The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the Agenda during the Public Communications portion of the Meeting. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please come to the podium and state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk, 310.524.2307. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

SPECIAL MEETING OF THE EL SEGUNDO CITY COUNCIL
FRIDAY, JANUARY 13, 2012 – 7:00 P.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE – Council Member Carl Jacobson

ROLL CALL

PUBLIC COMMUNICATIONS - (Related to City Business Only - 5 minute limit per person, 30 minute limit total). Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves before addressing the City Council. Failure to do so is a misdemeanor and punishable by a fine of $250.
UNFINISHED BUSINESS

Consideration and possible action to negotiate an agreement with Chevron providing for payments and other consideration being given to the City in-lieu of the City placing a ballot measure on an upcoming election to increase taxes on Chevron’s operations or take the actions necessary to place a ballot measure on the April 10, 2012 election to amend El Segundo Municipal Code (“ESMC”) § 4-2-17 (“Chemical, Petroleum, Cement or Cryogenic Products; Smelters or Refineries”), and other related sections, for purposes of increasing the acreage tax contained in this code section.
(Fiscal Impact: $10,327,200)

Recommendation:

1. Appoint the City Manager to negotiate an agreement with Chevron to provide for payments and other consideration to the City in-lieu of the City placing a ballot measure on an upcoming election; or

2. Take the following actions to place a ballot measure on the April 10, 2012 Municipal Election to amend ESMC § 4-2-17, and other related sections for purposes of increasing the acreage tax:

   a. Consider adopting a resolution placing a ballot measure to amend ESMC § 4-2-17 to increase the El Segundo acreage tax on the previously called April 10, 2012 General Municipal election pursuant to Election Code § 9222 and Revenue and Taxation Code § 53274.

   b. Consider adopting a resolution directing the City Attorney to prepare an impartial analysis of the ballot measure.

   c. Consider adopting a resolution establishing requirements for ballot arguments filed with the City Clerk to be included with voter information for an election on April 10, 2012.

   d. Consider appointing Council or Council Member to author the arguments in favor or against the ballot measure.

3. Alternatively discuss and take other action related to this item.

ADJOURNMENT

POSTED:

DATE: 3/11/2012
TIME: 05:40 PM
NAME: MONA F. SHILLING
AGENDA DESCRIPTION:

Consideration and possible action to negotiate an agreement with Chevron providing for payments and other consideration being given to the City in-lieu of the City placing a ballot measure on an upcoming election to increase taxes on Chevron’s operations or take the actions necessary to place a ballot measure on the April 10, 2012 election to amend El Segundo Municipal Code (“ESMC”) § 4-2-17 (“Chemical, Petroleum, Cement or Cryogenic Products; Smelters or Refineries”), and other related sections, for purposes of increasing the acreage tax contained in this code section. (Fiscal Impact: $10,327,200)

RECOMMENDED COUNCIL ACTION:

1. Appoint the City Manager to negotiate an agreement with Chevron to provide for payments and other consideration to the City in-lieu of the City placing a ballot measure on an upcoming election; or

2. Take the following actions to place a ballot measure on the April 10, 2012 Municipal Election to amend ESMC § 4-2-17, and other related sections for purposes of increasing the acreage tax:

   a. Consider adopting a resolution placing a ballot measure to amend ESMC § 4-2-17 to increase the El Segundo acreage tax on the previously called April 10, 2012 General Municipal election pursuant to Election Code § 9222 and Revenue and Taxation Code § 53274.

   b. Consider adopting a resolution directing the City Attorney to prepare an impartial analysis of the ballot measure.

   c. Consider adopting a resolution establishing requirements for ballot arguments filed with the City Clerk to be included with voter information for an election on April 10, 2012.

   d. Consider appointing Council or Council Member to author the arguments in favor or against the ballot measure.

3. Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Resolutions regarding placing a ballot measure on April 10, 2012 Municipal Election and various communications regarding this agenda item.

FISCAL IMPACT: None

Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s):

ORIGINATED BY: Mark D. Hensley, City Attorney and Deborah Cullen, Finance Director
REVIEWED BY:
APPROVED BY: Doug Willmore, City Manager
BACKGROUND AND DISCUSSION:

At the December 20, 2011 City Council Meeting, the Council directed the City Attorney’s office to prepare documents needed to potentially increase the acreage tax on Refineries and other similar uses for Council consideration on January 13, 2012.

Since the December 20th meeting, the Mayor and City Manager have been engaged in discussions with Chevron regarding this matter. The Mayor and City Manager believe that based upon their many conversations with Chevron officials, Chevron has demonstrated significant commitment, care and dedication to the City of El Segundo and a sincere willingness to reach a constructive resolution regarding the tax and revenue issues that were discussed at the December 20, 2011 Council meeting. Accordingly, they are recommending that the Council cancel the vote planned on a proposed ballot initiative and instead appoint the City Manager to negotiate with Chevron with the hopes of reaching a beneficial agreement that can be presented to the City Council on or before June 1 for consideration and approval.

After meeting with Chevron officials, the Mayor and City Manager are convinced that Chevron has an authentic commitment to work with the City to pursue a positive and constructive resolution to the issues that were raised on December 20. They believe following this path of collaboration and negotiation is in the best interests of the City at this time.

Notwithstanding the above, staff was directed on 12/20/11 to bring back the necessary documents for Council to consider amending the City’s acreage tax on refineries. The following information is relevant only if the Council were to not move in the direction of a negotiated agreement with Chevron by June 1st and rather proceed with a ballot measure to increase the acreage tax:

The City, pursuant to ESMC § 4-2-17, currently taxes businesses that engage in processing and manufacturing chemicals, petroleum, cement and cryogenic products, including refineries, on a per employee basis ($92.00 for first 10 employees, and $115.00 for each employee in excess of 10 employees); per acre basis ($1382.00 per acre); and, per vehicle basis ($32.00 for each vehicle in excess of 6,000 pounds). The documents have been prepared to reflect an increase in the per acre tax to $12,146.67 which would result in an increase of revenue to the City of $10,237,200 per year.

In order to increase the current per acre general tax (the revenues go into the general fund and are not earmarked for a particular purpose), four members of the Council must approve of placing the matter on the April election. If it is placed on the April election as a general tax then it must be approved by a majority of the voters.

If the Council wants to proceed to consider to place a ballot measure on the March 10, election, it should consider the following:

Impartial Analysis

The Council may, but is not required to, direct the city attorney to prepare an impartial analysis of the measure. The analysis must show both the effect of the measure on existing law and its
operation. The analysis cannot exceed 500 words and must precede the arguments for and against the measure on the sample ballot.\(^1\)

**Ballot Arguments**

The following persons may write an argument, not exceeding 300 words, for or against the measure:

1. The City Council;
2. Councilmembers authorized by the City Council;
3. Voters eligible to vote on the measure (i.e., a registered voter in the city);
4. A bona fide citizens' association; or
5. Any combination of voters and associations.

An argument cannot be accepted unless it is accompanied by the name(s) of the person(s) submitting it. If an organization submits an argument, it must include the organization’s name and the name of at least one principal officer.\(^2\) Only the first five signatures appearing with an argument will be printed on the sample ballot.\(^3\)

The city clerk must select a reasonable deadline for submitting arguments, taking into account that voters must be allowed to examine the elections material for at least 10 calendar days before printing.\(^4\)

One argument for the measure and one argument against the measure must be printed on the sample ballot.\(^5\) If there is more than one argument submitted, the city clerk must select from among them.\(^6\) The city clerk must give preference and priority to arguments in the following order:

1. The City Council, or Councilmembers authorized by the Council.
3. Individual voters eligible to vote on the measure.

**Rebuttal Arguments**

If the City Council adopts the provisions in Elections Code § 9285(a) by majority vote before the election, rebuttal arguments may be included on the sample ballot. If the Council adopts provisions of that section, the following rules apply:\(^7\)

- The city clerk must send copies of the argument supporting the measure to opponents of the measure, and must send copies of the argument against the measure to measure proponents. Each side is then entitled to submit a rebuttal argument, not exceeding 250 words.\(^8\)

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\(^1\) Elec. Code §9280.
\(^2\) Elec. Code §9283.
\(^3\) Id.
\(^4\) Elec. Code §§ 9286 and 9295.
\(^5\) Elec. Code §9282.
\(^6\) Elec. Code §9287.
\(^7\) Elec. Code § 9285(b).
\(^8\) Elec. Code § 9285.
- Rebuttal arguments must be submitted within ten (10) days after the deadline for filing direct arguments. Each rebuttal argument must be printed immediately following the direct argument it seeks to rebut.  

