

Fall - 1996 - NEWSLETTER

Distributed to residents as an educational service of Community Forum, Inc. For information, call City Hall, Rancho Palos Verdes, CA 90275 (310)377-0360 **Table of Contents**

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CITY OF RANCHO PALOS VERDES RECOGNIZED FOR OUTSTANDING FINANCIAL REPORTING

The City of Rancho Palos Verdes was recently awarded both the prestigious Certificate of Achievement Award by the Government Finance Officer's Association (GFOA) and the Certificate of Award for Outstanding Financial Reporting by the California Society of Municipal Finance Officers (CSMFO).

In a Press Release issued by the GFOA, Stephen Gauthier, Director of Technical Services, stated that "The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management."



The GFOA is the recognized leader for promoting improved accountability of reporting by state and local governments. It oversees the national award program to recognize conformance with

the highest standards of report preparation, satisfying both generally accepted accounting principles and applicable legal requirements.

Likewise, the CSMFO demands the same conformance of meeting professional standards and criteria in reporting reflecting a high level of quality in the annual financial statements.

Rancho Palos Verdes has received these elite awards for last four years consecutively.

CITY STREET AND CAPITAL IMPROVEMENT PROGRAM

Each year, the City adopts a Five-Year Capital Improvement Program which identifies needed street, drainage and facility improvements for the next five years. The plan, updated each year, serves as a resource guide for future capital improvement planning. The projects identified in the plan are funded through a variety of sources including state Gas Tax funds, federal roadway funds, developer fees, and County transportation funds. In addition, a majority of the street improvement program is funded through the City's General Fund.

The City has over 120 miles of streets. Maintenance of these streets is a major responsibility. Therefore, to assist the City in identifying which streets need improvements, the City prepares and maintains a Pavement Management Plan which assists in the development of a maintenance program for all City streets. This Pavement Management Plan is updated every three years to insure that the program reflects the current condition of the City's pavement. The plan describes various treatments such as sealing, overlay and reconstruction to occur at prescribed intervals over the estimated twenty-five year life of street pavement. Proper treatment can extend the life of pavement almost indefinitely.

Three years ago, 81% of Rancho Palos Verdes' streets were identified as deteriorated to the point where preventative maintenance, such as a seal coating with a slurry of sand and oil, was no longer effective. Since that time the City has been engaged in an aggressive program to overlay, rehabilitate and reconstruct the majority of its streets.

We are presently completing the third year of a ten year program to bring our streets back to a condition where a preventative maintenance program will sustain them. The cost of the ten year program is estimated at nearly \$15 million, or an average of \$1.5 million annually. Utility Users Taxes have been utilized to fund a large portion of the pavement management program; a loss of these funds will necessitate reconsideration of our current program which may result in a significant reduction in pavement maintenance expenditures or a reduction in the level of other City services.

A Letter to RPV Residents

Dear Rancho Palos Verdes Resident:

In the Spring 1992 issue of the Community Forum Newsletter I included a short letter to the residents of the City which reflected on an often asked question about government. That question appeared in a letter to the editor of our local newspaper and asked why the City cannot live within its means. The answer to that question is that the City does live within its means - and we will continue to do so! More importantly, as residents of the community you have an important opportunity this November to help decide exactly what those "means" will be by voting on whether the City will continue the existing 3% Utility User Tax. The question also points out, however, that we do not always do a good enough job of telling you about the City and about our finances.

This newsletter includes a number of articles that tell you a little about the City's finances. We believe the City of Rancho Palos Verdes does a very good job of providing excellent service with limited revenues. We hope that you agree and continue to support the City as you have in the past. There are many opportunities to let your elected officials know your views on issues. In addition to voicing your opinion at the ballot box, the Council welcomes letters and phone calls on current topics throughout the year and particularly at budget time. Although the City cannot always please everyone, they do listen!

Finally, I would invite any member of the public wishing more information on the City's finances to call or come by City Hall to obtain a free copy of the "Budget in Brief" which provides an overview of the City's anticipated revenues and expenditures and a general description of program and projects for the 1996-97 fiscal year.

