

UTILITY TAX REFUND PUZZLE

First piece

The puzzle not to refund the utility user's tax from the election date on November 8, 2000 to February 27, 2003 is not hard to put together when the city's game plan is scrutinized. The first piece is the city stalling the Placer County Superior Court hearing, but losing.

Puzzle takes shape

The city then appealed to the Third District Court. But the hearing was delayed many times at the city's request. Again stalling and why not. Outside attorneys cost about \$250 an hour but is a small price to pay when collecting about \$825,000 a month of the UUT. We believe the city netted \$21 million -- 27 months @ \$825,000 a month less attorney costs. The city set aside \$11.4 million to cover refunds. They also transferred \$7.4 million at mid year to the economic reserve fund. They said they wanted to make sure there was enough money to refund the UUT. To assure they did not lose too much of the ill gotten gain of the UUT the city passed an ordinance in August 2001 to prevent claimants from receiving more than one year of damages. The ordinance was on the city council consent calendar. No discussion.

More pieces

Other pieces. The city council took \$9.6 million out of next year's budget cutting police, fire, parks and libraries. Where did the \$11.4 million refund kitty come from? Business does not cut its vital services first, they cut overhead. We will see how General Government, which has most of the overhead, fares. There are many ways to stack the deck.

Last piece the pea?

Last piece. City uses scare tactic techniques. Less police and firefighters - longer response time, seniors feel threatened. Less park maintenance or no new parks, soccer moms become irate. No new library or fire station, affected neighborhoods become upset. Budgeting by grossly underestimating income and generously overestimating expenses -- the shell game. Find the pea. Is the \$7.4 million mid-year transfer the pea?

Indian casino forum on Channel 8 at 6 pm May 30



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