If the Council wants to consider converting the tax to a special tax (the revenues are pledged to a particular purpose), or make the increased amount of the tax a special tax, it takes three members of the Council to place the matter on the April election. A special tax must be approved by 2/3 of the voters. Unlike a general tax that, absent a unanimous finding by the Council that an urgency exists, can only be placed on the municipal election (the election when the Council Members are elected), a special tax can be placed on any election or a special election can be called for the special tax measure. The City Attorney’s Office did not and has not prepared the documents necessary to place a special tax on the April election. If the Council wants such prepared, the Council would need to take a 1 to 2 hour recess to allow the attached documents to be amended for potential adoption by the Council.

Please note that if the City Council opts to place an initiative on the ballot, California law prohibits expenditure of public resources to support or oppose ballot measures.  

“Public resources” is more than simply money, it also includes employees’ time and any use of publicly owned property.

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9 Id.
10 Government Code § 54964(a).
TITLE AND SUMMARY
PREPARED BY THE CITY ATTORNEY
PURSUANT TO
ELECTIONS CODE § 9203

AN ORDINANCE OF THE CITY OF EL SEGUNDO
AMENDING EL SEGUNDO MUNICIPAL CODE § 4-2-17 TO INCREASE THE EL SEGUNDO ACERAGE TAX
AFFECTING CHEMICAL, PETROLEUM, CEMENT AND CRYOGENIC PRODUCTS ALONG WITH SMelters OR REFINERIES.

The purpose of this initiative is to place on the ballot a proposed ordinance that amends El Segundo Municipal Code ("ESMC") § 4-2-17 to increase the El Segundo Acerage Tax ("ESAT"). The ordinance would increase the existing ESAT from $1,531 to $____ per year for each acre of space owned, leased or rented for the purpose of producing, manufacturing or processing chemical, petroleum, cement or cryogenic products; or for the purpose of smelting or refining.

Pursuant to Elections Code § 9223, you may obtain a copy of the proposed initiative from the City Clerk.

[TITLE AND SUMMARY WORD COUNT: 128]
RESOLUTION NO. ________

A RESOLUTION PLACING AN ORDINANCE TO INCREASE THE EL SEGUNDO ACERAGE TAX ON THE PREVIOUSLY CALLED APRIL 10, 2012 GENERAL MUNICIPAL ELECTION PURSUANT TO ELECTIONS CODE § 9222 AND REVENUE & TAXATION CODE § 53724.

The City Council of the City of El Segundo resolves as follows:

SECTION 1: Pursuant to Elections Code § 1301, the City Council previously called for a general municipal election to be held in the City of El Segundo on Tuesday, April 10, 2012 for the purpose deciding a local ordinance. By this Resolution, the City Council also adds to that election a proposed ordinance to increase the El Segundo Acerage Tax (El Segundo Municipal Code § 4-2-17) pursuant to Elections Code § 9222 and Revenue & Taxation Code § 53724.

SECTION 2: A copy of the ordinance to be considered by the voters is attached as Exhibit “A,” and incorporated by reference, and is approved by the City Council through adoption of this Resolution. The ballot measure will be designated as Measure _____ on the ballot.

SECTION 3: Pursuant to Elections Code §§ 9222 and 13119 the exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

| Shall the ordinance increasing the El Segundo Acerage Tax, Affecting Chemical, Petroleum, Cement and Cryogenic Products Along with Smelters and Refineries Be Adopted? | Yes  | No  |

SECTION 4: The City Clerk is directed to forward a copy of this Resolution to the City Attorney for purposes of preparing a Title and Summary in accordance with the Elections Code.

SECTION 5: The polls will open at 7 a.m. on election day and remain open until 8 p.m.

SECTION 6: The City Council Chamber, 350 Main Street, El Segundo, is designated the Central Counting Place where all ballots of the election will be tallied.

SECTION 7: The El Segundo City Clerk is authorized to canvass the returns of the Municipal Election.
SECTION 8: The El Segundo City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 9: In accordance with Government Code § 53724 this Resolution must be adopted upon a majority vote and will become effective immediately upon adoption.

PASSED AND ADOPTED this 13th day of January, 2012.

ATTEST:

Eric Busch, Mayor

Cindy Mortesen, City Clerk

APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

By:
Karl H. Berger,
Assistant City Attorney
ORDINANCE NO. _____

A BALLOT MEASURE AMENDING EL SEGUNDO MUNICIPAL CODE § 4-2-17 TO INCREASE THE EL SEGUNDO ACERAGE TAX TO $_____ PER YEAR PER SQUARE ACRE OF SPACE OWNED, LEASED OR RENTED FOR THE PURPOSE OF PRODUCING, MANUFACTURING OR PROCESSING CHEMICAL, PETROLEUM, CEMENT OR CRYOGENIC PRODUCTS; OR FOR THE PURPOSE OF SMELTING OR REFINING.

The people of the City of El Segundo do hereby ordain as follows:

SECTION 1: El Segundo Municipal Code § 4-2-17 is amended to read as follows:

"4-2-17: CHEMICAL, PETROLEUM, CEMENT OR CRYOGENIC PRODUCTS; SMELTERS OR REFINERIES:

Every person owning or operating a business engaged in the processing or manufacturing of chemical, petroleum, cement or cryogenic products; and every person owning or operating a business engaged in smelting or refining must pay a business license fee as follows:

A. For the first ten (10) employees of a business, a basic fee of one hundred three dollars ($103.00) per year.

B. For every employee of a business exceeding ten (10), one hundred twenty seven dollars ($127.00) per year.

C. For each square acre of real property owned, leased or rented for the purpose of producing, manufacturing or processing chemical, petroleum, cement or cryogenic products; or for the purpose of smelting or refining, ________ dollars ($______) per year.

D. For each vehicle exceeding six thousand (6,000) pounds (gross vehicle weight) owned or operated in the conduct of the business, thirty six dollars ($36.00) per year.

E. Eleven dollars ($11.00) per year for each additional business location within the City.

F. Notwithstanding the foregoing, a credit will be granted against the tax imposed by this Section whenever a business subject to the tax imposed by this Chapter generates sales and/or use tax in the year immediately preceding the year in which the tax is due. The credit will be applied to the business registration tax due for the following year. The credit is equal to fifty percent (50%) of the portion of the sales and/or use tax generated which was collected by the City during the twelve (12) month period.
ending on the June 30 preceding the date the tax is due. However, the amount of said credit cannot under any circumstances be calculated to be greater than the total amount of tax due.

G. Any person subject to this Section paying a delinquent utility user tax or a tax concerning which, in the opinion of the City Manager, a good faith dispute exists, may enter into a settlement agreement to be ratified by the City Council which entitles the taxpayer to a credit equal to seventy five percent (75%) of the paid delinquent or disputed utility user tax (excluding penalties and interest). Said credit must be applied for within three (3) tax years from the date of payment. The maximum credit to be applied against the business license tax in any year cannot exceed one-third (1/3) of the total credit available hereunder."

SECTION 2: INTERPRETATION. This ordinance must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, subsection, sentence, clause, phrase, part, or portion of this ordinance is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this ordinance. The voters declare that this ordinance, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this ordinance is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this ordinance that can be given effect without the invalid application.

