

## **PVP Watch Newsletter – June 27, 2009**

### **To Our Friends & Supporters:**

#### **PV Schools / Parcel Tax**

Likely that most already know that the increase in Parcel Tax (Measure V) appears to have passed by about 68%. Latest vote count is 12,300 for and 5,555 opposed. The good news is that almost 43% of Peninsula voters cast their ballots.

The ugly news is that the increase in the parcel tax does not solve the problem. Recognizing that Sacramento's continues their shuffle game, the probability of serious deficit remains. Presently PVPUSD is estimating a shortfall for 2009 / 2010 approximating \$6,000,000.

It appears that the senior staff is making their contribution as the following statement was announced at the June 25th board meeting: *"In closed session, the Board took action to issue a notice, pursuant to Education Code Section 44951, that the certificated administrative employees identified by Employee Identification Numbers shall, at the end of the 2008-2009 school year and effective the beginning of the 2009-2010 school year have their work year reduced by three(3) days and receive corresponding reduction in compensation, as well as a freeze in step advancement. This action was taken on an individual basis. The Board also directed that a list of affected employees, signed by the Board Clerk, be included in the Board minutes. The Board further directed the Superintendent or designee to send out appropriate legal notices.*

Interesting fact is that PVPUSD Administration - 32 employees (superintendent, deputy superintendents, principals and assistants / associates, and other senior administrators) who represent 7% of budget (\$420K) of \$6,000,000 problem achieved savings of \$420K with a salary freeze, furloughs and reorganization that included not filling vacancies. Congratulations folks.

Credentiated teachers salaries are 55% of the budget and 55% of \$6,000,000 is \$3,300,000. So far, the teachers union has apparently refused to contribute anything. It seems the teachers union has greater interest in protecting wages for the more senior teachers than assisting newer teachers keep their jobs. We understand that some teachers were at the last board meeting whining about how poorly they were being treated. Folks, this is not Compton or South Central LA. Teachers state they are "professionals" but act as if they were teamsters or long shoreman.

PVP Watch: Current times are tough for most everyone. It appears to PVP Watch that higher paid teachers could forgo salary increases for the next year to assist in keeping more newer teachers, or maybe the teachers' union could agree to a freeze on the whole salary schedule.

#### **RPV & Terranea**

After 12 years of planning & negotiations Terranea is now open for business and what a venue!!! If you have not yet visited this tremendous and welcomed addition to our community we urge you to do so. For a preview go to [www.terranea.com](http://www.terranea.com).

Unfortunately there has been controversy over the Transit Occupancy Tax (TOT). The TOT is a 10% room tax charged to Terranea guests that will be paid to RPV. A few weeks before the scheduled opening, Lowe's Enterprises, owners & operator of the Terranea resort found it necessary to borrow, in addition to existing project loans, \$10,000,000 to complete construction and begin hotel operations. Lenders required that new sources of income be developed to repay the new \$10,000,000 loan. To achieve this, the resort's management asked RPV to allow Lowe's, for a specified period of time, to use the TOT funds as a means to repay the new \$10,000,000 loan. There is more detail but the TOT would be repaid to RPV with interest. It is not unusual in circumstances such as this for Cities to assist developers in completing projects as the long term benefits to the citizens / taxpayers are significant.

An interesting situation occurred on June 11th when the PV News published a letter from RPV Councilman Tom Long wherein he seemed positive towards the TOT rebate and reported "*Once the rebate is done, the resort will likely generate more than 10% of the city's revenues for years to come.*" But before we could congratulate Long for *finally getting it right*, in a subsequent email message on June 20th he reversed himself on the Terranea TOT issue. Long went on with questionable statements such as "*Terranea gets special treatment in the form of large tax rebates that were likely not necessary*" and "*the bailout of Terranea does not stand on its own merit.*" Long goes further with questionable comments concerning Terranea negotiations. As Long recused himself from Terranea discussions, one must wonder what he is using for facts to support his erroneous conclusions.

There were two RPV Council sessions with Councilman Doug Stern endlessly questioning the need to allow Lowe's use of the TOT funds. Stern's position was that if Lowe's failed someone else would open Terranea. Stern seemed more content to question Lowe's integrity and seemed to want to deny the TOT agreement rather than find a meaningful solution. Fortunately for RPV, Mayor Clark and Councilman Gardiner recognized the benefits that a well-functioning Terranea will develop for RPV and provided the leadership to "get the deal done."

