

BOARD OF SUPERVISORS

JULY 12, 2005

The Lassen County Board of Supervisors convenes in Regular Session on Tuesday, July 12, 2005, at 9:33 a.m. Present: Supervisors Robert Pyle, Jim Chapman, Lloyd Keefer, Brian Dahle; County Counsel John Ketelsen, County Administrative Officer (CAO) John Ketelsen and Deputy County Clerk Susan Osgood. Supervisor Jack Hanson and County Counsel Craig Settlemyre are absent. Following the flag salute, the invocation is offered by Supervisor Dahle.

ANNOUNCEMENT OF ITEMS DISCUSSED IN CLOSED SESSION

Chairman Keefer announces that no closed session was held.

AGENDA APPROVAL, ADDITIONS AND/OR DELETIONS

It is moved by Supervisor Dahle, seconded by Supervisor Pyle and carried to approve the agenda as posted.

PUBLIC COMMENT

1. Poet Laureate Violet Stout reads a poem entitled "A Dream Come True (A New Flag Pole)" that refers to Supervisor Chapman's new flag pole. (County Counsel Settlemyre enters at 9:35 a.m.)

2. Interim Director for Family and Children Protective Services Jessica Herman reports that Linda Waddell, who has been the CPS Supervisor for the last year, will be leaving this week. The staff would like to recognize Linda's contribution to the Family and Children Protective Services Department.

CPS Supervisor Linda Waddell states how much she appreciated being back in Lassen County again; it has been a wonderful experience. She states there are a lot of services in Lassen County for families that strengthens them and helps them increase their ability to parent; thinks what you have is a wonderful organization, a wonderful county and she is pleased to have been a part of it.

Chairman Keefer thanks Linda for her work and her positive support.

County Counsel Craig Settlemyre states that Linda has been working with CPS unit for this last year; she came at a time when her expertise was really needed and she provided a great deal of help.

Supervisor Chapman agrees that the restructuring that everyone has worked hard to put

in place has improved the department; the department is moving in a direction we can be proud of and he is glad that staff brought Linda in to acknowledge her service.

CONSENT CALENDAR

Supervisor Chapman refers to Item G5 (renewing the declaration of a local emergency for ambulance service) and asks when a final ambulance contract will be brought back to the board. CAO Ketelsen states there is a meeting on this matter on Friday July 15th and he hopes to bring it back to the board next month.

It is moved by Supervisor Pyle, seconded by Supervisor Chapman and carried to take the noted action on the following Consent Calendar items:

COUNTY CLERK ITEMS

Approve Minutes of June 28, 2005.

COUNTY CLERK - ELECTION DIVISION ITEM

Adopt Resolution No. 05-033, urging the State of California to fully reimburse all California counties for the associated costs of the special election in November 2005.

AGRICULTURAL COMMISSIONER ITEM

Approve and authorize the Chairman to sign Contract and Certification with California Department of Pesticide Regulation in the amount of \$416 for FY 2005/2006 Pesticide Use Report data entry.

BOARD OF SUPERVISORS ITEM

Appoint Ronald Vossler, Personnel Director/Risk Manager, as alternate to CSAC - Excess Insurance Authority, and Trindel Insurance Fund.

COUNTY COUNSEL ITEM

Renew the Board's declaration of a local emergency with respect to the availability of medical response units for ambulance service within the County of Lassen, justifying an exemption from the operation of Lassen County Code Chapter 11.15 for an additional thirty (30) days pursuant to Lassen County Code Section 11.15.070.

HEALTH & SOCIAL SERVICES ITEMS

1) Review and approve the agreement between the County of Lassen and the Lassen County In-Home Supportive Services (IHSS) Public Authority for FY 2005/2006; 2) authorize the County Administrative Officer to sign the agreement; 3) approve Public Authority Budget; and 4) certify the proposed Public Authority Rate for services and administrative costs.

COMMUNITY SOCIAL SERVICES ITEM

Approve the State Employment Development Department agreement in the amount of \$18,153 for operation of CalWORKS for FY 2005/2006; and authorize the CAO to execute agreement documents.

PUBLIC WORKS DEPARTMENT ITEM

Approve Fiscal Year 2005/2006 Road Department Budget in the amount of \$7,893,539 (\$5,586,539 Road Operating and \$2,307,000 Road Construction).

