

# COLAB SAN LUIS OBISPO COUNTY

## PRIOR ACTIONS AND COMING ATTRACTIONS REPORT

WEEK OF MAY 21-28, 2011

### BOARD OF SUPERVISORS

#### Board of Supervisors Meeting of March 17, 2011(Complete)

Labor Law Suits. Last year after labor negotiations with the Deputy Counsel Association (DCCA) and San Luis Obispo Government Attorney's Union (SLOGAU) reached impasse, and in accordance with Meyers-Milias-Brown Act (The State's local government labor relations act), the County imposed a settlement. The two groups have sued the County, and additional funding of \$108,000 for expert outside counsel is required to work the case. It is appropriate that the Board hang tough in bad economic times and not surrender, as has happened in many local jurisdictions and especially the State.

During the discussion on this item some Board members expressed disappointment that the two attorney's unions were suing the County when other unions had helped the County negotiate reforms. These reforms will help balance the budget in the future.

Economic Vitality Corporation (EVC) \$190,000 Contract. This passed unanimously. There were no questions about the vague non-substantive work tasks, lack of reality, or bureaucratic language included in the Board item letter. This contract provides for the EVC to begin implementation of the *Countywide Economic Development Strategy*, which the Board approved in January. Interestingly, the contract is for fiscal year 2010-11, which is almost at an end (June 30). At the heart of the scope of services are the actual tasks the EVC will perform to create economic activity and growth. The Board report cites the implementation goals of the Clusters in the Plan as the key activities. Examples of work tasks include such items as, "Secure the services of a professional facilitator/project manager to lead each cluster team during early implementation of the project," "Schedule an initial meeting of each cluster team to kick off the implementation phase," and "Recruit additional champions and implementation partners from the business/private sector to ensure that each cluster team is populated by relevant and engaged members."

(See last week's update for a little irony on this contract.)

\$1,348,864 Fish Ladder. Cambria (Santa Rosa Creek) is getting a new fish ladder. The public benefit is reported as providing "a more livable community by enhancing steelhead habitat" (however, no fishing allowed). The discussion on this one focused on a bid protest and whether the County is adhering to its stated requirements for contract bidders to fill out all the required forms and reports.

No one on the Board or in the audience seemed concerned at the prospect of spending almost a million and a half dollars on such a project under today's conditions. Perhaps the fact that the project is funded by State tax money and private non-profit money as opposed to local money seems to make it OK.

Third Quarter FY 2010-11 Financial Report. The Board received this report with little comment other than relief to be doing so well. The County retained its double AA+ credit rating from Fitch, and there was some mutual congratulation on this subject. The seven years Pain Plan (phased budget reduction plan) has allowed the County to reduce staff and costs gradually over time, which is positive. The County has a strong property assessed value base and has lost very little value so far in the recession, which is a stabilizing factor. No one mentioned that the Diablo Nuclear Power Plant is an important contributor. The current year budget is pretty much on track. As we noted in earlier reports, Public Health, the Parks Department, Public Defender, and County Counsel have required or will require transfers to balance due to a combination of departmental revenue shortfalls or workload spikes. These higher costs are offset by a combination of savings in other departments and/or revenues performing above budget estimates.

Proposed FY 2011-12 Budget. The proposed Annual Operating Budget was presented by staff and placed on the public record during the Board meeting per the requirements of the State Budget Act. During the staff presentation, the Deputy County Administrator outlined the Budget balancing strategy to close an \$11.4 million gap, the predicted gap. The first hearing on the Budget will take place on Monday June 13, 2011. The new Budget totals \$449.6 million and is reportedly "flat" in comparison with the current year budget. The General Fund portion of \$376.9 million decreases several million from the current year total. COLAB will conduct an analysis and report.

The consideration of the annual operating budget is one of the most important policy acts for any governmental jurisdiction. More than numbers, dollars, and employee counts, this is the process by which the governing body sets and enforces its policy by funding its priorities. The funding for smart growth, the Climate Action Plan, implementing the Conservation and Open Space Element, and all the other components of the County's massive land use regulatory program are included. All those who support a more fair and reasonable architecture of regulation should be prepared to take time to make their voices heard during this crucial period.

