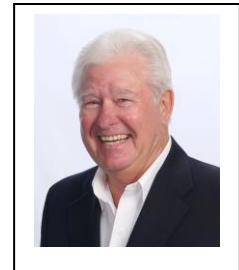


# FACT CHECKS

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The complete set of fourteen columns is on the website, [www.BillUllery.com](http://www.BillUllery.com) and include active Internet links. The links will allow you to do your own research and fact-checks. This complete set will also be available shortly as an insert to the White Sheet and the Today's News Herald serving about 16,000 sites and 30,000+ people.

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## Fact Check #1

# Nexsen's session at Schlotzky's<sup>©2013</sup>

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By Dr Bill Ullery<sup>©1990</sup>

**Nexsen's informal chat session at [Schlotzky's](#)** by Greg Moberly, Today's News-Herald, December 7, 2013. Quote; *"The city doesn't give away city funds to attract business, Nexsen said." "(Ullery) in paid political ads that the city has given away \$25 million to big corporate entities (to attract their business) is absolutely false."* Nexsen said. *"We don't do any of that."*

### These news articles cover the facts!

**Council approves \$220k tax break for [Hobby Lobby](#)** by Nathan Bruttell, Today's New-Herald, February 23, 2011. Quote; *"The City Council approved a development agreement Tuesday night that could provide about \$220,000 in tax incentives..." "Mayor Mark Nexsen said he was pleased the city could offer incentives for the redevelopment."*

**Incentives help bring in competing [businesses](#)** by Michael Hays, Today's New-Herald, January 30, 2007. Quote; *"Lake Havasu City is reimbursing Wolford Development - the mall developer - more than \$11.9 million in construction costs. The city also waived its right to collect \$2.7 million from the Centre Mall owners..." "Last Tuesday, Lake Havasu City Council approved a deal with North Havasu Holdings llc, to bring an auto mall anchored by Anderson Toyota into town. This deal requires the city to reimburse the developer just over \$3.9 million for anticipated improvements to infrastructure at the site."*

**City to ensure needs met, plan a [rainy-day-fund](#)** by Michael Hayes, Today's New-Herald, April 10, 2007. Quote; *"Paying for city improvements and outlining options for developer incentives are two aspects of a policy being presented to City Council tonight." "Developer incentives listed include: improvement districts, tax credits, reimbursement or waiver of certain fees, economic incentive zones and reimbursements for off-site improvements in exchange for collected sales taxes."*

**Banning Public Subsidies for [Big Retailers](#)**, Dec 1, 2008, [www.ilsr.org](http://www.ilsr.org) Quote; *"These subsidies distort competition and undermine locally owned businesses, which are rarely given any sort of tax break or special deal. Instead, they often see their tax dollars used to subsidize their biggest competitors. Government officials often justify these deals on the basis of job creation and economic growth, but studies indicate that subsidizing retail development does more economic harm than good."*

### Summary:

1) North Havasu Holdings for an auto mall requiring the city to reimburse the developer just over \$3.9 million for anticipated improvements to infrastructure at the site. 2) LHC reimbursed Wolford Development - the mall developer - more than \$11.9 million in construction costs. The city also allegedly waived its right to collect \$2.7 million from the Centre Mall owners due to projected tax revenues from the development being more than what was due under the current agreement for improvements made in the area. 3) Home Depot - This deal called for paying the company 50 percent of offsite improvements. The total amount paid by the city was \$317,000. 4) The Lowe's agreement included reimbursement of offsite infrastructure improvements at \$524,200 and tax rebates adding up to \$930,150. 5) LHC reimbursed North Havasu Holdings up to \$3,983,197 for materials, construction and other costs related to infrastructure improvements such as water and sewer, electrical service and roadways. 6) The city reimbursed Bradley Chevy for various improvements along H95. 7) The city gave a \$224k tax break to Hobby Lobby. **\$25 million and counting. Could that money have had an impact on sewer rates and fees?**

### Voter Initiative (petitions available at the Swap Meet):

*"By an initiative measure, based on the legislative language of ARS 42-6010, be it enacted by the people of Lake Havasu City, Arizona: Lake Havasu City within its boundaries shall not offer or provide a municipal tax incentive to a business entity as an inducement or in exchange for locating or relocating a retail business facility in the city. This section shall cease to be effective upon the repayment of all sewer bonds heretofore issued by the city."* [LHC-13-119-INT](#)

This initiative must have petitions with over 5,000 valid signatures of Lake Havasu City registered voters. It'll take a small army of volunteers to get it done.

I need your help with this effort. To volunteer, please contact me: Email [dbu@dbuhomes.com](mailto:dbu@dbuhomes.com) Cell 928.716.3014.