MISCELLANEOUS CORRESPONDENCE ITEMS

Receive and file the following correspondence:

- a. Lassen County Mental Health Advisory Board meeting agenda for July 5, 2005, and unapproved minutes of June 14, 2005.
- b. Lassen County Planning Commission agenda for July 6, 2005.
- c. Lassen County Alcohol and Drug Advisory Board meeting agenda for July 6, 2005, and minutes of June 8, 2005.
- d. Local Agency Formation Commission (LAFCO) of Lassen County meeting agenda for July 11, 2005.

UNAGENDIZED BOARD REPORTS

1. Supervisor Keefer reports that Supervisor Hanson is attending the dedication of the new federal prison in Herlong, but intends to be back in time for the 10:15 a.m. item on redevelopment.
2. Supervisor Dahle reports he failed to acknowledge that County Clerk Theresa Nagel was at the Sierra Nevada Conservancy outreach meeting on July 7th, and he appreciates that; meeting was successful. He will not be at the July 19 Board of Supervisors meeting as he will be attending the Western Interstate Region (WIR) and NACO meeting in Hawaii and will be vacationing with his family.
3. Supervisor Pyle states he also attended the Sierra Nevada Conservancy meeting. He and CAO Ketelsen attended a Westwood Redevelopment committee meeting; Mr. Ketelsen did an excellent job answering questions on redevelopment. Attended tour out at Pine Creek; will let Supervisor Keefer comment on that. Attended North Valley Water Project EIS BLM meeting regarding transporting Honey Lake water to Reno; Nevada is saying there is a lot of water, California DWR says there is not; not sure where that is going to go, but will continue to work on that.
4. Supervisor Chapman states he also attended the Sierra Nevada Conservancy meeting. Attended the Change of Command ceremony at Sierra Army Depot with Supervisor Hanson and Mr. Ketelsen. States Colonel Plemmons has been totally

awesome to work with and he and Mrs. Plemmons received a lot of recognition of their work. The new commander is Lt. Col. Butler. The changing of the flag ceremony was most impressive. Reports on how great it was to have his new flagpole installed at his home for the 4th of July.

5. Supervisor Keefer reports on the Pine Creek tour on the 30th; the purpose was for Lassen County Resource Advisory Council (RAC) to look at some of the projects that are in place on Pine Creek to improve ability of Eagle Lake Trout to naturally spawn in that tributary.

6. Supervisor Keefer attended Lassen County Fire Safe Council meeting; reports on several issues. Projects that are ready to go have to wait for money because of the new grant process.

7. Supervisor Keefer will attend the Fair Advisory Board meeting tonight.

8. Staff has informed Supervisor Keefer about a new exemption in effect that impacts property owners who are clearing trees on less than 3 acres.

9. Supervisor Chapman reports that he responded to questions from the State Senate concerning his confirmation process to the Lahontan Water Quality Control Board and will be attending meeting in Bishop for the next two days. Reports that former Lassen County resident Tim Swickard was appointed Director of the Department of Toxic Substance Control.

FISH AND GAME COMMISSION

Lassen County Fish and Game Commissioners Rob Hill and Chris Gallagher present information, and indicate the local Fish & Game supports the proposed 10% quota resolution. After the last meeting with the Board of Supervisors, further discussions were held with local Fish and Game. The PLWM program does not exist on paper. Information found is that the land owner tags (554 program - landowners who meet guidelines and apply, receive tags) are **not** included within the **PLWM** program (580 program; tags for sale). Land owner tags are completely separate from PLWM; they are not accounted for; Fish and Game feels there is not enough to make any difference and do not keep track of the land owner harvest.

The proposed resolution requests the 10% quota be established; and is very clear that no changes are suggested to land owner tags. Supervisor Chapman feels the Board of Supervisors should send a letter requesting the 580 program be abolished; and he is not in favor of the 10% quota. Commissioner Hill does not feel sending a letter stating we are not in support of 580 will be helpful due to political pressure. Further discussion is held.

It is moved by Supervisor Dahle, seconded by Supervisor Pyle and carried, with

Supervisor Chapman voting NO, and Supervisor Hanson absent, to adopt Resolution No. 05-035, in support of a 10% quota on Private Land Wildlife Management (PLWM) deer and antelope tags.

Recess 10:22 - 10:26 a.m. Supervisor Dahle returns at 10:27 a.m.

COMMUNITY DEVELOPMENT COMMISSION

(The Board of Supervisors recess and convene as Community Development Commission).

