



***MINUTES OF THE MEETING OF
Wednesday April 7, 2010***

The Sacramento Local Agency Formation Commission met the seventh day of April 2010, at 5:30 P.M. in Board Chambers of the Sacramento County Administration Center, 700 H Street, Sacramento, California 95814.

PRESENT:

Commissioners:

Steve Cohn, Chair
Christopher Tooker, Vice Chair
Charles Rose
Linda Budge
Susan Peters
Jimmie Yee
Gay Jones

Alternate Commissioners:

Leo Fassler
Jerry Fox

Staff:

Peter Brundage, Executive Officer
Donald Lockhart, Assistant Executive Officer
Diane Thorpe, Commission Clerk
Jennifer Gore, Commission Counsel

PUBLIC COMMENT FROM THE FLOOR

No public comment.

CONSENT CALENDAR

1. Approve the Meeting Minutes of March 3, 2010
2. Claims dated thru March 31, 2010
Motion: To approve the Consent Calendar
Moved: Commissioner Yee
Second: Commissioner Tooker
Passed: Unanimous

PUBLIC HEARINGS

3. Proposed Arden Arcade Incorporation (LAFC 03-07) (CEQA - DEIR SCH NO. 2007102114)
 - A. Presentation of Public Review Draft Comprehensive Fiscal Analysis
 - B. Discussion of Policy Considerations
 - C. ScheduleNo action taken.

BUSINESS ITEMS

4. Fiscal Year 2010-11 Preliminary Proposed Budget

REPORTS/QUESTIONS/ANNOUNCEMENTS

5. Executive Officer/Staff/Commission Counsel
 - A. Legislative Report
 - B. Work Plan
6. Commission Chair/Commissioners

The meeting adjourned at 7:24 P.M.

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

A handwritten signature in black ink that reads "Diane Thorpe". The signature is written in a cursive style with a large initial "D" and a long, sweeping underline.

Diane Thorpe
Commission Clerk

Attachment: Closed Caption

Closed Caption: Sacramento LAFCo
April 7, 2010

TEST. FORCE-MAC STATEMENT WE ARE CALLING THE TIMES. AND HOW THE UNITS AND WE BASE THE ULTIMATE GROWTH POTENTIAL BASED ON UNDEVELOPED COUNTY WEBSITE WHICH WAS TO EVERY VACANT PARCEL IN THE AREA. FOR COMMERCIAL WE ALSO [INAUDIBLE] GRADUAL MARKET RECOVERY FOR DEVELOPMENT THAT WAS ASSUMED IN EARLIER YEARS AS A DEVELOPMENT IN THE LATTER YEARS AND AGAIN THIS PROJECTION IS BASED ON THE SAME VACANT PARCEL DATA. SO WE ASSUMED BASED ON THAT THAT THERE'S A HUNDRED AND 77,000 SQUARE FEET OR THEREABOUTS TO BE DEVELOPED AND FOR RETAIL AND 80,000 SQUARE FEET TO BE DEVELOPED FOR OFFICE.

HERE IS THE TABLE OF CURRENT AND POTENTIAL FUTURE SERVICE PROVIDERS. WE BOARDED TOUCHED ON THIS. LETS ANYBODY HAS ANY OTHER QUESTIONS I WILL PUT THIS TABLE AWAY.

HERE I WOULD LIKE TO DISCUSS HOW WE DEVELOPED THE COST. ALL OF THE COST IN THE ANALYSIS ARE BASED ON MAINTAINING THE 15 COUNTY SERVICE LEVELS IN THE CITY. THE COUNTY PROVIDED A LOTS OF DATA AND WE ALSO TOOK A LACK LOOK AT OTHER COMPARABLE CITIES IN THE REGION. AND WE USED THAT DATA TO DEVELOP [INAUDIBLE] AND TOOK A LACK AT WHAT VERBAL SALARY LEVELS AND WE TOOK A LOOK AT THE BENEFIT RATE TO MAKE SURE THAT THEY WERE IN LINE WITH WHAT OTHER CITIES THROUGHOUT THE COUNTY. SOME OF THE CITIES WE USED FOR THE COMPARISON. THEY GIVE PARENTS AND CITY SURVEY .-FULL-STOP, CORDOBA AND CITRUS HEIGHTS WERE THE CITIES THAT WE USED FOR THE COMPARISON IN TERMS OF STAFFING LEVEL. AND THE OTHER CITY WE GET YOU SEE UP THERE AND WE USED FOR SALARY COMPARISON OR SOME OTHER INFORMATION WE TOOK A LOOK AT SOME OF THE OTHER CITIES. SO THE COST.

DID YOU TAKE INTO CONSIDERATION SOME OF THE CITIES AS OPPOSED TO [INAUDIBLE]

IT DEPENDS ON WHAT THE PARTICULAR COST WAS GOOD SAY WE SEATED A SALARY FOR PERMANENT CITY STAFF MEMBERS AND WE WOULD TAKE A LOOK AT THE NEIGHBORING CITIES. OUR FIRM WILL THEN AND I WORK IN THE FINANCIAL SERVICES SIDE WILL PROVIDE CONTRACT SERVICES. SO WE USE THE MOST UP-TO-DATE CONTRACT RATE SCHEDULE WHEN WE ESTIMATED THE CONTRACTOR SERVICES.

WHICH MAKE A POINT HERE WHICH IS IRRELEVANT. OR THE ALTERNATIVE OF HAVING THE CITY OF SACRAMENTO PROVIDE SERVICES. I NOTICED FIRST OF ALL THAT YOU SAID YOU USE THE ASSUMPTION THAT THIS PROPOSAL WOULD BE PROVIDE THE SAME SERVICES ARE RIGHT ABOUT THE COUNTY. ON PAGE THREE OF YOUR REPORT YOU IDENTIFIED EVALUATING THE ANNEXATION TO THE CITY OF SACRAMENTO AS AN ALTERNATIVE THAT WE NEED TO LOOK AT BUT AS I RECALL THIS COMMISSIONS TO HAVE A CONSULTANT LOOK AT THE QUESTION OF WHETHER OR NOT THE SERVICES PROPOSED BY THE GROUP COULD BE MORE EFFICIENTLY AND COST- EFFECTIVELY PROVIDED BY THE CITY OF SACRAMENTO. NOT AS A FULL-SERVICE PROVIDER BUT AS A SELECTIVE SERVICES-UNDER THE CONTRACT PROPOSAL. THAT IS NOT WHAT APPEARS IN THE ANNEXATION ANALYSIS. THEY ASSUME A FULL CITY SERVICE ANNOUNCES. WE HAVE SOME CONFUSION ABOUT SOME OF THE ASSUMPTIONS.

THE ANNEXATION OFFICE WAS BASED UPON PROVIDING THE CURRENT SACRAMENTO CITY LEVEL OF SERVICE IN PER CAPITA.

THAT'S NOT THE LEVEL OF SERVICE AT THE COUNTY PROVIDES OR IS PROPOSING TO PROVIDE.

LET'S COME BACK TO THAT IT SEEMS LIKE THERE'S APPLES AND ORANGES.

ON THE 1-UNDER THE THERE ARE SOME HOLES UNCERTAIN WE DON'T HAVE A REPRESENTATIVE BUT THERE ARE SOME HOLES WHICH I FILL PARTLY BY CONTRACTING AND BY CITY EMPLOYEES.

THIS IS FULL-TIME STAFF. SOAP CONTRACTS WOULD NOT BE AFFECTED.

DEMENTIA COULD DOOR BUT IS NOT ACCURATE.

MY UNDERSTANDING THAT THIS IS ALL FROM THE BUDGET.

BUT EVERYBODY'S BUDGET HAS TO LOOK AT EXPENDITURES FOR THOSE SERVICES. REGARDLESS OF WHERE THE PEOPLE FILLING THEIR POSITION OR COMING FROM.

I WILL TAKE A LOOK AT IT AGAIN. WHEN I GATHERED THE DATA I WAS LOOKING FOR THE FULL-TIME EQUIVALENT CHARTS AND ALL THE INFORMATION BUT IF CONTRACTS WERE INCLUDED IN THOSE IT COULD HAVE BEEN INCLUDED HERE BUT I WILL TAKE A LOOK AT THAT AND MAKE SURE IN THE FINAL DRAFT AND NOTE ACCORDINGLY.

BEFORE WE MOVE ON TO SOME A TRACKING ALL THESE QUESTIONS?

YES. THERE IS THE HEARING-IMPAIRED TRANSCRIPT WHICH IS NOT COMPLETELY ACCURATE. WE JUST NEED TO MAKE SURE THAT WE GET ALL THE QUESTIONS.

MAYBE THAT'S GOOD FOR THE REPORTS CAN COME BACK WITH ALL OF OUR QUESTIONS WRITTEN UP SO THAT WE KNOW THAT THEY GOT ANSWERED.

YOU NEED TO GO AHEAD AND GO THROUGH YOUR SLIDES. >> MOVING ON. THIS IS BASED ON DATA PROVIDED BY THE COUNTY FOR THE COUNTY SHERIFF PROVIDING SERVICES FOR THE NEW CITY ON THE CURRENT LEVEL OF SERVICES. THERE'S 14 MILLION FOR THE FIRST SCENARIO AND 14 HALF-MILLION FOR THE BASE FOR THE SECOND SCENARIO. AND THE COST INCLUDES [INAUDIBLE] HERE IS A COST OR SCENARIO.

ZERO EIGHT NUMBER.

THIS WAS PRE-RECESSION THEN. I TENDED TO FIND IN 08 WHEN THE STOCK MARKET CRASHED. THE NUMBERS WERE GOING DOWN AND THAT'S MY QUESTION IS WHEN YOU SAY IN 2008 STUDY IT REALLY MAKES A DIFFERENCE WHETHER IT WAS JANUARY OR DECEMBER. THE ASSUMPTIONS ARE DIFFERENT BUT ANYWAY I THINK ONE OF THE ISSUES IS THE SENSITIVITY OF THE RESULTS BASED ON A LOWER ASSUMPTION OUT OF CELLS AS WELL AS RETAIL.

AS LONG AS WE ARE ON PROPERTY TAX ADDITIONAL INFORMATION THAT WE COULD USE WOULD BE A FURTHER UNDERSTANDING OF WHAT YOU SAID ABOUT RECALCULATING THE TAX RATE BECAUSE IT SOUNDS --IT SOUNDS LIKE ABOLISHING OF CODE 13. WHY DON'T YOU REPEAT WHAT YOU SAID SO WE CAN REALLY UNDERSTAND WHAT IT WAS YOU SAID ABOUT RECALCULATING THE PROPERTY TAX RATE.

IF YOU HAVE THE REPORT IN FRONT OF YOU. TELL US WHAT PAGE.