SECTION 3: SEVERABILITY. If any portion of this ordinance is held by a court of competent jurisdiction to be invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby. We the People indicate our strong desire that: (i) the City Council use its best efforts to sustain and reenact that portion, and (ii) the City Council implement this ordinance by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this ordinance, and then adopting or reenacting such portion as necessary or desirable to permit the planning and development of the Project.

SECTION 4: CONSTRUCTION. This ordinance must be broadly construed in order to achieve the purposes stated in this ordinance. It is the intent of the voters that the provisions of this ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this ordinance.

SECTION 5: Should the provisions of Government Code §§ 53720, et seq. or California Constitution Article XIIIIC be repealed or amended, or interpreted by the courts so that voter approval is not required for enacting this Ordinance, then this Ordinance will take effect as provided for all other City ordinances and may be amended in the same manner as all other City ordinances.
SECTION 6: The Mayor will sign this Ordinance and the City Clerk will attest and certify to the passage and adoption of this Ordinance if a majority of the voters voting in the City’s general election on April 10, 2012 approve the proposition asking whether the voters approve this Ordinance.

SECTION 7: EFFECTIVE DATE. This Ordinance will enact and impose a general tax. Accordingly, it will be submitted to a general election on April 10, 2012 for voter approval. If a majority of voters vote in favor of this Ordinance, it will become valid and binding on the date that the City Council certifies the election results in accordance with Elections Code § 9217.

PASSED AND ADOPTED this ___ day of __________, 2012.

Mayor

ATTEST:

____________________
Cindy Mortesen,
City Clerk

APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

By: ____________________
Karl H. Berger, Assistant City Attorney
RESOLUTION NO. ____

A RESOLUTION DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE BALLOT MEASURE REGARDING THE EL SEGUNDO ACERAGE TAX.

The City Council of the City of El Segundo resolves as follows:

SECTION 1: Pursuant to Elections Code § 9280, the City Clerk is directed to transmit a copy of the ballot measure regarding the El Segundo Acerage Tax ("ESAT") to the City Attorney for an impartial analysis.

SECTION 2: Upon receiving the ballot measure, the City Attorney is directed to prepare an impartial analysis of the measure showing its effect, if any, on existing law and the operation of the measures. Such analysis must not be more than 500 words.

SECTION 3: The City Clerk is directed to have the City Attorney's analysis printed before the arguments for and against the measures. Immediately below the impartial analysis, in not less than 10 point bold type, the City Clerk should have the following language printed: "The above statement is an impartial analysis of Measure____. If you desire a copy of the legislation affected by this measure, please call the City Clerk's office at (310) 524-2307 and a copy will be mailed at no cost to you."

SECTION 4: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 5: This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this 13th day of January, 2012.

Eric Busch,
Mayor

ATTEST:

Cindy Mortesen, City Clerk

Approved as to form:
Mark D. Hensley, City Attorney

By:
Karl H. Berger, Assistant City Attorney
RESOLUTION NO. _____

A RESOLUTION ESTABLISHING REQUIREMENTS FOR BALLOT ARGUMENTS FILED WITH THE CITY CLERK TO BE INCLUDED WITH VOTER INFORMATION FOR AN ELECTION ON APRIL 10, 2012.

The City Council of the City of El Segundo resolves as follows:

SECTION 1: Pursuant to Elections Code § 9281, qualified voters may submit arguments for and against the ballot measures, in addition to rebuttal arguments, for the April 10, 2012 election on forms provided by the City Clerk.

SECTION 2: Arguments filed in accordance with this Resolution must comply with the following requirements in accordance with Elections Code §§ 9282, 9283, 9285, and 9286:

A. Arguments must be in writing and not exceed three hundred (300) words except for rebuttal argument which may not exceed two hundred and fifty (250) words;

B. Arguments may be submitted by the City Council; any councilmember authorized to submit an argument by the City Council; any individual voter eligible to vote on the measures; any bona fide association of citizens; or any combination of voters and associations;

C. Arguments must be typewritten in at least a 12 point font;

D. Arguments may not include underlining, italics, asterisks, or other, similar, type of formatting;

E. Arguments must be accompanied by the printed name and signature or printed names and signatures of the person or persons submitting it, or, if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers.

F. If more than five (5) signatures accompany an argument, only the first five (5) will be printed.

G. Arguments for or against the ballot measures must be received in the City Clerk’s office not later than January 30, 2012. Rebuttal arguments must be received not later than February 9, 2012.
SECTION 3: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 4: This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this 13th day of January, 2012.

____________________________________
Eric Busch, Mayor

ATTEST:

____________________________________
Cindy Mortesen, City Clerk

Approved as to form:
Mark. D. Hensley, City Attorney

By: ________________________________
Karl H. Berger, Assistant City Attorney
Shilling, Mona

From: peter krafchik [krafchik@sbcglobal.net]
Sent: Thursday, December 22, 2011 8:11 AM
To: Busch, Eric (Mayor); Fisher, Bill; Jacobson, Carl (Council Member); Brann, Don (Council Member); Fuentes, Suzanne (Council Member); Mortesen, Cindy; Lanphere, Ralph; Domann, Cathy; Kobs, Mary; Muche, Linda; el segundo; Whiteside, Thim; ALL CITY COUNCIL and CITY CLERKS
Cc: Belinda Vautrain; Belinda A. Brunelle; carol underwood; carole irwin; Clair; Cynthia Greer; janziebakes@aol.com
Subject: Chevron

Please pursue the tax increase on Chevron- if this does not pass the elected officials will show El Segundo residents and the rest of the world - Oil companies do OWN the politicians. Let them pay their fair share. If they don't like it- they can move! Thanks for consideration- Terry Krafchik
Shilling, Mona

From: peter krafchik [krafchik@sbcglobal.net]
Sent: Saturday, December 24, 2011 12:59 AM
To: ALL CITY COUNCIL and CITY CLERKS
Subject: El Segundo High Taxes and Fees

When my son graduated from El Segundo High School High School in June-we hosted a small party - he and his friends wanted to play a guitar and one had an amplifier- I was told I had to purchase a permit for $135.00 - I did not think that was fair- but I paid it-
So if Chevron does not think it is fair or not-They should suck it up and Pay what they owe. If the council does not stand up to Chevron make them pay their fair share- I want a refund on my $135.00 - or in fairness -give me- 75% off-It seems that what El Segundo Council seems it is fair for huge corporation NOT to pay their taxes -then give me 75% off the permit fee- or better yet I can use 75% of my property taxes- since it is obvious you don't care about residents and small business . Please advise - Thank you, Terry Krafchik
Shilling, Mona

From: Tagle, Mickie
Sent: Thursday, December 29, 2011 6:26 PM
To: Shilling, Mona; Domann, Cathy
Subject: Fwd: [Doug Willmore] New comment on Civic Dialogue.

Copy/FYI

Sent from my iPhone

Begin forwarded message:

From: Dennis Coleman <noreply-comment@blogger.com>
Date: December 29, 2011 4:07:31 PM PST
To: "Tagle, Mickie" <mtagle@elsegundo.org>
Subject: [Doug Willmore] New comment on Civic Dialogue.

Dennis Coleman has left a new comment on your post "Civic Dialogue":

As a former Council Member and Mayor in the Bay Area, I like to keep abreast of local government issues in California. I came across the recent news about Chevron paying their fair share of tax and here's my comment:

It seems that this issue is well illuminated by facts concerning (a) what other cities get & Chevron's virtually unlimited ability to pay their fair share of local taxes versus (b) Chevron's position that they should continue to get special treatment because (1) they have long term community presence and/or relationships; (2) they claim to use less city services than other facilities that could have occupied (there's that word again) that land; and (3) their implication that bringing equity up during the holidays is somehow unfair.

What's less clear is what Chevron's impact on the city really is compared to what the impact would be if other industries or businesses had occupied that land. For example, doesn't Chevron have unique traffic, safety, incident response, visual, waste management, air pollution & other environmental impacts? I doubt if Chevron had to prepare an Environmental Impact Report (EIR) when they opened their facility long ago, but can you imagine the mitigations that would be required today if such a facility was proposed?