Los Osos Waste Water Project \$173,398,416. The Board had a fairly long hearing on this complex financing issue. Supervisor Meham raised a number of good analytical questions and requests for clarification. The Los Osos resident regulars were present and complained about the overall project, expressing concern that many people will not be able to afford the assessment payments, monthly sewer service charge and sewer lateral charges. In the end the Board approved the project, set the project budget at \$173.4 million, authorized \$23 million of interim financing, repaid the County \$8.2 million which were advanced to date from other funds, and authorized a \$4.9 million consulting contract with Camp Dresser &

Mckee, Inc., of Sacramento to design the collection system. As reported last week, the interim financing is necessary because the US Department of Agriculture, which is financing part of the project with an \$83.2 million dollar loan, will not let the County take down the loan until construction contracts are awarded. The County obviously cannot award construction contracts until it has designed the plant, the collection system, and the disposal system. Accordingly, it is issuing \$23 million in bond anticipation notes (BANS) to cover the advance engineering costs and reimburse its costs to date. Once construction contracts are issued, the BANS will be defeased with proceeds from the USDA loan.

#### Board of Supervisors Meeting of May 24, 2011(Scheduled)

Flooding Solutions on Arroyo Grande Creek. In December of 2010 there was flooding in the Oceano Lagoon. Thirty-nine homes and eight apartments were damaged. Public Works has prepared a report detailing the types of studies which must be completed in order to develop proposed solutions. There are several creeks involved, flap gates which protect against flood water backing up one creek, and other complexities. In most years sand bars form where the creeks flow into the Ocean, causing the creeks to back up, and in some years causing flooding. The Public Works report states, "... flooding may be mitigated if the sand bars... are breached in advance" (of a likely flood event). In a telling paragraph which inadvertently illustrates the ridiculous nature of our increased regulations, the staff states "*Historically, prior to the 1990's, breaching of the sandbar occurred. The history of who and when is substantially undocumented since it was an informal activity prior to existing environmental regulations.*"... "*Indeed, the long history (over 100 years) of mitigating flooding in Oceano had included significant efforts by residents and property owners...*"

Of course today in the modern regulatory era, permits from the US Army Corps of Engineers, National Marine Fisheries Service, Fish and Wildlife Service, California Fish and Game, and the California Coastal Commission are required before sand is allowed to be moved out of the way. Instead of a quick practical solution, the poor citizens will have to bear increased flood assessments to fund all sorts of constructed solutions and perhaps pay for an expensive and time consuming annual permitting process. Would that someone could just run the bulldozer through at low tide.

We can only wonder what excessive mitigations the Coastal Commission will require in exchange for a permit.

Growth Management Limits set for Year. In line with the annual Resource Management Report (which we have discussed in prior weekly updates), each year the County determines the maximum number of new dwelling units for which it will issue permits. For 2011-12 the staff recommends a growth rate of 2.3% (1102 units) for most of the County, 1.8% (128) for the Nipomo mesa area, and 0% for Cambria. Los Osos is under a sewer moratorium. It is not quite clear from the data how these numbers are determined. There is also a 10% carryover of the prior year unused allocation which is added to the base calculation number. The staff write-up is a little confusing because it refers to dwelling units on page 3 of the Board item, but footnotes to the statistical reports on pages 7 and 8 state that they are "allocation requests, not dwelling units." Certainly if they have not been built they are not actual dwelling units, but they are potential dwelling units.

In 2009-10 only 115 permits were requested and only 120 were requested in 2008-09. The report does not cover how many were actually built each year. The serious concern here is that so few are being requested in the first place. Almost every week new items appear on the agenda proposing new tools to control development. It seems inexplicable that there would not be some effort to stimulate housing, construction and employment.

## OTHER GOVERNMENT ENTITIES

### Planning Commission Meeting of May 26, 2011 (Scheduled)

Twisselman Aggregate Mine continued hearing. This will be the fifth hearing on the Twisselman aggregate mine, which is a companion project to the recently approved SunPower Solar Plant.

Shandon Community Plan continued hearing. This will be the third hearing on this proposed plan amendment to allow a larger and denser urban village.