Sacramento is the power of the teachers and other unions and Muratsuchi's election would undoubtedly help cement the union's power. Also possible that Muratsuchi's election would give a Super majority in the State Assembly to the Democrats.**

In comparison, **Craig Huey's major contributors are individuals not linked to Sacramento power interests.**

	Brian Jones for Assembly 2012	\$7800
Gerald J.	Marcil	\$7800
	BG Capital Group	\$7800
Bruce R.	Bailey	\$7800
Brian	Carrico	\$7800
Donna J.	Carrico	\$7800
Tei Fu	Chen	\$7800
Albro L.	Lundy	\$7800
Carol L.	Marcil	\$7800
	Sunrider International	\$7800
	Trend Offset Printing	\$7800
Paul	Kessler	\$7800

Huey is a fiscal conservative and will keep the taxpayers in mind when making legislative decisions in Sacramento.

We believe Craig Huey will best represent ALL citizens and encourage all to vote for Mr. Huey.

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### **California Ballot Propositions**

While some may differ with PVP Watch positions on the "political scene" there are many who seek our input.

**PROPOSITION 30** is Governor Brown's four year sales tax increase of ¼ cent and seven year income tax increase of 1% to 3% on high income tax payers. Since we already have 1% surtax on anyone making over \$1 million, this would make the top rate in California 13.3%. All the money would go into the state general fund. The measure should be considered in conjunction with Proposition 38; even if they both pass, only the one with the highest vote will take effect. The current state budget is built on the assumption this one will pass.

There are major problems with this measure. It affects the top 1 per cent of filers, who already pay 40% of the state's Personal Income Tax. These people make most of their money from investments and businesses, not wages and salaries. The fact that the state already depends on them so much is what is leading to the wild swings in state income in bad times.

Furthermore, these people can and do move out of state; Tiger Wood doesn't live here anymore. It is short sighted, stupid policy aimed at solving a very short-term fiscal problem.

### **Recommendation: NO**

**PROPOSITION 31** deals with state and local budgets. It requires that any bill in the legislature that increases certain spending by \$25 million or more must say where the money is coming

from. It also requires all state bills and amendments to be available to the public at least three days before approval. It allows the governor to reduce spending in a state fiscal emergency if the legislature fails to act, and it creates a two-year state budget process. It also creates a process whereby local governments may develop procedures to coordinate public services and pool funds, including some state funds, to administer state mandated programs. This is a complicated measure, but it generally seems to be an improvement. **Recommendation: YES**

**PROPOSITION 32 - - - This may be the most important measure on the ballot.**

*It forbids unions or corporations from using money deducted from an employee's paycheck for political purposes.* Unions and corporations may not make direct contributions to a candidate or candidate committee, and unions, corporations, and government contractors cannot make contributions to elected officials who play a role in awarding their contracts. This latter includes public sector labor unions with collective bargaining rights. If passed, this will change the face of California politics by limiting use of payroll union funds for political efforts.

**Recommendation: YES**

**PROPOSITION 33** allows auto insurance companies to set prices based on a driver's history of insurance coverage, regardless of carrier. Under current law, a company may give discounts only for continuous coverage with itself, not other companies. This measure encourages price competition. **Recommendation: YES**

**PROPOSITION 34** abolishes the death penalty. While there are extraordinary costs that follow a death sentence, some believe there are crimes for which this is necessary and appropriate. There are others who believe that as few are actually put to death and excessive costs are incurred why not just abolish the death penalty and save the \$\$\$\$. This is an emotional issue for many. **No Recommendation on this one**

**PROPOSITION 35** increases prison terms and fines for those convicted of human trafficking for sex or labor. It expands the definition of human trafficking to include the creation and distribution of obscene material depicting minors. **Recommendation: Yes**

**PROPOSITION 36**

Modifies the Three Strikes law. Under current law, a criminal convicted of two serious or violent felonies (murder, robbery, rape) must receive a 25 year to life sentence if convicted of any third

felony. While some may perceive that a 3rd strike for stealing a pizza is inhumanly excessive, should not a person with two strikes not do stupid things. **Recommendation: No**

**PROPOSITION 37** requires that food being sold in California that contains genetically engineered components must indicate that on the label. Grocery stores must insure that foods are correctly labeled, the Department of Public Health must regulate labeling, and individuals may sue the manufacturer or, presumably, the grocery store for failures to properly label food. Exempted are alcoholic beverages, organic foods (the source of much of the money for this), restaurant food, and prepared foods meant to be eaten immediately.