Just providing some local jobs does not excuse Chevron from paying their taxes like everybody else. If Chevron wasn't there, that land would have generated other jobs.

Publish
Delete
Mark as spam

Moderate comments for this blog.

Posted by Dennis Coleman to Doug Willmore at December 29, 2011 4:07 PM
Shilling, Mona

From: Tagle, Mickie
Sent: Thursday, December 29, 2011 6:25 PM
To: Shilling, Mona; Domann, Cathy
Subject: Fwd: [Doug Willmore] New comment on Civic Dialogue.

Copy/FYI

Sent from my iPhone

Begin forwarded message:

From: Anonymous <noreply-comment@blogger.com>
Date: December 29, 2011 5:49:18 PM PST
To: "Tagle, Mickie" <mtagle@elsegundo.org>
Subject: [Doug Willmore] New comment on Civic Dialogue.

Anonymous has left a new comment on your post "Civic Dialogue":

One of the critical things to remember in this ongoing civic dialogue is that research has proven (Nemeth & Nemeth-Brown, 2003) that dissent may lead to some negative feelings, it actually improves creativity and divergent thinking. This is important to remember because:
1) Chevron's Tax Department will fight hard and use ALL arguments (cognitive AND emotional) to avoid paying any increased taxes; and
2) The Council together, along with the Mayor and Administrators, as well as separately need to resist the emotional argument and stay with the rational argument of equity.
3) Any dissent needs to be evaluated on that basis, not on an emotional one.

This City is doing all it can to cut costs and generate revenue in fair ways.

If I were going to pull out an emotional argument to counter the ones of "long-time presence in El Segundo" plus "bringing equity issues up at holiday time as unfair", I only have to ask each employee of El Segundo who took a PAY CUT to assist the City.

Now let's see: big corporation or middle-class working person...? With the oil profits this past year, I wonder which "entity" can most afford it?

A Friend of El Segundo City

Posted by Anonymous to Doug Willmore at December 29, 2011 5:43 PM
From: Tagle, Mickie  
Sent: Saturday, December 31, 2011 11:09 AM  
To: Shilling, Mona; Domann, Cathy
Subject: Fwd: [Doug Willmore] New comment on Civic Dialogue. 

Copy/FYI

Sent from my iPhone

Begin forwarded message:

From: Anonymous <noreply-comment@blogger.com>  
Date: December 31, 2011 11:08:09 AM PST  
To: "Tagle, Mickie" <mtagle@elsegundo.org>  
Subject: [Doug Willmore] New comment on Civic Dialogue.

Anonymous has left a new comment on your post "Civic Dialogue":

I've heard the arguments that because Chevron is such a good corporate citizen (paying for special events, giving money to causes in the City) then they deserve a lower tax rate. That's nonsense.

If the only reason we in El Segundo are seeing those donations is BECAUSE of a lower tax rate, than it's a form of a bribe, i.e. "if you give us a lower tax rate, we (Chevron) will donate money to events." A good citizen does those things (volunteers, provides in-kind services, donates money) not because of a payoff but without expecting any kind of "quid pro quo".

If Chevron's tax rates are increased and they cease or substantially reduce donations to El Segundo, then we'll know--it was nothing more than a legal bribe.

During tough economic times, everyone has to give a little more. It's not as if El Segundo is asking Chevron to pay MORE than other similar plants pay in California. El Segundo is only asking Chevron to pay a rate that is fair--that matches what other plants and refineries pay within the State.

Posted by Anonymous to Doug Willmore at December 31, 2011 11:06 AM
Shilling, Mona

From: Tagle, Mickle
Sent: Saturday, December 31, 2011 4:28 PM
To: Shilling, Mona; Domann, Cathy
Subject: Fwd: [Doug Willmore] New comment on Civic Dialogue.

Copy/FYI

From: "J. Nelson" <noreply-comment@blogger.com>
Date: December 31, 2011 4:22:04 PM PST
To: "Tagle, Mickie" <mtagle@elsegundo.org>
Subject: [Doug Willmore] New comment on Civic Dialogue.

J. Nelson has left a new comment on your post "Civic Dialogue":

In a 40 year career as a consultant, trouble shooter, and high level executive trainer in both the public and private sectors—at national, state, and local levels—I've learned that policies that protect the public interest best must also generate a healthy business climate.

Public and private sectors are interdependent. In a plural society, private practice and the public interest either thrive together or suffer separately. Over time, neither can thrive at the expense of the other. It's the pragmatic imperative.

The current tax assessment issue between El Segundo and the local Chevron Refinery is a textbook test of that imperative. Chevron, more than any other industrial resident has, for years, benefited from inordinately low R.E. taxation in El Segundo. It's an inequitable position that has become glaringly apparent and pragmatically unsustainable in the current recession's pressure on city budgets everywhere—including El Segundo.

In correcting that imbalance the first principle is to follow the law—whether common, case, statute, and/or constitutionally based. In this Chevron tax matter the overriding issue is equity—currently so inequitable it screams for adjustment. I would think the controlling law to be Section One of the 14th Amendment of the Constitution which guarantees to all the "...the equal protection of the laws."

Another principle is that very few things in life are differentiated in pure black or white simplicity. A nuanced judgement call is often necessary to deal with relativity of positions and issues. However, the judgement latitude required to surrender to Chevron's arguments against tax adjustment exceeds the law's demands for reasonable equity.

A third principle is that those responsible for generating consensus in public policy must be as objective and fact based as possible—avoiding personal attacks, subjective opinion, personal favoritism, ego driven argument, or institutional bias.

El Segundo is fortunate to be represented by City Manager Doug Willmore. He is widely respected for his integrity, objectivity, analytical skill, and extraordinary success in bringing disparate parties and interests together at a high level—especially when feelings run deep and positions are dug in.

Doug seems to know that we are just as diminished by taking offense as by giving it—so, he does neither. Eventually, opposing parties follow his example. They abandon anger, rigidity, and personal attacks, and come into optimum alignment.

Chevron would do well to follow Doug's lead.

Posted by J. Nelson to Doug Willmore at December 31, 2011 4:20 PM
Shilling, Mona

From: Tagle, Mickie
Sent: Sunday, January 01, 2012 8:15 AM
To: Domann, Cathy; Shilling, Mona
Subject: Fwd: [Doug Willmore] New comment on Civic Dialogue.

Copy/FYI

Sent from my iPhone

Begin forwarded message:

   From: Anonymous <noreply-comment@blogger.com>
   Date: January 1, 2012 6:22:04 AM PST
   To: "Tagle, Mickie" <mtagle@elsegundo.org>
   Subject: [Doug Willmore] New comment on Civic Dialogue.

Anonymous has left a new comment on your post "Civic Dialogue":

It was very curious to see such a backlash against the notion of “raising taxes” on Chevron, at the last council meeting of the year. Not one single person stood up and supported the idea. Chevron’s own attorney, local business owners, members of the community, and representatives from the School Board and the Chamber of Commerce all spoke about how unfair it was to ask our local refinery to pay a fairer tax rate.

Last time I checked: Chevron has mad tens of BILLIONS of dollars in profits for nearly 20 quarters, and a new refinery hasn’t been built in the United States for over 30 years (Chevron has been in El Segundo for 100 years!!!) So why should they be paying an acreage tax that was formulated before anybody here was born?

Did anybody move to El Segundo, or open a business here, because it was next to a 2.5 mile refinery?

Isn’t oceanfront property in Los Angeles County extremely valuable these days? Could anybody imagine what we could build there!!!!?? Condos, homes, hotels, restaurants, parks, stores, malls, golf courses, gas stations- You name it!! The City of El Segundo could put itself on the map.

A City Council’s biggest job, in my opinion, is to bring in revenue. And for the last two years we have had a revenue crisis here in the city of El Segundo. Since this town is completely opposed to any tax rate hike of any kind, how can we generate more revenue?............ By Bringing in more businesses or building more homes!!! But since that hasn’t happened either, who should pay more?