The following Westwood residents spoke in opposition to the redevelopment issue: Becky Compton speaks at length stating she feels the public needs to be educated and should vote whether or not to undergo redevelopment. She asks the board to make code enforcement more of a priority if violations are such a problem. She feels the report is filled with inaccuracies, contradictions and rationalizations. Mrs. Compton's concern with latest response to people's objections is that it references a flawed redevelopment report as if it were the truth. She states the people are concerned about the number of lots labeled as blight; she responds that with 25 to 30 building permits a year, approximately 15% of the houses in Westwood will be remodeled in a 5 year period and feels that is significant. Questions why the report states that Westwood's population is at an all time low and there is only one successful business; she presents information on several Westwood businesses that are doing well and asks how many businesses in a town of 2,000 residents expected to support to not be considered blighted? Mrs. Compton states that the latest report rebutted a letter that she wrote by totally misrepresenting a very clear modifier and responding to something that she did not say; states that as an English teacher that does not give her a lot of confidence in those people's ability to analyze difficult, legal language. In her letter she stated that As a Westwood resident I am extremely opposed to the redevelopment plan. I do not believe that Westwood is blighted, nor do I believe in borrowing a lot of money to fix a problem that does not exist. @ The response to this was that borrowing money that does not exist is an untrue statement. She feels the report has the same weaknesses as the one the City of Susanville had done; poorly defined projects, lack of proof of urbanity, false and faulty data on blight. She also asks how the people can trust the county's Community Development Commission's report by PMC when they have dismissed 381 timely signatures and only show that 17 were turned in. She does not understand why a project based on a spurious report is being discussed; feels the evidence should be rebutted in the redevelopment report instead of citing it as if it were the Bible; also feels the board should rescind its acceptance of the redevelopment survey report, that by accepting it the board has given it credibility it does not deserve. Believes there are deceptive and underhanded things going on; the numbers of people in support are being

falsely represented; ad hoc committee meetings are being turned into clandestine town hall meetings; people are gathering support by falsely representing the redevelopment; residents are being given incorrect information regarding eminent domain and proposed projects; information on how it will affect the fire department is not being addressed. She urges the board to stop the political game, vote no on this now and stop this process until we have a fair report with reliable data, clear and specific projects delineated with a real impact report that tells what the environmental, social and economic ramifications will be. Requests the Commission deal with this item today in such a way as to leave no doubt in anyone=s mind that this is a dead item until and if it can be done well and honestly with the consent of the people who would be affected.

Cindy Sweger speaks in regard to a survey that is being circulated in Westwood and reads a letter on behalf of Beth Medors and states she agrees with the findings. It is titled AAnd They Ask Us to Trust Them@ and states certain people have been going door to door in Westwood convincing residents to sign in favor of redevelopment; but the door knockers are not telling both sides of the argument; they are merely telling residents that redevelopment will clean up the community and that tax money will stay here instead of being put into the Lassen County General Fund. Residents who are uninformed about all the facts are willing to sign. Ms. Sweger is against redevelopment because she feels more time is needed to understand redevelopment as it is complicated; she feels residents all want to make the town a better place, but there are too many unanswered questions.

Bix Blaufuss reports on an article in the Sierra Nevada Alliance by Steve Robinson stating there are a lot of problems with the development on Dyer Mountain that need to be addressed regarding the bald eagle before it could become a viable project. (Supervisor Hanson enters 10:39 a.m.) He wonders how that fits in with the redevelopment, whether redevelopment is contingent upon Dyer Mountain happening sooner and whether the community would be left with a huge debt if there is no income from Dyer Mountain.

(Supervisor Hanson enters at 10:39 a.m.)

Frank Beavers states he remembers what Westwood was like back in the middle 70=s and knows what it=s like now; he thinks Westwood has improved itself on its own timeline in a timely manner. He thinks the board needs to not approve this at this time and give everybody a chance to find out what the real truth is. Westwood is full of viable businesses and has been for a long time; thinks the town needs to continue on its own timeline. He thinks the board needs to make a decision today to table this, and give everybody a chance to find out the real true facts, and find out what the people who live

in Westwood really want, not the developers.

The following persons spoke in favor of Redevelopment:

Karen Wallace states she had a business in Westwood for 5 years and had to close it for lack of business support from the local community. She feels that bringing redevelopment to Westwood might help the area and help small businesses to get something going.