Sincerely,

Paul D. Bussey

City Manager

HOLIDAY TRASH COLLECTION SCHEDULE

The collection of trash and recycling days will be delayed by one day during weeks in which a national holiday occurs*. The schedule will revert back to normal beginning Monday of the week following the holiday.

October: No Changes

November: Thanksgiving Day Week:

Trash regularly picked-up on Mon. 11-25, Tues. 11-26 & Wed. 11-27 - No Changes Trash regularly picked-up on Thursday 11-28 will be picked up on Friday 11-29

Trash regularly picked-up on Friday 11-29 will be picked up on Saturday 11-30

** For customers of Ivy Rubbish Disposal, pick-up days will not be changed due to holidays.*

PHONE BOOK RECYCLING PROGRAM

Telephone book recycling is now simple and convenient. Between November 6 through December 15, 1996, RPV residents are encouraged to participate in the annual telephone book recycling program by placing the old phone books in the mixed paper curbside recycling bin. The phone books along with the other recyclables will be picked up on your regular recycling day. Yes, it's that simple!

UTILITY USER TAX

??QUESTIONS AND ANSWERS??

The November 5, 1996 ballot will include a measure asking the residents to validate and continue the existing 3% City Utility User Tax. The following questions and answers are designed to provide residents with information regarding the tax.

What is the Utility User Tax?

The Utility User Tax is a charge assessed on the following utility services provided in the City: electricity, water, gas, and telephone service, as well as the flat rate charged on cellular phone services. The charge in the City of Rancho Palos Verdes is 3% of the monthly bill per utility. Cable television is not subject to the Utility User Tax.

Why will the November 1996 ballot include a measure to continue the existing City Utility User Tax?

In September 1993 the City Council adopted a 3% Utility User Tax. Prior court cases supported the Council's ability to adopt the tax. However, a recent State Supreme Court has ruled that all general taxes require a majority vote of the electorate. While the status of the previously adopted tax is unclear, the City Council determined that the matter should be placed on the upcoming November ballot for voter approval.

Is such a tax unusual?

Not at all. Approximately 150 cities throughout California have a Utility User Tax, some as high as 12%. For example, the Cities of Palos Verdes Estates, Torrance, and Los Angeles have a Utility User Tax with a rate in that range from 6% to 10%.

How much does the Utility User Tax cost me each year?

The amount of the tax that each resident pays will vary dependent on their individual utility bills. Different people have different utility bills based upon their consumption. One person may have a relatively small telephone bill while their neighbor may have a much higher telephone bill each month. In very general terms, with a 3% tax rate an average household in the City may incur a monthly utility tax charge of about \$8.

How long will the Utility User Tax last?

A provision has been included in Utility User Tax ordinance which requires the City Council to review annually the need for the tax prior to adoption of the fiscal year budget. The Council recognizes that the utility tax should not be relied upon indefinitely. The City has been working hard to find replacement revenue through high quality income producing projects such as Ocean Trails and Long Point so we can eliminate the need for the utility tax. However, revenue from such projects may be years off.

Can the City Council increase or decrease the amount of the tax?

The Utility User Tax has a maximum rate of 3%. While the Council can reduce the amount below 3%, it is prohibited from increasing the tax above 3%.

Does everyone have to pay the tax?

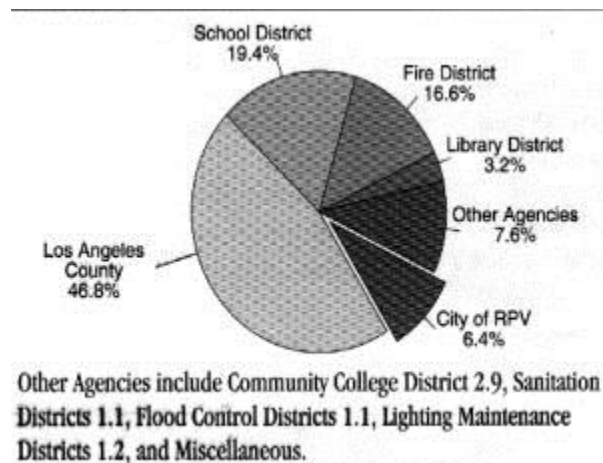
An exemption has been provided for persons and families who meet certain low income criteria as defined by the Public Utilities Commission. Exemption applications are available at City Hall.