## Fact Check #2

# Municipal tax breaks are illegal<sup>©2013</sup>

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By Dr Bill Ullery<sup>©1990</sup>

### **Council gave \$25 million in tax breaks:**

Quote from mayor Nexsen 12/10/13; *“Once again false. In accordance with AZ law the City has development agreements with new businesses that bring jobs to our town. In addition those businesses pay for new public infrastructure (water lines, sewer lines, roads, etc.) that is then deeded to the City. The agreements permit them to reimburse themselves if and when those businesses generate new sales tax dollars. **The taxpayer never advances a single penny.**”* Yup...Nexsen wrote that just a few weeks ago.

### **Fact:**

Today’s New-Herald, [April 19, 2007](#). Quote; *“Paying for city improvements and outlining options for developer incentives are two aspects of a policy being presented to City Council tonight.”* *“Developer incentives listed include: improvement districts, tax credits, reimbursement or waiver of certain fees, economic incentive zones and reimbursements for off-site improvements in exchange for collected sales taxes.”*

Today’s New-Herald, [February 23, 2011](#). Quote; *“The City Council approved a development agreement Tuesday night that could provide about \$220,000 in tax incentives...”* *“Mayor Mark Nexsen said he was pleased the city could offer incentives for the redevelopment.”* The “development” was essentially renovation of the interior of an existing building.

### **Spin:**

Are sales taxes not [public funds](#)? Or, is it Nexsen’s contention they are somehow under the care, custody and control of the corporate entity paying the tax? If they are not taxpayer funds (more appropriately referred to as “public funds”), why are they paid to the city in the first place...only to be rebated back?

Sales tax paid to the city goes into the city's general fund. Which is where in past years, the city took the money from to pay the city's \$5 million annual contribution to reduce the sewer debt service. Nexsen terminated that sewer project Rate Stabilization Reserve contribution!

Nexsen does a form of acute dissembling...a false or misleading appearance to conceal the truth. A sales tax rebate is a subsidy just like a rose is a rose by any other name. Giving taxpayer funds to developers is illegal in Arizona and that’s why we don’t want the city doing it. (See Arizona Supreme Court, [Turken v. Gordon](#).)

### **Conclusions:**

Research proves that corporate retail tax subsidies distort competition and undermine locally owned small businesses, which are rarely given any sort of tax break. Elected officials justify these deals as job creation for economic growth. But, there are studies that prove subsidizing retail development does more economic harm than good! Just look at the shuttered stores about Havasu.

Following a huge uproar in the Valley over such practices, the legislature in 2007 outlawed [public subsidies](#) and retail tax incentives for Maricopa County; see [A.R.S. § 42-6010](#). A few weeks ago, I filed a voter initiative to adopt that legislation here in Havasu. My intent is to take the issue to the Havasu voters in November 2014.

This initiative must have petitions with over 5,000 valid signatures of Lake Havasu City registered voters. It’ll take a small army of volunteers to get it done.

[I need your help](#) with this effort. To volunteer, please contact me: Email [dbu@dbuhomes.com](mailto:dbu@dbuhomes.com) Cell 928.716.3014. **I need your help!**

## Fact Check #3

# Sewer rate increase<sup>©2013</sup>

(Click on the active Internet links for source documents.)

By Dr Bill Ullery<sup>©1990</sup>

### **This is false:**

Yup...*"This is false."* Mayor Nexsen wrote that just a few days ago to repudiate the claim of a pending sewer fee increase. And he also wrote; "...a vote to *"do nothing"* never occurred! We are working on solid solutions..." Mayor Nexsen has also repeatedly claimed that, *"There was never a plan to raise sewer rates."* Well...it's time for some fact-checks!

### **Fact...Duped and hoodwinked:**

Amazingly, from the minutes of the 2-19-13 [city council meeting](#), *"Mr. Cassens said essentially the City has settled on; 1) Do nothing, leave rates as they are."* And 5) *"Refinance debt pushing payments over longer period of time..."* But, Nexsen just wrote; "...a vote to do nothing never occurred." Cassens then continued...quote; "... in the future, to keep the fund healthy, the City will need to implement a **sewer rate increase in the three percent range**." Check for yourself, the minutes of the city council meeting on 2-19-13. You know as well as I that Nexsen runs city hall with an iron fist. Cassens never says anything in a council meeting not specifically managed by Nexsen.

A few months later, [Fitch Ratings](#) in a 7-19-13 press release on Lake Havasu City's wastewater bonds, stated that our *"rates will increase 6.2% in FY 2014."* That information came from a city financial report and city staff.

