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From: Kevin Holsapple

Sent: Mon 2/15/2010 4:10 PM

To: crcinput@lacnm.us

Cc:

Subject: Input for Charter Review Committee

Attachments:

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Dear Charter Review Committee,

Thank you all for your volunteerism in undertaking your most serious work.

Please accept our organization's comments as input to your review of the ideas forwarded in the recent charter revision petition. I am the Executive Director of the Los Alamos Commerce and Development Corporation (LACDC) and the Los Alamos Chamber of Commerce. LACDC is experienced in business development, real estate development, and community development in the Los Alamos County market area. The Los Alamos Chamber of Commerce is an association of about 300 businesses, organizations, and individuals interested in positive community and economic development. LACDC pays considerable local taxes relating to its activities.

As we read the petition, the suggestions that are made appear to have been cobbled together to try to address many different issues. From observing the discussions, we interpret the following to be the collection of issues:

Tax burden – the notion that tax burdens in Los Alamos are unreasonable or high

Use of funds/property – the notion that the County does not have an effective approach to deciding what to spend money on or how to utilize properties for best community benefit.

Citizen engagement and participation – the notion the citizens do not have adequate opportunity or an adequate mechanism for being involved in the decision-making processes of the County

"Sour Grapes" – there appears to be an element of refusal to accept the outcomes of prior elections and decision processes in a variety of cases

Mistrust of County staff – the notion that the professional staff of the County cannot or should not be trusted to be working in the best interests of the community and that the County Council cannot be trusted to exercise governance of the staff or is incapable of doing so.

The County is spending beyond its means – The notion is that the County has been undertaking projects that are not supported by the financial capability possessed by the County.

Desire for effective decisions – the notion that there is a strong desire for a process that will produce the most effective outcomes possible.

Following are our observations and comments on each of these issues and on the suggestions made in the petition for addressing them:

1. Tax burden – While we would like to have as minimal of a tax burden as possible, we also recognize the necessity of taxes in order to support desirable community services and investment in infrastructure. ***A review of the relative tax burden here compared to what is experienced elsewhere in the country and state suggests that our tax burden is relatively low.*** New Mexico in general ranks 39th in state/local tax burden. New Mexico property taxes are among the nation's lowest (ranked 48th). Los Alamos ranks 33rd (of 33 counties) in New Mexico for property tax burden when normalized for per capita income. The major communities in 26 of New Mexico's 33 counties (including Santa Fe and Espanola) have higher gross receipts tax rates than does Los Alamos.

Further, we are not an island. Los Alamos is rightfully perceived as a wealthy community throughout the rest of our State. Perceptions that despite our relative wealth, we are privileged to enjoy lower relative tax burden work against us in Santa Fe.

Most taxing decisions for which there is the ability to have local control are already decided by election. ***We see no need for any charter revision related to the issue of tax burden.***

2. Use of funds/property – This is an area where the County has developed public decision-making processes to seek to connect uses of funds/property to the strategic plans of the County. An annual budget process and a capital projects process has been established to do this. While we take it on faith that such processes will always be able to be enhanced and improved, ***there is no basis for projecting that subjecting some or all of these budget decisions to popular elections will result in more effective decisions.*** To the contrary, we would expect a more fragmented, less strategic situation.

Relatively (compared to the average citizen) well-informed elected representatives who have been involved in the public processes that created strategic plans of the County will be better prepared to make decisions about uses of funds/properties. We are opposed to the proposal in the petition.

3. Citizen engagement and participation – We think this is an important issue and that it will always be desirable to make improvements. However, ***there are no proposed charter amendments in the petition for which any compelling argument has been made that they would result in improved citizen engagement and participation,*** much less more effective decisions. We would welcome rational ideas that come out of the charter review process for improving citizen engagement and participation. However, it is disingenuous to

suggest that mass mailings of information and asking people to vote cafeteria-style on a list of projects equates to improved citizen engagement and participation.

4. "Sour Grapes" – There will always be "sour grapes" expressions by people who are on the losing side of an argument or who are unwilling to accept a decision. There is no way to prevent it. Even if everything were decided by popular election, there will be sour grapes by people who are on the losing side of the election. ***This issue will not be solved by any of the proposed charter revisions.***

5. Mistrust of County staff – One of the proposed ideas from the petition would be to, in effect, gag the County government from taking any role in providing their professional perspective and advice with regard to important decisions. In our view, that would deprive citizens of important and useful perspective that we have hired professionals to provide to us. We reject the idea that the citizenry is not intelligent and capable enough to properly evaluate and use staff inputs in forming their own opinions. We reject the idea that the elected Council has this problem. ***If the staff is not doing its job, it is a personnel issue ... not a charter issue.*** The County Council clearly already possesses the authorities it needs for directing the staff.

6. The County is spending beyond its means – As we see it, this just isn't the case. ***The County has been routinely and consistently running budget surpluses and has grown very healthy reserve accounts.*** This has been done in a deliberate manner that has recognized the risks inherent in the reliance on gross receipts taxes from operation of the lab.

We think that this issue may have more to do with the circumstance that there are more infrastructure needs to deal with in the current timeframe than has been typical during our community's existence. Relative to most communities, we have had a free ride for a long time on infrastructure inherited from the Federal government. It is unusual for our community to need to invest in multiple infrastructure projects in parallel with each other and the unusual breeds discomfort. However, we see nothing in the facts that suggests the County is spending beyond its means in addressing community needs.

A second contributing factor has to do with point of view on the concept of expenditures which are expenses versus those which are an investment. Expenses are expenditures for which the expected value is immediate or short term. Investments are expenditures that are expected to deliver lasting or continuing benefits well beyond any immediate utility received. We think that confusing expenditures that are investments with expenses has also bred discomfort.

7. Desire for effective decisions – We share the desire for effective decision-making. In our view, the most effective decision alternative is not always the one that ends up being chosen. However, ***there is no apparent rationale for how the various charter revision ideas in the petition would improve decision effectiveness.***

For a decision to be effective, we would argue that it needs to contribute to progress in achieving a strategic purpose. More often than not, there is a complex set of trade-offs and interplays between many decisions that must be made that need to collectively contribute to progress. ***Parsing these decisions into a list of discrete projects, some to be considered for individual thumbs-up and thumbs-down votes is simple-minded and would lead to less effective outcomes.*** We think a strategic approach to decision-making is critical to effective outcomes.

Additionally, the idea that the external environment provides us the luxury of making important decisions just one time each year ignores reality. We are not running experiments in a laboratory where we are able to control the environment and all (or even most) of the important variables involved relating to important decisions. Most important decisions, to be effective, will mean that other people and entities will need to be involved to invest along with us and take risk along with us. We also need the flexibility to take advantage of unforeseen opportunities and adjust decisions we have made to mitigate unforeseen changes in the environment. ***The less flexible our community's ability to consider proposals, negotiate, make adjustments, and make decisions on a timely basis, the less interest there will be in our community as a place to invest and do business.***

We remain open to ideas that come out of your committee process for which a clear rationale can be provided that they will improve our community. We do not see such rationale for any of the proposed charter changes from the petition. To the contrary, we are concerned that tampering with the charter could lead to considerable negative, unintended consequences.

We will continue to track the work of your committee and subcommittees and provide the input and feedback that we understand you wish to receive.

Sincerely,

Kevin Holsapple

Executive Director

LACDC/Los Alamos Chamber