Why does the City need the Utility User Tax?

With the assistance of numerous volunteer citizens to ensure that we are your money wisely, a five year financial model of revenues and expenditures was prepared. The model shows that necessary expenditures will exceed revenues over the five year period. The Utility User Tax provides the additional revenue to bridge this shortfall.

I pay property taxes. Where do my property tax dollars go?

The City newsletter contains an article on this specific topic. In summary, the City only receives about 6.4% of your property tax dollars. This amount is only enough to pay for the cost of your City police protection.



How do RPV expenses compare with other cities?

A recent survey of surrounding communities indicates that Rancho Palos Verdes' General Fund expenses are substantially lower than those of other cities. The surrounding cities' General Fund expenditures per resident range from \$150 to \$650. General Fund expenditures in Rancho Palos Verdes are only \$154 per resident. The newsletter contains a detailed graph of these expense comparison.

How will the Utility User Tax money be spent?

A 3% Utility User Tax generates approximately \$1.5 million annually for the City. The money raised from the Utility User Tax allows the City to properly maintain the essential public safety levels, your streets, and other actions necessary to maintain property values and sustain quality of life of Rancho Palos Verdes. Although the funds may be used in all areas, the City Council adopted a Resolution memorializing their intent to use the funds generated from the Utility User Tax for public safety, road and street maintenance and reconstruction, and other necessary capital projects.

RECREATION CLASSES OFFERED AT CITY PARK FACILITIES

Privatized recreation classes for the summer session will be held at various park sites in Rancho Palos Verdes. If you are interested in registering for these programs, you may pick up registration information at Hesse Park, the Recreation and Parks office, or call the individual instructors. A list of current instructors, with their names, phone numbers and type of classes offered, is listed below.

Vi Ballard (310) 377-4525

Mommy and Me (birth - toddler)

(walking to 18 months)

Wendy Beckum (310) 325-1331

Creative Memories Workshops (Adult)

Ann Bosma (310) 375-2064

Aerobic Dancing: Lite Impact (Adult)

Herb Clarkson (310) 377-6342

Amateur Radio Class (Teen/Adult)

Jacquelyn Fernandez (310) 377-2965

Adventures in Exercise for Women (Adult)

Larry Johnson (310) 372-5224

Tennis - Beg/Int/Adv (Youth, Teen, Adult)

Pee Wee Tennis (4-7 years)

Julda Joon (310) 377-7826

English As A Second Language - Beg/Int (Adult)

Denise Knight (310) 541-2252

Meditation Classes (Teens/Adults)

Holistic Health Classes (Teens/Adults)



Spiritual Growth Classes (Teens/Adults)

Jeanne Murphy (310) 377-8507

Ladies Exercise (Adult)

Sachiye Nakano (310) 544-1624

Awareness Through Movement - Feldenkrais Method (Adult)

Barry Sacks (310) 514-2030

Mommy & Me (18 - 30 months)

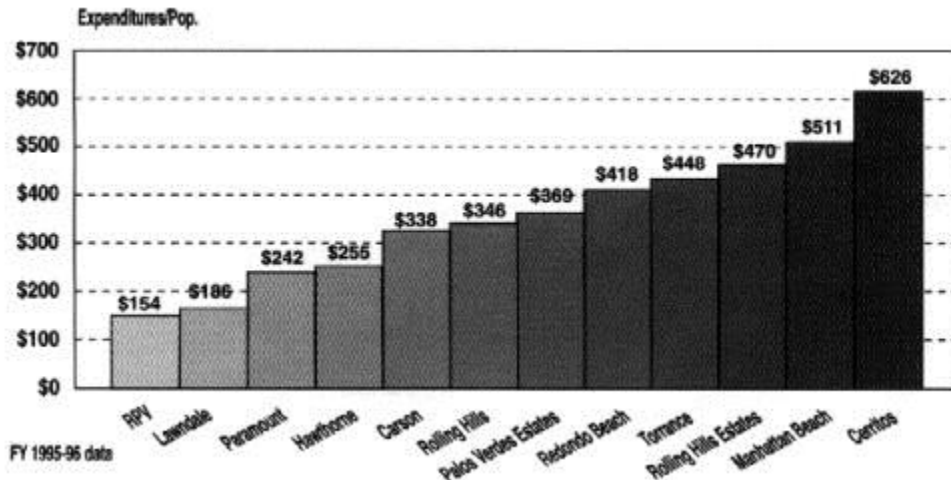
Wee Tots (2 1/2 - 4 years)

If you are interested in teaching at one of our park sites, please call 541-8114.