There are many people in this community that understand the benefits that a fully operational Terranea brings to our community. Terranea will be an "economic engine" for RPV, the Peninsula & the South Bay. It is too bad that Messrs Stern & Long do not understand these benefits and continue to snipe at their fellow Councilmen, other community leaders and Terranea management.

## **RPV Budget**

The draft budget for 2009 / 2010 has been presented to the RPV Council. The draft budget is posted at [www.pvpwatch.com](http://www.pvpwatch.com) / Position Papers for those so inclined.

The budget presentation is likened to an annual kabuki dance. It is always doom & gloom and always has a deficit problem. While Finance Director McLean was initially opining that the budget would have an approximate \$236,000 shortfall, it seems a little "tweaking" by the Council at its June 18th budget session easily adjusted the difference and in fact achieved a surplus. There is possibility that Sacramento will borrow more from local municipalities. Should that happen, probability is that further fat can be trimmed.

Interesting facts: There are two main sections to the budget, *Unrestricted* and *Restricted by Law or External Agencies*.

Most usually discussed is the Unrestricted General Fund:

Projected Revenues - \$19,739,035 - Expenditures \$18,075,951 - Transfers Out - \$2,131,500

The "Transfers Out" is a handy mechanism that allows for moving funds from the general fund to the *Restricted by Council Action* category.

Total revenues including restricted funds exceed \$33,000,000.

This budget increase's staff to 76.5 employees, a 25% increase from 2006 / 2007.

An interesting item - *Employee Benefits*:

Budgeted for 2009 / 2010 this expenditure is \$2,127,368. At 76.5 employees this equates to ~\$27,800 each as RPV continues to hire more employees.

Not yet known is what is being proposed for staff salary increases. The City Manager recently received an approximate 9% increase. We keep hearing the words "*we must pay competitive salaries.*" It appears to us that many should be pleased with what they have and forgo any salary and / or bonus's this year.

We shall watch to see how this plays out.

## **Valero Service Station**

On June 16th, the City Council voted to deny the Valero gas station owners' appeal of the 6-1 Planning Commission and Planning Staff negative recommendation for a Zone Change to Commercial Limited and General Plan Amendment. The service station at 28103 Hawthorne Blvd. (Granvia Altamira) has been zoned Residential with a "service station overlay" since RPV's

incorporation in 1973.

Owners since October 2005, Masoud and Shahla Sharifi began proceedings in December 2007 with plans for a CVS pharmacy along with the zone change. The Valero owners stated that the economy, gas prices, and fuel efficient cars as some of the reasons for the poor return on their investment and that they would "like to do something good for this community." No longer in compliance with AQMD emission standards, they have stated for months the station will close. Fierce opposition to any increase in commercial activity on that corner galvanized surrounding neighbors who rallied to attend subsequent Planning Commission and City Council meetings. Citing flawed traffic and accident reports, no Environmental Impact Study, neighborhood incompatibility, decreased property values, increase noise and air emissions, the opposition feared the urban blight that increased commercialization in residential neighborhoods would bring.

Despite verbal attacks from Valero family members and supporters, the neighborhood grass-roots opposition movement prevailed . Under most circumstances, another project could not be presented to the city for 1 year. But Councilman Doug Stern's motion that the decision be "without prejudice" enables the owners to present another project at any time. It is only the appeal that has been denied.

### **PVP Watch Formatting**

The response to the question concerning formatting in the last Newsletter was overwhelming in favor of the use of the Adobe format. Therefore, Adobe as an attachment will be the predominant format henceforth. However, response from those who use PDA's was a preference for the traditional format because of the difficulty of PDA's opening attachments. To satisfy all, we will create a separate mail list for those preferring traditional word format list. Please respond with a note indicating your desire to be placed on the traditional Word format list. For those who do not have Adobe reader on their computer, it can be downloaded from [www.pvpwatch.com](http://www.pvpwatch.com) / Newsletters. Click on icon at bottom of the page.

### **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 be added to your computer address book to assure delivery of PVP Watch Newsletters.

### **PVP Watch – Contributions**

PVP Watch welcomes modest contributions and appreciates the many contributions received. Those desiring to contribute, please send checks to PVP Watch PO Box 7000-22, Palos Verdes Peninsula, CA 90274. We thank those who have contributed for helping to promote PVP Watch.

### **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).

PVP Watch strives to bring current issues to [www.pvpwatch.com](http://www.pvpwatch.com). Those who have topics of community interest are encouraged to bring those issues to PVP Watch.

The Editorial Committee