Alex DeMartimprey states an ad hoc committee was formed appointing him to present facts and information to the community and take the community's comments and concerns back to the Supervisors. Fred Binswanger assists as co-chair. Initially many people who started out with a negative view are now in favor of redevelopment; many have become convinced that if done right, this would be the best opportunity Westwood has had since the mill closed. He presents a petition with approximately 250 signatures of Westwood residents; many of the names on that petition will be found on the first petition because they have reversed their position. He feels they are in a learning curve; and that the majority of citizens do now support redevelopment. In considering other alternatives, he understands there would be no fiscal impact or legislative impact for up to a year before the tax roles had to be modified. If that is correct, then he recommends that the process go forward in a learning curve, without jeopardizing the loss of a substantial amount of appreciation which would result in millions of dollars, assuming that the plan does continue; and he states that many people hope that the board will seriously consider that alternative.

Peggy Fulder states she is a small business owner (Mountain Meadows Mead), and is in favor of this; thinks it is a positive thing. She appreciates this opportunity and believes the government can do things that individuals cannot do. Westwood has come a long way and everyone is proud of it, but there is still a long way to go. She does not want Dyer Mountain issues to sabotage this opportunity; asks Supervisor Pyle to work with Westwood and help them move forward.

Westwood Community Services District employee Robert Compton speaks as a citizen. He feels that if this is a democratic process, the matter should be put on the ballot and voted on by the people of Westwood. States the fire department has been waiting for three elections to pass a tax to try and increase fire revenues which is an important issue; the fire department needs money. He states the resolution received from the ad hoc committee was drafted by Fred and Alex and was not voted on by the committee.

Supervisor Pyle states he agreed to support the redevelopment idea in April so the process could move ahead; wanted the people as well as the board to become educated

about redevelopment so an informed decision could be made. Stated he would listen to the people and support what they wanted; promised he would only support another layer of government on his constituents if he felt there was a strong majority of people in favor of it. He feels he is in touch with the community and it has become apparent to him that there was much confusion in the community about what redevelopment is and things seemed to get more confused as time went on. He states that it is evident that there is a need for stronger code enforcement and thinks more money should be put into that budget. He will not support anything that is going to hurt the fire department and he is also not sure money is going to be flowing back in from a redevelopment project in time to help there. Is also concerned with the affect Dyer Mountain could have on redevelopment; feels the timing has been bad on this. He would like to see a grass roots Redevelopment Advisory Committee (RAC) start at the committee level and work up to the Commission. Explains in detail about eminent domain and states that it only takes three votes from the Community Development Commission to make a decision that is in the best interest of the public to take private property. Feels this is a gross violation of private property rights; and that asking him to support the redevelopment district with the eminent domain clause in it is asking him to take away one of the basic constitutional and basic freedoms of Americans. Suggests adopting advisory committee guidelines that would be established county-wide for any proposed redevelopment projects. Also suggests the Westwood redevelopment plan be postponed indefinitely or that it be postponed until the board receives a duly adopted resolution making an unconditional request to proceed from the WCSD.

CAO John Ketelsen explains the first option keeps the issue open for the board to proceed from where they stop at this point; lets the file stay open should the board decide to take it up again and proceed. It is not a definitive death of the proposal as developed up to this point; it is postponing any formal action on it until a later time to be determined by the board working with staff.

Supervisor Pyle thinks the WCSD as an elected body should come to the board with a resolution saying they want to proceed. CAO Ketelsen explains that the guidelines are of the redevelopment agency and would be effective for use in any of the redevelopment projects throughout the county; they are guidelines to guide staff and the board and the community on establishing advisory committees. It does not establish the committee, it just sets the procedure up.

Supervisor Dahle agrees with Supervisor Pyle regarding eminent domain and asks if the board can exclude private to private eminent domain from redevelopment. Mr. Ketelsen states that in the Westwood plan it specifically excludes occupied residences from the category of property that can be taken by eminent domain, but it does not exclude

vacant lots. He provides further explanation on eminent domain and redevelopment. Supervisor Dahle agrees there has been a great deal of confusion regarding the plan and should give the CSD the opportunity to come back to the board with a plan that fits with redevelopment, if they choose not to come back then the issue is dead.

Supervisor Chapman comments on the process. States that the county recognized the failure of the redevelopment process that the city went through, then proceeded to take the matter to court and prevailed. The county should have learned some lessons from the city=s mistakes. A redevelopment report with pictures and narratives needs to be done in a manner that is constructive, not destructive; done poorly it undermines the ability for confidence in an otherwise good, solid public policy decision. Staff did not include the community in the initial dialogue; the report was not presented to the board until the day it was to be adopted because it lacked some information; feels it should have been presented earlier with additional information added later; staff and the consultant should have been sensitive to these issues. Feels some potential opportunities have been lost and states that Mrs. Compton=s letter summarizes how he feels about the process. He requests the board take additional action to rescind the redevelopment survey plan so the community can bring something back to the board that is to their liking.

