

**Single Purpose Committee to Review
The City of Lompoc Enterprise Reimbursement Study**

MINUTES

**Lompoc City Hall - City Council Chamber
100 Civic Center Plaza, Lompoc, CA
Friday, July 8, 2016 10:00 A.M.**

CALL TO ORDER:

Chairman Jack Rodenhi called the meeting to order.

Secretary Stacey Haddon called roll and all members below were present.

Chairman – City of Lompoc Planning Commissioner Jack Rodenhi

Vice Chairman - City of Lompoc Mayor Bob Lingl

Committee Member - Santa Barbara County Taxpayer's Association Representative Ron Fink

Committee Member – City of Lompoc Management Services Director Brad Wilkie

ORAL COMMUNICATIONS:

1. Tim Smith complimented the Committee for their continued work on this matter.

Committee Member - City of Lompoc Council Member James Mosby arrived at 10:05 A.M.

UNFINISHED BUSINESS:

Chairman Rodenhi distributed copies of the Article 13C of the State of California Constitution (Article 13C) to the Committee and the audience, and stated he would like the Committee to discuss if the fees calculated in the City of Lompoc Enterprise Reimbursement Study (Study) are a tax and thus outside the legal parameters of Article 13C. Committee Member Wilkie stated he sees the fees in the Study are reimbursement costs not a tax, and acknowledged he is not an attorney and would need to leave final judgment of what is and is not a tax to an attorney and the courts.

After lengthy discussion regarding Article 13C and the Study, Committee Member Fink made the following motion:

The Committee direct Chairman Jack Rodenhi to attend the City of Lompoc July 19, 2016 Regular City Council Meeting and recommend to the Lompoc City Council, to exam the current City of Lompoc Reimbursement Study in relationship to Article 13C of the State of California Constitution, the State of California Proposition 26 and Proposition 218; acquire legal opinions from lawyers experienced in litigation, with at least one opinion that supports, and at least one opinion that opposes, the City of Lompoc Reimbursement Study; and examine legal cases which relate to the City of Lompoc Reimbursement Study, those legal cases are to include, but not be limited to Redding, CA and Pasadena, CA.

The motion was seconded by Chairman Rodenhi and passed by a 5-0 vote.

UNFINISHED BUSINESS: (cont'd)

Chairman Rodenhi asked the Committee if the Committee will be providing any other recommendations to the City Council regarding methodology used in the Study. Committee Member Fink stated he sees the Council must first measure the Study in relation to Article 13C, Propositions 26 and 218 and if the Council concludes is a legal way to capture costs of services, there would be no other work to be done by the City, although the Study could be challenged and argued elsewhere, which could include value assumptions made and cost allocation methods used in the current Study.

Public Comment:

1. Tim Smith suggested asking the attorneys does the current City of Lompoc Enterprise Reimbursement Study conform to current law.
2. Al Clark asked why the Committee is looking for opposing legal views of the City of Lompoc Enterprise Reimbursement Study, stating the City should have already requested HF&H Consultants, LLC to ensure this Study was completed in accordance with current laws and regulations; and suggested the City not forego its current legal services when requesting legal advice on this matter.

UNFINISHED BUSINESS: (cont'd)

1. A comparison/analysis of the Lompoc and Fullerton fee transfer studies.
2. A discussion of the intent and language and court interpretations of Propositions 26 and 218 as it relates to percentage/proportional fee transfers.
3. A definition of what constitutes "reasonable" and "defensible" in the minds of this committee.
4. A discussion of any relevant litigation such as the Redding and Pasadena, CA cases as they relate to using a percentage/proportional methodology to determine the amount of fees to be transferred.
5. A review of the Lompoc Muni-code:
 - a. Section 3.20.110 Transfer and Loan of Money Between Funds and Sections
 - b. Section 3.20.010 General Fund
 - c. Section 3.20.050 to 3.20.080 Water, Electric, Sewer and Refuse Utility Fund's
 - d. The absence of any mention of the Broadband or Communication Funds
6. A review of any internal administrative policies relating to the transfer of fees from the Enterprise Funds to the General Fund.
7. A discussion of the Cost Allocation Plan as it relates to the methodology used to establish any transfer of utility fund fees to the General Fund.
8. A comparison of the Cost Allocation Plan to the reimbursement fee plan to assure that there are no duplicate fee amounts being transferred.
9. Discuss the concept of appointing a citizen oversight committee to monitor progress on any recommendations developed by the ad hoc committee.
10. A consensus of recommendations for actions to be considered by the City Council.
11. Language for a report of our findings to the City Council.

COMMITTEE COMMENTS and REQUESTS: None

ADJOURNMENT: At 10:48 A.M. Committee Member Lingl motioned to adjourn this Committee Meeting with no date set for any further meetings, the motion was seconded by Committee Member Fink, and approved by a unanimous vote of the entire Committee

Approved by Committee action on July 19, 2016

/Stacey Haddon/
Stacey Haddon, Secretary