Then, we saw a City Manager's email dated 12-17-13, quote; *"In the absence of viable alternatives, rates would need to rise slightly in order to comply with bond covenants; however, no rate increases are in the works right now because we are confident that our efforts to restructure our loans will successfully offset that necessity."* As though there was never a plan to raise sewer rates? Or, restructuring sewer bonds from 20-30 years to 40-years is a fait accompli?

Who can you trust for the facts? The City Manager? Mayor Nexsen? Or, Fitch Ratings?

Yup...the mayor's seat and that of three council members are up for election on November 4, 2014. Will they give us the good news on the day after that November election? Can you trust these politicians to give you the straight-up facts?

### **We are working on solid solutions!:**

Yup...that's another Nexsen quote of just a few days ago. *"We are working on solid solutions..."* That was also the big news from Nexsen and city manager Cassens on October 4. They went to Washington to try to stretch out sewer debt repayment over 40 years with federal help. See Today's News-Herald 10-5-13, [Nexsen and stretching sewer debt to 40 years](#).

After that news hit the front page of our local rag, Jack J in an email wrote; *"Just a few weeks ago, it didn't take Obama's people but three days to refuse Brewer's request for emergency funding for the Yarnell fire disaster. And with Havasu being a hot-bed of Tea Partyers trying to impeach Obama and close the government over Obama-Care, you can bet they wouldn't send Nexsen a bucket of warm spit if the entire town was on fire. Does Nexsen really think Havasu folks are that dumb...to think Obama is going help him fix our ugly sewer system debt?"*

Nancy D wrote; *"Good heavens...40 years means in my lifetime, I'll never be free of the debt of this crazy sewer system! My daughter, who'll get my house, will be thrilled with the fact that we saddled our kids with our stupid sewer debt."*

And Richard G wrote; *"Surely everyone is aware of U.S. Rep. Raul Grijalva, from Tucson. He's a died-in-the-wool, national level ultra-liberal Democrat. (Nexsen gave him a \$750 campaign contribution.) I think Nexsen is leading LHC towards an example best exemplified by big government in Washington with piling debt on the backs of future generations. His proposal to bury Havasu in 40-year sewer bonds is scandalous. Take a look at this and maybe you can understand his infatuation with big-government Democratic ideas."*

Hmm... Nexsen claims to be a Tea Party conservative and belongs to all the local Republican clubs. But...he gave a \$750 campaign contribution to *"ultra-liberal"* Grijalva? Can you believe anything Nexsen says? Like...*"...a vote to "do nothing"* never occurred?

### **Let the tax payers vote on the issues:**

The city has prohibited my four proposed initiatives on sewer fee issues from going to the taxpayers in November 2014. But, I'm not quitting and I'll take those rejections to court. That case should be filed shortly. Why did Nexsen prohibit my four major sewer fee issues from going to the voters next November 2014? Is it because he's running for a third term as mayor?

I need your help with this effort. To volunteer, please contact me: Email [dbu@dbuhomes.com](mailto:dbu@dbuhomes.com) Cell 928.716.3014.

# Fact Check #4

## \$5 million Sewer Rate Stabilization Fund<sup>©2013</sup>

(Click on the active Internet links for source documents.)

By Dr Bill Ullery<sup>©1990</sup>

### Yes...the sewer rate stabilization reserve fund was discontinued:

Following are quotes from Nexsen's new [Straight Talk](#) brochure, "*The (sewer) reserve fund was discontinued.*" Yes, that's true.

"*No reserve was ever required.*" Hmmm...that's a flat-out lie. Folks...I put Nexsen's [Straight Talk](#) brochure on my website to help you do your own fact-checks.

### Let's start some fact-checks:

From the minutes of the [3-16-10 city council work session](#); It was mayor Nexsen who discontinued the annual contribution to that sewer reserve fund when he directed city staff do a plan that did not transfer money to the reserve (Sewer Rate Stabilization Fund).

More facts from the city's [2009 Wastewater Financial Report](#); Quote; "...the City (previously) adopted a Sewer Rate Stabilization Fund. This required \$5.0 million to be reserved to maintain a fund balance in the Wastewater Fund that will factor into calculations of future rate increases with the intent to stabilize rates and prevent unfavorable fluctuations for utility customers.

In plain English, the fund was established years ago to prevent sewer rate increases! And yes, it was "**required**" by all previous city administrations.

### Why did Nexsen discontinue the contribution?

From the [2010 Financial Report](#); Quote; "*Capital grants and contributions decreased \$3.4 million (48.2 percent) in fiscal year 2009-10 due to the dedication of infrastructure in the amount of \$2.8 million from North Havasu Holdings, LLC, the mall developers, in fiscal year 2008-09.*"

In plain English, the budget shortfall was caused in part, by the reduction of projected sales tax revenue...from the mall developers! Remember...the corporate tax incentives and rebates?