WAS FRONT PAGE 48. THE TAX RATE THE GENERAL CONCEPT IS THAT IT IS BASED ON THE ASSERTED COUNTY WAS NO LONGER BE PROVIDED TO THE SERVICES ARE BEING TRANSFERRED TO ANOTHER CITY. IT'S BASED UPON THE NEXT COUNTY COST IN SUCH REVENUES THIS IS THE COST OF THE GENERAL FUND. THE TABLES 5.4 AND 5.5. THAT IS WHERE WE CALCULATED THE GENERAL GOVERNMENT IN THAT COUNTY COST. AND THAT'S WHERE WE TAKE A LOOK AT THE THE COST OF THE SERVICES IT WOULD TAKE A LOOK AT THE SERVICE POPULATION THROUGH COST ALLOCATIONS. WE TAKE A LOOK AT THE UNEMPLOYMENT RESIDENT IN THE COUNTY POPULATION AND IT'LL SERVE THE COUNTYWIDE. THIS WAS DONE TO PER CAPITA AMOUNT AND WE MULTIPLY THAT BY THE RESIDENTS IN THIS SCENARIO. AND THAT IS HOW WE GET TO THE COST OF THE GENERAL GOVERNMENT SERVICES THAT WE TRANSFER FROM THE COUNTY TO THE NEW CITY. SAYS ONE COMPONENT OF THE NEXT COUNTY COST. THE OTHER COSTS ARE BEING TRANSFERRED HIS PUBLIC PROTECTION WHICH INCLUDES.

LET ME TRY TO MINUTE. I HAVE A SNEAKY FEELING WE'RE NOT TALKING ABOUT THE SAME THING. SIMPLY BECAUSE WHEN YOU USE THE PHRASE RECALCULATE THE PROPERTY TAX RATE TO THAT ME INDICATED THAT THEY WOULD BE RECALCULATING THE INDIVIDUAL TAX RATE FOR DIFFERENT CATEGORIES AND THOSE WERE SET ON 13 AND PROP 13 IN ANOTHER JURISDICTION HAS THE ABILITY TO RESET THEIR PROPERTY TAX RATE BY THEMSELVES BECAUSE THEY ARE ALL STARTING FROM THE BASE POINT IN JUNE OR JULY OF 78. BUT, SO THAT WAS NOT THE RIGHT PHRASE TO USE. YOU ARE TALKING SIMPLY ABOUT THE COST OF THE COUNTIES.

I'M GETTING THERE BUT YOU TAKE A LOOK AT WHAT THE COST THAT THE COUNTY IS PROVIDING IN THOSE SERVICES ARE BEING TRANSFERRED. SO THE COUNTY'S TAX RATE AND THE SHERIFFS.

THE PERCENTAGE OF THE 1 PERCENT THAT COMES IN.

WE ARE TALKING ABOUT THE TAX FACTORS WHICH IS THE ALLOCATION.

THERE IS NO CHANGE.

BECAUSE WE WANT TO KNOW THAT BECAUSE WE'VE COME A LONG WAY SINCE 1997 THAT WE ARE NOT GETTING THE IMPRESSION TO ANYBODY THAT THEIR TAX RATE WOULD CHANGE. BECAUSE THEY STAYED WITH THE COUNTY OR WENT WITH OR BECAME INCORPORATED.

DATA FOR CLARIFYING THAT. I'M TALKING ABOUT THE SHARED 1 PERCENT OF THE NEW CITY WOULD BE CAPTIVATING IN ITS TAX REVENUE.

AND THE SHERIFFS ARE RECEIVED BY THE OTHER TAXING AUTHORITIES AND GET A SHARE OF THAT 1%.

THE ONLY THE ONLY GROUP IS A COUNTY SHERIFF IS ITS TESTING SERVICES. ALTHOUGH OTHER DISTRICTS THAT WE DISCUSSED EARLIER BECAUSE THOSE SERVICES ARE BEING TRANSFERRED IN MAC.

ABSOLUTELY WE UNDERSTAND THAT. THE OBLIGATION FOR NEUTRALITY PAYMENT DOES NOT FALTER THOSE INDEPENDENT SPECIAL DISTRICT EITHER. WE ALL WENT THROUGH THAT ONE.

CORRECT WOULD JUST ELECT ME TO WALK THROUGH HOW WE GOT TO THAT?

KNOW WE UNDERSTAND THE FACTOR AND THERE IS A PAGE A COUPLE OF PARAGRAPHS ARE LIKELY TO EXPLAIN THAT. BUT THEN SO DESCRIBE A LITTLE MORE INFORMATION ON THE SALES TAX, NO ACTUALLY, [INAUDIBLE] OF THE GIS MAPS WERE ANALOG AND LOOKING FOR VACANT PARCELS. A HUNDRED VACANT PARCELS THAT ARE INDEPENDENT PARCELS MAY NOT HAVE A DEVELOPMENT IN VALUE. WHERE AS 10 VACANT PARCELS THAT ARE CONTIGUOUS LIKE HAVE [INAUDIBLE] E. BASIS SALES TAX GENERATION ON PARTLY ON THE NUMBER OF AVAILABLE PARCELS AVAILABLE FOR RETAIL OR OFFICE DEVELOPMENT WITH IN THE PROPOSED BOUNDARIES. THEN WHETHER OR NOT THEY CAN ACTUALLY BE DEVELOPED OR INFRASTRUCTURE ACCESS THAT WOULD ENABLE THEM TO BE DEVELOPED WOULD AFFECT THEIR ABILITY TO GENERATE THIS 340 WEEK OF DOLLARS PER SQUARE-FOOT.

WE CAN TAKE A LOOK AT ALL OF THAT DATA AGAIN. AND SEE IF MAYBE THE RETAIL SQUARE FOOTAGE ASSUMPTION CAN BE MADE MORE CONSERVATIVE.

BECAUSE --WHAT WAS THE -- WE TALKED ABOUT A HUNDRED AND 77,000 SQUARE FEET OF RETAIL AND 82,000 SQUARE FEET OF OFFICE, WHAT'S COME OUT WHAT WAS THE. YOU EXPECTED THAT TO YIELD?

WERE PROJECTING THAT TO HAPPEN WITHIN THE 10 YEARS TIMEFRAME OF THE OFFICE AND THAT IS ESPECIALLY --THAT COULD OCCUR OVER LONGER TIME SPAN. THAT ASSUMPTION OF DEVELOPMENT TO OCCUR OVER MORE YEARS. BUT WITHIN A TEN-YEAR. [OVERLAPPING SPEAKERS] IN MY DIFFICULT TO COME UP WITH.

WE WENT IN YESTERDAY TO EVALUATE THEM BUT OBVIOUSLY THERE IS A THERE IS A MAP OF THE PROPOSED THAT WOULD DEVELOP AN OSHA COULD LOCATE THOSE.

WILL TAKE A LOOK THEN SHE THRESHOLD THEIR RANDOM PARCELS AND THEN THERE ARE IN TAKE A LOOK. [OVERLAPPING SPEAKERS]

WILL TRY TO LOOK INTO THE FACTOR.

THE DATA THAT THE COUNTY IS MADE AVAILABLE HAS A VERY CLEAR MAP.

THE FACT THAT WE ARE USING GIS, WE DON'T LOSE THINGS ANYMORE.

IT MAKES THINGS A LOT EASIER.

ANY OTHER QUESTIONS ON THE SALES TAX OR SHOULD I MOVE ON?

TO BE A LOW ASSUMPTION BECAUSE THE NEWLY INCORPORATED CITY THAT APPLIES TO THE [INAUDIBLE] AND THE BUMP AS IT IS CALLED WHEN CALCULATING THE REVENUES CAN USE A GREATER SERVICE POPULATION THAN WHAT CURRENTLY EXISTS. IF WE HAVE THE REPORT IN FRONT OF US WE CAN SHOW YOU HOW THAT WORKS. ESSENTIALLY THE CITY OF SETTING UP INCORPORATED GETS TO INCLUDE ONE AND A HALF TIMES THE SERVICE -- THE RESIDENTS -- ONE CALCULATING THE PER CAPITA AMOUNT AND THAT DECLINED EVERY YEAR BY 10% AND THEN IT'S BACK TO ONLY INCLUDING THE ACTUAL POPULATION. AND THAT GIVES YOU [INAUDIBLE] GAS TAX DOSES WERE USED IN THE COMPARATIVE CITY DATA. AND HOW THE DIFFERENT FACTIONS ARE CALCULATED. AND WE ALSO TOOK A LOOK AT WHAT THE CITY AND THE COMPARISON CITIES WERE RECEIVING RECENTLY BECAUSE I RELATE THE STATE --THE DEFENDING FOR THE SOURCES HAVEN'T BEEN PARTICULARLY STEADY PACE SO WE CHECKED WHAT NEIGHBORING CITIES HAVE BEEN RECEIVING AND USE THE ESTIMATES ON THAT.

OTHER REVENUE SOURCES OUT THERE PROPERTY IN MAC THE ASSUMPTION THAT WE ASSUMED EARLIER IN THE STUDY AND WE ASSUME THAT IT WAS A CERTAIN RATE OF TURNOVER. AND THE MARKET VALUE OF THE STUDY ARE USED TO CALCULATE FRANCHISE FEES PENALTIES ARE BASED ON A PER CAPITA AMOUNT BASED UPON WHAT THE COUNTY IS CURRENTLY RECEIVING ON INTEREST IN THE REVENUES WERE GIVEN ABOVE ZERO IN TERMS OF THE NET COST FOR THE CITY AND WERE CALCULATED ON THAT.

HERE IS A REPRESENTATION OF THE REVENUES FOR THE FIRST SCENARIO. ANOTHER GROUP INTO THE MAIN CATEGORY IN THE GAS TAX IN A MAINTENANCE FUND. SCENARIO TWO LOOKS LIKE THAT AGAIN GREATER REVENUES, GREATER SERVICE POPULATION AND GREATER TAX BASE ETC. AND HERE THIS GRAPH COMPARES THE TOTAL REVENUE TO THE TOTAL COST FOR SCENARIO ONE. AS YOU CAN SEE THE TOTAL REVENUE EXCEEDED THEIR COST EVERY YEAR. THIS NEXT FLIGHT IS THE SAME THING FOR SCENARIO TWO. AGAIN THE TOTAL REVENUES EXCEED TOTAL COST IN EVERY YEAR OF THE ANALYSIS. AND SO HERE WHEN WE ARE EVALUATING THE RESULTS IN MAC THE CONDITIONS FOR DETERMINING FOR THE CITY FOR GREATER IN ANY GIVEN YEAR. AND THE FUND BALLOTS WHICH IS NET REVENUE THAT DOESN'T GET EXTENDED EVERY YEAR AND GETS SAVED--UNDER THE FUND ANALYSIS OF WOULD BE GREATER THAN 10 PERCENT OF REVENUE.

BY A QUESTION REGARDING THAT. YOU LOOK AT THE TWO TABLES FOR THE SCENARIOS AND COMPARE IT TO THE CRITERIA THAT YOU LAY OUT FOR WHETHER THE PROPOSAL IS NOT LIKELY OR MAY BE FEASIBLE IT WOULD APPEAR TO CONCLUDE THAT IT IS LIKELY FEASIBLE BUT IT WOULD HAVE TO HAVE A REVENUE IN EXCESS OF 10%.