Supervisor Dahle states that as a Supervisor it is difficult to say no to an opportunity to put money into projects; there are many communities wanting money to do their projects and it is hard to give back the tax increment money. He reminds the audience that the county has put a lot of money into the community realizing there was a need; it will be difficult for the board to be able to come up with those funds again. Doesn=t feel the county has enough money to do code enforcement properly; you do not get anything back on it; communities have to try different things to help members of a community. He supports Bob Pyle, appreciates the effort the community has put into it; if the people come back with some other avenue to do the project, he will be supportive of that.

Supervisor Hanson apologizes for being late but he was attending the presentation at the federal prison in Herlong; feels they will be a good neighbor. He states he does not want to sound hypocritical regarding redevelopment; sees it as an excellent tool to be used in the south county and parts of District 5; would like to see debate continue in Westwood and feels the community input has been gratifying. States the eminent domain issue is one being discussed by Farm Bureau and other land owner organizations and they will do what they can to get the latest decision reversed or reconsidered. He regrets eminent domain is such an integral part of redevelopment, would encourage county counsel or consultants to work on tempering that as much as possible. He cautions the community that they might not have an opportunity to bring

this matter back to the same position; it will probably be more difficult in another year. He asks County Counsel to comment on the possibility of continuing this process without having to recommit planning dollars to get to this same point and to have a sunset clause that states if the community does not agree by a certain date the process would stop. Supervisor Pyle states he is not in favor of that.

CAO Ketelsen states that any time you break the momentum in a planning process, you are going to have to spend money to bring yourself back up to speed. He explains there is a way to adopt the documents as they are and not do anything until there is more of a blessing from the community. Further discussion is held.

Supervisor Chapman states that he will support whatever the people of Westwood want and supports Mr. Pyle's recommendations. He is in favor of moving forward with a citation process to help the Code Enforcement Officer improve the method of dealing with problems. Supervisor Pyle asks that information on improving code enforcement be put on a future agenda. States he cannot support PMC documents; cannot support document with sunset language.

CAO Ketelsen clarifies that what the board adopted on June 21st was a report and if it is to be rescinded that would have to be done at a later date as an agenda item; the report provided evidence and had to be adopted in order for the process to go forward.

It is moved by Supervisor Pyle, seconded by Supervisor Dahle and carried unanimously to adopt: Resolution No. 05-08 CDC, approving and adopting guidelines for the formation and functions of redevelopment advisory committees for redevelopment project areas within the County of Lassen.

It is moved by Supervisor Pyle, seconded by Supervisor Chapman and carried unanimously that action on the Westwood Redevelopment Plan be postponed until the Board receives a duly adopted resolution making an unconditional request to proceed from the Westwood Community Services District (WCSD).

Supervisor Chapman would like an agenda item brought back to the board rescinding the report of June 21st.

The Board of Supervisors reconvene.

Violet Stout states she does not think the members of the audience understand what the Commission did. CAO Ketelsen states the action of the board did not establish a committee; it set the guidelines of a committee. Supervisor Chapman states a committee

would function independent of the board; they would have to sell it to the CSD before coming back to the Board of Supervisors.

Recess 12:00 noon - 1:37 p.m. Supervisor Hanson is absent.

2005/2006 PROPOSED BUDGET

Chairman Keefer suggests that adoption of the proposed budget be postponed until next week so Supervisor Hanson can be present. Supervisor Dahle states he will be absent at the July 19th meeting. CAO Bixby suggests that he present the proposed budget to the board today, but that the board not adopt the budget until July 19th, as there are minor changes he would like to clean up. He will come back as a volunteer to answer questions on that date.

