

## **Reader Editorial Rebuttal – My View: Responsible journalism requires accurate facts**

The basis of the editorial [Our View: Montebello needs a new transparency, July 6, 2012] is misleading to the public and is factually incorrect in several of its assertions. Lack of availability to reporter(s) does not constitute lack of transparency. If anything, Montebello has been more than transparent. Please visit the City's Website "Latest Headlines" section.

Personally, I am committed to being "transparent" to the public domain for which I and all city employees serve. It is for the public good and trust that I believe accountability and openness should be the characteristics of good city government. Due to my dual role of Interim City Administrator and Director of Finance, I have a heightened work load which involves many time sensitive and often urgent matters to attend to.

I believe responsible journalism explores all facts and allows an opportunity for a balanced perspective so that the reader can get a broad understanding of the subject matter. As you know, media plays an important role in our community and journalists provide information and play a role in shaping the views of individuals. For this reason, I am responding to some of the inaccuracies in the editorial and respectfully request that this letter be published, in its entirety, both in the print and web version of the Whittier Daily News. The Editorial Board has an obligation to its readers to write a more balanced and accurate account of the facts.

### **Whittier Daily News article– May 31, 2012, Montebello balances its 2012-13 budget, will end this year with \$560,000 surplus**

The City's FY 12-13 budget was presented and reviewed in public on May 30, 2012. In fact, on May 31, 2012, Whittier Daily News published a front page article stating the facts with various quotes in its correct context. (I commend your reporter for reporting the accurate facts). 13 days later I was sent an e-mail from your reporter with a request to speak with me for clarifications on the budget. Since the e-mail arrived at 1:00 p.m., 3 ½ hours before our Council meeting and one of the busiest days of the week with lots of previously scheduled meetings, I did not get to read the e-mail until the following day. (I often get over 200 e-mails per day in my in-box).

### **Do not have an e-mail request for a meeting by reporter**

I have checked with staff in Administration and Finance and no one recalls a reporter waiting for hours at City Hall for me (I wish I had such idle time). While in fact, a reporter may have come to City Hall, since I am generally participating in meetings and plan meetings ahead of time, to better manage my work load, staff probably did suggest that your reporter request a meeting. I believe that was a good suggestion since time is a precious commodity in our fast paced environment. I do not have an e-mail requesting a meeting by your staff. The lack immediate response was not due to lack of transparency but rather due to time constraints for an unplanned meeting with a journalist.

### **Meeting with Whittier Daily News Reporter for 2 ½ hours to discuss City budget**

In my efforts to answer questions regarding the City's budget I reached out to you and your staff and I recently spent about 2 ½ hours meeting with your staff to discuss the City's FY 12-13 budget on July 10, 2012. I felt it was a good meeting and I trust that accurate information will be published about the City's budget. You were also invited to City Hall, by me as well as Councilman Molinari to review our budget and financial records. You have not responded to our invitation but perhaps you are as busy as I am.

Let's get the facts accurate – Corrections to Whittier Daily News statements ( statements in italics, facts in bold):

*“Just last year, after all, the city budget was \$3 million in the red.”*

**This is an incorrect statement. The City’s budget for fiscal year 2011-12 called for a surplus of approximately \$434,000. The City anticipates exceeding this surplus by at least \$150,000. Perhaps the editorial board was referring to the mid-year review, which projected a \$3 million deficit for the fiscal year 2012-13 fiscal. Perhaps this statement was overlooked during the editing process; however, to a candid reader the statement could cause considerable alarm.**

*“And we sincerely hope that it's not being balanced, as Councilwoman Christina Cortez says, by not taking into account the vast sums of money the city owes to retired employees through pensions, or ignoring the fiscal threats posed by existing lawsuits and redevelopment monies that the city still might be liable for.”*

**The employers’ share of any retirement benefits, including the retiree medical costs are paid for via a special property tax assessment approved by the voters of the City in 1946 and 1976. As for pending lawsuits and redevelopment issues, in our litigious society and legislative raiding of local agency resources, many cities are experiencing the same angst. Montebello is not alone.**

*“As we have reported, private audits and reports from the State Controller's Office slammed the city's spending practices, finding that officials misspent more than \$31 million in redevelopment funds.”*

**The City responded to the SCO’s findings in a letter on file with the SCO’s office approximately one year ago. A copy can be found at the City’s website under announcements. The quoted \$31 million is not correct and facts and circumstances were taken out of context, perhaps for other reasons?**

*“Audits also found that the city for years has indeed failed to set aside money for retirees' medical coverage.”*

**There were no findings related to retiree medical coverage.**

*“If the revenue side of the budget is in fact balanced, as Cortez also claims, with hyper-inflated notions of how much in tax the city will take in as the economy recovers, well, welcome to the club-that’s how Gov. Jerry Brown and the Legislature balance the state budget, after all.”*

**Revenues are determined from historical trends as well as current and future economic factors, where applicable. The City also relies on independent experts in the sales and property tax fields to assist in determining revenues included in the budget. The ‘News’ can rest assured that the individuals who put together the City’s budget were not on the staff of the Governor or the Legislature.**

## **Conclusion**

About a year ago, the City was on credit watch by the rating agencies. However, this is no longer the case. As you may know, the City issued a \$2.5 million Tax Revenue Anticipate Note (TRAN) which has been fully repaid. The City could not have accomplished this if the City had not been able to demonstrate fiscal stability and credit worthiness. Please review Market Watch article (12/12/11) “Montebello Continues Stabilizing Financial Footing” and Moody’s write up (11/2/11) “City’s new policies are improving financial outlook”. While we cannot predict the speed of economic recovery for our City, our cash position is better and the City has no plans to do another TRAN this new fiscal year. We are striving to restore the reserve balances, despite the various challenges.

While I do understand the need for journalistic expression, I respectfully request responsible journalism where both sides of the story can be told. Again, lack of availability due to demanding work schedule does not constitute lack of transparency. I trust that you would agree.

Cordially,

Francesca Tucker-Schuyler  
Interim City Administrator/Director of Finance  
City of Montebello  
July 21, 2012