COLAB SAN LUIS OBISPO
WEEK OF NOV. 5 - 11, 2017

THIS WEEK

ANIMAL SHELTER PROJECT AT RISK

“CORRECTED” FINANCIAL FORECAST NOT YET CORRECT

IT RESULTS FROM LONG TERM LOGIC AND STRUCTURE PROBLEMS IN THE BUDGET PRESENTATION

DISPUTED MARIJUANA REGULATIONS BACK

LAST WEEK

SPECIAL BOS MEETING ON APPOINTMENT OF NEW CAO

NO REGULAR BOARD OF SUPERVISORS MEETING

SLO COLAB IN DEPTH

(SEE PAGE 15)

WITHOUT GOVERNMENT UNIONS, THERE WOULD BE NO GAS TAX INCREASE

By Ed Ring

THIS WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, November 7, 2017 (Scheduled)

In General: This is a heavy week, which contains items which are lengthy and can flare into controversy. These include the new animal shelter project, "corrected financial forecast", and marijuana regulation.

Item 1 - Request to amend the Board of Supervisors Rules of Procedure to provide the County Administrative Officer with the authority to cancel and add Board meetings at his or her discretion. This is a positive step, which would streamline the process by allowing the CAO to amend the schedule by deleting meetings if there is insufficient work or to add meetings if there are items in need of attention. The write-up says it all:

The Board of Supervisors' Rules of Procedure originated on July 11, 1876 and were revised by the Board on May 17, 1961. There were several revisions following, with the most recent update approved June 2, 2015. The Board of Supervisors has discretion to adopt/amend the Rules of Procedure governing its own meetings, so long as those Rules of Procedure are consistent with all applicable laws.

The item is a little confusing because Item 21 below is actually consideration of ordinance amendments which are apparently required to allow what is proposed in this item. Does one hand know what the other is doing here?

Item 10 - Request to declare the results of the October 17, 2017 Estrella-El Pomar-Creston Water District Special Election. The certified results are contained in the tables below. The District will be deemed formed subject to a separate Proposition 218 tax levy vote. Also the County Board of Supervisors will have to vote to relinquish its groundwater management authority in the area before the district can go live. The District, if fully approved, will prepare a groundwater sustainability plan (GSP) pursuant to the 2014 State Groundwater Management Act (SGMA).

A question about the integrity of LAFCO arises here. Why did it not require the County relinquishment vote prior to approving the formation of the District? Similarly, why didn't it require the Proposition 218 funding vote? Many Paso Basin folks are concerned that LAFCO is controlled by Hill and Gibson in alliance with urban water appropriator interests. They have relentlessly pushed for so-called "local control" though a variety of organizational devices. The problem is that the voters in the basin don't really believe that these proposed arrangements are actually true forms of local control. They overwhelmingly rejected (2016) the AB 2453 special legislated Water District pushed by Gibson and Hill from 2013 through 2016 by almost 80% of the vote.

October 17, 2017 – Estrella-El Pomar-Creston Water District Special Election
Official Election Results
October 25, 2017, 5:00 p.m.

Number of Landowner Voters: 205
Total Number of Acreage: 37,144
Total Ballots Cast: 174
Turnout: 84.88%

Measure C-17 – Estrella-El Pomar-Creston Water District

	RAW COUNT	ACREAGE	PERCENTAGE
YES	168	33,822	97.13%
NO	6	999	2.87%

Candidates (Vote for Five)

	RAW COUNT	ACREAGE	PERCENTAGE
Lee Nesbitt	122	29,419	18.77%
Al Webster	152	31,588	20.16%
Jerry Reaugh	152	32,470	20.72%
Hilary Shirey Graves	136	30,382	19.39%
Dana M. Merrill	159	32,848	20.96%

Many argue that the County Board should be the SGMA planning authority in the Basin because it is elected by tens of thousands of the people rather than large land owners. Opponents of that position argue that the landowners have the greatest stake and should have local control.

Why isn't this true for homeowners in San Luis Obispo? Why do thousands of transient nonresident students get to vote on matters in which they have no stake? They don't own property, they live in tax exempt state housing, and they will be gone in a few years.

Item 14 - Request to 1) approve a resolution authorizing a pre-qualification program for Design-Build entities interested in proposing on the New Animal Shelter project; 2) authorize the Director of Public Works to issue the Request for Statement of Qualifications associated with the Design-Build project; and 3) authorize the expenditure for a $30,000 stipend to the unsuccessful Design-Build entities. Public works seeks authorization to set up a competition to eventually appoint a design/build contractor or team to design and then build the proposed new animal shelter.

The idea is to attract the best firms and prices in a competition. The losers would actually be paid $30,000 for their time and effort.

The whole animal shelter program is encountering headwinds because Paso Robles and Atascadero have dropped out and apparently want to go on their own. (It had been planned for the cities to fund their share of the overall project (@ $14 million). This will disrupt the funding plan. See Item 29 below for details.

As a result, this item should be trailed and taken up after item 29.

Item 20 - "Corrected" FY 2018-19 Financial Forecast Still Not Kosher. The write-up indicates that the mistake was due to omitting $8 million in scheduled raises in the forecast.