In presenting the 2005/2006 Proposed Budget CAO Bixby states there is \$300,000 added to the proposed budget that the board could actually take out for the final budget. He states the adopted State budget is favorable to local government; repays the entire loan from cities and counties to the State over the past few years, amounting to \$736,000 for Lassen County. In addition, Prop 42 was fully funded, which means \$550,304 available to the Road Fund. On the downside, Property Tax Administrative Fees were eliminated which would be a slight loss to the Auditor and Treasurer, but will cost the Assessor one position in the 140 Fund. The fund was set up by the State to help in maintaining the property tax rolls since about 2/3 of property taxes collected go to the State. CAO Bixby does not recommend backfilling this position; feels the State will never restore its support if counties backfill. Budget summary sheet for the General Fund and Dependent Funds shows proposal to spend +\$ 1,000,000 more than the county receives. Budgeted is a \$300,000 contingency fund; \$200,000 in non-departmental (that would be spent only as a last resort to address an extreme financial problem). Also budgeted is \$368,000 transfer to the Reserve Fund. This is one-half the loan payment and is available for next year=s budget. After these adjustments, there is about \$150,000 in expenditures over revenues (cannot estimate final expenditures and revenues to this accuracy); states that in essence, the budget is balanced.

Health & Social Services (H&SS) is revising their budget to adjust for recent changes; their demand on General Funds and department totals will not change a great deal. They will probably need assistance from other funds for cash flow purposes.

As requested, CAO Bixby moved the Sheriff=s FTEs from Fund 131 (Rural Crimes) to Fund 130 (Public Safety) and budgeted a transfer to cover these costs; Sheriff has submitted a separate budget for Animal Control (does not include equipment or a vehicle that might be needed).

CAO Bixby suggests using cash balance for important projects that are a one-time expenditure that do not require ongoing funding, such as: Code Enforcement (\$100,000 Nuisance Abatement Fund); Countywide Financial System (+/- \$100,000 for upgrading Yolo System); and Building Inspection (+/- \$100,000-\$150,000 for software to assist both Building Inspection and Planning). He also suggests all departments assess a \$20 per month fee to be placed in appropriate accounts for retiree medical benefits.

Sheriff Steve Warren explains that in his March proposed budget to the CAO all FTEs of 22 deputies were in the 522 Sheriff=s operating budget; there are no FTEs in the 131 Fund and there has not been any FTEs in the 131 Fund for last two years; requests keeping all FTEs in the 522 budget. The Sheriff states that it was uncertain whether the 131 fund (Rural Crime) money would be received; feels money can be transferred if needed; has never suggested putting staff in the 131 Fund; feels that would be dangerous. The budget presented is realistic, not inflated; requests Rural Crimes money be left alone. The Sheriff states he has offered other suggestions to the CAO, such as using \$660,000 that Sheriff=s Department under-spent as starting balance or one-time unanticipated revenue. Sheriff Warren states the CAO budget proposal zeroes out Rural Crimes (OR RURAL COUNTIES) money, keeps all the FTEs into 522 and transfers \$500,000 into 522. CAO Bixby states that is exactly what was intended. Supervisor Chapman refers to the comment in Mr.Bixby=s memo (referring to the Property Tax Administrative Fees) that the State Legislature is convinced that counties are awash with property tax revenue and will be more than willing to backfill the loss of these funds and feels the same applies to the Sheriff; that at some point the state will be convinced the counties have plenty of funds if it is sitting in reserves.

Supervisor Dahle states that the board knows where he stands on the subject: leave \$500,000 in Rural Crimes to fund positions; historically they haven=t been able to fill their positions and there was a lot of savings; now the positions are filled, if you roll those over into the 130 fund, then when cuts have to be made, they will say we=re taking the 522 funds. States the board bargained and gave up a lot trying to backfill somewhere else; states he is not voting for a budget that does that. Feels the \$500,000 should be put into the Sheriff=s budget and make them live within their means of what was negotiated. CAO Bixby states that if the board makes changes to the Sheriff=s budget by \$500,000, that would directly affect all General Fund and General Fund dependent budgets and he will have to reduce all by \$500,000; a large part of that will have to be absorbed by personnel cuts. States that since 2002/2003 Public Safety budgets (Sheriff, etc.) have increased almost \$2,000,000 in salary and benefits alone; feels that to ask the Sheriff to help out with \$500,000 is not out of line. Unexpected medical costs would be appropriated from the contingency fund.

Assessor Ken Bunch states he has been having trouble getting constitutional mandated duties done; he has the same number of staff as he did 15 years ago. Had two busy appraisal years where appraisals jumped 7 1/2 and most recently 11%. With the projected Dyer Mountain, Spalding sewerline projects, and Herlong projects, he planned on requesting the board put back \$5,000 extra help that was cut by CAO Bixby and \$3,000 in expenses. Since that time the state cut a grant program that he has administered for ten years and has brought in over \$575,000. The roll has gone up 69% since 1990 and he needs to be able to retain productive, trained staff to get the job done and is hoping board will spend \$26,000 from the General Fund to support half time appraiser position. Mr. Bunch feels the secured role revenue estimate is light about \$75,000 and that there should be another \$25,000 for the General Fund from the Supplemental role.

