



Part 1 of 3

My plan is a confident, realistic roadmap of some ideas to take Desert Hot Springs from where we are to where we want to go.

I am laying out a broad, bold new vision for the future of Desert Hot Springs. In the past, the City Council never really dealt with our small town problems before they brought bigger town problems upon us. My goal is simply for Desert Hot Springs to live up to its potential.

I see a city with a modern look that preserves the best of our fine historical architecture. I see a place of art, science, and learning. I see a place well known for excellence and spectacular success in fields such as athletics, art and business. It's a place where each person is free to live out his or her dreams; and the promise of each new day brings us unlimited possibilities. A place known worldwide not just for our crystal clear miracle waters, but that we respect this blessing and that we cherish and protect our water, air, land, our views and other natural resources. Imagine a bright vision of our future. Imagine a place where uncommon success and entrepreneurship are commonplace. It's a safe, prosperous place in which to grow a family; a place that stirs our pride, deep down. Desert Hot Springs is our hometown.

My plan works by focusing our city government on the traditional responsibilities of government. Chief among these responsibilities is public safety. Limited government leads to a balanced budget. We have plenty of money for the traditional responsibilities of government without having to raise taxes. I have opposed Scott Matas, Yvonne Parks, and Al Schmidt voting to borrow millions of dollars (more than \$35 Million so far) and risking it in the real estate market, which is definitely not a traditional role of government. Land speculation, trying to fight the market is not good business either.

I believe that only when all the traditional obligations of government are being handled well, starting with public safety, then and only then should we have a discussion concerning whether the real estate experts on the City Council should risk the people's hard earned money in the real estate market.

In 2005 I predicted that Desert Hot Springs could not live up to its potential until we get rid of the corruption on the City Council. In 2007 we made substantial progress in this regard when the voters rejected the corruption of Hank Hohenstein and Mary Stephens. Since then, our city has made some progress but is still not living up to its potential. That is because the revolution is not yet complete. An essential element of success in the future is to eliminate corruption on the City Council. Scott Matas, Yvonne Parks, and Al Schmidt get their campaign money from corrupt influences like the bankrupt felon/developer Walter Luce and the infamous Mike Bickford. Open corruption just like Hohenstein and Stephens. The developers that have given money to Matas, Parks, and Schmidt are clearly making an investment; and they have been getting favors in return. We need to put a stop to this now.

Here's how my plan works...



CRACK DOWN ON CORRUPTION – The central problem Desert Hot Springs faces is corruption on the City Council. All of our other major problems flow from this corruption. For example, we don't have enough money for public safety even after a 40% tax increase because Scott Matas, Yvonne Parks and Al Schmidt voted to borrow more than \$35 Million and give it to the very developers who gave them campaign contributions, and you the taxpayer are left with a \$3 Million hole in the budget each year just for the interest. That is why

it is central to everything else.

When you turn on the light the cockroaches scatter. With a little transparency we can eliminate the influence of corrupt developers over the City Council. Open government, transparency, and no more back room dirty deals. We need a leader who has a professional understanding and respect for the law. We deserve a City Council we can trust. We deserve leaders who are loyal to the people of Desert Hot Springs, not outside interests who want to take what is ours.

Nationwide, developers played a central and essential role in the collapse of America's financial system and markets. You know what went on. Developers, and others, took away bags of money while they left the rest of us holding an empty bag. Corrupt developers like Walter Luce (employer to Mary Stephens when she served on the DHS City Council and voted on his projects) went bankrupt but still kept the money because it was put in a trust to protect it from creditors (people who gave them something of value). The outcome of all this was predictable. I warned anyone who would listen. I am doing well, others are not because I saw what was easily foreseeable and they did not. There are none so blind as those who refuse to see.

I have never accepted any contribution from any developer. We need to eliminate the influence of corrupt developers and to stop the dirty land deals, to restore fairness, avoid needless litigation and put our financial house in order.

FINANCIAL RESPONSIBILITY, ACCOUNTABILITY & TRANSPARENCY – The idea of getting something for nothing is not at all the same as being able to make something out of nothing. There is no credit fairy.