Shortly after the forecast was presented, staff identified a significant error in the calculations used to develop the forecast. After a careful review of the forecast, it was determined that a net of approximately $8 million in salary related increases granted in recent months were inadvertently omitted from the forecast. All other calculations and assumptions were consistent with the methodology that the County has historically used in developing the forecast.

a. Here we have the first clear statement of the amount left out of the calculations. It turns out (if the statement is accurate) that the cause is the omission of the full year impact of salary increases granted in FY 17-18 as they compound in FY 18-19.

b. Again we are not seeing the full picture. In fact the County's standard budget summary charts are not included in updated fashion with this item. Instead we are only permitted to see a small out take.

	Initial Forecast	Revised Forecast
Total financing sources (revenues)	$ 516,044,496	$ 520,061,610
Total financing uses (expenditures)	$ 512,842,473	$ 524,893,815
Total forecast General Fund Available	$ 3,202,023	- $ 4,832,205

Note: Why is the analysis limited to the General Fund? Are not employees in the categorically funded departments getting raises too? Were those raises omitted too? Does the $8 million cited above pertain only to the general fund?

Also note that between the time of the October 10th report and the current report, revenues were pushed up $4 million to help bevel the impact. The write-up says nothing about why or where this new $4 million, which was apparently "not known" only 6 weeks ago, suddenly came from.

Similarly, expenditures jump $12 million in just 6 weeks. If the salary mistake is actually $8 million, what constitutes the new $4 million in expenditures that pops up in the table above?

Instead the summary chart from the budget document should be updated to provide the full picture.

Description	2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Recommended
Uses of Financing by Type				
Salary & Benefits	247,387,326	257,076,607	277,727,563	290,106,313
Services & Supplies	140,343,748	150,650,065	165,490,162	175,429,679
Other Charges	110,358,508	107,022,572	107,055,613	102,205,206
Fixed Assets	35,518,296	54,036,218	13,992,781	17,553,229
Transfers	(18,935,657)	(21,120,074)	(23,639,346)	(25,463,049)
Increases to Reserves/Designations	0*	0*	23,170,477	5,475,704
Increases/(decreases) to Fund Balance	35,961,093	9,238,104	0	0
Contingencies	0*	0*	24,169,367	24,718,964
*use of reserves and designations and contingencies are included in individual financing types				
Total Financing by Type	**550,633,314**	**556,902,826**	**587,966,617**	**590,026,046**

The chart should be updated to the current and the most recent past periods and should include data out to the forecast year FY 2018-19.

Drop the historic data from FY 2014-15. It's been dead for 3 years.

Convert the 2016-17 Adopted column from Adopted to Actual – that fiscal year is closed out and the results known.

Convert the Recommended FY 2017-18 to Adopted and update the numbers. The Budget was adopted in June.

Add a column that shows the FY 2017-18 projected actual for June 30, 2018.

Add a column showing the forecasted FY 2018-19.

In this way everyone can see the full picture. Plus, they can see if it balances to the separate revenue (sources) chart.

Prepare a separate subordinate chart with the same information for just the general fund.

Again, and as we have repeatedly reported over the years, the budget presentation structurally is inadequate. This in turn leads to inadequate reporting on the budget. The problems are ongoing and have existed over the years, as COLAB has reported each year.

Background: For our readers' convenience, last week's Weekly Update report on this subject is reprinted immediately below. This is particularly important, as Hill and Gibson are politicizing the forecast mistake to cover their own woefully inadequate management of structural budget presentation issues, which have existed for years:

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*use of reserves and designations and contingencies are included in individual financing types

Last Tuesday the County issued a media release announcing that it had discovered a mistake in calculating its projections for next fiscal year's 2018-19 budget. The release is reproduced in full at the end of this item. Adam Hill has recently attempted to lay off blame on the Board majority. In fact the structural, budget format, presentation, and lack of clarity problems are historical and he owns full responsibility for almost a decade of administrations appointed by him and which he praised and commanded. The underlying problems are long term.

The text of the release attempts to obfuscate the seriousness of the problem in several ways:

1. The media release states in part that *"County officials have revised the outlook for the coming fiscal year after discovering a miscalculation in the financial forecast reported on Oct. 10*. It then goes on to state: *As we began preparation for the next budget cycle, we discovered that a significant portion of recently approved salary increases were inadvertently omitted in the calculations for the financial forecast reported earlier this month," said County Budget Director Emily Jackson.*

One problem is that the media release never tells us the total amount of the negotiated salary increases that were left out. There is a rumor that it may be as much as $12 million and includes legally adopted pay raises for the County's largest union, SLOCEA (San Luis Obispo County Employees Association), and all non-union management. As noted in item 2 below, the County now and as a result reports a net $2.8 million to $4.8 revenue expenditure gap for FY 2018-19.

2. The text of the release may well underestimate the size of the problem: *The County now estimates a $2.8 million to $4.8 million deficit in FY 2018-19, rather than the original estimate of a $3 million to $5 million surplus. However, officials say that the County's historical attention to fiscal responsibility has positioned it to better address such budgetary gaps. The County Administrative Office will present a revised forecast to the Board of Supervisors on Nov. 7.*

Staff needs to come clean and report the amount of the total miscalculation and then how they worked it down to a net of $2.8 million to $ 4.8 million.