The citizens were asked to pay $11 for trash pickup last year (senior citizens excluded). Did I hear that right? Nobody in El Segundo pays for trash? Some cities charge over $50 PLUS sewer fees, so $11 shouldn’t be a lot to ask. But the people’s voices were heard- “We won’t pay for trash pick up, go find revenues somewhere else.”

Well we can’t raise taxes, and we can’t raise fees, so that leaves only one option: GOVERNMENT CUTS. And that’s exactly what happened. For the last year city employees were asked to give back salary and benefits, jobs weren’t filled, offices closed, services scaled back. But that’s ok, Chevron will write us a check when times get tough. And, to their credit, that’s what they’ve often done.....but on their terms and at the amounts they determine. And that’s the LEAST they could do.

To address the budget crisis, one person even suggested that Police and Fire officers should be asked to pay 22

1/11/2012
more rather than ask one of the most profitable companies in the WORLD. Are we so caught up in political
rhetoric and tea party ideology that we can’t even consider raising an acreage tax on a gigantic, filthy,
eyesore of a refinery because they represent big business in this country? Haven’t Fire and Police already
given back for the last two years? What are YOU willing to give to do your fair share? Because getting up at
a podium and blaming local government employees for budget deficits isn’t fair and it doesn’t address the
problem.

We don’t have a Department of Education here, we have a local school board. We don’t have the EPA, we
have a local fire marshall. We don’t have a Department of Justice, we have a local police department. Let’s
stop playing National politics on a local level. This city has a budget, and needs to have revenue to meet that
budget. We have made ENOUGH cuts to our city employees. It’s time to start looking for OTHER revenue
sources.

I applaud the City Manager for finding and highlighting the discrepancy in the acreage tax. I was shocked to
see the concerted effort against it. Please know that not everybody is thrilled to live next to a refinery and
not everybody benefits from it. So asking one of the most profitable companies in the world to pay their fair
share seems like an obvious solution to me.

Publish
Delete
Mark as spam

Moderate comments for this blog.

Posted by Anonymous to Doug Willmore at January 1, 2012 6:22 AM
Shilling, Mona

From: Tagle, Mickie
Sent: Monday, January 02, 2012 7:53 AM
To: Shilling, Mona; Domann, Cathy
Subject: Fwd: [Doug Willmore] New comment on Civic Dialogue.

Copy/FYI

Sent from my iPhone

Begin forwarded message:

From: Anonymous <noreply-comment@blogger.com>
Date: January 2, 2012 7:51:26 AM PST
To: "Tagle, Mickie" <mtagle@elsegundo.org>
Subject: [Doug Willmore] New comment on Civic Dialogue.

Anonymous has left a new comment on your post "Civic Dialogue":

OK...Very short and very to the point.

In the past few years the 280 or so remaining City employees gave up more in compensation and benefit concessions than the $8 Billion per quarter profit making Chevron paid in taxes to El Segundo.

Wow.

Posted by Anonymous to Doug Willmore at January 2, 2012 7:50 AM
Shilling, Mona

From: Tagle, Mickie
Sent: Monday, January 02, 2012 11:49 AM
To: Shilling, Mona; Domann, Cathy
Subject: Fwd: [Doug Willmore] New comment on Civic Dialogue.

Copy/FYI

Sent from my iPhone

Begin forwarded message:

  From: Anonymous <noreply-comment@blogger.com>
  Date: January 2, 2012 11:47:19 AM PST
  To: "Tagle, Mickie" <mtagle@elsegundo.org>
  Subject: [Doug Willmore] New comment on Civic Dialogue.

Anonymous has left a new comment on your post "Civic Dialogue":

It is always interesting to me the disconnect between expectations of public sector services and the willingness to fund the services. Residents and businesses want to pay as little as possible for their services but expect the highest level of services...and complain when they don't get them. They expect Nordstrom service at Dollar Store prices. In El Segundo, the public sector has cut budgets and experienced pay cuts yet they continue to take on the challenge to provide great services for the community. But, they are looking for some help and no one wants to step up. The City Manager started looking at options and found that Chevron has been consistently paying below its fair share of taxes to support the city. Others are paying more to cover it. Now is the time to address the inequity. Sure, Chevron has provided additional resources to the community as opportunities arise, and the community has benefitted from the help, but donations are still far below what the City should be receiving in resources. In addition, donations do not lead to a sustainable funding source that allows for planning community growth and improvement. In addition, the oil industry has been experiencing incredible profits during the time when many individuals, business, and the public sector have struggled. It's time for Chevron to make a meaningful, equitable, sustainable contribution to the City.

Posted by Anonymous to Doug_Willmore at January 2, 2012 11:45 AM
Comment #8...

Sent from my iPhone

Begin forwarded message:

From: Frank Ray <noreply-comment@blogger.com>
Date: January 3, 2012 10:10:13 PM PST
To: "Tagle, Mickie" <mtagle@elsegundo.org>
Subject: [Doug Willmore] New comment on Civic Dialogue.

Frank Ray has left a new comment on your post "Civic Dialogue":

Douglas - Thanks for your blog. As a public employee, I find it inspiring and motivating. In Oregon, cities are struggling as well, and looking for solutions. The conversation about how to fund basic services, and the fair distribution of that cost can become very heated and emotional indeed. As taxpayers, we all can identify with the desire to avoid paying more. But taxpayers also embrace the notion of fairness. I think that moving in the direction of greater fairness in distributing the cost of basic services is a noble cause.

Posted by Frank Ray to Doug Willmore at January 3, 2012 10:06 PM
From: Willmore, Doug
Sent: Wednesday, January 04, 2012 5:44 PM
To: 'Spackman, Rod'
Subject: FW: Chevron

Rod,

Attached is a reconciliation between the numbers that you presented at the December 20 meeting and the numbers that the City had given to you earlier. We stand by the accuracy and correctness of the numbers that were given to you and the City Council. There appear to be some small discrepancies that may be the difference between our fiscal year and Chevron calculating based on a calendar year.

However, I believe that the water usage is not relevant with the issues at hand and I only addressed it because you had brought it up earlier. With the exception of approximately $50,000 out of a total of more than $15M paid, Chevron is simply paying for the City's cost of water that it uses and for the pro rata share of the maintenance of the system. There is no multi-million dollar subsidy of other commercial users as you thought there might be.

And finally, there were a lot of other items that Chevron added on that are paid to third parties that have nothing to do with the City's budget.

Please let me know if you have questions or issues. I would be more than willing to clear up any concerns or questions.