### More facts:

[Fitch Ratings](#) (a world class service to bond investors and financial professionals) in a July 19, 2013 press release on Lake Havasu City's wastewater bonds, stated; "*Historically, the city has made sizable transfers to the system of about \$5 million annually.*" "*As previously expected, system operations are pressured due to the debt related to the project, but remain adequate with the support of the city's general fund and the established rate stabilization fund (RSF).*" "...city cash contributions to the system have been sizeable, lessening the direct impact to ratepayers."

In plain English, according to [Fitch Ratings](#), that rate stabilization fund with money from the city's general fund, helps reduce or prevent sewer rate increases!

**Or, if properly managed, we might even be able to lower the sewer rates! So, why not double the fund?** In short, \$10 million per year from the general fund?

[Fitch Ratings](#) concluded; "*The RSF was initially funded with \$5 million from the system's revenue fund and may be swept and used for system purposes, but **must be replenished** from city general fund contributions annually.*"

### But, where did that "swept" \$5 million go?

How about a \$1/4 million no-bid contract to clean beach dirt at Rotary Park? What about the new city parking lot on Mesquite, the new parking lot and sign at Rotary Park, the skate facility, and other recent high-profile city expenditures?

Why did Nexsen discontinue the annual contribution to the Sewer Rate Stabilization Fund? Why did he divert some of that money to other projects? Well...Nexsen is running a re-election campaign for mayor with backing from some wealthy elites.

### Stopped dead:

I applied for a voter initiative to force mayor Nexsen and the council to restore the annual contribution to the sewer stabilization fund. But, they stopped that initiative to keep it off the 2014 ballot!

I need your help with this effort. Sign a petition at our Swap Meet booth, become a volunteer. Please email me; [dbu@dbuhomes.com](mailto:dbu@dbuhomes.com)  
Or, call me at 928.716.3014.

## Fact Check #5

# Myths on recall elections and changes of city leaders<sup>©2013</sup>

(Click on the active Internet links for source documents.)

By Dr Bill Ullery<sup>©1990</sup>

### **Political turmoil according to Nexsen:**

Nexsen quote 12/10/13; “*Our citizens understand that if we are to bring in new investment to our town, it will not happen without a City Council that can work together for the common good of the community and without private agendas. We saw the devastating impact on our City just a few years ago when there was so much local political turmoil and personal agendas.*”

Clearly this was in reference to the former administration and the [total recall](#) election of a clean sweep for the challengers in early 2005. And yes, Havasu loves [recalls](#). The city’s first election was in 1981 and the first recall election was in 1982. There was another recall in 1989 and another in 1993. So, three recall elections in the first fifteen years of the incorporation of the city and another in 2005.

### **Research the facts:**

I did some research to see just what was “*the devastating impact on our City*” and the “*political turmoil*” of the recall and changes in 2005.

The questions I researched were; Did the 2005 recall and changes in the position of mayor and council members, have any negative impacts on the economy of Havasu, sales tax revenues, population growth, numbers of building permits (commercial and residential), dollar value of those permits, unemployment rates, numbers of people employed, per capita income, and other key economic demographic bench marks?

With most of 2005 and the start of 2006, Havasu was booming. All of the key economic indicators were awesome. So much for “*the devastating impact on our City.*”

What about the “*political turmoil*”? Well...the incumbent mayor lost in a landslide. You can bet with a spanking of that magnitude, there was some turmoil. Only a few people (losers) are still griping about that recall.

### **Conclusions:**

1. To improve the economy of Havasu, start a recall election.
2. If an incumbent can draw only 26% of the vote on election night, 2014 might be a good year for a challenge to Nexsen. Which he will see as having a “*devastating impact on our City*” and for sure, a cause of “*political turmoil.*”

I’d like to hear your opinions on such subjects and I need your help. Please contact me: Email [dbu@dbuhomes.com](mailto:dbu@dbuhomes.com) Cell 928.716.3014

For Fact Check #6, go to [www.BillUllery.com](http://www.BillUllery.com)

## Fact Check #7

# City increases property tax<sup>©2013</sup>

(Click on the active Internet links for source documents.)

By Dr Bill Ullery<sup>©1990</sup>

### **Straight Talk!**

Following is a quote from Nexsen's new [Straight Talk](#) brochure, "*City property taxes were lowered by \$1 million in the middle of the Great Recession.*" Meaning of course that Nexsen and his council cut taxes. Folks...I put Nexsen's [Straight Talk](#) brochure on my website to help you do your own fact-checks.