3. In building budgets and budget projections counties, cities, and other jurisdictions use software programs (often called salary models or payroll projection programs) which calculate each employee's regular salary for the ensuing fiscal year. Scheduled step increases, negotiated union raises, and other known recurring increases are applied in the pay periods in which they are due. These are then rolled up organizationally (work unit, division, and county-wide) to project the total New Year cost. Functions of payroll such as pension costs and social security can also be calculated, projected, and added to the totals.

Although the County media release is not explicit, it appears that staff did not include previously negotiated raises for some employee groups in the FY 2018-19 salary model. This in turn made the expenditure numbers in the overall budget projection understated.

Worse yet and with respect to salaries and related costs, the County forecast stated in part:

The assumptions noted above result in the following expenditure forecast:

$277,445,206 [1]

COLAB Note: This number appears to be a mistake because it is actually the 2016-17 end of year budget results number (what they actually expended that year). It was included in Proposed FY 2017-18 summary budget charts to illustrate the year-to-year changes. The same chart shows that salaries and benefits for FY 2017-18 (the current budget year) would be $290,106, 313, or $12,661,107 more in FY 2017-18 than in 2016-17. The $12.7 million is important because it is representative of the year-to-year magnitude of projected salary increases. Yet strangely, the forecast document only lists a few smaller numbers for the projected cost of salary increase. This is made even more problematical because the Budget chart below shows that for 2017-18 the total salaries and benefits is an adopted $290,106,313. If the increase from FY 17-18 to FY 18-19 is proportionally the same as the prior fiscal year, salaries and benefits would rise another $12 or $13 million. As noted above the staff has never detailed what that cost actually will be.

Is it possible that staff simply did this report as a boilerplate copy of a prior year and forgot to update the number and actually used a 2 year old number? They should really use the salary model analysis cited above on page 3.

At this point and for these reasons we believe the problem could actually be much larger than the $2.8 - $4.8 million stated in the media release. The staff may have beveled other assumptions to produce the lower numbers and cover up the magnitude of the mistake.

FY 2017-18 adopted General Fund salary and benefits

[1] We recognize that this number is the all funds (not just the General Fund) amount. It still illustrates the mistake.

- *$1,374,116* **COLAB NOTE: It is not clear what this number means. The total salary and benefits is over $290 million.** They never tell us the General Fund breakout.

FY 2018-19 wage increases already approved by the Board

- *$800,000* COLAB **NOTE: Again there are contracts approved with increases due in FY 18-19 which includes millions. Who knows what this number means?**

0.75% Pension rate increase (County share)

- *$139,150*

- *$50 per employee OPEB increase*

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FOR YEARS COLAB HAS CONSISTENTLY EXPRESSED CONCERNS ABOUT THE COUNTY BUDGET PROCESS, LOGIC , FORMATTING AND REPORTING. For example, repeated below are excerpts from some of this year's COLAB reporting:

On page 10 of the **June 11-17, 2017 Weekly Update**, and in regard to the proposed 2017-18 Budget, COLAB questioned the logic and accuracy of the Budget Document with respect to calculation and transparency of salaries and related costs.

Presented still another way, in the chart below, it can be seen that salaries and benefits rise $12.4 million from FY 2016-17 to FY 2017-18, and services and supplies increase $9.9 million, for a total of $24.3million. It is unclear if the $12.4 million salary increase contains negotiated scheduled salary increases and/or potentially negotiated salary increases. For example a year ago on May 17, 2016, when the Board took up its FY 2015-16 3rd quarter Financial Report, it was necessary to add $8.3 million of expenditures, of which $6.9 million were for "prevailing wage payments." In County budget doublespeak this means raises which the Board negotiated with its unions. The FY 2016-17 3rd Quarter Financial Report indicated that $7.4 million of the

$8.3 million would be covered by savings generated from budgeted positions being vacant. This raised the question of whether the $11.7 million apparent increase last year was the actual cost increase of salaries and benefits. Or was it much higher? At that time we asked if the County Administrator was planning to fund all or some portion of this increase by maintaining vacancies, hoping for under-spending from which to make transfers, or what?

That question was answered definitively in this year's 3rd quarter report when the same process took place. In this year's installment, the amount to be covered from savings was $3.7 million in unbudgeted salary increase. Again, the table below shows an increase in salaries and benefits of $12.4 million. It is not known how much of this is attributable to added positions, rising pension cost, or actual raises. It appears that the County does not include at least some portion the projected raises in the number (thereby lowballing) and then comes back at the 3rd quarter to transfer funds from services and supplies and departments that under-run their budget to make up the difference. In the end the public has no idea how much the raises negotiated by the Board are actual costing.

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Uses of Financing by Type				
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Similarly and in regard to the 3rd Quarter Financial Report, in the **May 14-20, 2017 COLAB Weekly Update** we questioned the logic, conclusions, and recommendations in the report.