This is a horrible initiative. In 2011, 88% of the corn and 94% of the soybeans produced in the United States were genetically engineered to protect against pests, increase yield, etc. It is estimated that 40-70% of the foods in grocery stores in California contain some GE ingredients. The increased costs to manufacturers and grocers, plus the costs derived from potential litigation, are tremendous and will be reflected in higher food costs. **Recommendation: NO**

**PROPOSITION 38** raises state income taxes for all taxpayers except for the bottom 1%. The increase ranges from .4% to 2.2% and lasts for twelve years. The money goes into a trust fund to pay for schools, childcare, preschool, and state debt payments. The money to schools is on top of Proposition 98 mandates. Passage of Proposition 38 may produce the worst of all possible worlds. It would significantly increase spending in K-12, but at the expense of raising the top income tax rate to 12.5%. None of the money would go to the general fund; thus all the draconian cuts the governor talks about would kick in and we would still have the highest state income tax in the nation. Many do not believe the biggest problem for schools is money. It is control of schools and school boards by teachers' union bosses who stand in the way of reforms needed to improve our schools. **Recommendation: NO**

**PROPOSITION 39** limits the methodology multistate businesses may choose to figure their California taxes. It is intended to produce more revenue, half of which must go to alternative energy projects and "energy efficiency." One may argue whether this will limit the amount of activity by these businesses in California. What seems clear is that this is another subsidy for an energy lobby that cannot compete in an open market. **Recommendation: NO**

**PROPOSITION 40** is the Republican Party's mistake. It is a referendum to overturn the Redistricting Commission's Senate lines. After everyone calmed down and after a great deal of money was spent, it was clear the effort wasn't going anywhere because there was no money

for it. While some new districts are atrocious, CD 33 being one, many districts really aren't too bad. The actual vote is whether to keep the commission's lines or abolish them and turn it over to a panel of judges. **Recommendation: YES**

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### **General Plan Update – Hazard Areas**

The Planning Commission heard the "Zoning – Hazard Land Use Rev. Aug. 2012" matter at its August 28th meeting and then again on September 25th.

For unknown reasons, other than City Hall wanted more control, at the September 25th Planning Commission meeting a majority vote of 4 / 2 after several 3 / 3 votes decided on option 2 that was desired by RPV Staff. However, a number of changes / modifications were discussed and we will have to wait and see what is included in the next version in order ascertain what is beneficial and what is not. As we understand the situation, some 350 properties will have increased restrictions while some 1,000 will have reduced restrictions. Each property is to be separately evaluated, discussed and decided. Supposedly the RPV geologist will be involved in the determination of each property. Does this not seem like an uncontrolled staff "busy work" project with unrestrained expense? Does Common Sense ever prevail at RPV City Hall with taxpayer dollars?

What we believe the RPV Council should enact are costs control measures that REQUIRE staff to make project assessments with a clear project description that defines benefits, costs and has Council approval before going down and endless cost funnel that results in little or no taxpayer benefit.

The initial "draft" report remains posted at [www.pvpwatch.com](http://www.pvpwatch.com)

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### **Newsletter Responses**

#### **Responses to August 25th Newsletter**

Seems the progressives will explore/exploit each and every opportunity to put forth their pathetic, socialist agenda. There is no legitimate reason for changing the current Voter Registration laws. There needs to be STRICT enforcement of the current laws, as well as ways to identify NON-legitimate registrations and votes (dead people, multiple votes, animals, etc).

I suggest that if there were ANY change to Voter Registration, it should to allow one to vote, IF and ONLY IF that person pays Federal Income Taxes! We certainly need to stop voter fraud and non-(Income Tax) paying people voting for tax increases for the working (Federal Income) tax paying public.

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I agree with your position on having voter ID required and a two-week hold on voter registration.

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As a poll worker, I have wondered why voters are not required to show ID. Absolutely ID should be a requirement!!

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I agree that same day registration and voting should be discouraged and that voter ID should be mandatory.

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Subscriber comments are welcomed, please send comments to [info@pvpwatch.com](mailto:info@pvpwatch.com)

We have been reminded that not ALL subscribers are aware of the PVP Watch website; **[www.pvpwatch.com](http://www.pvpwatch.com)**. Lots of good info posted there.

#### PVP Watch – Newsletter List

- A reminder to ALL PVP Watch supporters, should you change your e-mail address don't forget to advise PVP Watch of your new address. We suggest that [pvpwatch.com](http://pvpwatch.com) be added to your computer address book to assure delivery of PVP Watch Newsletters.

#### PVP Watch – Contributions

PVP Watch thanks the many subscribers who have contributed to PVP Watch. Those desiring to make a modest contribution, please send checks to PVP Watch PO Box 7000-22 Palos Verdes Peninsula, CA 90274

#### Subscribers

The PVP Watch e-mail list continues to grow. For those who wish their addresses removed, please send notice to [info@pvpwatch.com](mailto:info@pvpwatch.com). Those who have topics of community interest are encouraged to bring those issues to PVP Watch.

The Editorial Committee