



SAN BENITO COUNTY BOARD OF SUPERVISORS

Margie Barrios
District No. 1

Anthony Botelho
District No. 2
Chairman

Pat Loe
District No. 3

Reb Monaco
District No. 4
Vice Chairman

Jaime DeLaCruz
District No. 5

County Administration Building – Board of Supervisors Chambers, 481 Fourth Street, Hollister, California

SPECIAL MEETING FRIDAY, OCTOBER 2, 2009 ACTION MINUTES

The Board of Supervisors of San Benito County met in the Board Chambers on the above date in *special session*. Supervisors Monaco, Loe, Barrios, De La Cruz and Botelho were all present. Also present was County Administrative Officer Susan Thompson, Acting County Counsel Barbara Thompson and Clerk of the Board Linda Churchill. Chairman Anthony Botelho called the meeting to order.

9:00 A.M. CALL TO ORDER:

- a) Chairman Botelho led the Pledge of Allegiance.

Chairman Botelho called for a moment of silence in memory of Agricultural Commissioner Paul Matulich.

- b) *Upon motion duly made, seconded and carried, acknowledged Certificate of Posting.*

REGULAR AGENDA:

PUBLIC WORKS DEPARTMENT – S. Wittry:

- 1) **The Board of Supervisors, acting as the Governing Authority of each County Service Area (CSA), will meet for the purpose of conducting a public hearing relating to the CSA budgets and adopt a resolution adopting the final budget for all County Service Areas for Fiscal Year July 1, 2009 to June 30, 2010 and taking other action related to the Fiscal Year 2009-2010 budget adoption process.**

The public hearing will be on the proposed budget preparatory to making a final determination thereon, and any member of the general public may appear at the hearing and be heard regarding any item of the budget or for the inclusion of additional items.

Management Analyst Janelle Cox presented the Fiscal-Year 2009-10 recommended budgets for all 30 County Service Areas (CSA's) noting that she distributed a revised packet with a revised Attachment 1 and also minor adjustments to 14 CSA budgets. Ms. Cox stated that per State statute these

budgets are to be adopted by October 2nd and though it was fully expected that we would have the Prop 218 process for all of these CSA's approved in September that didn't happen and at this point we are going forward with the budgets. Ms. Cox stated that these budgets include the funding to provide services that are supported by a property-related fee that was approved in CSA's 24, 31 and 35 and as directed by the Board of Supervisors on September 8, 2009 we have allocated funding for essential services for the water and wastewater treatment and for storm drainage maintenance.

Ms. Cox explained that there are five CSA's that receive funding from the Ad Valorem (the 1% property tax) to support the services and those are: CSA 4, 5, 8, 9 and 11.

Ms. Cox reported that two of the CSA's are inactive and you'll see revenues in those CSA's against the fund balance, but there are no expenditures.

Ms. Cox stated that the remaining CSA's do not have a property related fee that support any of the services so there are reserve allocations and if there was an inadequate reserve balance then General Fund loans are noted to support those services.

Ms. Cox reported that there is about \$2.2 million in revenues allocated to support these CSA's with \$90,000 of it is for the Ad Valorem CSA's. Ms. Cox reported that about \$1.4 million is for the capital improvements at Stonegate and then there is about \$259,000 of reserve allocations this fiscal year and \$102,000 of that is to support the essential services and then the other approximately \$160,000 is requested by Ridgemark because they want additional work performed by the County. There is about \$387,000 General Fund loans to the CSA's for the essential services. Ms. Cox stated that when you combine the reserve allocation and the General Fund loans there is about \$489,000 to support essential services this year.

Ms. Cox explained the revised handout beginning with Attachment 1 and explaining the budget sheets for the various CSA's.

Lengthy discussion ensued with regards to what constitutes essential or non-essential services and who makes that determination especially with regards to storm drainage maintenance.

Steve Wittry, Public Works Administrator, explained the necessity of storm drainage maintenance stating that it is something that the county agreed to many years ago and would open up the county to potential litigation if not maintained.

Supervisor Monaco expressed his frustration over having to adopt these budgets under such short notice and the fact that there were too many changes at the last minute.