Community Development Director Bob Sorvaag addresses a couple of points under the planning budget. Fund 100 shows that the CAO recommends \$3,000 for special departmental expense which is the Planning Commission. Mr. Sorvaag had suggested \$6,400 (12 planning commission meetings a year x 5 commissioners in attendance); requests the \$3,000 be raised or he would have to request it be backfilled towards the end of the year. TOT taxes: funds of \$55,000 have off-set costs in the Economic Development Division for the Economic Development Coordinating Council, business assistance, tourism bureau, park bond administration and that type of thing. Mr. Sorvaag states that to drop from \$55,000 to \$15,000 puts a huge crimp in the ability to do things that are not otherwise grant related. Some changes would have to be made; would not be able to provide support in some areas. It has been suggested that to enhance the TOT revenue a tax be imposed on campgrounds and RV parks which would make a huge increase in revenue.

Chairman Keefer reminds the Board of the 2003/2004 Grand Jury report that strongly recommended the animal control function either be transferred to the Sheriff=s Department or the Agricultural Commissioner. He feels a significant issue is the fact that after hours calls go to an answering service to determine the level of service provided to the community for animal control measures. Mr. Keefer feels that the Animal Control Officer position should be in the Sheriff=s Department as they often answer these calls after hours if it is a serious issue. The Sheriff presents a preliminary budget showing a deputy sheriff trained for this position. Mr. Keefer states that the initial training would be \$12,500; the current \$3,500 answering service cost would be reduced and replaced with the cost of a cell phone and pager; so the actual budget cost is fairly even. Further discussion is held and Supervisor Keefer states he is going to be strongly supporting this and will probably not vote for the budget if it=s not done.

Supervisor Keefer also suggests considering using citations as a tool for the Code Enforcement Officer; believes it will improve efficiency of that office a great deal. He would also like to see \$300,000 put into a fairgrounds trust (similar to what was done for the Susanville Veterans Memorial Hall) to add to what the Rotary and others have contributed; this would be for infrastructure needs that have to be addressed and with the idea that it be spent over a 5-7 year period.

Supervisor Chapman discusses the budget trends over the past few years and requests an updated spreadsheet from the Auditors office. He is concerned with having too large a surplus as he feels the state will take it; suggests staying with no less than 5% and no more than 10% as cash reserve. Code enforcement is something that needs to become a priority so situations like Westwood don't develop; there are unfunded liabilities such as retirees health that need to be taken care of; space needs are another issue mentioned in a Grand Jury report. He feels a large part of the reserve should be dedicated to demolishing the new old jail and get started building a facility as an extension to the annex.

CAO Bixby responds to the suggestion of setting funds aside for the fairgrounds, and reminds the board that property adjacent to the fairgrounds has been sold and \$175,000 will go to the fairgrounds if the sale goes through. Supervisor Chapman agrees with Supervisor Keefer's idea of adding another \$300,000 to a fairground fund. The CAO states he would be more than happy to put \$1.5 M in capital improvements fund if the board would like him to; he and John Ketelsen have discussed several scenarios regarding this. Supervisor Chapman would like to see the board look at unfunded liabilities; look at capital construction program and see if we can get something going there. He states A87 and how it relates to the budget continues to be an annoyance to him; thinks the board needs some policies and procedures that clearly define that as a tool.

CAO Bixby asks the board if they want him to budget \$1.3 to \$1.5 million to capital outlay for the construction program. Supervisor Chapman states he feels it is overdue; Supervisor Keefer states he can support that; Supervisor Dahle would like to know the plan. Supervisor Chapman suggests setting this as an agenda item this fall to talk about how and what kind of expansion program can be done on the courthouse site in conjunction with the existing annex. County Counsel reminds the board of a previous discussion with the school district about possibly trading property with the intention of being able to match the ultimate state courthouse funds. If the board wants to try to secure the Credence School property there is only a short period of time to do something. CAO Bixby asks if the board wants \$100,000 set aside for code enforcement: Supervisor Chapman states yes; Supervisors Dahle, Keefer and Pyle