1. 3rd Quarter Financial Report: *The County will end the year in the black. The usual problems, including revenue shortfalls in the Airport Department, Golf Program, Sheriff's Office and Behavioral Health, are enough to be offset by savings within the other departments. In fact, the County should be able to add to its fund balances and reserves. Disturbingly, and similar to prior years, there are $3.7 million in raises (called prevailing wage payments), which will be funded out of a portion of the savings.*

What if there were no savings? The term "prevailing wages" doesn't tell us what is really going on. Are these negotiated cost of living increases, step increases within pay ranges, push from reclassifications, or what? The term "prevailing wages" is being misused. That term generally refers to minimum wages paid to private sector construction workers, such as steel workers, carpenters, pipe fitters, etc., on projects which are funded with dollars from Federal or State programs that impose "prevailing wage" requirements on contractors.

There is no explanation whether the $3.7 million is the total amount of raises in FY 2016 -17 or just the amount being funded out of savings. In this regard the table below shows a whopping $20,650,996 increases in salaries and benefits from the actual FY 2015-16 budget expenditures to the adopted FY 16-17. There is no subordinate presentation that disaggregates the salaries, pensions, other benefits, and the cost of new added positions. The question is do they actually budget the raises or do they understate them in the budget and bet on the come that they will have savings to make up the difference?

Further raising questions is that the table shows that the increases for salaries and benefits from the adopted FY 2016-17 Budget to the proposed FY 2017-18 Budget is $12,378,750.

All this suggests that the Board needs to spend some serious and protracted quality time reviewing the proposed FY 2017-18 Budget in public, not just the perfunctory 1.5 to 3 hours that we have seen over the past 6 years.

At this point we cannot know what the County staff will present on November 7th by way of an explanation for this error, not to mention the deeper underlying problems that we have been reporting year after year concerning its process and presentation.

Where is the 5-year forecast, which we have been requesting for the past 6 years?

Item 21 - Hearing to consider an ordinance to amend Chapter 2.04.010 of the County Code to specify how the Board of Supervisors regular meetings are established. This item would, if adopted, provide more flexibility and allow the CAO discretion in managing the schedule. Item 1 above seems to be a proposal to the same thing. It's not clear how the two items intersect. It seem this one would have to be approved for the issue to progress. It would also seem to render Item 1 unneeded.

Item 24 - Appointment of a County Administrative Officer. This item is on the closed session agenda. Board interviews of candidates took place on Monday, October 30th. It is not known where the matter stands as of this writing – that is, did they pick anyone or not?

Item 29 - Request to receive and file a project update on city participation in the new Animal Shelter project and provide direction, as necessary. After this item was drafted, the cities of Atascadero and Paso Robles determined to withdraw from the project (a joint county/ multi-city effort). In turn this changes the service requirements and impacts the financing. This issue is liable to be controversial as Supervisor Hill, in particular, has politicized it in an effort to attack Supervisor Compton, who has been a main proponent. Hill has taken cheap shots at Compton and the Board majority, saying they care more about animals than the homeless.

Item 31 - Continued hearing to consider a request by the County of San Luis Obispo for General Plan Amendments in order to establish regulations for Cannabis Activities. This is the ongoing continuing set of Board hearings and deliberations on adoption of ordinances to regulate the cultivation, refining, manufacturing, distribution, wholesaling and retailing marijuana. Prior hearings were held on October 3, October 17, and on October 20th.

The staff has prepared two summary sheets in an effort to list 1) the tentative actions taken by straw vote and 2) the remaining issues (as best as the staff can discern) that the Board might take. Once the process is complete the Board can firm up its direction and take formal votes on the various issues.

Tentative actions on which the board has taken are listed in the table below:

CANNABIS ORDINANCE

Items Previously Discussed by the Board of Supervisors (Board) on October 17 and October 20, 2017.
The Board took 'Straw Votes' on 30 issue areas relating to the Cannabis Land Use Regulations.
Table 1 is a list of each 'Straw Vote' issue. Table 2 is a list organized by issue for ease of discussion.

	TABLE 1: Previous Discussion Items	Straw Vote
1	Make provisions to allow continued operation for registered sites during Use Permit process.	5-0
2	Delete the prohibition of cannabis activities within the Carrizo Planning Area.	4-1
3	Change the expiration of cultivation land use permits from 7 years to 5 years.	5-0
4	Prohibit trucked-in water for cultivation.	5-0
5	Allow the sides of hoop structures to be five feet high.	5-0
6	Assure taxing of cannabis is addressed for Williamson Act contract property.	5-0
7	Prohibit volatile manufacturing (Type 7 state license).	3-2
8	Allow non-volatile manufacturing in AG (processing of cannabis grown on-site only) and IND (no limit on where cannabis is grown).	4-1
9	Prohibit cannabis activities on federal in-holdings.	4-1
10	Allow relocation of a cultivation operation from one site to another.	5-0
11	Cannot receive a permit if there are code violation.	5-0
12	Ban on manufacturing of all cannabis edible products.	3-2
13	Allow dispensaries (mobile deliveries) in AG, RL, and RR for products grown on-site (or manufactured on-site in AG.)	Unknown
14	Prohibit all store-front dispensaries.	3-2
15	Retain the mobile delivery/not open to the public dispensary in CS and IND. Disallow dispensaries in CS outside of URL/VRL.	3-2
16	Allow non-volatile manufacturing in CS within a URL or VRL only.	3-2
17	Code Enforcement to provide a minimum 24-hour notice before entering property.	No Vote
18	Require mandatory trash collection.	Unknown
19	Limit the number of cultivation operations to the existing number of registrants (co-op/collectives only). For a period of one year limit land use permit applications to the existing co-op/collective registrants only.	Unknown
20	Allow manufacturing of cannabis edible products but prohibit the shape of fruits, people, or animals.	5-0
21	Require a minimum 5-acre site for cultivation in AG.	Unknown
22	No outdoor cultivation in RR.	3-2
23	Require a minimum 50-acre site for cultivation in RL.	4-1
24	Require a minimum 20-acre site for indoor cultivation in RR.	Unknown
25	Remove the geographic distribution of cultivation land use permits.	4-1
26	Limit the number of outdoor cultivations operations per site based on site acreage. 5-25 acres: 2 operations per site More than 25 acres: 3 operations per site	3-2