DOES THE CITY SPEND TOO MUCH?

We hear that question frequently and it is a valid question. Balancing the competing service needs of all the residents is not always easy. Individuals will always have differences of opinion as to what services are most important, so it is not difficult to find something in the City budget that one person would keep, but another would throw out. How, then can the public measure the overall level of City spending? Is the spending level too high? Is it too low?

One way to determine if the City is spending too much is to compare ourselves with other cities. The graph compares the per capita General Fund expenditures of Rancho Palos Verdes with eleven other cities. You will notice that RPV has the lowest per capita expenditures of any of the cities. More importantly, RPV's per capita expenditures are significantly lower than all other Peninsula cities. Does that mean the other cities spend too much? Not at all! But it does give a strong indication that the residents of Rancho Palos Verdes are getting their money's worth.



STATUS OF PROPOSITION M

THE VIEW PRESERVATION AND RESTORATION ORDINANCE

As many residents are aware, a ballot measure (Proposition M) was passed by the Rancho Palos Verdes voters in November 1989, which established a View Preservation and Restoration Ordinance. In addition to creating a mechanism to preserve existing views within the City, the Ordinance also established a ten member View Restoration Commission to rule on cases where vegetation had already blocked previously existing views. The Commission was established in September 1990.

However, in April 1991, a group of property owners filed a lawsuit against the City, challenging the constitutionality of the Ordinance. At that time, the City Council suspended the activities of the View Restoration Commission and the staff enforcement of this Ordinance, pending the outcome of the lawsuit. After an initial court ruling in the city's favor in December 1993 and a subsequent appeal by the same plaintiffs in March 1994, the court of appeals ruled in favor of the Ordinance in October 1995 and no further appeals were filed.

Since the court of appeals decision late last year, the View Restoration Commission (which was re-appointed at the beginning of this year) has held a series of meetings to formulate specific recommendation on how the Ordinance and the associated Guidelines should be modified and clarified to improve the View Restoration Permit process. The City Council adopted the revised Ordinance in September 1996, which will become effective in mid-October 1996. The Commission anticipates bringing back its final recommendations to the City Council regarding the revised Guidelines about this same time. The city anticipates that by the end of October 1996, the View Restoration Commission will begin working through the backlog of View Restoration Permit applications that were placed into suspension by the lawsuit and that new applications for View Restoration Permits will be accepted by early November 1996.

SAVE THAT SAMPLE BALLOT

The Registrar Recorder/County Clerk's Office will be mailing the Official Sample Ballots to registered voters between September 26 and October 15. Don't throw away this pamphlet with the red, white and blue cover because it contains information you will need for voting on Tuesday, November 5, 1996 including: voting instructions; a sample ballot which illustrates how the candidates and measures will appear; and arguments in favor and/or against the various ballot measures.

If you are unable to go to the polling place on election day you can vote by absentee ballot. The back cover of the pamphlet has a tear-off application for an absent voter ballot which must be submitted to the Registrar-Recorder/County Clerk between October 7 and October 29. The County Clerk's Office will promptly mail you a package containing your official ballot and instructions.

Also on the back cover of the pamphlet is the address of your polling place. Keep this handy so you know where to vote on election day.

The meetings of the View Restoration Commission are held on the first and third Thursdays of the month, beginning at 7:00 p.m. at Fred Hesse Community Park, 29301 Hawthorne Boulevard. All meetings are open to the public and interested parties are invited to attend. For more information regarding the View Preservation and Restoration Ordinance or the View Restoration Commission, please contact the Planning, Building and Code Enforcement Department at (310) 377-6008 between the hours of 7:30 a.m. to 11:30 a.m. Monday through Friday.