April 1, 2008, Scott Matas, Yvonne Parks, and Al Schmidt voted to borrow more than \$35 Million, none of which can be used for public safety. Where did all that money go? The cruel joke of the "April Fools Day Bonds" as of September 1, 2009 has cost us \$795,000.00 in principal and \$3,024,050.34 in interest. This debt load is unsustainable. (March 13, 2008 Desert Sun – Quote from Yvonne Parks "...in 2010, based on current revenues and anticipate expenditures...this city will be fiscally insolvent." Please note that this quote is from just before they borrowed their April Fools Day cash.)

The recent tax increase Scott Matas and Yvonne Parks voted for was a 40% tax increase, yet it will only bring in \$900,000 a year. This tax increase essentially wiped out the \$250 stimulus check Social Security recipients and disabled veterans were given in 2009 to spend in order to stimulate the economy.

Perhaps the most important thing that we can do to get on a sound financial footing is to stop borrowing more money. We need to find out exactly how much they have borrowed and where it went. I believe it is unarguably fair that the suggestion of borrowing more money is not a proper subject for discussion when we don't know how much they have already borrowed and where it went. I believe that is objectively fair.

They have spent over \$30,000 in less than 6 months of 2009 alone for newsletters to brag about what they plan to do with your money, but they never mention the many millions they have borrowed or the millions more they intend to borrow in the future.

Stop the excessive spending. We should have competitive bidding for City Manager pay and benefits. Our City Manager is paid approximately twice the amount that the President of the United States is paid. We need a City Manager who is loyal to the people of Desert Hot Springs

Scott Matas, Yvonne Parks, and Al Schmidt have voted to obligate us to use 20% of all redevelopment funds (at least \$68,227,782.84 so far with no end in sight) for what they call "low or moderate income" housing. This housing that they will use your tax money to build is required by law to be mixed into every part of our community because if it were too concentrated it would amount to the government creating a ghetto. So the law requires that we all get a little bit of a ghetto on our block instead. Under California Redevelopment Law the term "low or moderate income" is a legal term that is defined by statute to include very low income and extremely low income. (CA Health & Safety Code Section 50093 - "Persons and families of low or moderate income" includes very low income households, as defined in Section 50105, extremely low income households, as defined in Section 50106, and lower income households as defined in Section 50079.5, and includes persons and families of extremely low income, persons and families of very low income, persons and families of low income, persons and families of moderate income, and middle income families.) Redevelopment Law is a flim-flam of smoke and mirrors. It is designed to trick people into thinking that they can get something for nothing. I have studied California Redevelopment Law with the California Bar. The trick of defining "low or moderate income" to include very low income and extremely low income to hide the very low income and extremely low income part and thereby make it more appealing is just one of numerous deceptive aspects of California Redevelopment Law.



Perhaps the most troubling aspect of this low income housing obligation is that it is projected that the obligation can't be met. If the obligation is not met litigation may ensue, putting the taxpayer on the hook for untold sums of money. Remember, the city went bankrupt because it claimed it could not pay off a judgment for about \$3 Million from a 10-year lawsuit that the city lost for housing discrimination.

Matas and Parks claim that the low income housing requirements of California Redevelopment Law are forced upon them by the state. This double talk is another flim-flam lie. It is true that now that Matas, Parks, and Schmidt voted to obligate us we are obligated to provide low income, very low income and extremely low income housing. But to say that it was not their choice is a flat out lie. I warned them before they voted to obligate the taxpayer that it was not a wise obligation.

I oppose giving tax breaks to non-residents that are not available to residents of Desert Hot Springs. I strongly oppose anything that would force the current residents and business owners to subsidize people from out of town. Our local residents and business people deserve all the benefits we get from low taxes spurring small business and jobs. Fairness dictates an even playing field. Businesses looking to locate here should not ask the current residents and business owners of Desert Hot Springs to pay higher taxes so that they can pay lower taxes. Really, it's a bit rude.

Limited government leads to a balanced budget. Scott Matas and Yvonne Parks have been on a massive borrowing and spending spree. Creating other costly obligations as they go. They don't have any other ideas how to accomplish anything and they don't seem to be able to stop themselves. However, I will say that they have done a great job at keeping the public from knowing most of what they have been up to. The bottom line is that budget discipline, responsibility, and forward thinking are needed now more than ever.