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ATTACHMENT 1

27	Limit indoor cultivation to a maximum of 22,000 square-feet per site regardless of the number of operations on the site.	3-2
28	Remove outdoor exemption for multi-family projects.	3-2
29	Allow Cannabis Activities in the SLO Urban Area.	5-0
30	Under the exemption for caregiver operations, limit cultivation to indoors.	3-2

	TABLE 2: Previous Discussion Items by Topic	**Staff Comment**
	CULTIVATION	
A.	Prohibit trucked-in water for cultivation.	Staff will present proposed changes. *The Board did not specify the same prohibition for nurseries. Request Board to consider same prohibition and take a straw vote.*
B.	Change the expiration of cultivation land use permits from 7 years to 5 years.	Staff will present proposed changes.
C.	Limit the number of cultivation operations to the existing number of registrants (co-op/collectives only). For a period of one year limit land use permit applications to the existing co-op/collective registrants only.	Staff will present proposed changes.
D.	Remove the geographic distribution of cultivation land use permits.	Staff will present proposed changes.
E.	Limit indoor cultivation to a maximum of 22,000 square-feet per site regardless of the number of operations on the site.	Staff will present proposed changes.
F.	Require a minimum 5-acre site for cultivation in AG.	Staff will present proposed changes.
G.	Require a minimum 50-acre site for cultivation in RL.	Staff will present proposed changes.
H.	Require a minimum 20-acre site for indoor cultivation in RR.	Staff will present proposed changes.
I.	No cultivation outdoor in RR.	Staff will present proposed changes.
J.	Limit the number of outdoor cultivations operations per site based on site acreage. 5-25 acres: 2 operations per site More than 25 acres: 3 operations per site	Staff will present proposed changes.
K.	Allow relocation of a cultivation operation from one site to another.	Staff will present proposed changes.
	MANUFACTURING	
A.	Prohibit volatile manufacturing (Type 7 state license).	Staff will present proposed changes.

ATTACHMENT 1

	TABLE 2: Previous Discussion Items by Topic	**Staff Comment**
B.	Allow non-volatile manufacturing in AG (processing of cannabis grown on-site only) and IND (no limit on where cannabis is grown).	Staff will present proposed changes.
C.	Allow non-volatile manufacturing in CS within a URL or VRL only.	Staff will present proposed changes.
D.	Ban on manufacturing of all cannabis edible products.	Board removed a full ban on edible but placed a limit on appearance/shape (people, animals, fruit). {See E. below.}
E.	Allow manufacturing of cannabis edible products but prohibit the shape of fruits, people, or animals.	Staff will present proposed changes.
	DISPENSARIES	
A.	Prohibit all store-front dispensaries.	Staff will present proposed changes.
B.	Add dispensaries with mobile deliveries in AG, RL, and RR for products grown on-site (or manufactured on-site in AG)	Staff will present proposed changes.
C.	Allow dispensaries (mobile deliveries) in AG, RL, and RR for products grown on-site (or manufactured on-site in AG.)	Staff will present proposed changes.
D.	Retain the mobile delivery/not open to the public dispensary in CS and IND. Disallow dispensaries in CS outside of URL/VRL.	Staff will present proposed changes.
	RESOLUTIONS	
A.	Make provisions to allow continued operation for registered sites during Use Permit process.	No Ordinance revisions required. *Return with a Board Resolution with timelines and milestones.*
B.	Code Enforcement to provide a minimum 24-hour notice before entering property	This is existing Code Enforcement Policy. No ordinance changes required. *Discuss whether a subsequent Board resolution is needed.*
C.	Assure taxing of cannabis is addressed for Williamson Act contract property.	No ordinance revisions required. *Return with a Board resolution to update the Rules of Procedure.*

	TABLE 2: Previous Discussion Items by Topic	Staff Comment
	PLANNING AREAS	
A.	Delete the prohibition of cannabis activities within the Carrizo Planning Area.	Staff will present proposed changes.
B.	Allow Cannabis Activities in the SLO Urban Area.	Staff will present proposed changes.
	EXEMPTIONS	
A.	Remove outdoor exemption for multi-family projects.	Staff will present proposed changes
B.	Under the exemption for caregiver operations, limit cultivation to indoors.	Staff will present proposed changes
	OTHER	
A.	Prohibit cannabis activities on federal in-holdings	Staff will present proposed changes.
B.	Cannot receive a permit if there are code violation.	Provision exists already in T22 & T23
C.	Require mandatory trash collection.	Staff will present proposed changes.
D.	Allow the sides of hoop structures to be five feet high.	Staff will present proposed changes. *Request Board to consider six feet high walls based on testimony that six-foot-high walls are a standard size, and take a straw vote.*

ATTACHMENT 1

Attachment 2 below list items that have not been discussed or have not been given conclusive direction for inclusion the ordinance.