### **Research the facts:**

I did some research to see just what all this tax-cut braggadocio was about. Let's start with a news article on a recent city council meeting... [Council](#), By Greg Moberly, Today's News-Herald, Wednesday, July 10, 2013. "*In other business, council members approved **increasing** the property tax levy from \$0.7332 per \$100 of assessed value to \$0.7381 for the 2013-2014 fiscal year. That tallies out to about \$4.2 million levy for fiscal year 2013-2014.*" Here's the link to those [council meeting minutes](#) for your enjoyment.

In a nutshell, as your property values went down your property taxes should also have gone down. But, Nexsen and his city council cronies needed the tax revenues for their "*special*" projects. So, they raised the rate!

### **What kind of "special" projects did they need the extra tax revenue for?**

How about a \$1/4 million no-bid contract to clean beach dirt at Rotary Park? What about the new city parking lot on Mesquite? What about the two new parking lots, entry, signage, and skate facility at Rotary Park? And other recent high-profile city expenditures such as tax incentives offered to the Olive Garden?

**Why?** Well...Nexsen is running for re-election for a 3<sup>rd</sup> term as mayor with backing from some wealthy elites. Three council members are also up for re-election in 2014. Don Callahan was helping with Nexsen's Swap Meet booth. (Don wants to be mayor after Nexsen is done with us.) Hmm...they wouldn't get "*political*" with this stuff...would they?

### **Conclusion:**

What comes to mind as we think about this mess? How about... *God giveth and Satan taketh! Praise God.* Job 1:21. Or, this might also fit; *In politics, stupidity is not a handicap.* Napoleon Bonaparte

On a serious note, in any community with an entrenched political [oligarchy](#) based on [patronage](#), you get a *corrupted government* where power rests with a small clique of the friends and relatives of the leader. Such structures are always detrimental to progress, prosperity, and good government.

This email was sent to about 1,600 people. The entire set is on my website; [www.BillUllery.com](http://www.BillUllery.com). All of the articles will be published in the Today's News Herald and the White Sheet starting in January.

I'd like to hear your opinions on such subjects and I need your help. Please contact me: Email [dbu@dbuhomes.com](mailto:dbu@dbuhomes.com) Cell 928.716.3014

## Fact Check #8

# Let the people vote! ©2013

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By Dr Bill Ullery©1990

### **Is that relentless Dr Bill getting aggressive?**

Would it be political to give the electorate a real say...like a vote...in some very important issues facing our town? How about doing it in the November 2014 general election?

But, will the city as it did with my two voter initiatives last month, hire Phoenix attorneys to stop me? The answer is yes. In a letter dated 10-23-13 from the city, "*This office has no choice but to refuse to accept the applications submitted for initiative petition serial numbers.*" In short, the city won't allow me to take these issues (#2 & #3 below) directly to the voters!

And, just who is the city? It's mayor Nexsen who rules city hall with total dominance. And, city employees who are completely under Nexsen's thumb. And, it's the city attorney who instructed the city clerk to write the letter. Yup...they made a clerk write the letter!

But, I have an exceptional attorney right here in Havasu. And, we did expect city challenges with the following voter initiatives. And yes, we do expect to duke it out in court to get these issues on the ballot for November 2014. I'll need a small army of volunteers to help get it done.

### **#1 An initiative measure to prohibit tax incentives for big corporations**

It's about the over **\$25 million** our city gave in corporate tax incentives for big-box stores and shopping centers. Research proves that corporate retail tax subsidies distort competition and undermine locally owned small businesses, which are rarely given any sort of tax break. There are studies that prove subsidizing retail development does more economic harm than good! Just look at the shuttered stores about Havasu.

Following a huge uproar in the Valley over such practices, the legislature in 2007 outlawed retail tax incentives for Maricopa County; see [A.R.S. § 42-6010](#). I have filed a similar initiative and it is on my website, [www.BillUllery.com](http://www.BillUllery.com)

### **#2 An initiative to force the city to restore \$5 million annually to the sewer fund**

Leading up to the 2001 sewer bond, the city promised a \$5 million annual contribution to the wastewater project from the general property tax levy and water enterprise fund. Somehow, it disappeared recently in the budgeting process! Where did the money go? What about the nearly \$1/4 million no-bid contract recently awarded by the mayor to a Phoenix contractor to sift stones from Rotary Park beach dirt? What about the over **\$25 million** by the city in corporate tax incentives for big-box stores and shopping centers? What about the Mesquite property recently purchased for parking that might be need sometime in the future? **I want that \$5 million restored. But, it will take a lawsuit to get it before the voters in November 2014.**

### **#3 An initiative to force the city to stop the stupid sewer fee tied to water usage**

The city's Phoenix attorneys stopped my previous attempt at this change. But, my attorney Harvey Jackson may have a different way to attack this road-block. His letter of response is on my website and has been given to the media.