IN THE NEXT.

IF YOU LOOK AT THE TWO SCENARIOS AND YOU LOOK AT THE PERCENTAGES OF THE NET REVENUE OF COST THOSE ARE NOT IN EXCESS OF 10%.

IT'S A NEGATIVE 10%. AND THEY ARE IN EXCESS OF NEVER NEGATIVE 10 PERCENT OF EACH SCENARIO. 10% AND MONTHS OR-WINDOW OF UNCERTAINTY. THIS IS A PRODUCTION GOING FOR.

IF YOU LOOK AT YOUR REPORTS ON PAGE EIGHT TO DETERMINE THE POSITIVE NET REVENUE IS MORE THAN 10 PERCENT OF TOTAL COST INDICATE THAT A NEW CITY IS LIKELY TO BE PHYSICALLY FEASIBLE. SO THAT IS IN EXCESS OF A POSITIVE 10%. THE NEXT ONE --IS A NEGATIVE NET REVENUE IS LESS --GREATER THAN IE MORE THAN 10 PERCENT IT IS NOT LIKELY AND THEN SOMEWHERE IN BETWEEN IT MAY BE. AND THEN YOU CONCLUDE IT IS FEASIBLE IN THESE TWO CHARTS FOR THE SCENARIOS BOTH SHOW REVENUES SOMEWHERE BETWEEN ZERO AND 10%. >> THE FUND BALANCES LEAD US TO THE CONCLUSION THAT THE FEASIBILITY THAT THE TWO SCENARIOS ARE FEASIBLE.

IT'S VERY CONFUSING. BECAUSE THE CRITERIA IS VERY CLEAR AND YET YOU DRAW CONCLUSIONS THAT IS NOT SUBSTANTIATED BY THE DATA IN YOUR TABLE.

THE TWO SCENARIOS MAY BE FEASIBLE PLUS OR-2 PERCENT IN THE FUND BALANCES ARE WELL IN EXCESS OF 10 PERCENT IN EVERY YEAR.

YOU EXPECT US TO BECOME FOR WITH THEIR RANGE WITH-TWO PLUS 10%.

THIS IS A PROJECTION OF THE FUTURE. EVERY BUDGET CHANGES EVERY YEAR AND WE CAN'T BE COMPLETELY CERTAIN OF REASON ABILITY.

DC THOSE KIND OF THINGS HAPPENING QUICK I JUST URGE YOU NOT TO TRY TO FIGHT THE CRITERIA AND A KIND OF A HAIR TRIGGER. BUT DON'T TRY TO READ IT AS A RULE BY-YEAR BY-YEAR TEXT.

I APPRECIATE THAT AND PART OF WHAT I THOUGHT IS AT THE BEGINNING ON PAGE NINE THAT THREE DIFFERENT RANGES AND WHAT THE CONCLUSION WOULD BE AND I THINK HE WAS POINTING OUT THAT FELL WITHIN THE MIDDLE RANGE AND YET THE CONCLUSION THAT DOESN'T MEAN WE SHOULDN'T APPROVE IT WANTED TO BE VERY STRAIGHTFORWARD WHEN WE CONVEY.

NOW GOING TO SHOW YOU SOME SLIDES THAT SUMMARIZE THIS YEAR SO HERE THIS IS THE NET REVENUE FOR SCENARIO ONE BUT LOOKS LIKE I GIGANTIC FROM A 10 PERCENT PROFIT TO 2 PERCENT NEGATIVE. IT'S SLIGHTLY NEGATIVE AND ALL THE OTHER YEARS IT IS POSITIVE. AND THE REASON WHY THEY NET REVENUE DIPS IN THAT YEAR -- THAT LAST YEAR THE REVENUE THERE IS REPAYMENT OF THE FIRST YEAR AND TRANSITION READ PAYMENT COST ARE ALL HITTING THE FUND IN THAT YEAR. SO THOSE CONTRIBUTE TO THE REASON WHY 20. THE NEXT SLIDE.

I COULDN'T SEE YOU ON HER TELEVISION SCREEN APPEAR. WHAT WAS THE REASON AGAIN. COULD YOU REPEAT YOURSELF?

THERE ARE NUMEROUS COST, THE NET REVENUE WILL REBOUND THAT YEAR BECAUSE THE FOLLOWING YEAR THE NEW CITY IS NO LONGER PAYING FOR OR REPAYING THE FIRST REVENUE AND A YEAR AFTER THAT IT'S NO YOU DON'T LONGER PAYING FOR THE TRANSITION READ PAYMENT. SO BOTH [INAUDIBLE] THERE FOR YOU THAT RESPONSIBILITY AND THE COST AGAIN ADDITIONALLY NET REVENUE IS DECLINING AND REMEMBER AT THE DISCUSSION THEN YOU CITY AS THE YEARS GO BY TO GET SMALLER AND SMALLER SHARE OF VLF AND THAT LEVELS OFF. THOSE ARE THE MAIN REASONS YOU SEE THE FOX WISHES. BUT AGAIN WE LOOK AT A 10% AND A 2% SCALE TO NEGATIVE, SO THE VARIATION IN MAC TO DO KIND READ LINES MOVING. THE NEXT SLIDE IS NET REVENUE FUNDS AS YOU CAN SEE THE NET REVENUE IN THE REVENUE EXCEEDS THE COST EVERY YEAR. AND ROAD MAINTENANCE FUND IS AN IN-PERSON AERIAL TO KNOW THE NEXT SLIDE IN GETTING INTO THE GENERAL FUND BALANCE TO SHOW THEM AND THIS SHOWS THAT THE NEW CITY GIVEN THE COST REVENUE ASSUMPTION THAT I DESCRIBED WOULD BE GENERATED A POSITIVE FUND BALANCE THROUGH THE ENTIRE ANALYSIS AND AFTER ACCEPTABLE LOVING MILLION DOLLARS IT CLAIMS TO WRITE ON \$17 MILLION IN SCENARIO TWO VERY SIMILAR LOOKING GRAPH GENERAL --THE POSITIVE FUND IT THROUGHOUT THE ANALYSIS. AND THE ROAD FUND IS EVEN DOING BETTER. IT HAS A LITTLE BIT LOWER BUT THE COST AREN'T THAT GREAT BUT THE REVENUES WILL EXCEED THE COST. AND POSITIVE FUND THROUGHOUT TO SCENARIO ONE AND FOR SCENARIO TWO.

IN TERMS OF QUESTION THAT NEED TO BE FOLLOWED UP ON THAT ONE THAT SHOULD BE FOLLOWED UP ON. BECAUSE EVERY MONTH IT SEEMS THAT IT PROJECTS A LOWER YIELD THAN MEASURE A DAY IN THE MONTH BEFORE THAT. I DON'T SIT ON FTA IS SIT ON THE CONNECTOR EVERY TIME. THE DIRECTOR COMES IN AND TALKS ABOUT WHERE THE MONEY COMES FROM MEASURE EIGHT. THAT REALLY NEEDS TO BE CHEWED UP WITH FTA STATS AND ESTIMATES WERE THE MEASURE MIGHT BE GOING. IT'S ALL BASED ON TAX REVENUE WHICH IS A TOTAL WILD CARD AT THIS POINT.

I THINK THAT CONCLUDES MY PRESENTATION I'LL TAKE ANY QUESTIONS YOU MAY HAVE.

I HAVE A COUPLE OF COMMENTS. I NOTICED THAT ON PAGE EIGHT AND A FEW OTHER PLACES IN THE REPORT THAT FIRE IS LISTED AS A SERVICE THAT WOULD BE PROVIDED BY THE NEW CITY.

IF IT'S LISTED THEIR DEATHS SHOULD GET PULLED OUT A FIRE IS ONE OF THOSE DISTRICTS NOT BETRAY SPRING. >> I UNDERSTAND THAT. YOU HAVE IT IN THERE AND WE NEED TO REMOVE IT.

SURE.

ON PAGE 21 YOU TALK ABOUT SERVICE PROVIDERS AND THE PRIVATE UTILITY

Part 2

I THINK YOU SHOULD TRUE UP WHAT YOU ARE ASSUMING HERE WITH WHAT SACOG IS PROVIDING. AND THEN ALSO I DON'T KNOW IF THIS POINT WAS MADE BUT IN THE ANNEXATION SUPPLEMENTAL MEMORANDUM, IT APPEARS SPECIAL DISTRICTS WERE ASSUMED TO REMAIN INTACT POST-ANNEXATION AND I WOULD JUST POINT OUT THAT THE CITY DIDN'T MAKE ANY DETERMINATION WHETHER IT WOULD OR WOULDN'T, WHETHER IT WOULD BE SPECIAL DISTRICTS REMAINING INTACT OR WHETHER THE CITY WOULD DO A FULL SERVICE CITY -- SPECIAL DISTRICTS REMAINING INTACT OR WHETHER THE CITY WOULD DO A FULL SERVICE CITY.

JUST TO REMIND THE COMMISSION, PRIOR TO YOUR TENURE, THE DIRECTION OF THE COMMISSION WAS TO CONSIDER AN ANNEXATION IN THE FISCAL ANALYSIS THAT WOULD ALLOW EXISTING SPECIAL DISTRICTS TO REMAIN IN PLACE.

I JUST WANTED TO BE CLEAR THAT WAS NOT SOMETHING THE CITY OF SACRAMENTO HAD.

YOU WEREN'T HERE.

THAT'S FINE. THEN I THINK THE POINT WAS MADE EARLIER I THINK THAT, ON THE OTHER HAND IN THE INCORPORATION MODEL, IT WAS WHEN THE ANALYSIS COMPARISON WAS MEDICINE WITH THE CITY OF SACRAMENTO, IT WAS AN APPLES TO ORANGES ASSUMING THAT --WITHOUT ASSUMING THE CITY OF SACRAMENTO PROVIDING FOR CONTRACT SERVICES. SO THERE SEEM TO BE AN APPLES AND ORANGES TYPE COMPARISON THERE. ALSO, THE SUPPLEMENTAL MEMORANDUM ANALYZES FROM WHAT I CAN TELL A HIGHER LEVEL OF MUNICIPAL SERVICES THAN THE LEVEL ANALYZED IN THE INCORPORATION ANALYSIS.

YEAH. I'M NOT THIN-SKINNED HERE OR ANYTHING BUT TO MAKE A COMPARISON WHEN ONE -- WHEN CITY A IS PROVIDING A DIFFERENT LEVEL OF SERVICE AND COMPARE THAT TO B, WHERE IT IS A DIFFERENT SERVICE PROVIDED, THAT IS NOT AN APPROPRIATE COMPARISON. SO THAT IS SOMETHING THAT NEEDS TO BE ADDRESSED.

THANK YOU. NEXT, LINDA.