ATTACHMENT 2

BOARD OF SUPERVISORS
POTENTIAL DISCUSSION ITEMS
For November 7, 2017

1. What should be the allowed number of cultivation operations that may be approved with a land use permit?
   - 332 approved cannabis cultivation registrations
     - 159 "personal" (for personal use only by qualified patients – not commercial)
     - 28 "caregiver" (growing for qualified patients only – not commercial)
     - **141 "co-op/collective" [CURRENT DIRECTION PER STRAW VOTE #19]**
     - 5 uncategorized or multiple categories
2. Should the ordinances allow a personal exemption for medical cultivation of more than 6 plants?
3. Finish Board discussion of enforcement procedures.
4. Discuss the cultivation Monitoring Program.
5. Review the Hours of Operation for dispensaries (mobile deliveries).
6. Review security requirement for mobile deliveries.
7. Discuss prohibition of trucked-in water for nurseries in addition to cultivation.
8. Hoop structures – allow 6-foot walls instead of 5-foot walls to be consistent with pre-manufactured sizes? (A building permit is required for walls over 4-feet.)

Planning Commission Meeting of Thursday, November 9, 2017 (Scheduled)

Item 9 - Gas Company Data Collector Units (DCU's) – request by Southern California Gas Company (SoCal Gas) for a Development Plan/Coastal Development Permit to allow for the installation of twenty-one, 29 foot tall utility poles with Data Collector Units (DCU) in 21 different locations in County public rights-of-way. The data collector units are natural gas meters with an Advanced Meter communications device which reads customers' natural gas usage and securely transmit to SoCal Gas' billing center via Data Collection Units installed throughout the service territory. The purpose of the item is for the Commission to review and approve a permit to install poles in various rural areas which support the DCU's. Apparently the system is already in place and the DCU's are out there on existing poles and other facilities. The item comes up here to permit new poles where others do not exist. The DCU's enable gas company meters to be read digitally rather than having to send out meter readers. This is likely to be more efficient, accurate, and cost saving.

The write up states in part:

In 2010, the California Public Utilities Commission (CPUC) authorized SoCal Gas to upgrade all residential and most business natural gas meters with an Advanced Meter communications device. The Advanced Meter communications device reads customers' natural gas usage and securely transmits the data to the SoCal Gas billing center via DCUs installed throughout the service territory. With the Advanced Meter communications device, customers would have access to more frequent and detailed information about their gas consumption, providing them with information to better control their energy usage and potentially save money. In addition, the Advanced Meter communications device would increase the safety of natural gas usage by providing quicker detection of higher-than-usual natural gas usage and allowing earlier investigation of possible problems.

As noted in the write-up (per the yellow highlighted section above), the system allows real time enhanced data collection about usage and cost. The write-up does not indicate if enhanced or "smart" meters are required on the customers' properties to make the system work, nor does it specify what advanced data collection capabilities may be contained in such meters if they exist.

The real issues are not the pole design and zoning, but how strong are the protections by So. Cal Gas and the laws that prevent individual data from being shared with government agencies?

We now have electric utility smart meters that monitor usage minute by minute, iPhones that track locations, and car systems that track locations. What guarantees and protections of privacy are governments such as the County providing as they approve this type of infrastructure? What provisions for monitoring privacy protections are provided?

LAST WEEK'S HIGHLIGHTS

Special Board of Supervisors Meeting of Monday, October 30, 2017 (Completed)

The Board met in closed session to interview candidates for the vacant County Administrative Officer position. As of this writing no decision has been released.

No Regular Board of Supervisors Meeting on Tuesday, October 31, 2017 (Not Scheduled)

The Board did not meet, as it does not usually meet on the 5th Tuesdays of the month.

COLAB IN DEPTH

IN FIGHTING THE TROUBLESOME, LOCAL DAY-TO-DAY ASSAULTS ON OUR FREEDOM AND PROPERTY, IT IS ALSO IMPORTANT TO KEEP IN MIND THE LARGER UNDERLYING IDEOLOGICAL, POLITICAL, AND ECONOMIC CAUSES AND FORCES

WITHOUT GOVERNMENT UNIONS, THERE WOULD BE NO GAS TAX INCREASE

By Ed Ring

Nobody argues that California's roads need huge upgrades. But the solution didn't require the $0.12 per gallon tax hike that goes into effect today. The root cause of these neglected roads – and the reason even more taxes will never be enough to fix them – is the power of public sector unions, whose agenda is consistently at odds with the public interest. Let us count the ways.

