

**City Clerk and City Manager's office:**

*This is a 'Supplemental Communication submitted for **Public Hearing Item 5-c of the June 23, 2015, Regular Hermosa Beach City Council meeting agenda.** Please include with the agenda materials packets and the Granicus Internet agenda postings for the meeting, and advance a copy to those listed under TO: below.*

*Thank You.*

June 23, 2015

**To:** Hermosa Beach City Council, City Clerk, City Treasurer, City Manager,  
Assistant City Manager, Community Development Director, Public Works Director,  
Finance Director, Interim Police Chief, Fire Chief, Contracted City Attorney, and  
Community Resources Department.

**From:** Howard Longacre, a Hermosa Beach resident.

**Regarding:** Fee anomalies, and suggestion that the Sewer Fee be properly re-worked up for the subsequent year's property-tax application, or placed on the ballot this coming November as a 2.4% (for 11 years) increase in the present UUT.

**Mayor, Councilmembers, and others:**

The following are my comments, given freely, and they are entirely my views and opinions on everything I've stated herein.

Pardon typos etc. as time did not permit a more fully prepared submittal.

I just yesterday received from the city the Excel spreadsheet data for the fees to be applied to all parcels in city. I am aghast. Unfortunately there seems to be too many anomalies to go over in this submittal, especially with the dysfunctional manner in which commercial properties are being charged, errors with respect to some condo overcharges, charges for sliver vacant lots which have no possible chance of ever impacting sewers, and more.

**This is what is known.**

1. This data that I have received was never posted on the city's website for easy review by all concerned. I doubt the city council members themselves have ever viewed the individual parcel data.
2. There was not one advertised public hearing for people to contribute their suggestions prior to this fee being finalized in the April 14 and April 28 meetings. No mailed notice to the property owners of such non-advertised public hearing.

3. Prior to that there was only a couple odd-ball study sessions by the council, also unadvertised.
4. The entire workup of the "fee" tax has obviously been done to keep the fee essentially under the radar from those to be paying it.
5. The fee is egregiously being applied in an incredibly inequitable manner both for commercial and for residential properties, especially for residential which is being charged over 9 times as much as commercial in total.
6. In the first year the fee is shown to be bringing in about \$1 Million by summing up all the individual fees posted.
7. The TOT adjustment will bring in about \$440-Thousand or more in its first year when approved by the voters.
8. The Beach House's 96-condo-hotel-units in total are shown being charged \$2.88 each per year with a grand total of \$276.58 for the entire Beach House hotel complex per year.
9. The 200 Pier Avenue 53-office-condo-units office condo complex is to be charged \$3.81 per year each with a grand total of \$202.13 for the entire complex in the first year.
10. The mailer sent out, was only sent to the parcel owners, at the address of their parcel not to the address of where they get their property tax bill.
11. Tenants to be paying the Fee tax, directly or indirectly, were sent nothing.
12. The mailer looked like unimportant city information.
13. The mailer did not include a parcel number on the envelope or inside on the protest form.
14. Many owners I spoke with (property owners) had no recollection of receiving such a mailer.
15. There was no clear mention made during the fee's workup of the 6% UUT and of how it has been so egregiously misapplied during its 30 years history during which it brought in over \$55 Million in revenue to the city.
16. There has been no audit of the present UUT given during this fees workup.
17. The Manhattan Beach sewer fee, always referenced in the city's propaganda, is applied equitably, and further Manhattan Beach property owners have never paid a Utilities Tax UUT, which costs the average resident/business in Hermosa Beach some \$300 to Thousands per year, and has for over 30 years.
18. The fact that so many protests have been returned given the fact that it would be virtually impossible to get 50% returned when many evidently didn't even receive them should indicate to the council that they are treading on thin water by arrogantly implementing this particular fee after such a shoddy, cavalier, and less than transparent manner and workup.

**The following is what would be best accomplished now.**

- 1) The matter needs to be continued to a real Public Hearing to discuss how the fee should be calculated, uniformly across all properties, i.e. by land area, by water usage, by street frontage, etc.
- 2) Better yet the council needs to admit that it and prior councils (who have talked the talk on sewers every year for 30 years) did not do things right.
- 3) Right now the correct thing to do would be to adjust the UUT to bring in an amount desired for a fixed number of years. I.e. If \$1 Million is needed for each of the next 11 years (which is an addition of 40% of what the UUT presently brings in of \$2.5 Million per year) then a UUT adjustment should be placed on the ballot of 2.4%, raising the UUT from 6% to 8.4% for a period of 11 years only. Or there could be an adjustment placed on the UUT affecting the water portion only to bring in the additional amount needed.
- 4) This UUT adjustment would then be placed on the ballot in November for the people to debate and vote on. The City would have to do next to nothing for this adjustment to take place once approved, and it would be far more equitable in all respects, capture bootlegs etc, and not affect seniors who for years have already paid more than their share to this city in UUT and other taxes.
- 5) Notwithstanding, the city will be receiving, almost assuredly, due to the efforts of residents an additional \$440-Thousand or more from the TOT adjustment which was not expected.
- 6) Further this fee should not be slammed onto the property tax bills by two sitting councilmembers with only 5 months remaining on their elected terms. They should be honorable enough to run on a UUT increase adjustment having a sunset clause.
- 7) In any event the data that I have just been able to view in its entirety as of yesterday, and when made publicly available on the Internet, will raise a lot of eyebrows.
- 8) The council has blundered badly by trying to shove through a Fee basis the egregious Prop-218 loophole. This is not supposed to be a sleazy city operation with a sleazy city council.

**--- End of Supplemental ---**