

COLAB

PRIOR ACTIONS AND COMING ATTRACTIONS REPORT WEEK OF FEBRUARY 20, 2011

BOARD OF SUPERVISORS:

As forecast, the Board did not meet on February 15, 2011 due to a lack of agenda items.

For the meeting of the February 22, 2011 there are four items of note as follows:

Coastal Commission. There is a proposed letter to the Governor's Appointments Secretary nominating 2nd District Supervisor Bruce Gibson and Pismo Beach City Council Member MaryAnn Reiss for a single appointment to the Coastal Commission. This nomination is part of a process where the "central" South Coast counties (Ventura, Santa Barbara, and San Luis Obispo) each nominate up to 2 sitting city council members or county supervisors. Supervisor Gibson underscores his scientific education, local government service, and leadership experience on coastal issues as reasons he should be appointed. Ms. Reiss has very extensive local government and regional experience and is actually on the Commission. She is regarded as a steady, competent, and strong representative of local interests. The Board should request the Governor to continue her service. The Board could forward one name, both, or neither. It is likely that Santa Barbara County, Ventura County, and some cities may also have nominees for this slot.

The Commission has a historical track record of unreasonable, intrusive, and over-zealous management of its ostensible statutory purpose (protecting and expanding public access to the coast). This is compounded by its usurpation of local control from elected city councils, boards of supervisors, and other local bodies. The Commission, although it has some appointed members from local elected governments, is appointed by a combination of the Governor and leadership of both houses of the Legislature. As a result it is accountable to no one and is notoriously dominated by its staff which, of course, works there year in and year out while the Commissioners turn over. Accordingly, questions for any of the candidates are: if you are appointed, what are you going to do to protect our property rights; how are you going to try to bring the staff under control; and what are you going to do to insure local control? These would be good questions for the Board of Supervisors and citizens to ask the prospective candidates on the record in the public Board meeting on Tuesday prior to the Supervisors passing on a nomination.

Proposed Budget. The Board will receive information on the upcoming Proposed FY 2011-2012 Budget preparation cycle. At this point the staff forecasts an \$11 million to \$14 million impending deficit. The agenda item does not indicate how much of this is true local general fund dollars and how much is in the State and Federal categorical programs. This breakdown is important because the core safety and justice services including Sheriff, Fire, Public Defender, District Attorney, and Probation are largely funded out of the local portion. This in turn is funded from the local property tax, sales tax, and transient

occupancy (hotel) tax. The impending deficit projection does not yet include any prospective damage that may result from the ultimate adoption of a State Budget which cuts county revenues and/ or down shifts State programs to counties without providing equivalent funding.

Budgeting as usual. During the Board meeting the department heads will present how reductions at different percentages would impact their service levels and staffing. This material was not presented as part of the agenda item in advance. The County has an elaborate set of Budget priority setting policy guidelines which were adopted several years ago to direct staff on how to make reductions and how to protect reserves. It tells the department heads what percentage to cut in order to deal with the gap noted above. Problematically, the County's supposed economic development strategy is not linked to the Budget. For example, the County's recently released Economic Vitality Commission report "SLO County Clusters Opportunity Economic Strategy" repeatedly recommends that land use regulation and permitting processes need to be reformed to provide certainty, flexibility, and better velocity. This in turn is vital to growing the economy, providing jobs, and stabilizing the housing market. Moreover, the County's anti-economic policy initiatives of so called smart growth, climate management, and related plan element updates are hindrances. These obvious linkages are not included in the directives to the department heads. Rather than incenting the departments to help solve the economic dilemma, the policy guidance simply leaves them in the position of complaining about not having enough money and warning about service cuts.

A modest reform. The County Administrative Officer, each Department Head, and each County Board and Commission (like the Planning Commission) should be directed that the Budget priority is to grow the economy, reduce bankruptcies, reduce foreclosures to keep people in their houses, expand agricultural markets, stimulate construction activity, reduce fees, expand tourism, maximize events, and cut permitting time in half each year for 2 successive years. Department Budget submissions would list each Department's specific numerical objectives for each reform or service to promote these goals and then each objective would be backed up by at least 2 subordinate quantitative performance measures (with specific time deadlines). The burden should not just be on the Planning and Building Department. Every executive and every manager should share in this policy priority.

New Taxes? Disturbingly, the staff report expends several pages describing how various tax increases and new taxes can be placed on the ballot. They even enthusiastically point out that a general tax for a non-specific purpose only needs a 50% plus 1 vote to pass!!!! Included in their list, are a one half cent sales tax increase (\$25 million); a one percent increase in the transient occupancy tax (\$750,000); an increase in the Business License Tax/Gross Receipts (\$750,000); and a new 5% Utility Users tax on electricity, natural gas, and telephone. (\$5 million). They need to switch their favorite beverage and turn down KPIG. (94.9 FM)

New Women's Jail. The staff is asking the Board if it wants to continue working with the State Corrections Department on a \$25.1 million dollar grant to build a new 155 bed women's jail. The grant has been tentatively awarded and the County must decide if it wants to accept because time is running out. The County's share would be another \$9.9 million, most of which it has in a reserve account for this purpose. There is possible \$5.5

million add-on for a new \$5.5 million jail medical unit that would serve all inmates. So the Board has to decide if it wants to commit \$15.4 million of general fund in the teeth of an impending \$14 million dollar impending deficit and unknown further costs and revenue reductions which could result from the new State Budget. An even greater difficulty is that the new jail will require new staffing and other operational expenditures. These are estimated to be a new recurring \$1.5 million in the first year of operation. This amount will of course grow each year as negotiated salary increases occur. Further cost pressure will come from the pension cost increases which we have discussed separately. The Board needs to have staff do a 10 year projection on a graph showing the compounding upward curve impact prior to making this decision. Then for example (if the forecast cost is a recurring \$4,000,000 per year by 2021) the Board could have the real discussion about financing budgetary costs and the economic strategy which enable them. The bottom line is that these decisions should be made in terms of economic reality. The real choice here is between “smart growth” and more drug pushers, child abusers, prostitutes, and thieves.

Redistricting. As reported previously, the County must reconfigure the 5 supervisorial districts by November 1, 2011 as a result of Census data which will arrive on April 1, 2011. The Board will be considering the process, including issues such as the establishment of an independent citizens advisory committee, who on the staff will lead the project, and how much publicity, citizen input, and how many workshops will be provided. COLAB could have a tactically informed member or two who have experience in electoral politics serve on any committee which is created.

Planning Commission:

The Commission will meet on Thursday February 24, 2011 at 9am. The key item is the continuing review of Sun Power High Plains Ranch II solar generation project.

Air Pollution Control District:

No activity is scheduled until March.

Central Coast Regional Water Quality Control Board:

As reported previously here and in the Newsletter, a crucial meeting takes place at the Watsonville City Hall on March 17, 2011 at 8:30am on a proposed Commission order which would require farmers and ranchers to treat irrigation water to the standards of drinking water. Implementation of the Order as drafted could cost agriculture in Santa Barbara, San Luis Obispo, and Monterey Counties \$250,000,000 dollars and be devastating to the industry and all those who are allied with, serve, or depend on the industry. Everyone who can attend should come and show united support for all forms of farming and ranching, all of which will ultimately become subject to this oppressive government assault.

SLOCOG:

There will be no SLOCOG Board meeting on March 2, 2011.