1 – Caltrans mismanagement:

Caltrans could have done a much better job of maintaining California's roads. One of the most diligent critics (and auditors) of Caltrans is state Senator John Moorlach (R, Costa Mesa), the only CPA in California's state legislature. Last year, Moorlach released a report on CalTrans which he summarized in "7-Step Fix for 'Mismanaged' Caltrans," an article on his official website. Just a few highlights include the following:

- In May 2014 the Legislative Analyst Office determined that CalTrans was overstaffed by 3,500 architects and engineers, costing over $500 million per year.
- While to an average state transportation agency outsources over 50% of its work, CalTrans outsources only 10% of its work. Arizona and Florida outsource more than 80%.
- 54% of CalTrans staff is at or near retirement age, so a hiring freeze would reduce staff merely through attrition, without requiring layoffs.

But Moorlach didn't make explicit the reason CalTrans is mismanaged. It's because the unions that run Sacramento don't want to outsource CalTrans work. The unions don't want to reduce CalTrans headcount, or hold CalTrans management accountable. Those actions might help Californians, but they would undermine union power.

2 – Bullet train boondoggle:

Money that could have been allocated to maintain and improve California's roads is being squandered on a train that will do nothing to ameliorate California's transportation challenges. A LOT of money. According to the American Road and Transportation Builders Association, California's freeways can be resurfaced and have a lane added in each direction at a cost of roughly $5.0 million per mile in rural areas, about twice that in urban areas.

Meanwhile, the latest estimate for California's "bullet train," is $98 billion (that's *$245 million per mile*), thanks to construction delays, and design challenges including nearly 50 miles of tunnels through seismically active mountains to the north and south. And hardly anyone is going to ride it. Ridership won't even pay operating costs. But Sacramento pushes ahead with this monstrous waste when that same money could (at the urban price of $10 million per mile) resurface and add a lane in each direction to 10,000 miles of California's freeways. Imagine smooth, unclogged roads. It's not impossible. It's just policy priorities.

But while bad roads destroy the chassis of millions of cars and trucks, and commuters endure stop-and-go traffic year after year, the California High Speed Rail Authority dutifully pushes on. Why?

Because that's what the government employee unions want. They don't want roads, with all the flexibility and autonomy that roads offer. They want to create a gigantic high-speed rail empire, with tens of thousands of new public employees to drive the trains, maintain the trains, maintain the tracks, and provide security, running up staggering annual deficits. But all of them will be members of public sector unions.

3 – All rapid transit boondoggles:

In a handful of very dense urban areas around the U.S., fast intercity trains make economic sense. But most light rail schemes, along with laughably absurd "streetcar" schemes that actually block urban lanes sorely needed by vehicles, do not achieve levels of ridership that even begin to justify their construction when the alternative is using that money for better, wider connector roads and freeways. The impact of ride sharing apps, the advent of non-polluting cars, and the option of using buses to accomplish mass transit goals all speak to the superior versatility of roads over rail for urban transportation.

So why do California's cities continue to poor billions into light rail and streetcars, when that money could be used to unclog the roads?

To reiterate: The public sector unions that run California want tens of thousands of new public employees to operate the trains and streetcars, maintain them, maintain the tracks, and provide security, running up staggering annual deficits. But doing this means that public sector union membership – hence public sector union power – will increase.

4 – CEQA reform so people can live closer to the jobs:

The median home value in the United States today is $202,700. The median home value in California today is $509,600, 2.5 times as much! There is no shortage of land in California, and the alleged shortages of energy and water are self-inflicted as the result of policies enacted by California's state legislature. But instead of reforming California's Environmental Quality Act, SB 375, AB 32, and countless other laws that have made building homes in California nearly impossible, California's legislature is doubling down on more government solutions – primarily to subsidize either extremely high density housing, or subsidized housing for the economically disadvantaged, or both.

None of this is necessary. Outside of California's major urban centers, there is no reason homes cannot be profitably built and sold at a median price of $202,700, and there is no reason the people living in those homes cannot drive or ride share to work on fast, unclogged freeways.

But California's public sector unions want more regulations on home building, and they want more subsidized public housing. Because those solutions, even though inadequate and coercive, enable them to hire vast new bureaucracies to enforce the many regulations and administer the public assets. Unleashing the private sector to build affordable homes in a competitive market would rob these unions of their opportunity to acquire more power. It's that simple.

5 – Insatiable appetite for pension fund contributions:

According to a California Policy Center study, taking barely adequate annual employer pension contributions into account, the average unionized state/local government worker in California makes over $120,000 per year in pay and benefits. But to adequately fund their promised pension benefits, employers will need to pay at least another $20,000 per employee to the pension funds. This funding gap, which equates to over $20 billion per year, is the additional amount that is required to cover the difference between how much California's public employee pension funds currently collect from taxpayers, and how much they need to collect to keep the promises that union controlled politicians have made to the government unions they "negotiate" with. That is a best-case scenario.

It could be much worse. A 2016 California Policy Center analysis (ref. table 2-C) estimated that under a worst-case scenario, the annual costs to fund California's public employee pension funds could cost taxpayers nearly $70 billion more per year than they are currently paying.