would like to see the citation program tried first; Supervisor Pyle feels both are needed. Further discussion is held. CAO Bixby states he is pushing for the financial system which is a multi year project. The current system is housed in Yolo County and it will no longer be supported so the county has to do something. Ms. Fouch states they are looking at upgrading the existing system; feels that would be the most cost effective. It should have more reporting options and will maintain about 13 years of database which is a real advantage. Should be about \$100,000 over a two year period to do the full implementation; does not yet know about a service plan. Notes that a brand new financial package would cost 3 to 10 times as much. CAO Bixby advises the county to never have a data processing department attempt to do this within county; Yolo County maintains the hardware. Mr. Bixby suggests new software for Building Inspection and Planning; would be helpful to track finals on permits. Supervisor Keefer doesn't have a problem with that; Supervisor Pyle suggests leaving it in for now; Supervisor Chapman states the jury is out on that one. In regards to the fairgrounds trust fund Supervisors Keefer and Chapman again state they want to see the \$300,000 requested, and the \$175,000 from the land sale put into a fund. CAO Bixby advises not using surplus for retiree medical benefits as the money needs to come from appropriate funding sources.

Supervisor Dahle reports that the Bieber Memorial hall kitchen remodel is being done and he believes it will cost more than the \$50,000 allocated. The pool house does coordinate with the kitchen for sewer so they work together. Supervisor Dahle states that when it is time to vote for the budget if a supervisor is going to vote no, he requests that supervisor bring a budget with them that they would be willing to support; asks all supervisors to participate in the process. Further discussion is held.

CAO Bixby asks if board wants to keep in the money suggested for Code Enforcement. Supervisor Dahle feels it is a waste of time; more work can be done by communities; he is opposed to it and would rather see \$200,000 go to the Sheriff to put deputies on the street. Supervisor Keefer supports Supervisor Dahle. After discussion, CAO Bixby suggests increasing the contingency funds slightly in case the board finds a situation they want to abate; it would require a 4/5 vote. Mr. Bixby also suggests that if the board would like, he can zero A87 costs out of the budget for dependent funds (Probation and Public Safety), which really doesn't change anything. He and Ms. Fouch have talked about probably recommending to CAO Ketelsen next year to abolish the Probation Department as a separate fund. For accounting purposes, the Public Safety Fund should be separate.

AUDITOR DEPARTMENT

(Supervisor Chapman is absent 3:12 - 1:13 p.m.)

It is moved by Supervisor Dahle, seconded by Supervisor Pyle and carried, with Supervisor Chapman voting NO, and Supervisor Hanson absent, to award professional services contract for A87 Cost Plan, State Mandate SB90 Claims, Property Tax Administration Fees and Jail Booking Fees to Public Resource Management Group (PRM) in the amount of \$18,500; and authorize the CAO to sign.

Auditor Fouch presents the list of departments charged Cost Allocation Plan. Supervisor Chapman states he has no problem with the breakdown but questions why the numbers are incorporated and used in the budget process for the General Fund funded departments; he wants them filtered out of budget. Further discussion is held.

It is moved by Supervisor Chapman to accept the list of departments charged Cost Allocation Plan, table for allocation charges not be incorporated in the budget as revenue expense items, seconded by Supervisor Dahle. The motion does not pass on the following vote - AYES: Supervisor Chapman and Supervisor Dahle; NOS: Supervisor Pyle and Supervisor Keefer; Absent: Supervisor Hanson.

LETTER FROM CLERK

Supervisor Dahle would like to come back to the A87 issue with a policy and address the Clerk=s letter at that time.

It is moved by Supervisor Chapman, seconded by Supervisor Pyle to direct the following funds not be charged A-87 costs: Recorder Vital Statistics, 146-0641; Recorder Micrographics, 147-0641; Recorder Modernization, 148-0641; and Recorder AB 130, 149-0641. The motion does not pass on the following vote - AYES: Supervisor Chapman and Supervisor Pyle; NOS: Supervisor Dahle and Supervisor Keefer; Absent: Supervisor Hanson.

JANESVILLE PARK

It is moved by Supervisor Pyle, seconded by Supervisor Dahle and carried, with Supervisor Hanson absent, to adopt Resolution No. 05-034, designating the six acres recently acquired at Janesville Park for an equestrian arena.

There being no further business, the meeting is adjourned at 3:45 p.m.

CHAIRMAN OF THE BOARD OF SUPERVISORS

ATTEST:

clerk

SUSAN OSGOOD, DEPUTY CLERK OF THE BOARD