IN TERMS OF THE BASE INFORMATION, OBVIOUSLY, THIS IS INTENDED TO WORK WITH THE STOCK REPORT AND THE EIR AND SO ON. BUT THE ONLY PLACE WITHIN THIS PARTICULAR DOCUMENT WHERE THERE IS ANY MENTION OF POPULATION IS IN THE COMPARATIVE CITY SURVEY AND IT WOULD SEEM THAT, IN YOUR FIRST PAGE, THE VERY FIRST PAGE WHEN YOU TALK ABOUT KEY ASSUMPTIONS, IT MIGHT BE GOOD TO ADD A PARAGRAPH THAT SIMPLY SAYS X NUMBER OF SQUARE MILES AND X NUMBER OF PARCELS AND POPULATION JUST SO THAT PEOPLE DON'T HAVE TO GO BACK TO A PREVIOUS DOCUMENT TO FIND THAT INFORMATION.

UNDERSTOOD IN TABLE 2.1, WE DO LAY OUT THE CURRENT SERVICE POPULATION BUT I DON'T THINK WE EVER MENTION AREA IN MILES.

.1 WOULD BE WHERE?

ON PAGE 16. WE LAW OUT THE ASSUMED SERVICE POPULATION FOR SCENARIO ONE AND SCENARIO TWO AND FOR THE COUNTY AND THE UNINCORPORATED AREA BECAUSE THOSE COMPARISONS ARE NEEDED IN SOME SPOTS OF THE ANALYSIS. BUT I DON'T THINK HE EVER MENTION AN AREA IN SQUARE MILES AND THAT IS EASY ENOUGH TO DROP IN THERE.

JUST A COUPLE OF SENTENCES UNDER THE ASSUMPTION SECTION.

ANOTHER QUESTION? YEW KNOW THE SCENARIO ONE AND TWO GRAPH THAT WE WENT TO THE NEGATIVE BELOW, LOOKING AT YOUR NUMBERS ON PAGE 10 IN THE FOURTH YEAR WHERE THEY DROP BY 237,000, PRL 1% DOESN'T EQUATE TO AN 8, 9% DROP THAT YOU SHOW IN THIS GRAPH. WHERE DOES THAT COME FROM?

CAN YOU REPEAT THE QUESTION.

PAGE 10 ON THE REVENUE CHART WHERE YOU SHOW THE GENERAL FUND OPERATING RESERVE AT 11 MILLION TO START WHICH IS WHAT YOU WERE TALKING ABOUT, I BELIEVE, WHEN YOU GET TO THE NEXT ONE THAT STARTS AROUND 11 AND GOES ON UP.

YEAH?

IN THE FOURTH YEAR, WHICH IS APPROXIMATELY WHERE YOU ARE GETTING THIS NEGATIVE TREND ALL THE WAY UP TO 2016 --

YEAH.

THE DROP IS ACTUALLY 237,000 MINE US. THAT IS THE LOSS YOU ARE APPROXIMATELY 1%.

YES.

YET YOU SHOW ON THE GRAPH A LOSS FROM 8 OR 9% UP HERE ALL THE WAY DOWN TO MINUS.

OH, NO, I THINK YOU MIGHT BE MISINTERPRETING THE GRAPH. IT IS NEGATIVE 1% RELATIVE TO ZERO. SO IT DIPS JUST BELOW -- THE BOTTOM LINE WHERE IT DIPS BELOW. THE 1% IS ONLY RELATIVE TO THAT YEAR. IT IS NOT TAKE A LOOK AT WHERE IT WAS THE YEAR BEFORE. SO IT IS NEGATIVE # 30% IN TERM OF NET REVENUE COMPARED TO COST FOR THAT GIVEN YEAR, NOT COMPARED TO THE YEAR BEFORE.

NEXT YEAR THAT GOES UP BY 3%.

THAT IS EVALUATED ONLY FOR THAT YEAR.

THAT IS THAT 3% RIGHT THERE.

YES. IT MEANS THAT IN THAT YEAR, NET REVENUE IS 3% TO THE GOOD OF COST.

THAT IS WHAT IT SAYS, YES. AND THE NEXT YEAR IS 2%.

UH-HUH.

CORRECT.

YES.

OKAY.

ALL RIGHT.

ONE OF THE STATEMENTS THAT YOU MADE AT THE BEGINNING SAYS THAT, WHEN YOU WERE DOING YOUR ANALYSIS, YOU DIDN'T HAVE TO WORK ON THE INFLATION PACKET AND I WOULD HAVE TO AGREE WITH THAT SINCE WE HAVEN'T HAD ANY INFLATION FOR THE LAST COUPLE OF YEARS. SO WHAT ABOUT THE RECESSION FACTOR AND THE LOSSES THAT THESE CURRENT CITIES AND THE

CURRENT FACTOR THAT IS BEING APPLIED TO THE COUNTY AND THE CITIES THAT ARE CURRENTLY EXISTING. I THINK IF DID YOU ANY ANALYSIS ON WHERE THEY STAND TODAY VERSUS THREE YEARS AGO, THIS ANALYSIS IS NOT GOING TO HOLD UP FOR THE CITY ESPECIALLY IF YOU ARE TALKING ABOUT A RESERVE OR AN ACCOUNT THAT IS RUNNING VERY NEGATIVE RIGHT NOW FOR THIS COUNTY.

YEAH, WE BASED THE COST ON THE MOST RECENT FISCAL YEAR'S DATA FROM THE COUNTY AND THAT IS MANDATED BY STATUTE IN TERMS OF THE WAY THE CFA NEEDS TO BE CONDUCTED. SO THE COSTS ARE RELATIVELY RECENT. WE CAN TAKE A LOOK AGAIN AT THE PARTICULAR COSTS AN REVENUES. WE CAN TAKE A LOOK AT SALES TAX AND PROPERTY TAX ARE THE TWO BIGGEST PLACES WHERE THAT REVENUE WOULD BE DECLINING AND SEE IF THERE IS ANY MORE DECLINE IN THAT REVENUE THAN WHAT WE'VE ASSUMED IS NECESSARY.

PROVIDING THAT ALL OF THE INFORMATION YOU ARE GOING ON IS THE INFORMATION PROVIDED BY COUNTY AND THE REVENUE SOURCES, IS THERE ANY ASSURANCE TO THE NEW CITY THAT THE EXISTING CONDITIONS, IF IT CONTINUES IN A DIRECTION THAT IT IS GOING, THAT THERE WILL BE SUFFICIENT FUNDS FOR THE COUNTY TO BE ABLE TO PROVIDE THE FUNDING THAT YOU'RE TALKING ABOUT IN THE SCENARIO HERE, THE REVENUE?

WELL, THE NEW CITY TO THE EXTENT THAT IT CAUSE AS A NEGATIVE FISCAL IMPACT ON THE COUNTY, THE NEW CITY WOULD BE WAY PAYING REVENUE NEUTRALITY TO THE COUNTY TO HOPEFULLY OFFSET THOSE LOSSES.

THE WAY I SEE THAT IS THEY WILL LEAVE SOME OF THE FUNDS THEY WOULD HAVE GOTTEN IF THEY GOT 100% OF WHAT THEY DESERVED AND THEREFORE THE COUNTY WOULD HAVE SOME MONEY TO TAKE CARE OF SOME OF THE COSTS OR THE ADDITIONAL COSTS THAT THEY ARE GOING TO EXPERIENCE BY LOSING THE REVENUE AND LOSING THE AREA THAT IS BEING TAKEN OVER BY THE NEW CITY. THE REVENUE NEUTRALITY PART OF THIS THING THOUGH AND CURRENTLY WITH THE BUDGET THAT THE COUNTY IS FACING, THEY CAN'T MEET THEIR REQUIREMENTS TO PAY THE BILLS THAT THEY HAVE RIGHT NOW LET ALONE GIVE \$10 MILLION TO THE NEW CITY TO GO AHEAD AND GET STARTED FOR THE NEXT --

JENNIFER MAY BE ABLE TO ADD TO THIS. BUT WE ARE BASICALLY STUCK WITH WHAT WAVE GOT AS FAR AS THE DATA YOU HAVE TO USE. WE ATTEMPTED TO DO SOMETHING IN RANCHO CORDOBA AND WE GOT SUED. WE HAVE TO USE THE FISCAL DATA, THE MOST ACTUAL AND THAT HAPPENS TO BE AT A TIME WHEN THE ECONOMY WAS CHANGING AND IN THIS CASE TO THE WORSE. IN THE CASE OF RANCHO, IT WAS IMPROVING. BUT NO MATTER WHEN WE DO THESE, WE ARE GOING TO BE STUCK WITH THE STATE MANDATES AND THE LAWS THAT WE HAVE TO BASE THE CFA ON AND THE REVENUE NEUTRALITY NEGOTIATIONS ARE BASED ON DATA THAT MIGHT NOT BE ACCURATE BUT WE'RE REQUIRED TO DO THAT.

THAT IS PART OF THE REASON WHY WE SUGGEST A PLUS OR MINUS 10%. WE SUGGEST THAT BIG WINDOW FOR IT DETERMINING WHAT MAY BE FEASIBLE BECAUSE OF ISSUES LIKE THIS, REVENUE LAGGING BEHIND AND COSTS INCREASING AT DIFFERENT RATES.

MY OTHER QUESTION, WHICH ACTUALLY JUST COMES BACK TO THE SCENARIO ONE OR SCENARIO TWO. SCENARIO ONE IS THE APPLICATION THAT WAS MADE BY THE CURRENT CITY. SCENARIO TWO IS A SPHERE OF INFLUENCE AREA THAT THEY HAD TALKED ABOUT THE POSSIBILITIES OF BUT HAD NOT ACTUALLY MADE AN APPLICATION TO INCLUDE. SO IF WE CHOSE TO ALLOW THAT TO BE INCLUDED IN THE SPHERE OF INFLUENCE BUT NOT IN THE CITY SO THAT IT COULD BE ANNEXED IN THE FUTURE DATE, DO THE PEOPLE THAT ARE OUTSIDE THE CITY VOTE ON THE CITYHOOD OR JUST THE PEOPLE WITHIN THE DOWNEDDERIES.

JUST THE PEOPLE WITHIN THE BOUNDARIES.

JUST THE PEOPLE WITHIN THE AFFECTED TERRITORY.

IF THE CITY HAD A SPHERE OF INFLUENCE, THOSE PEOPLE WOULD NOT BE VOTING ON THE -- THAT IS CORRECT.

THE EVENT OF AN ANNEXATION, THEY WOULD BE THE ONLY ONES WHO WOULD VOTE ON THAT. FOLKS ALREADY IN THE NEWLY CREATED CITY WOULD NOT VOTE ON AN ANNEXATION.

OKAY. THANK YOU.

ANY OTHER QUESTIONS?

YES, I'M NOT SURE WHETHER THIS IS FOR STAFF OR FOR YOU.

SURE.