Thanks,

Doug
### CITY OF EL SEGUNDO
### COMPARISON TO CHEVRON'S REPORTED REVENUES TO CITY
12/21/2011

<table>
<thead>
<tr>
<th>PER CHEVRON 2011</th>
<th>CITY RECORDS 2011 FISCAL YEAR</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Year</td>
<td>Fiscal Year</td>
<td></td>
</tr>
<tr>
<td><strong>GENERAL FUND TAXES (1):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual User Utility Tax (Gas UUT)</td>
<td>222,000</td>
<td>221,800</td>
</tr>
<tr>
<td>Business License Pacific Towers</td>
<td>25,000</td>
<td>-</td>
</tr>
<tr>
<td>Business License Refinery</td>
<td>1,091,000</td>
<td>1,116,500</td>
</tr>
<tr>
<td>Cogen Tax</td>
<td>1,127,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Property Tax (assumed City share of total paid to LA County)</td>
<td>1,582,000</td>
<td>1,321,000</td>
</tr>
<tr>
<td>Sales &amp; Excise Tax (provided to Chevron from City of ES)</td>
<td>945,000</td>
<td>1,003,500</td>
</tr>
<tr>
<td><strong>Subtotal Collected by the City of El Segundo for TAXES ONLY:</strong></td>
<td>4,992,000</td>
<td>4,762,800</td>
</tr>
<tr>
<td><strong>PASS-THROUGH PAYMENTS COLLECTED BY OTHER ENTITIES (5):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity Users Tax</td>
<td>551,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal to City of El Segundo for TAXES ONLY:</strong></td>
<td>5,543,000</td>
<td>4,762,800</td>
</tr>
<tr>
<td><strong>GENERAL FUND FEE FOR SERVICES (2):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permits</td>
<td>455,000</td>
<td>450,700</td>
</tr>
<tr>
<td><strong>ENTERPRISE FUNDS (CHARGES FOR SERVICES) (3):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fresh Water</td>
<td>7,444,000</td>
<td>5,670,000</td>
</tr>
<tr>
<td>Reclaim/LPHP BFW Water (water only surcharge on next line)</td>
<td>5,131,000</td>
<td>8,399,467</td>
</tr>
<tr>
<td>City of El Segundo Reclaim Water Surcharge</td>
<td>1,933,000</td>
<td>633,900</td>
</tr>
<tr>
<td>Nitrification (paid to ES City on water bill)</td>
<td>1,010,000</td>
<td>1,009,800</td>
</tr>
<tr>
<td><strong>Total Paid on ES City Water Bills</strong></td>
<td>15,518,000</td>
<td>15,713,167</td>
</tr>
<tr>
<td>Annual Sewer Quality Surcharge</td>
<td>431,000</td>
<td>430,600</td>
</tr>
<tr>
<td><strong>Total Paid on ES City Water and Sewer Funds</strong></td>
<td>15,949,000</td>
<td>16,143,767</td>
</tr>
<tr>
<td><strong>Total to City of El Segundo</strong></td>
<td>21,396,000</td>
<td>21,357,267</td>
</tr>
<tr>
<td><strong>PAID TO THIRD PARTIES NOT CITY REVENUES (4):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Other (Herald,Fire,ESUSD,Chamber,Education)</td>
<td>40,000</td>
<td>-</td>
</tr>
<tr>
<td>From Prop Tax Bills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community College Funding</td>
<td>376,000</td>
<td>-</td>
</tr>
<tr>
<td>Unified Schools Funding</td>
<td>1,138,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Paid to Third Parties</strong></td>
<td>1,554,000</td>
<td>-</td>
</tr>
</tbody>
</table>

**NOTES:**

(1) Taxes collected to fund General Fund Operations (Governmental Activities).
(2) NOT A TAX. Fee for Service rates are set up to generate enough in fees to be able to recover the cost of that service; does not generate any excess revenue.
(3) NOT PART OF GENERAL FUND OPERATIONS. Enterprise Funds are set up to be a Charge for Service. The charges are set up to be able to recover the cost and set aside funds for capital assets.
(4) NOT PART OF GENERAL FUND OPERATIONS. Additional cash paid to other entities; City does not receive any revenues from this source.
(5) Pass-through payment collected by SCE. Chevron's portion remitted to City by SCE unknown.
Domann, Cathy

From: Mark Hensley [MHensley@localgovlaw.com]
Sent: Wednesday, January 11, 2012 10:02 AM
To: Domann, Cathy; Shilling, Mona
Subject: FW: Chevron Chamber Package - 1-4-2012.pdf - Adobe Acrobat Standard
Attachments: Chevron_Revenue_Analysis.pdf

-----Original Message-----
From: Willmore, Doug <dwillmore@elsegundo.org>
To: Busch, Eric (Mayor) (Mayor) <ekbusch@aol.com>
Sent: Wed, Jan 4, 2012 1:58 pm
Subject: FW: Chevron Chamber Package - 1-4-2012.pdf - Adobe Acrobat Standard

All,

Attached is a comparison of Chevron's refinery in El Segundo to the other five largest refineries in municipalities in CA. The ES refinery is the largest (by volume) in the state of CA. As you can see, by almost any useful measure or ratio or method of comparison, the tax revenue we receive from Chevron is far below those of other refineries in other cities in CA.

You should know that before I had decided to present revenue per acre as one of the ways to evaluate Chevron's tax burden, I spoke to a couple of people who I trust who are knowledgeable about local tax structures. They were my brother Brad, an investment banker in the SF Bay area, and Darrin Casper, my CFO at Salt Lake County. Brad used to do energy deals for Solomon Brothers on Wall Street and has done more than 15 utility or oil and gas mergers or acquisitions of up to $5B and knows the business inside and out -- especially how they pay their taxes. Darrin used to do energy financing for oil and gas deals for the firm Lewis Young in the investment banking world before becoming a CFO. Both Brad and Darrin suggested to me to use revenue per acre as not just one way to analyze Chevron's local tax structure, but as THE best way. Brad and Darrin both said comparing one refinery to another is useful, but not as useful as comparing this refinery to other land uses in your City.

As you know, when constructing a revenue collection system for any public entity, the fundamental criteria has to be fairness and equity. That is the reason that both Brad and Darrin suggested the revenue per acre comparison. I'll get into the additional reasons why they said so in the next paragraph.

Since December 20, I've also spoken with lead analysts at Fitch, Moody's, and Standard & Poor's -- all analysts that I used to present regularly to while I was at Salt Lake County. They all are lead analysts for the State of California and for many of its cities, counties, and school districts. And, I also spoke with the Director of Public Finance for Zion's Bank, a regional banking firm in the west that acts as financial advisors for public entities who are heading to the market. Zion's Bank is the FA for Salt Lake County. All four endorsed the use of revenue per acre or something similar as a valid and valuable method to attempt to construct a fair and equitable tax structure in El Segundo. All four people that I spoke with concurred that the existing system is externally unfair. In fact, one of them said that if we were presenting to them that he would grill us over "the issue" and ask us when it was going to be fixed. He said he would ding our rating because our structure was so unfair unless it was going to be fixed because it puts the sustaining revenue of the city at risk.

The analyst at Fitch said our tax structure sends this message: "If you need square footage and people to produce a profit we tax the hell out of you, but if you need acreage and a big machine to produce a profit, you're home free." The analyst at S&P was quite scathing about our tax structure and said not only is it unfair, but it's "dumb public policy". I asked him why, and he said, "Because you're taxing the businesses that can move, and the one that can't move is getting special treatment." He said it's the worst kind of public policy, wherein Northrup
Grummin, Raytheon, DirecTV and others are taxed as they expand and Chevron can add infrastructure to increase their volume and they pay nothing for their expansion. They all said that Chevron's acreage and infrastructure should be viewed comparably and taxed comparably to our aerospace community.

Having said that, local tax structure in CA is far more subjective than in other cities in other states, so it is a judgment call. Nevertheless, if you leave aside the comparison to other acreage in El Segundo and just compare this refinery to the others in the state, you could double what Chevron pays us and they would still be the lowest in all the ratios.

Thought you should have this information.