And by the way, California's pension funds are themselves almost entirely under the control of public sector unions – research the background of CalPERS and CalSTRS board directors to verify the degree of influence they have. Absent significant reform, funding California's public employee pensions is going to continue to consume every dollar in new taxes for the next several decades. The cumulative financial impact of funding these pensions is easily triple that of the bullet train's $100 billion fiasco, probably much more.

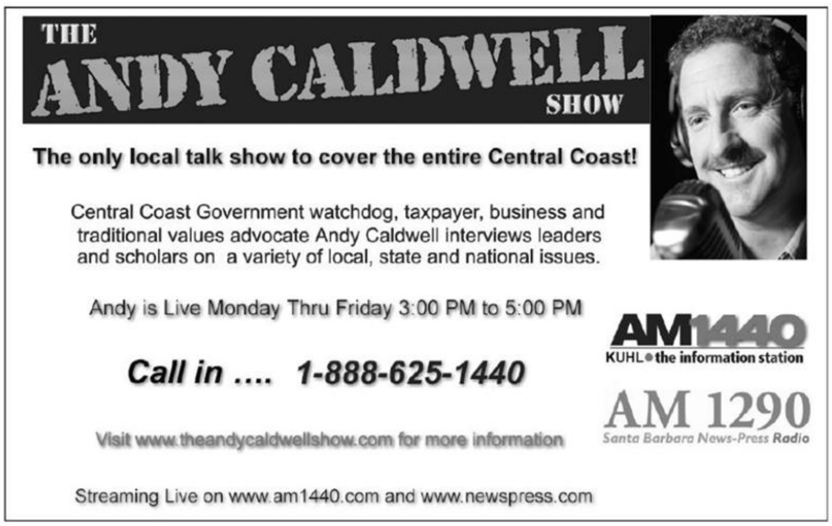
Let's not mince words. Government unions control California. They collect and spend over $1.0 billion every year, and spend most of that money on either explicit political campaigning and lobbying, or soft advocacy via expensive public relations campaigns and sponsored academic studies. Their presence is felt everywhere, from local transit districts to the governor's office. They make or break politicians at will, by outspending or outlasting their opponents. At best, California's most powerful corporate players do not cross these unions, often they collude with them.

California's public sector unions operate as senior partners in a coalition that includes left-wing oligarchs especially in the Silicon Valley, extreme environmentalists and their powerful trial lawyer cohorts, and the Latino Legislative Caucus – usurped by leftist radicals – and their many allies in the social justice/identity politics industry. The power of this government union led coalition is nearly absolute, and the consequences to California's private sector working class have been nothing short of devastating.

Government unions force California's agencies to over-hire, overpay, and mismanage, because that benefits their members even as it harms the public. These unions enforce absurd policy priorities that further harm the public in order to increase their power. They are the reason California has increased its gas tax.

Ed Ring has over 20 years' experience in business and finance, primarily with start-up and early stage companies. From 2010 through 2016, he was Executive Director, then President of the California Policy Center. From 2007 through July 2010, in partnership with AlwaysOn Media, Ring designed and programmed their "GoingGreen" conferences, held in San Francisco and Boston, attracting clean technology entrepreneurs and investors from around the world. This article first appeared on the November 1, 2017 California Policy Center web site.

ANNOUNCEMENTS



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VICTOR DAVIS HANSON ADDRESSES A COLAB MIXER

DAN WALTERS EXPLAINS SACTO MACHINATIONS AT A FORUM

Coalition of Labor, Agriculture and Business
San Luis Obispo County
"Your Property – Your Taxes – Our Future"
PO Box 13601 – San Luis Obispo, CA 93406 / Phone: 805.548-0340
Email: colabslo@gmail.com / Website: colabslo.org

MEMBERSHIP APPLICATION

MEMBERSHIP OPTIONS:

General Member: $100 – $249 ❑ $ _______ **Voting Member: $250 - $5,000 ❑ $ _______**

Sustaining Member: $5,000 +❑ $ _______
(Sustaining Membership includes a table of 10 at the Annual Fundraiser Dinner)

General members will receive all COLAB updates and newsletters. Voting privileges are limited to Voting Members and Sustainable Members with one vote per membership.

MEMBER INFORMATION:

Name: ____

Company: ____

Address: ____

City: ______________________ State: ____________ Zip: ________

Phone: ______________ Fax: ______________ Email: ____________________

How Did You Hear About COLAB?

Radio ❑ Internet ❑ Public Hearing ❑ Friend ❑

COLAB Member(s) /Sponsor(s): ____

NON MEMBER DONATION/CONTRIBUTION OPTION:

For those who choose not to join as a member but would like to support COLAB via a contribution/donation.
I would like to contribute $ ___________ to COLAB and my check or credit card information is enclosed/provided.

Donations/Contributions do not require membership though it is encouraged in order to provide updates and information.
Memberships and donation will be kept confidential if that is your preference.
Confidential Donation/Contribution/Membership ❑

PAYMENT METHOD:

Check ❑ Visa ❑ MasterCard ❑ Discover ❑ Amex NOT accepted.

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Card Number:_______________________Exp Date: ___/___ Billing Zip Code: ______ CVV:____

TODAY'S DATE: ______________________

(Revised 2/2017)