BACK TO THE ADDITIONAL SCENARIO TWO. WHO WILL TAKE INTO ACCOUNT ALL OF THE EFFECTS OF --IF SCENARIO ONE IS THE ONE THAT IS CHOSEN P I MEAN THERE IS QUITE A FEW WITH THE PROVIDING SERVICES. IS THAT SOMETHING THAT YOU WILL TAKE INTO ACCOUNT IN YOUR RECOMMENDATION OR IS THAT SOMETHING THAT THIS GROUP THAT DID THE CFA WOULD TAKE INTO ACCOUNT IN THEIR COMMENTS. WE CAN GO DOWN --

ON THE SCENARIO BETWEEN ONE AND TWO, THE ADDITIONAL AREA SOUTH OF FAIR OAKS, THERE IS PRIMARILY TWO ISSUES THAT WE'LL HAVE TO LOOK AT. ONE OF THEM IS WE HAVE GOTTEN ENVIRONMENTAL RESPONSES THAT DISCUSS AND POINT OUT AND SUGGEST THERE ARE ENVIRONMENTAL IMPACTS IF WE DO NOT INCLUDE THE AREA SOUTH OF FAIR OAKS. THOSE ENVIRONMENTAL IMPACTS ARE PRIMELY TO DO WITH THE POTENTIAL CHANGES IN THE SERVICE THREPERY MODELS. FOR INSTANCE, THE SHERIFF --IF THE SHERIFF IS PATROLLING CARMICHAEL, HE HAS TO POT ROLL THE PENINSULA AREA, IT IS LIKELY WAVE GOT COMMENT FROM THE COUNTY AND THE AIR DISTRICT ON BASICALLY TRAFFIC KIND OF ISSUES RELATED TO CHANGING THAT SERVICE MODEL. THE SECOND QUESTION, THE ISSUE WE HAVE TO ADDRESS IS WHAT YOU BROUGHT UP WHICH IS TO IDENTIFY IF IT IS MORE COSTLY TO SERVE THAT AREA OR TO SERVE THE AREA WITHOUT THE AREA SOUTH OF FAIR OAKS. JUST TO SERVE THE SCENARIO ONE AREA.

THERE IS ANOTHER ONE THAT I JUST BECAME AWARE OF TODAY HAVING TO DO WITH DRAINAGE. THE PUMP STATIONS THAT SERVE OUR AREA ARE LOCATED IN THE CAL EXPO PUMP STATION AND THE ARDEN ARCADE IS 95% OF THAT AREA THAT THE PUMPS SERVE.

RIGHT. SO THOSE --

IT SEEMS LIKE THAT ALL OUGHT --I GUESS YOU WILL HAVE TO TAKE THAT INTO ACCOUNT IN YOUR RECOMMENDATION.

WE'LL TRY TO PUT TOGETHER A MATRIX OF THOSE ISSUES.

I THINK THE COMMISSION DOES HAVE THE DISCRETION AND ABILITY TO AMEND THE PETITION BOUNDARIES, RE-EVALUATE IT, BOTH SCENARIOS IN THE CF A AND THE EIR IN OR D ORDER ABLE TO DO THAT.

JUST ONE MORE THING. SO ONE WOULD THINK THAT, WHILE YOU HAVE A SIGNIFICANT LEVEL OF COMMENT IN TERMS OF THE ENVIRONMENTAL ASPECT OF INCLUDING AREA TWO OR NOT, THAT IT MIGHT BE WORTH A SMALL SECTION IN THE CFA THAT WOULD DISCUSS THE FINANCIAL IMPACT TO THE COUNTY BECAUSE THAT MIGHT HAVE AN EFFECT ON THE REVENUE NEUTRALITY.

THAT IS WHERE I WAS GOING.

CORRECT AND I'M GOING TO GET A COPY OF THAT REPORT FROM THE COMMISSIONER AND WE'LL REVIEW THAT AND MAKE AMENDMENTS AND SHOW YOU WHAT THAT EFFECT IS.

ULTIMATELY, IT ALSO AFFECTS THE RESIDENTS.

THE MONEY IS ONE THING BUTT TIME IT TAKES FOR THE SHERIFF IF HE ISN'T PATROLLING ARDEN ARCADE THAT HAPPENED AT AMERICAN RIVER DRIVE, IT TAKES A LOT LONGER.

THERE IS POTENTIALLY QUANTITATIVE WHICH MAY BE REALLY DIFFICULT AND IN SOME CASES TO PIN DOWN A QUANTITATIVE NUMBER, THERE IS QUALITATIVE ISSUES THAT CAN BE ERAIL WAIT FROM I COMMON SENSE PERSPECTIVE.

THEN ONE OTHER ON A HOUSEKEEPING ISSUE, I NOTICE YOU'VE ADDED AN ADDITIONAL SPECIAL MEETING TO TRY TO MEET THE DEADLINE. I JUST WOULD ASK YOU --I DON'T KNOW HOW MANY SPECIAL MEETINGS YOU MIGHT NEED BUT THE BOARD OF SUPERVISORS IS ON RECESS FROM JUNE 20th TO JULY 11th AND I DON'T KNOW IF ANY OF THE CITIES OR OTHER SPECIAL DRIRKTS ARE ON RECESS.

THE GOAL IS TO TRY TO GET -- SPECIAL DRIRKTS ARE ON RECESS.

THE GOAL IS TO TRY TO GET ALL OF THE APPROVALS BY NO LATER THAN THE END OF MAY. -- THE GOAL IS TO TRY TO GET SPECIAL DISTRICTS ARE ON RECESS.

I WANT TO GIVE YOU FAIR WARNING. SOME OF THE THINGS YOU SUGGESTED ABOUT --ON THE ENVIRONMENTAL REPORT, IS THERE A CHANCE THEN THAT YOU WOULD HAVE TO RECIRCULATE THE EIR IF THERE ARE THESE IMPACTS.

I HAVE NOT HAD TIME YET TO TALK TO OUR CONSULTANT BUT I HAVE ---THAT IS ONE OF THE QUESTIONS WE HAVE ASKED.

OKAY.

OTHER QUESTIONS ON CFA?

PETER, JUST FOR THE RECORD, IN THE CASE OF RANCHO CORDOBA, WHEN WE DID THE INCORPORATION ANALYSIS, DID WE COMPARE THE ABILITY OF THE PROPONENTS TO PROVIDE SERVICES EQUAL TO THOSE OF THE COUNTRY?

YES, SUBSTANTIALLY SIMILAR AS PROVIDED BY THE COUNTY.

I WOULD JUST REITERATE WE NEED TO FOCUS ON DOING THAT IN THIS PROCEEDING, NOT ON COMPARING TO THE CITY OF SACRAMENTO OR OTHERS WHO HAVE MADE THEIR OWN DECISION ABOUT SERVICE LEVELS.

THE LAW IS A LITTLE BIT MORE FLEXIBLE IN THE SENSE THAT IT IS SIMILAR TO COMPARABLE CITIES WITHIN THE COUNTY AND WE'VE LOOKED AT COMPARABLE CITIES IN THE COUNTY AND THAT IS WHAT THE SERVICE LEVEL IS BASED ON.

I THINK THAT LED TO SOME CONFUSION IN THE ALTERNATIVE ANNEXATION ANALYSIS.

DEFINITELY, THAT HAS TO BE REVISED.

AND IN THE EIR, IT USED THE ASSUMPTION OF SACRAMENTO BEING A FULL SERVICE CITY PROVIDER IN THAT ALTERNATIVE WHICH IS NOT THE CASE SO THAT WILL HAVE TO BE REDONE.

OKAY.

THERE ARE SOME DEFINITIONAL PROBLEMS THAT HAVE LED TO SOME AREAS IN ANALYSIS THAT MAY OR MAY NOT REQUIRE CIRCULATION, I DON'T KNOW.

ONE MORE QUESTION.

SURE.

IN YOUR EXPENSE PROJECTIONS, WHAT PERCENTAGE INCREASES DO YOU HAVE IN THE REPORT FOR LAW ENFORCEMENT?

WE HAVE A 1% REAL COST INCREASE AND THAT IS 1% ABOVE INFLATION.

AND HOW DO YOU COME UP WITH THAT PERCENTAGE?

1% IS A REASONABLE AMOUNT AND I BELIEVE WE LOOKED AT SOME HISTORY IN TERMS OF WHAT THE COSTS WERE FOR COMPARISON CITIES BUT I DON'T RECALL SPECIFICALLY. I CAN FOLLOW UP ON THAT.

SO YOU ARE SAYING, IF THE COST OF LIVING GOES UP 3% A YEAR, YOU FIGURE 4%.

EXACTLY. IT WOULD BE ABOVE INFLATION. SO THAT IS FOR STEP INCREASES AND OTHER REAL COST INCREASES, NOT JUST INFLATION.

I'D LIKE TO SEE THE DATA ON THAT, ON YOUR COMPARISONS. NOT AT THIS MINUTE.

SURE THE DON'T HAVE IT WITH ME.

I HAVE ANOTHER QUESTION ON APPENDIX B.

YES.

THERE IS AN ASSUMPTION HERE UNDER ARDEN ARCADE THAT THEY WILL DEDICATE 21 CY I TAKE IT FOR COMMUNITY DEVELOPMENT. THAT IS A REALLY HIGH NUMBER COMPARED TO THE OTHER CITIES. WHY THAT IS SO HIGH?

CAN YOU SAY THAT AGAIN, PLEASE?

YOU LOOK AT APPENDIX B AND YOU LOOK AT THE COMMUNITY DEVELOPMENT LINE, YOU'VE GOT 21.

B 1.

IT IS THE --B 2.

IT IS ON B 1.

IT JUST SEEMS TO BE OUT OF SYNC WITH THE RELATIVE LEVELS OF --

YOU KNOW WHAT I THINK THAT IS? IT IS JUST THE WAY IT WAS CLASSIFIED. I THINK SOME OF THOSE COMMUNITY DEVELOPMENT FPEs COULD BE RELAS KLAAS IDENTIFIED. CAN I TRUE THAT UP WITH THE STAFFING PLAN SHOWN EARLIER TO MAKE SURE THEY ARE SPREAD EVENLY. I THINK THEY ALL JUST GOT LUMPED TOGETHER BUT SHOULD BE ALLOCATED TO SOMETHING.

I THINK THAT GOES BACK THAT WAVE GOT ALL THESE DASHES THERE.

IT COULD EASILY.

I THINK IT IS JUST A MATTER OF THE WAY IT IS PRESENTED. I THINK I CAN TRUE IT UP WITH THE STAFFING PLAN AND MAKE IT LESS CONFUSING.

THAT WOULD EXPLAIN WHY THERE ARE 17 FPE UNDER ELK GROVE AND NOTHING UNDER PLANNING CODE ENFORCEMENT BILLING AND SO ON.

DIFFERENT CITIES PRESENT THE DATA DIFFERENTLY IN THEIR BUDGETS. THE DEFINITIONS ARE USED SLIGHTLY DIFFERENTLY SO TRYING TO FIT ALL OF THESE STAFF MEETINGS FOR THESE SPECIFIC CATEGORIES CAN BE DIFFICULT AND I TOTALLY UNDERSTAND WHY IT COULD BE CONFUSING. WE'LL TRY TO SPREAD THEM OUT EVENLY SO CAN YOU GET A BETTER COMPARISON BETWEEN THE CITIES.