Doug
### CITY OF EL SEGUNDO  
**CHEVRON REVENUE ANALYSIS**  
1/4/2012

<table>
<thead>
<tr>
<th></th>
<th>El Segundo</th>
<th>Richmond</th>
<th>Torrance</th>
<th>Carson</th>
<th>Benicia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACREAGE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total City Acreage:</td>
<td>3,494</td>
<td>21,568</td>
<td>12,312</td>
<td>12,288</td>
<td>8,320</td>
</tr>
<tr>
<td>Total City Acreage used by Refinery:</td>
<td>951</td>
<td>2,900</td>
<td>750</td>
<td>700</td>
<td>800</td>
</tr>
<tr>
<td>% City Acreage Used by Refinery:</td>
<td><strong>27.22%</strong></td>
<td><strong>13.45%</strong></td>
<td><strong>6.09%</strong></td>
<td><strong>5.70%</strong></td>
<td><strong>9.62%</strong></td>
</tr>
<tr>
<td><strong>REVENUE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL REVENUE FROM REFINERY</td>
<td>$4,762,801</td>
<td>$44,800,000</td>
<td>$7,400,743</td>
<td>$7,145,460</td>
<td>$7,220,455</td>
</tr>
<tr>
<td>TOTAL CITY GF REVENUE</td>
<td>$47,330,122</td>
<td>$130,000,000</td>
<td>$161,605,700</td>
<td>$66,191,176</td>
<td>$31,386,755</td>
</tr>
<tr>
<td>% of GF REVENUE</td>
<td><strong>10.06%</strong></td>
<td><strong>34.46%</strong></td>
<td><strong>4.58%</strong></td>
<td><strong>10.80%</strong></td>
<td><strong>23.00%</strong></td>
</tr>
<tr>
<td>REVENUE PER ACRE</td>
<td>$5,008</td>
<td>$15,448</td>
<td>$9,868</td>
<td>$10,208</td>
<td>$9,026</td>
</tr>
<tr>
<td>Barrels Produced per Day:</td>
<td>265,000</td>
<td>242,901</td>
<td>150,000</td>
<td>265,000</td>
<td>170,000</td>
</tr>
<tr>
<td><strong>RATIO - % GF REV TO % ACREAGE USED</strong>:</td>
<td><strong>0.37</strong></td>
<td><strong>2.56</strong></td>
<td><strong>0.75</strong></td>
<td><strong>1.90</strong></td>
<td><strong>2.39</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Richmond</th>
<th>Torrance</th>
<th>Carson</th>
<th>Benicia</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER CITY RATIO (% GF REV TO % ACREAGE USED)</td>
<td>2.56</td>
<td>0.75</td>
<td>1.90</td>
<td>2.39</td>
</tr>
<tr>
<td>EL SEGUNDO RATIO (% GF REV TO % ACREAGE USED)</td>
<td>0.37</td>
<td>0.37</td>
<td>0.37</td>
<td>0.37</td>
</tr>
<tr>
<td>MULTIPLIER (number of times El Segundo’s ratio would have to be increased to be comparable to the other cities):</td>
<td>6.93</td>
<td>2.03</td>
<td>5.13</td>
<td>6.47</td>
</tr>
<tr>
<td>CALCULATED ESTIMATE OF COMPARABLE REVENUES USING OTHER CITIES’ RATIOS:</td>
<td><strong>$33,017,317</strong></td>
<td><strong>$9,684,590</strong></td>
<td><strong>$24,412,289</strong></td>
<td><strong>$30,821,000</strong></td>
</tr>
</tbody>
</table>
Copy/FYI

From: Karl Jacobs <noreply-comment@blogger.com>
Date: January 5, 2012 8:20:53 PM PST
To: "Tagle, Mickie" <mtagle@elsegundo.org>
Subject: [Doug Willmore] New comment on Civic Dialogue.

Karl Jacobs has left a new comment on your post "Civic Dialogue":

It's interesting that I do not see any comments from any identified El Segundo residents on this issue.

What is wrong with sitting down with our friends at Chevron and listen to what they are willing to do to help El Segundo continue to grow? Why the big rush to put this issue to the vote?

If it were not for Standard Oil, El Segundo as a community would not exist. We would be "LA-WEST". We would not have the terrific schools we have - not the community feeling that we, as residents, have. We would not have our own Police Force, Fire Department, or Recreational facilities that are the envy of the entire South Bay.

Do not act in haste. Sit down and work out the problems you perceive.

Karl (with a "K") Jacobs (with no "ON" at the end)

Posted by Karl Jacobs to Doug Willmore at January 5, 2012 8:18 PM
Copy/FYI

Sent from my iPhone

Begin forwarded message:

From: Anonymous <noreply-comment@blogger.com>
Date: January 6, 2012 9:46:07 AM PST
To: "Tagle, Mickie" <mtagle@elsegundo.org>
Subject: [Doug Willmore] New comment on Civic Dialogue.

Anonymous has left a new comment on your post "Civic Dialogue":

It's time for Chevron to pay their fair share! It's un-American for them to be paying less than our other corporate residents.

Posted by Anonymous to Doug Willmore at January 6, 2012 9:30 AM
Domann, Cathy

From: Shilling, Mona
Sent: Wednesday, January 11, 2012 6:05 PM
To: Domann, Cathy
Subject: FW: Request
Attachments: Chevron Request Ltr.docx

Mona P. Shilling
City Clerk's Office
City of El Segundo
350 Main Street
El Segundo, Ca. 90245
P (310) 524-2307
F (310) 522-6053

From: Margie Randall [mailto:margemaple@gmail.com]
Sent: Sunday, January 08, 2012 11:16 PM
To: ALL CITY COUNCIL and CITY CLERKS
Cc: Willmore, Doug
Subject: Request

Dear Mayor and City Councilmembers:

Please see our attached letter.

Thank you,
Mike & Margie Randall
January 8, 2012

Dear Mayor Busch, Mayor Pro Tem Fisher, Councilmember Brann, Councilmember Jacobson and Councilmember Fuentes:

Although I do not write to you often, I believe the issue outlined below is one of importance.

I am writing to urge you to approve placing a ballot measure increasing the acreage tax paid by refineries and chemical manufacturing businesses located within the city on the April 12, 2012, general election ballot. Please let the electorate of El Segundo have the chance to cast our vote on this matter.

Although I cannot predict the vote outcome, there are many people in town who agree with you Mayor Busch—this should be a business decision, not one about relationships. It may have been a surprise to some to have this item on a recent agenda, but there have been rumblings for a long time about Chevron paying their fair share. Thank goodness the City Manager is doing a great job turning over every stone looking at revenue sources—I believe that was one of the reasons he was hired. I was disappointed to see some of you ready to turn away potential revenues so critical to the city.

Thank you Mayor Busch, Mayor Pro Tem Fisher and Dr. Brann for thinking about what is best for the city. The citizens of El Segundo rely on all of you for your good sense and for doing what is in the best interest of the city. There is no room for emotional decision making when it comes to economic issues affecting the future of the city.

No one can deny Chevron has been a huge supporter of the city. Nonetheless, it only seems equitable Chevron should pay revenues relative to other similar large commercial landholders. If I was another large landholder in the city I would be concerned with the discount rate Chevron seems to be receiving. While I am not espousing the "Occupy Wall Street" viewpoint, I am certain the proposed increase in municipal tax would only have a minimal impact on Chevron's profits (which has been reported as $7.83 billion for the third-quarter of 2011).

As a third-generation and 33-year employee of Chevron, and a 20-year City of El Segundo employee, we respectfully request your vote to place this important decision on the April 2012 ballot. It is the fair, democratic, and right thing to do.

Sincerely,

Mike and Margie Randall
513 W Maple Ave
El Segundo
310-322-4711
BARBARA L. VIDMAR
808 East Pine Avenue
El Segundo, California 90245

January 9, 2012

Mayor Eric Busch
350 Main Street
El Segundo, California 90245

Dear Mayor Busch:

I am a 44 year resident of El Segundo. I have never been, nor has anyone in my family been an employee of Chevron. Yet I am appalled at the recent approach to Chevron in an effort to secure more tax money for the City. Financial solutions to many of the City projects have been supported through the years by Chevron, including, but not limited to, all of the schools, the library, road work and even the beach at Grand Avenue.

This is like biting the hands that feeds us, and feed us they do.

I hope that I misunderstood the Daily Breeze when they quoted you as saying that "Chevron is a part of the community". El Segundo would not even be here were it not for the refinery and, in my opinion, they go above and beyond to add to our City comforts.

I do not care to compare our City to other cities with similar facilities. I do care about leaders who have weakened good relationships in an effort to rush to judgements. The tax money that "might" be accepted may not ever go as far in resolving City problems as the generous gifts that Chevron has given to our many causes, often without recognition, but often with an expectation of their generosity.

Hopefully this will not be a ballot issue. There has not been sufficient study time. Balloting will include "newcomers" to the City and/or tenants that are not always permanent, helping to make policy that they may not live with nor have familiarity.

This is a great town to be spoiled by moving so quickly for a solution without public conversation, examination and expressions from El Segundo residents. I am deeply concerned.