This is crazy...the hottest city in the country in the middle of the desert and the city wants to keep sewer rates tied to water usage? And, they like it to a point of thinking a sewer rate increase is justified?

And there's more crazy stuff...like Nexsen wants to refinance your current 20-year bonds...some of which are 2% interest...with 40-year 3% bonds? A \$60 million hike in the debt?

### **What can you do?**

With my attorney, I'll go to [court](#) to get my initiatives #2 and #3 on the November ballot. But, I can't do this alone.

Each of these three initiatives must have petitions with over 6,000 valid signatures of Lake Havasu City registered voters. It'll take a small army of volunteers to get it done.

I need your help with a **stop the corruption** effort.

To volunteer, please contact me: Email [dbu@dbuhomes.com](mailto:dbu@dbuhomes.com) Cell 928.716.3014



## Fact Check #9

# Why should government bother with bids? ©2013

(Click on the active Internet links for source documents.)

By Dr Bill Ullery©1990

### ***Why bother with bids?***

Simply Google; [contract and procurement fraud in government](#). You'll find a mountain of information and examples of why there are laws for every level of government on bidding work, services, purchases, and contracts in general. Yes, bidding is required by law and there are only a few exceptions. Why is it the law?

1. Proper bidding saves the taxpayers money.
2. Proper bidding helps prevent fraud such as; bid rigging, price fixing, collusion, bid suppression, complementary bidding (also known as cover bidding or courtesy bidding), bid rotation, phantom bids, buy-back bids, phantom auctions, etc.
3. Prevent elected and appointed officials from making stupid decisions.

### ***Sorry history***

Why is government bidding such a controversial topic when taxpayer money is spent without bids? First and foremost, taxpayers tend to watch the government purse strings rather closely. Particularly the larger expenditures. Because the taxpayers are watching, the media tends to cover the budgets and purchasing activity of government in considerable detail.

Secondly, a sorry history of corruption and fraudulent contract and procurement activity at every level of government gives cause for skepticism, cynicism, and criticism anytime the bidding process is subverted or avoided. Even the appearance of contract and procurement wrongdoing is unsettling to taxpayers because of the history of fraud.

Thirdly, griping about the government and its spending practices is an American tradition. It's as American as apple pie.

### ***The 12 red flags of contract and procurement fraud:*** (see [www.Fraud-Magazine.com](http://www.Fraud-Magazine.com))

1. Repeated awards to the same entity.
2. Competitive bidder complaints and protests.
3. Complaints about quality and quantity.
4. Multiple contracts awarded below the competitive threshold.
5. Abnormal bid patterns.
6. Agent fees.
7. Questionable bidder.
8. Awards to non-lowest bidder.
9. Contract scope changes.
10. Numerous post-award contract change orders.
11. Urgent need or sole source.
12. Questionable minority/disabled ownership.

The [Fraud Magazine](#) has an excellent detailed review of each their twelve flags on contract and procurement fraud.

### ***My recommendations***

Complain, audit, investigate, litigate, write and publish, and as a last resort, simply vote out the bums. If you have information to share and can add to the discussion, please do email me at; [dbu@dbuhomes.com](mailto:dbu@dbuhomes.com)

For Fact Check #10, go to [www.BillUllery.com](http://www.BillUllery.com)

## Fact Check #11

# Is it a tax or a fee? ©2013

(Click on the active Internet links for source documents.)

By Dr Bill Ullery©1990

### **Why politicians avoid the word "tax"**

If it were up to politicians, few things would ever be called "taxes." The reason is simple...loose definitions such as "fees" deprives taxpayers normal avenues of corrective action.

Taxes produce revenue for government programs. And, Havasu's sewer system is a government program. Moreover, taxes like death are unavoidable. If you are connected to the sewer system, you must pay.

Because American dislike of taxes is so deeply rooted in our nation's politics, lawmakers often seek to raise revenue in ways to avoid the "tax hiker" label even if it requires calling an obvious tax a "fee." That's what's happening here.

These shell games undermine transparency by making it harder for citizens to understand the cost of government. More importantly, the politicians can delegate the setting of fees to their bureaucrats. Which is a big problem if citizens want to stop or change a fee.

### **Who has the power to set fees in Havasu?**

Check the city website for [code](#) §3.20.030. A. *The City Manager is hereby authorized to adjust fees and charges by operating policies and procedures to implement the policies for percentage recovery of defined reasonable costs to provide the regulations, products or services outlined in §3.20.040.*

The city manager can raise your sewer fees! Heck, he can raise any and all of the other fees noted in that section of local code.

Why? Because, setting and adjusting fees is not a legislative act and voters can't directly interfere with such governmental administrative actions. That's why politicians like fees and avoid the "tax hiker" label even if it requires calling an obvious tax a "fee." That's what's happening here.