THE OTHER CONCERN I HAD WAS IN COMPARING IT TO THE OTHER CITIES, WE LOOKED AT THE ALLOCATION TO CITY ATTORNEY. CAN'T THINK OF ANY CITY THAT WOULD ONLY HAVE ONE CITY ATTORNEY AND NO SUPPORT STAFF OR ANYTHING. YOU LOOK AT THE OTHER CITIES, THEY ALLOCATE A LOT MORE RESOURCES TO LEGAL. WHERE DID YOU GET THAT ASSUMPTION?

WELL, THE ASSUMPTION WE JUST PLUGGED IN THE STAFFING PLAN. CAN I MODIFY THAT HAS NEEDED AND IT SEEMS LIKE IT IS NEEDED. I WANT TO SAY THAT I INCLUDED --I GUESS I DIDN'T.

WELL, OKAY. I CAN PROVIDE A LITTLE INSIGHT ON THAT ONE SIMPLY BECAUSE --

AND WE HIRED YOU AS PROFESSIONALS TO BRING US RECOMMENDATIONS BASED ON GOOD ANALYSIS. I DON'T WANT JUST A BUNCH OF THIS. I WANT FACTUAL INFORMATION THAT IS YOUR BEST JUDGMENT, NOT JUST A REPORT THAT YOU CHANGE ON OUR COMMENTS.

I WOULD TAKE A LOOK AT OTHER COMPARISON CITIES AND TAKE A LOOK AND MAKE SURE WE ARE AT SIMILAR LEVELS.

THANK YOU.

YOU'RE WELCOME.

THERE IS ONE POINT THAT CHRIS BROUGHT UP OR KIND OF ALLUDED TO EARLIER. SIMILAR TO THE DECISION THAT WE HAD ABOUT THE MUNICIPAL SEVEN SIS REVIEWS AND THEIR FORMATS EARLIER THIS YEAR OR AT THE END OF LAST YEAR, ONE WOULD THINK THAT, SINCE THIS IS THE FOURTH INCORPORATION IN MODERN TIMES THAT WE WOULD SORT OF HAVE A STANDARDIZED FORMAT, KIND OF A TEMPLATE SO THAT WE ARE MAKING APPLES TO APPLES COMPARISONS. THERE IS A LOT OF DISCUSSION ABOUT WHAT WAS DONE IN THE OTHER CITY CITY INCORPORATIONS. I CERTAINLY DISAGREE WITH SOME OF THE STUFF THAT IS SAID AND I SUSPECT, IF WE HAD A REPRESENTATIVE FROM ELK GROVE, THEY WOULD ALSO. AND SO, IF -- IT IS PROBABLY REALLY IMPORTANT AND ESPECIALLY AS GOVERNMENT EVOLVES OVER THE NEXT 0 YEARS, IT IS PROBABLY REALLY IMPORTANT THAT WE WORK TOWARDS SOME STANDARDIZED REPORT FORMAT SO THAT WE REALLY ARE ABLE TO PICK I'M DOCUMENT AND SAY, OKAY, THIS IS WHAT IS DONE FOR CITRUS HEIGHTS. THIS IS WHAT WAS DONE FOR ELK GROVE OR RANCHO CORDOBA OR ARDEN ARCADE OR WHATEVER IS NEXT SO YOU ALWAYS GET THE SAME LEVEL OF INFORMATION. I MEAN IT IS ONLY FAIR TO THE DECISION MAKERS AND IT IS ONLY FAIR TO THE APPLICANTS.

RIGHT.

OKAY. ANY OTHER DISCUSSION ABOUT OR QUESTIONS REGARDING THE CFA? PETER, YOU HAD ON THE AGENDA DISCUSSION OF POLICY CONSIDERATION.

THE REAL POLICY CONSIDERATIONS IS THE BOUNDARY AND THE COMMISSION'S ABILITY TO AMEND IT.

HOLD ON. WE HAD FORGOT TO ASK WHETHER THERE IS ANY PUBLIC TESTIMONY OR COMMENTS T MAY BE APPROPRIATE TO GET THOSE NOW IF PEOPLE WANT TO MAKE ANY COMMENTS OR ASK QUESTIONS.

THANK YOU. SO DID YOU WANT TO MAKE ANY POINTS TONIGHT REGARDING THE BOUNDARIES.

NO, NOT OTHER THAN WHAT YOU HAVE I'VE JUST EXPLAINED PREVIOUSLY PRIOR TO THE CFA PRESENTATION.

ONE OTHER THING I WOULD REITERATE BASED ON THE COMMENT I MADE EARLY OFTEN I THINK IT WOULD BE GOOD AS MR. NICHOLS SAID, THAT THE REPORT CONTAIN NOT JUST THE THREE CRITERIA THAT THEY LAID OUT AT THE BEGINNING WHICH SEEM TO BE QUITE CLEAR BUT HOW THOSE MIGHT BE CONSIDERED AND APPLIED IN THE CONTEXT OF UNCERTAINTIES AND THESE KIND OF THE STRATEGIC FLOW OF BUDGETS OVER MULTIPLE YEARS. AND THAT THEY SHOULD BE USED AS A --ONE OF MANY DECISION CRITERIA BUT NOT BY THEMSELVES.

WE'LL TAKE CARE OF THAT EITHER WITH THE SUPPLEMENTAL OR INCLUDE IT IN THE FINAL CFA.

I HAVE A QUESTION ABOUT ITEM THREE WHICH IS SCHEDULE. WE DID SETTLE ON THE MAY 19th DATE BUT I'M WONDERING WHY, GIVEN THE PLETHORA OF QUESTIONS THAT WE'VE ASKED TONIGHT AND THE NEED TO MAKE CERTAIN DEADLINES WHY WE ARE NOT KEEPING THE REGULAR JUNE MEETING ON OUR CALENDAR IN CASE WE REALLY DON'T GET EVERYTHING DONE BY THE 19th OF MAY.

JUNE IS STILL SET.

SOMEWHERE IN HERE IT SAYS WE DROPPED JUNE.

I DON'T BELIEVE SO. I THINK MY DROP DEAD DATE IS TO GET INFORMATION TO THE COUNTY TO GET IT ON THE BALLOT. I WOULD LIKE TO HAVE THE LANGUAGE AND IMPARTIAL ANALYSIS ADOPTED BY THE COMMISSION ON THE JUNE 2nd HEARING. WE COULD COMBINE --I NOSE SPOAS I COULD COME BIEP THE FINAL RESOLUTIONS AND THE --I COULD --I SUPPOSE I COULD COMBINE THE FINAL RESOLUTIONS AND THE IMPARTIAL ANALYSIS ALL IN ONE PACKAGE.

OKAY. THAT IS GREAT. IF WE DIDN'T DROP THAT MEETING, THAT'S FINE.

WE STILL HAVE THAT MEETING.

THERE IS A MEETING SCHEDULE ON YOUR AGENDA ON THE FRONT PAGE AND YOU CAN SEE THE JUNE 2nd MEETING IS THERE. IT DOES SAY JULY IS BEING RECESSED. PERHAPS YOU WERE A LITTLE CONFUSED THERE.

OKAY.

I BELIEVE THAT CONCLUDES THIS ITEM. NEXT ITEM, PLEASE.

NEXT ITEM IS ITEM NUMBER FOUR. FISCAL YEAR FWEN-011 PRELIMINARY BUDGET.

JUST REAL QUICKLY. TONIGHT IS WHAT I CALL THE PRELIMINARY PROPOSED BUDGET FOR SCENE OF THE ACCIDENT ENGINEER. JUST A RECEIVE AND FILE FOR INFORMATION. --FISCAL YEAR 2010-2011 PRELIMINARY BUDGET.

WE'LL DISTRIBUTE THIS TO OUR AFFECTED PEOPLE.

EXCUSE ME. BEFORE WE LOSE THE PEOPLE IN THE AUDIENCE TONIGHT, COULD YOU SAY WHETHER OR NOT WE'LL HAVE AN OPPORTUNITY TO TALK ABOUT COMMENTS ON THE EIR OR WILL WE NOT HAVE ANY DISCUSSION OF THOSE BEFORE IT IS REVISED.

I DO THE THINK WE'LL HAVE ANY DISCUSSION OF THIS.

YOU WILL RECALL AT THE LAST MEETING WE PRESENTED THE EIR AND THE COMMENT PERIOD IS OPEN THROUGH TOMORROW.

OKAY.

BUT WE HAVE ALL SORTS OF QUESTIONS ABOUT THE EIR. AT WHAT POINT WILL WE HAVE THOSE BACK --THOSE ANSWERS IN FRONT OF US?

THE QUESTIONS OTHER THAN THE ONES THAT WERE RAISED AT THE LAST MEETING?

NO.

THIS MEETING.

NO, BUT ALL OF THOSE QUESTIONS. YOU KNOW, IF YOU CLOSE THE PERIOD --THE PUBLIC COMMENT PERIOD TOMORROW, THEN DO YOU PLAN TO COME BACK TO US WITH A FINAL EIR.

ABSOLUTELY.

AND SO YOU WOULD --YOU ARE PLANNING THAT THE CONSULTANT WILL HAVE PROVIDED THE ANSWERS TO ALL OF THOSE QUESTIONS IN THE FINAL EIR.

WHAT HAPPENS IF THEY DIDN'T?

THAT IS WHY WE HAVE --WE ARE TRYING TO, ON A VERY TIGHT TIME LINE HAVE AS MANY HEARINGS AS POSSIBLE SO WE WILL PRESENT THE FDIR IN --

WE'LL HAVE TO MAKE SURE WE DO IT PERFECT. THAT IS ONLY ANSWER I CAN GIVE YOU BECAUSE THE CLOCK IS LIKE ALMOST --WE'RE DOWN TO THE WIRE AND WE NEARLY HAVE TO BE PERFECT IN ANY INCORPORATION AND THAT IS JUST THE WAY, GIVEN THE TIMING OF IT.

OKAY. YOU ARE RESPONDING TO COMMENTS THAT I PROVIDED YOU OVER THE PHONE REGARDING THE ALTERNATIVE SCENARIOS AND THE INCORRECT ASUMS DRAWN IN SOME OF THE EIR SCENARIO DEFINITIONS.

THAT'S CORRECT.

THOSE WILL BE AMENDED?

RIGHT. THE PROCESS IS INTENDED TO RESPOND TO COMMENTS RAISED BY THE COMMISSION AND THE PUBLIC.

AND SAME WITH THE FISCAL ANALYSIS.

THANK YOU.

OKAY. SORRY.

THAT'S OKAY.