Sincerely,

[Signature]

Barbara L. Vidmar

cc: Councilman Bill Fisher
Councilman Carl Jacobson
Councilman Don Brann
Councilwoman Suzanne Fuentes
Domann, Cathy

From: Mark Hensley [MHensley@localgovlaw.com]
Sent: Wednesday, January 11, 2012 10:00 AM
To: Domann, Cathy; Shilling, Mona
Subject: FW: meeting with Chevron on Friday Jan 13th

-----Original Message-----
From: Chris Miller <chrismiller.beachreporter@gmail.com>
To: ebusch <ebusch@elsegundo.org>; bfisher <bfisher@elsegundo.org>; dbbrann <dbbrann@elsegundo.org>; sfuentes <sfuentes@elsegundo.org>; cjacobsen <cjacobsen@elsegundo.org>; mkobus <mkobus@elsegundo.org>; dwillmore <dwillmore@elsegundo.org>
Sent: Tue, Jan 10, 2012 11:02 am
Subject: meeting with Chevron on Friday Jan 13th

To my elected officials,

I am writing to you with regards to the upcoming meeting with Chevron on Friday, January 13th. As an El Segundo resident I have concerns about the under payment by Chevron for their share of business taxes. The presentation by the City of El Segundo at the meeting make it clear that Chevron has been given special treatment over the years. I realize as a resident I don’t know the entire extent of the revenue details with Chevron but, my concerns are more in the area of public safety and environmental issues that may or may not be something the added tax revenue could address.

1. The cross town jet fuel line that runs the length of the city under Virginia Street. Is that line state of the art? Are there shut off values in case of an accident or earthquake? Where are the shut off values? Is there an emergency plan with the residents so we don’t see a San Bruno type of accident in our town? Could the city use some of the new revenues from this proposed tax to assure the community that we are safe from a highly explosive fuel that travels just under some of the homes in our neighborhood?

2. All day long Chevron operates fuel trucks, volatile gas trucks many of which I’m sure are very dangerous up and down El Segundo Blvd. and along Sepulveda Blvd. As local residents we travel on the road often with these trucks not knowing what is in them or the dangers they bring to our local roads on a regular basis. What are the plans for educating the public to these hazards? Other businesses in the area that are paying much more in taxes for their opportunity to do business in El Segundo and don’t put the public’s well fare at risk with these types of hazards.

3. Another environmental concern is the continual exposure to the refinery smoke, gas and other contaminants that are being released into the air all day and night from the refinery. Could these be mitigated so our health isn’t at risk?

These are just a few of my concerns, not the least of having an operating refinery just a few feet from homes and schools in this city is big concern. For over 100 years Chevron has been a good neighbor but, times are changing and I believe Chevron should do everything to reassure the public they are on our side. At the City Council meeting before Christmas it was very disconcerting to hear the spokesperson from Chevron say they will bring out their lawyers if the city asks them to step up with the new taxes they haven’t been paying to the city. I would hope that the hostility towards the city will be altered to one of workability.

It is my understanding that is is you our elected officials that represent us the citizens of this community. Our welfare is a priority before the profits of a giant oil company that saw record profits last year in the midst of a recession. It would be nice to see that the company put some of the money back into the city they founded with the same commitment that they invest in the discovery of new oil and gas expansion throughout the world.

Thank you for your time and commitment to a better El Segundo.

All the best,
Chris Miller
528 West Maple Avenue
El Segundo
(310) 308-3489

1/11/2012
Shilling, Mona

From: Tagle, Mickie
Sent: Tuesday, January 10, 2012 11:52 AM
To: Shilling, Mona; Domann, Cathy
Subject: FW: [Doug Willmore] New comment on Civic Dialogue.

Comment #11:
Bummer! This person would have benefited from being at our meeting today. Get his/her facts straight and concerns addressed. In due time...

From: Anonymous [mailto:noreply-comment@blogger.com]
Sent: Tuesday, January 10, 2012 11:49 AM
To: Tagle, Mickie
Subject: [Doug Willmore] New comment on Civic Dialogue.

Anonymous has left a new comment on your post "Civic Dialogue":

I think the City has an obligation to justify a 200% tax increase. Where will the money be spent? Is the community really better served, or will the revenues be squandered, as we have seen too often at the state and local level in CA? It's not like Chevron can pick up and move their refinery. A sudden and arbitrary tax hike like this strikes me as extremely unfair, and cannot be justified simply because Chevron is big and profitable.

Furthermore, any talk about "negotiation" and "finding common ground" becomes nonsense if the measure is put to referendum, where it will be politicized and demagogued (the Big Bad Oil Company). You can expect a long and costly court battle, one that the City is likely to lose.

Posted by Anonymous to Doug Willmore at January 10, 2012 11:32 AM
Domann, Cathy

From: Domann, Cathy
Sent: Wednesday, January 11, 2012 6:23 PM
To: Domann, Cathy
Subject: Blog Post

Anonymous said...

El Segundo is a unique city that maintains its character despite the pressure surrounding its boundaries. In many ways it continues to be a small town despite the odds. Unfortunately, small towns are often dominated by the largest player in the community...in this case Chevron. And as with all small towns, that dominating business has a responsibility to the community.

As such, Chevron should step up and, at minimum, match the taxes being paid by other corporate citizens in the city. This tax proposal is a step in the right direction and it is time to make the change.

JANUARY 10, 2012 8:34 PM

Cathy Domann, MMC
Deputy City Clerk
City of El Segundo
Honorable Mayor Eric Busch  
City of El Segundo  
350 Main Street  
El Segundo, California

Dear Mayor Busch:

We are writing to express our concerns over the manner in which the City Council is attempting to place a massive tax increase on the April ballot.

As former mayors of El Segundo, we have all experienced firsthand the need to make tough decisions necessary to safeguard the well being of the city and its people. While circumstances differed during each of our tenures in office, we shared one thing in common: a collaborative effort of the Council working closely with the community to develop fair, reasonable means of meeting our town’s needs. This element is conspicuously absent with respect to current tax increase proposal.

Specific concerns include:

Failure to engage the community  
- The process surrounding the acreage tax increase directly contradicts the successful, long-standing tradition of discussing various fiscal needs with stakeholders, diffusing potential conflicts and cooperatively crafting effective solutions the community can support.

A lack of transparency and accountability  
- The proposed tax was tacked on as a last-minute addition to the agenda of the year’s final Council meeting. Chevron, the main target of the tax, was reportedly presented with the tax as a fait accompli just days before the agenda item appeared. Neither the business community nor other local organizations were consulted or notified in advance.

- It’s unclear whether all the Councilmembers were aware that City staff was working on this issue, let alone that a tax was being considered.

- Despite representations that the tax would fund infrastructure and capital projects, it is in reality a general tax. Revenues from the tax will go into the general fund, with no restrictions on how they will be spent and no accountability to taxpayers.

- The staff report advocating the tax increase was brief and unsupported by citations of publicly available documentation. There was a glaring lack of detail and no way of determining whether assumptions utilized were valid or if all relevant data were included or analyzed.

Insufficient risk assessment  
- It does not appear that consideration has been given to the risks of relying on revenues from a single business or sector as a significant component of the City’s budget going forward. Any negative deviation from the projected proceeds of the tax increase could severely impair the City’s ability to fund basic public services, let alone meet its contractual obligations for future employee pension benefits.
Whirlwind timetable precludes necessary due diligence

- Finally, the entire process to rush this tax to the ballot will take less than one month, which includes a lengthy holiday break. More time is clearly needed for independent analysis of the facts, input from the directly impacted taxpayers and comment from the community at large.

If the citizens of El Segundo are going to be asked to support a tax increase of this magnitude, it’s imperative that enough time be allowed to perform the high level of due diligence essential to credibly demonstrate the need for and feasibility of such a tax. It’s also vitally important that extensive public discussion be conducted before – not after – the measure is placed on the ballot.

We encourage you to table a vote on this issue until these critical elements have been satisfactorily addressed.

Sincerely,

Floyd Carr

Gordon Stephens

Dick VanVranken

Bill Bue

Sandy Jacobs

Kelly McDowell

cc: City Council
City Manager