### **What rights do you have as a voter to cause a change in fees?**

None! You can't vote on it! You can't stop it! You can't change it! You have no right of direct intervention!

For example, on September 11, 2013, the city in a letter to me, refused to accept my two initiative petitions for verification of signatures and refused to put the two measures on the ballot; *"Firstly, the act to be initiated or referred for a vote of the people must be "legislative" in nature as defined in the court opinion in this area of law. Administrative, quasi-judicial or other matters of actions of a non-legislative nature that are or may be taken by local government, may not be passed under the power of the initiative or referred to the ballot by referendum. This holds true regardless of what may be the perceive importance of the matter or the level of public interest in the subject."*

### **Do we have options?**

You betcha! (I got that from a Sara Palin speech.) The elected officials must face the music sooner or later. In short, elections have consequences.

But, I also have a quarter century history here in Mohave County with attorneys and lawsuits in pressing local government on issues of corruption, malfeasance, and stupid stuff in general. Stay tuned...

Is this getting political? Nah...it's just Dr Bill being Bill. But, I must admit, I'm thinking about doing some really patriotic stuff!

## Fact Check #12

# Why not ask the taxpayers? ©2013

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By Dr Bill Ullery©1990

### Why not ask them?

Last spring I initiated a series of surveys to help me focus my contributions (work and investments) in the areas of economic development and government policy at the local level. I picked a Phoenix polling firm that used a 6,000 Lake Havasu City voter demographic because it produces highly reliable data in predicting elections, measuring civic issues, and tracking public opinions.

I chose polling methodologies based on the science of [inferential statistics](#). A few years ago, as a researcher at the [University of Illinois](#) and as a Senior Research Scientist with the [American Institutes for Research](#) in Harvard Square, Cambridge, I gained considerable experience in these methods. For my Havasu projects, my goal was a 3% +/- error rate on the items being measured. I started with the sewer project as it was the largest municipal bond vote in the history of Arizona. For a small town, it was and still is a big deal.

### Sewer fee options are still not resolved

By an overwhelming majority, 91% of my surveyed Havasu voters agreed that changes must be made to the current sewer fee system. I found that to be an amazing level of response considering most opinion polls see splits in the range of 51-49%. A 60-40 split would be a land slide. 91% is huge on any civic or public opinion issue.

Moreover, 73% of our respondents voted for a “sewer flat-rate” not tied to water usage. 70% voted for multiple methods of fees and taxes to reduce monthly sewer fees. 67% wanted everyone including those not hooked up to the system, to share the burden of paying for the sewer project. Clearly for any town, such high levels of agreement on any issue are unusual.

The initial fee system has not worked and citizens are irritated as shown in Bob N’s letter to the editor; *“This apparent counter-productive system is regressive, punishing rather than encouraging good stewardship of our resources. This fee structure most certainly is also punitive and a cash cow for the city. You have a leak and the city gets a raise.”*

And, another wrote; *“This is crazy...the hottest city in the country in the middle of the desert and the mayor wants to keep sewer rates tied to water usage?”*

What’s the problem? According to [Fitch Ratings](#), Havasu has a sewer fee and a debt burden nearly double that of a normal town. That’s a problem. But, sewer rates tied to water usage is the bigger problem because it’s hated by nearly everyone.

### Why does our city ignore the will of the people?

Dennis W said in an email, *“It’s about political agendas related to re-election strategies. Or simply arrogance, abuse of power, and control of a multi-million dollar city government.”*

Moreover, in any community with an entrenched political [oligarchy](#) based on [patronage](#), you get a corrupted government where power rests with a small clique of the friends and relatives of the leader. Such structures are always detrimental to progress, prosperity, and good government.

I need help with a “stop the sewer fee tied to water usage” protest.

To volunteer, please contact me: Email [dbu@dbuhomes.com](mailto:dbu@dbuhomes.com) Web [www.BillUllery.com](http://www.BillUllery.com) Cell 928-716-3014.

## Fact Check #13

# Upset the established order, then everything becomes chaos?

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By Dr Bill Ullery©1990

### **Turmoil, devastation, and personal agendas**

A mayor Nexsen quote 12/10/13; “Recently there have been a series of political ads paid for by Mr. Ullery designed once again to bring back the turmoil to our town.” “We saw the devastating impact on our City just a few years ago when there was so much local political turmoil and personal agendas.”

Ok...he calls my articles like this piece, “paid political ads.” And I call them complaining about and criticizing government. It’s a First Amendment right reserved for citizens, taxpayers, dissidents, and [civic activists](#). But, political?