OKAY. WE'LL CIRCULATE THIS -- PRELIMINARY PROPOSED BUDGET TO OUR AFFECTED AGENCIES FOR REVIEW AND COMMENT. THE COMMISSION IS REQUIRED TO ADOPT THE PROPOSED BUDGET IN MAY AND THE FINAL BUDGET BY JUNE. REAL QUICKLY, OUR BASE BUDGET OR THE CORE BUDGET IS \$846,750. WE HAVE BUDGET THE \$400,000 FOR PROBABLY ECSTACY, ELK --FOR PROJECTS. THAT BRINGS THE TOTAL ESTIMATED APPROPRIATIONS \$1, 734,426. WE DO HAVE A LOWER AMOUNT FOR INTEREST EARNINGS THIS YEAR. ALL OF THOSE PROJECTS ARE TOTALLY REVENUE SUPPORTED AND THERE IS NO CHANGE IN OUR BASE BUDGET EXCEPT FOR SOME ADJUSTMENTS. THERE IS A SLIGHT INCREASE IN SALARIES OF \$10,000. THAT IS BASED ON CITY-COUNTY. THAT COULD CHANGE BETWEEN NOW AND FINAL OR NOW AND PROPOSED. THEY ARE IN THE PROCESS. THIS WAS THE BEST INFORMATION I COULD GET FROM THE COUNTY STAFF ON THAT. I THINK THE COUNTY STAFF IS ASSUMING A SLIGHT INCREASE, NO FURLOUGHS, BUT THAT COULD CHANGE. WE'LL THEN ADJUST OUR BUDGET ACCORDINGLY.

YOU HAVE TO BE CAREFUL THERE BECAUSE THERE IS SOME RUMOR THAT MANAGEMENT LEVEL IS TAKING A CUT.

IS IT TAKING A CUT?

A RUMOR.

YOU WILL --YOU CAN SET THIS ASIDE BUT CAN YOU NOT ENACT THIS UNTIL --WITHOUT ANOTHER ACTION BY THIS BOARD UNTIL AFTER THE CITY AND COUNTY ADOPT THEIR BUDGET.

RIGHT.

THERE IS A STRONG RUMOR THAT MANAGEMENT WILL BE AFFECTED AND I DON'T KNOW WHAT ELSE MIGHT COME ABOUT? JUNE.

WE COULD TALK AND I'LL MAKE SURE. I THINK WE COULD ADOPT THAT WHATEVER HAPPENS, WE'RE SUBJECT TO BECAUSE WE'RE CITY AND COUNTY RESPECTIVELY EMPLOYEES, WE ARE JUST SUBJECT TO --

CAN YOU PEEK FOOT MICROPHONE, PLEASE.

WE COULD AMEND THE BUDGET THEN IN AUGUST. WE'LL DEAL WITH THOSE ISSUES. I THINK TECHNICALLY BY LAW, WE HAVE TO ADOPT T I DON'T KNOW WHAT THE PENALTY OR IF THERE IS ANY SIGNIFICANCE IF YOU DON'T. BUT WE'LL WORK TOGETHER WITH COUNTY, CITY BUDGET PEOPLE ON THIS ISSUE. OUR LEASE COST WENT UP 500. THERE WAS SOME REDUBS IN VARIOUS ACCOUNTS ASSUMING THAT THIS WOULD BE A NET INCREASE OF \$4,500. AT THIS POINT IN TIME, I'VE ESTIMATED THE FUND BALANCE TO BE \$118,000. THAT COULD VARY. IT HAS HISTORICALLY RUN IN THIS RANGE. IN THE EVENT IT DOESN'T COME IN AS HIGH, WE WOULD THEN HAVE TO TAKE MONEY OUT OF RESERVES TO BALANCE THE BUDGET. WE HAVE RIGHT NOW GENERAL RESERVES OF \$113,000. SO DEPENDING UPON WHAT THE FUND BALANCE IS AND WHAT EXPENSES ARE OR AS ADJUSTED, WE WOULD HAVE TO TAP INTO THAT RESERVE ACCOUNT. WE CONTINUE TO EVALUATE COST- SAVING MEASURES. WE WILL INCIDENT MET THE CITY AND COUNTY BUDGET POLICIES FOR EMPLOYEE SALARY BENEFITS --WE WILL IMPLEMENT THE CITY AND COUNTY BUDGET POLICIES FOR EMPLOYEE SALARY BENEFIT BENEFITS. TONIGHT, THERE IS NO ACTION. YOU ARE NOT ADOPTING THE BUDGET. YOU ARE JUST LOOKING AT THE PRELIMINARY PROPOSED BUDGET SUBJECT TO CHANGE.

A QUESTION ON RECOMMENDATION NUMBER TWO. IT SAYS DETECT EXECUTIVE OFFICER FOR PUBLIC HEARING ON THE FINAL BUDGET MAY 5th.

THAT SHOULD BE PROPOSED. THAT IS AN ERROR.

OKAY. PROPOSED BUDGET.

I HAVE A COMMENT TOO OR QUESTION. IN LIGHT OF THE INFORMATION THAT HAS BEEN PROVIDED BY THE GRAND JURY WITH REGARD TO ONE OF OUR DISTRICTS THAT IS IN TROUBLE - -AREN'T WE GOING TO DOLE WITH THAT LATER.

I WAS JUST WONDERING IF THIS IS NOT GOING TO BE A MAJOR PROBLEM FOR OUR BUDGET OR TIME FOR YOU GUYS ABLE TO TO HANDLE THIS KIND OF A SITUATION.

THAT IS SOMETHING THAT WE COULD TALK ABOUT DOWN THE ROAD. I THINK WE HAVE TO PUT TOGETHER A PLAN THRAND MIGHT BE A COST EFFECTIVE WAY OF DOING IT USING OTHER RESOURCES, WATER DISTRICTS AND EXPERTS WHO MAY BE IMPACTED BY THAT SITUATION. SO--

WE CAN'T HEAR YOU, PETER.

I WISH I COULD RAISE THIS.

YOU REALLY GOT TO LEAN INTO IT.

I KNOW. LIKE TERRY AND WHAT WE'LL DO IS WE'LL COME BACK WITH THE PROPOSAL AND TRY TO EVALUATE AND COME UP WITH IDEAS OF HOW WE CAN CONDUCT THE STUDY USING THE EXISTING RESOURCES. WATER DISTRICTS THAT MAY BE IMPACTED BY THIS AND SO --AND WHAT INFORMATION THAT THE DISTRICT ITSELF HAS GATHERED. IF THEY'VE DONE SOME ANALYSIS AND THEY ONLY REQUIRE YOU BY A WATER ENGINEER OR SOME OTHER EXPERT AND IN THE A FULL-BLOWN STUDY OR ANALYSIS BY A WHOLE NEW REPORT. SO WE DO HAVE RESERVES THAT WE COULD BE USING FOR IT AS WELL. BUT LET'S PUT TOGETHER A PLAN BEFORE WE GET TOO DEEP INTO IT. REMIND US OF THE TIME LINE FOR RESPONSE TO THE GRAND JURY.

THE GRAND JURY RESPONSE IS JULY 6th. NOW, I DON'T KNOW WHAT THAT ENTAILS. THEY MAKE CERTAIN FINDINGS AND WE'LL HAVE TO RESPOND TO EACH OF THOSE FINDINGS BY LAFCO BUT THAT DOESN'T MEAN WE HAVE TO DO ANY KIND OF REORGANIZATION UNTIL EVEN THE WATER DISTRICT HAS ITS OPPORTUNITY TO RESPOND TO THE GRAND JURY.

OUR RESPONSE --IF OUR RESPONSE IS DUE ON THE 6th OF JULY, THEN THE GRAND JURY AS WE ALL FOUND OUT THIS YEAR AND THROUGH OTHER MEANS, EXPECTS SOME SORT OF A RESPONSE IN TERMS OF WHAT YOU ARE PLANNING TO DO WITH THEIR RECOMMENDATION.

CORRECT. AND WE'LL PREPARE THAT FOR EITHER THE MAY HEARING OR JUNE. WE'LL PREPARE THE RESPONSE AND SUBMIT IT TO THE COMMISSION FOR REVIEW AND APPROVAL.

PETER, CAN I REQUEST THAT AT OUR NEXT MEETING THAT YOU SCHEDULE SOME TIME ON THE AGENDA TO BRING US UP TO SPEED ABOUT WHAT HAPPENED IN THE 1995 PERIOD THAT YOU WERE QUOTED AS REFERRING TO IN THE ARTICLE AND WHY THINGS FELL APART AND WHY THEY DIDN'T PROCEED WITH CONSOLIDATION SO THAT WE CAN THEN I THINK BETTER BE INFORMED AND CONSIDER WHAT ASKS WE WOULD TAKE TO PROPOSE BASED ON THAT AND WHETHER ANY OF THAT IS VALUAGABLE.

RIGHT. RIGHT.

I WASN'T ASKING IF A SPECIFIC WITH REGARD TO THE PLAN OR WHAT WE'RE GOING TO DO WITH REGARD TO THAT BUT IT BRINGS UP ANOTHER POINT THAT WE HAVEN'T FINISHED OUR MSRS AND WE HAVE SIGNIFICANT AMOUNTS OF THOSE OR OTHERS THAT WE NEED TO DO. AND THIS MAY NOT BE THE ONLY SMALL DISTRICT THAT IS HAVING A PROBLEM IN THIS BUDGET SITUATION AND IN THIS ECONOMY SO WE SHOULD DO A QUICK REVIEW OF WHAT IS OUT THERE TO BE DONE AND SEE IF THERE MAY BE ANY OF THESE --ANY OTHER PROBLEMS THAT MAYBE WE SHOULD BE FACING OR LOOKING AT AS WE GO. THIS IS GOING TO BE THE FIRST ONE THAT WE'LL HAVE TO FACE BUT I THINK YOU GUYS ARE GOING TO BE ABLE TO HANDLE AND WORK OUT A PLAN. IT IS WHETHER OR NOT WE CAN HE CANNIVELY DO SOMETHING AND STILL PROVIDE -- EFFECTIVELY DO SOMETHING AND STILL PROVIDE FOR THE PUBLIC THAT IS AT THIS TIME BEING UNDERSERVED.

I HAVE A QUESTION REGARDING THE MAY 5th HEARING ON THE BUDGET. WHAT DO YOU EXPECT IS GOING TO BE --WHAT ARE YOU GOING TO PRESENT DIFFERENTLY THAT EVENING THAN YOU PRESENTED TONIGHT AND WHAT OUTCOME OR WHAT ACTIONS WILL BE REQUIRED BY US AT THAT TIME SINCE THE COUNTY WOULD NOT YET HAVE MADE ITS DECISIONS?

THAT IS WHAT I WILL HAVE TO RESEARCH. I WAS NOT AWARE OF WHAT WAS BEING PROPOSED OR THE TIMING. I'M NOT FAMILIAR WITH THE TIMING AND WHEN THOSE DECISIONS WILL BE MADE.

SO AGAIN, WHAT DO YOU EXPECT TO DISCUSS THAT EVENING THEN?

I WOULD BELIEVE THAT THE RECOMMENDATION WOULD BE THAT YOU WOULD ADOPT THE PROPOSED SUBJECT SUBJECT TO CERTAIN CONDITIONS EITHER HAPPENING OR NOT HAPPENING BECAUSE LAFCO IS RIERTD TO ARES REQUIRED TO ADOPT THE BUDGET BY MAY AND THE IDENTIFIABLE BUDGET BY JUNE. I THINK WE CAN DO IT SUBJECT TO CONDITION X, Y AND Z.