Chairman Botelho felt that water and sewer should be considered essential services and felt that flood control work should be prioritized and the least amount of money should go to those CSA's that rejected it.

Clerk / Auditor / Recorder Joe Paul Gonzalez explained what would happen if they Board did not adopt these budgets by October 2nd noting that all payments to CSA's would be cut off because there would be no budget for them.

Supervisor Loe asked if the budgets are not adopted then could we even provide essential services.

Mr. Gonzalez explained that it could not be paid through the CSA budget mechanism.

Ms. Cox continued with her report on the CSA budgets.

County Administrative Officer Susan Thompson and Assistant County Counsel Barbara Thompson provided input and answered questions posed by Board members.

Supervisor Loe asked staff to bring back information on how to work out keeping lights on in the CSA's and an option for a method of payment to keep lights.

Chairman Botelho opened the public hearing.

Ms. Cox read letters into the record from Kristen Vallejo and Deane Judd of CSA 21 (Long Acres) who requested that continued lighting be covered by their existing reserve funds.

The following members of the public provided testimony:

Joe Thompson, local resident, stated that to the average taxpayer can't see the difference between a fee and a tax.

Robert Bernosky, CSA 23 (Rancho San Joaquin) expressed his concern over what is to be considered as essential services asking the Board not to vote on this matter today.

Jeffrey Smith, CSA 23 (Rancho San Joaquin) reiterated the concerns of Mr. Bernosky stating that people didn't know what they were voting on.

Ralph Vance, CSA 25 (Vineyard Estates) stated that the increase seems excessive and not necessary and would like to know how reserves will be used and would like to have a say in the matter.

Tami Cook-Erickson, CSA 16 (Holiday Estates) stated they were promised a slurry seal and they paid for it and now a decision has been made that deems it non-essential and she felt they should have a say in what is essential or not.

Phil Schaaphor, CSA 25 (Vineyard Estates) expressed concern over issues with the roads stating they were promised to have roads fixed and they should be able to use funds as they see fit.

Mr. Bernosky asked why fees stopped being collected and noting that slurry seal now has not been done.

Chairman Botelho closed the public hearing.

Board members provided input and comments.

It was the consensus of the Board to have staff analyze what constitutes essential and non-essential services and come back to the Board after doing an analysis on a CSA to CSA basis and also to discuss how to resolve how we address those monies that were reserved and now services are discontinued.

It was also the consensus of the Board to keep the lines of communication with the various CSA's open.

Supervisor Monaco stated that he came to the meeting with the idea that he would not adopt the budget but after today's discussion he as re-evaluated his thinking.

BOARD ACTION: *Upon motion made by Supervisor Monaco and seconded by Supervisor Barrios, acting as the Governing Authority of each County Service Area, upon closing the public hearing, adopted **Resolution No. 2009-94**, adopting the final budget for all County Service Areas for Fiscal Year (FY) July 1, 2009 to June 30, 2010 and taking other action related to the FY 2009-2010 budget adoption process. (Unanimous)*

Supervisor Monaco noted that all other components as discussed today are to come back to the Board of Supervisors for consideration. **CSA File**

CLOSED SESSION:

Matters discussed during Closed Session include existing and pending litigation, personnel matters and real property negotiations. Reportable actions taken by the Board during Closed Session will be announced during open session. (Gov. Code Section 54957.1(a) & (b), Ralph M. Brown Act.)

2) **Conference with Legal Counsel-Existing Litigation. (Subdivision (a) of Section 54956.9)**

Name of Case: Association for Equal Information and Governmental Integrity v. County of San Benito, Superior Court of California, County of San Benito, Case No. CU-09-00043

BOARD ACTION: *Assistant County Counsel Barbara Thompson reported that the Board of Supervisors rejected settlement offer that was set forth by the petitioner in this matter. (Unanimous)*

There being no further business the Board adjourned at 12:05 p.m. to October 6, 2009 at 9:00 a.m.

ANTHONY BOTEHO, CHAIRMAN
San Benito County Board of Supervisors

ATTEST:
Linda Churchill, Clerk of the board