### **Upset the established order?**

A few nights ago as I watched a Batman movie [The Dark Knight](#), I saw in it some scenes of Gotham that reminded me of Havasu.

For example, the [Joker](#) (with a contorted clown-painted face) says in one famous and awesome scene, “If you introduce a little anarchy, upset the established order, then everything becomes chaos.” Scared me... But, it was an Academy Award winning performance. Of course, the established order was city government.

And yes, Nexsen thinks that civic activist Ullery is out to create *turmoil* and *devastation*. But, that’s how Nexsen characterizes any criticism of his decisions, policies, and his form of city government...which is an [oligarchy](#). For sure, it’s the Havasu version of the “established order.”

But, I’ve got news for Nexsen. This ain’t Gotham and criticizing the mayor and city hall might surely upset the established order, but doing so won’t introduce anarchy, chaos, turmoil, and devastation. Good heavens! Dr Bill can do all that?

Heck, griping about government is as American as apple pie. And, when has a “throw out the bums” 140-year philosophy of civics, been anything but the path to better government?

The way I see it, upsetting Havasu’s established order means exposing Nexsen’s form of political [patronage](#). Opening that can of worms, exposes the chaos you get from a corrupted government where power of the established order rests with a small [clique](#) of the friends and relatives of the leader. That’s an [oligarchy](#). Such structures by definition are always detrimental to the progress and prosperity you can get from good government.

### **How did it happen?**

The headline in Today’s News-Herald 5/27/12 editorial page headline; [Nyberg-Borrelli shut out city voters](#), “With their resignations, one-third of the council will be filled with members who are accountable, not to the public, but to other council members who appointed them.”

How did Nexsen and his cronies fill the two seats? See Today’s News-Herald 2/28/13 headline; [City violates open meeting laws in 3 instances, state says](#). This was the first such Attorney General citation against Havasu officials in the history of our city! And it was about those council appointments. Imagine that...secretly elected to city council seats, each by two votes. And illegal votes at that.

Who got appointed? Two Chamber of Commerce insiders (Coke and Alger) who were fiends of mayor Nexsen’s wife, who was president of the Chamber board. And of course, his wife’s business partner [Brister](#) is now on the council.

No mayor in the history of our little berg has ever amassed such political power over city hall or had so many personal agendas with special interest groups. The [general law city](#) statutes allow that concentration of political power. The only solution is a [charter](#) ...a real [constitution](#).

I’d like to hear your opinions on such subjects and I need your help. Please contact me: Email; [dbu@dbuhomes.com](mailto:dbu@dbuhomes.com) Cell; 928.716.3014

# Why bother? ©2013

By Dr Bill Ullery ©1990

## *Why bother?*

Why should I bother with surveys of the issues and priorities of a key block of voters in Lake Havasu City? Well...it's kind of complicated.

Like...why did I bother to investigate a former city manager and his city finance director? You remember...the Havasu city official that paid his DUI fine in Kingman with a city credit card? To tackle that project I formed Manager Review, Inc with 120 members and built quite a large website to expose all the evidence.

Like...why did I bother to investigate the county and file a series of lawsuits? You remember...the open meeting law violations with the new county admin building in downtown Kingman? And, the study that advocated expanding and concentrating county government in downtown Kingman as a way to rejuvenate that area? Yup...and with our tax dollars!

Like...why did I bother to investigate that county college and file an ugly RICO lawsuit? (Racketeer Influenced and Corrupt Organizations laws.) That was the college with an 18-year track record of open meeting law violations. And, the group that took trips with spouses to Hawaii and other popular vacation spots...expenses paid with public monies. Yup...that bothered me.

Like...some of my more positive efforts to create HFHE and bring a university to our town. At least my wife and daughter thought those years of work (and a lot of DBU funds) were a better reflection of my personal commitment to public service.

So, *Why bother?* Yes...it's kind of complicated. But, it's what I do.

## *Understanding my town*

I wanted the results of scientific polling because I wasn't sure that the information I was getting from news reports and minutes of city council activities were representative of the priorities of the voters.

Granted, a poll of 6,000 voters (actually a stratified sub-set of voters...voters that vote in every election), might not be representative of all Havasu citizens. Such as young people, visitors, short-term renters, property owners that vote elsewhere, residents that do not vote, etc. Still, the group we polled has a lot of influence on our community

## *We can share*

The survey results were such that I wanted to share some of the data and my impressions of that data with my friends and other residents of Havasu. So, over the next four days, I'll publish the results of my research and share some of my insights, one column each day.

Column #3 will be in this same space tomorrow. I'll summarize the sewer rate forums conducted by the city council and staff.

I'd like to hear your opinions on such subjects and I need your help. Please contact me: Email; dbu@dbuhomes.com Cell; 928.716.3014