I ASSUME BETWEEN NOW AND THEN YOU MIGHT TALK TO THE COUNTEDY REGARDING SCENARIOS IT IS CONSIDERING --TALK TO THE COUNTY REGARDING SCENARIOS IT IS CONSIDERING.

THANK YOU. OKAY. ANYTHING ELSE ON THE BUDGET?

NO FURTHER COMMENTS ON THE BUDGET.

ANY MORE REPORTS OR COMMENTS FROM THE EXECUTIVE OFFICERS?

NO COMMENT.

DON, THANK YOU FOR THE LEGISLATIVE REPORT YOU'RE WELCOME.

YOU WANT TO GIVE IS A QUICK OVERVIEW OF THAT.

WELL, THE REPORT IS THERE AND THE ITEMS ARE BEING TRACKED. WE ARE REALLY STARTING TO SYNC UP A LOT MORE CLOSELY NOW WITH THE STATE-WIDE ORGANIZATION CAL LANCO AND THEIR LEGISLATIVE SUB SUBCOMMITTEE. WE ARE GETTING A LITTLE BETTER UNDERSTANDING OR

TRACKING CAPACITY I SHOULD SAY. ONE ITEM THAT WAS ALIVE IS A TWO-YEAR BILL AND WAS INTRODUCED AND WAS OF SOME CONCERN. SOME OF THE MEMBERS OF THE COMMISSION LAST YEAR STILL AROUND REGARDING THE --HAVING THE OPPORTUNITY FOR WHAT IS CALLED COMMUNITIES THAT ARE HAVING LESS THAN ADEQUATE SERVICES, BEING ABLE TO INITIATE UNILATERAL ANNEXATION WITH A PETITION OF 5% THAT THE BOARD IS THEN OBLIGED TO CARRY FORWARD AND PAY THE TAB FOR AND THE CITY CAN'T OBJECT TO IT. RIGHT NOW, ONE OF THE THOUGHTS THAT IS BEING --CAL LAFCO CONTINUES TO WATCH THAT AND SOME OF THE THINKING ON THAT IS TO MAKE SURE THAT SPECIAL DISTRICTS ARE ALSO BROUGHT INTO THE DISCUSSION AS THEY MAY BE THE ONES GIVING OR LOSING SERVICE AREAS. THAT IS PROBABLY THE HOTTEST BILL RIGHT NOW.

I THINK IT IS IMPORTANT TO UNDERSTAND THAT, ALTHOUGH THE BILL DID NOT SURVIVE, IT IS A CONTINUING INTEREST TO TRY TO FIGURE OUT BET ARE WAYS TO PROVIDE SERVICES TO UNDER UNDERSERVED UNINCORPORATED AREAS WITHOUT CHARGING ALL THE COSTS, EXTRA COSTS FOR THE CITY. AND I'M SURE THAT WILL BE A CONTINUING DIALOGUE OF INTEREST TO US ALL. THANK YOU FOR TRACKING THAT.

SURE.

OKAY. DO YOU WANT TO GO OVER THE WORK PLAN?

IF YOU HAVE ANY QUESTIONS, I'M HAMMY TO ANSWER QUESTIONS. OTHERWISE, I HAVE NOTHING TO ADD.

I DON'T HAVE ANY COMMENTS. ANY COMMENTS FROM THE COMMISSIONER.

I JUST WANTED TO GO BACK TO THE WATER DISTRICT ISSUE. I DON'T KNOW WHETHER YOU WOULD HAVE A RECOMMENDATION OF WHETHER LAFCO WOULD TAKE THE SUBJECT UP OF MAKING A CHANGE. DO YOU EXPECT YOU WOULD HAVE THAT IN THE GRAND JURY REPORT OR BRING IT BACK IN JULY AFTER THE REPORTS THEN WITH A REVIEW OF WHAT THE SITUATION IS IT FROM YOUR POINT OF VIEW.

I HAVE TRIED TO REAL QUICKLY EVALUATE THE SITUATION. THERE WAS ONLY ONE ALTERNATIVE WE WERE LOOKING AT. I THINK IN THIS PARTICULAR CASE, WE SHOULD PROBABLY LOOK AT SEVERAL ALTERNATIVES. THERE IS A COUPLE OF DIFFERENT ALTERNATIVES. I GUESS I'LL TALK TO NANCY ABOUT IT BUT MY THOUGHT WAS TO WAIT UNTIL THE DISTRICT HAS THE OPPORTUNITY TO RESPOND TO THE GRAND JURY TO SEE WHAT THEIR RESPONSE IS BEFORE WE GET TOO EXCITE AS TO WHAT OUR ROLE SHOULD BE, .

THAT IS WHY I WAS SAYING IT PROBABLY WOULD BE IN JULY OR --

AUGUST.

AUGUST PROBABLY SINCE WE ONLY MEET ONCE A MONTH.

BUT I CAN GIVE THE BACKGROUND, THE PROCESS THAT LAFCO WOULD FOLLOW AND SORT OF SET THE STAGE WITHOUT SAYING ONE WAY OR THE OTHER. BUT JUST GIVEN THE INFORMATION. THEY ARE TRYING TO MINIMIZE THE MISINFORMATION MAYBE.

THEN, IF I COULD SUGGEST THAT WHEN YOU DO SET THAT MEETING TIME, THAT YOU COMMUNICATE WITH THROUGH DICKEN SENATE'S OFFICE BECAUSE I'M SURE HE HAS A LIST OF INTERESTED PARTIES. LET THEM KNOW WE ARE HAVING A MEETING TO DISCUSS THE SUBJECT.

SO BASICALLY, YOU ARE INDICATING THAT YOU WOULD LOOK TO THE DISTRICT RESPONSE TO PROVIDE A DIRECTION IN WHAT THEY THINK OUGHT TO BE DONE?

NO, BUT TO SEE IF IN FACT THEY ARE TRYING TO DEAL WITH IT. DO WE DO A OR B OR C? I MEAN IF THEY ARE SITTING ON THEIR HANDS AND NOTHING IS CHANGING AND THERE IS NO PLAN, THEN MAYBE WE DO SOMETHING MORE AGGRESSIVE OR WE MIGHT DO SOMETHING THAT ASSISTS THEM AND I JUST DON'T KNOW WHAT THAT RECOMMENDATION WOULD BE AT THIS TIME.

YOU WANT TO SEE WHAT THEY HAVE TO SAY FOR THEMSELVES.

SURE, I THINK THEY HAVE AN OPPORTUNITY AS ANYBODY TO DEFEND THEMSELVES.

I THINK ALSO THE REPORT WAS ISSUED TWO DAYS AGO SO WE HAVEN'T REALLY DEVELOPED A FULL STRATEGY TO RESPOND TO IT. I THOUGHT THE COMMENT OF BRINGING SOME HISTORY TO THE COMMISSION IN MAY MIGHT HELP OUT A LITTLE BIT AS WE MOVE FORWARD.

ANOTHER THING I WOULD SUGGEST IS WE IMMEDIATE TO MAKE CLEAR AT THE OUTSET OF SUCH AN EFFORT WHAT OUR ACTUAL AUTHORITY IS AND RESPONSIBILITY. OFTEN TIMES, WHEN YOU LOOK AT LAFCO LAW, IT IS RATHER CLOUDY IN TERMS OF WHAT WE CAN DO AND NOT DO. WE NEED TO MAKE IT CLEAR TO THE PARTIES AND TO OTHERS WHAT OUR AUTHORITY IS.

I KNOW WE CAN'T PROBABLY DISCUSS THIS TOO FAR WITHOUT HAVING A BROWN ACT PROBLEM HERE BUT I GUESS I WOULD LIKE TO HAVE SOME KIND OF PRELIMINARY IDEA THAT YOU SEND TO THE COMMISSIONERS SO THAT WHEN WE'RE ASKED WHAT LAFCO'S RIGHTS, ROLES AND RESPONSIBILITIES ARE, HERE WHAT IS WE KNOW WHAT TO SAY. I WOULD LIKE TO HAVE THAT.

I CAN PROVIDE YOU THAT TOO.

THERE IS A LETTER UP HERE FROM THE PRESIDENT OF THE BOARD. DID EVERYBODY GET THIS?

YES.

OKAY.

COMMISSIONER, IF I MAY? I BELIEVE THERE IS A REPRESENTATIVE --

DO YOU HAVE A SPEAKER REQUEST FORM.

I HADN'T PLANNED ON SPEAKING. AM DIRECTOR OF THE COMMUNITY WATER DISTRICT AND I AM ONE OF THE THREE THAT WON THE LAST ELECTION AND WE HAVE BEEN IN OFFICE ONE YEAR AND TO US, WHAT THE GRAND JURY SAID IS JUST UNDERLINING WHAT WE RAN ON, THAT THE DISTRICT IS IN TROUBLE AND HAS BEEN FOR 0 YEARS.

WE ARE DOING BEFORE THE WE CAN TO TURN IT AROUND BUT WE CAN'T TURN IT AROUND IN ONE YEAR WHAT HAS GONE DOWN IN 20. THE FUND WILL BE AVAILABLE VERY SOON. ONE OF OUR WELLS IS GOING OUT TO BID IN THE NEXT WEEK AND SO WE FEEL BY THE END OF THE YEAR MOST OF THE PROBLEMS AS FAR AS THE COMPLIANCE ORDER WILL BE TAKEN CARE OF. SOME OF THE THINGS I THINK THE GRAND JURY MAY BE OVERSTEPPED THEIR BOUNDS A LITTLE BIT BUT WE ARE TRYING TO LOOK AT THE REPORT IN A VERY POSITIVE ATTITUDE. THEY GAVE US A LOT OF AMMUNITION TO GET RID OF SOME OF THE DEAD WOOD IN THE OFFICE AND SO LIKE I SAY, WE ARE TRYING TO LOOK AT IT POSITIVELY. IT IS HARD TO DO ANYTHING IN ONE YEAR. LIKE I SAY, THE THREE OF US THAT WERE ELECTED WERE ELECTED ON A LANDSLIDE VOTE. I MEAN SO FAR AHEAD OF ANY OF THE OTHERS. I THINK THAT WAS A DIRECTION TO THE COMMUNITY TELLING US THEY SUPPORTED WHAT WE STOOD FOR. AND SO FAR, WE'VE SORT OF DRAWN A LINE IN THE SAND AND WE ARE TRYING TO STICK WITH WHAT WE SAID WE WOULD DO. I THINK WE WILL ACCOMPLISH IT BUT WE DO NEED A LITTLE MORE TIME.

>>> THERE IS SOME CONCERNS ABOUT SOME OF THE THINGS ON OUR WORK PLAN WITH REGARD TO MOVING FORWARD THAT MAY EFFECT SPECIAL DISTRICTS. SO WE'LL BE CONTINUING TO WORK TOGETHER WITH THE COMMISSION TO SEE WHAT WE CAN DO TO HELP. >> ANY OTHER COMMENTS?