

**BOARD OF DIRECTORS
GROVELAND COMMUNITY SERVICES DISTRICT
GROVELAND, CALIFORNIA
Evangelical Free Church
January 5, 2012
6:00 p.m.**

The Board of Directors of Groveland Community Services District met in regular session on the above mentioned date with Directors Roy Conley, President, John Armstrong, Vice President, Joe Riley, Herman Schaap, and Steve Perreira being present. Also present were General Manager/District Engineer Gary Mello, Admin/Finance Manager Vicki West, Fire Chief Shane Warner, Board Secretary Jennifer Flores, and Special Legal Counsel Sam Sperry.

Director Conley called the meeting to order at 6:00pm.

Public Comment

None

Agenda Approval

Director Riley moved, seconded by Director Armstrong, and the motion passed unanimously to approve the agenda as written.

Review and Discuss the Characteristics of the Parcel Tax and the Mello-Roos Tax Methods for Funding the Groveland Fire Department and Determine which Form of Tax will be Presented to the Voters in the June 2012 Primary Election

Staff Report

Fire Chief Shane Warner gave a Power Point presentation that outlined the budget cuts that have been made, base wage comparisons with similar local departments, and department call statistics.

Special Legal Counsel Sam Sperry gave a short presentation on a memo he composed regarding the differences between a Parcel Tax and a Mello-Roos tax.

General Manager Gary Mello gave a Power Point presentation outlining the different tax options with regard to a Parcel Tax and a Mello-Roos tax. Mr. Mello also explained that the District is going to receive a significant decrease in property tax revenue from the county than was initially anticipated. Due to this, the actual amount needed from a special tax would be \$530,000 in order to keep the fire department operating at its current level of service. Mr. Mello clarified "...I've heard a lot of comments from the community that we are going to raise the tax and then going to use that to buy more "toys". That is absolutely not true, and that is not what this tax is about. What we are talking about here is to keep the personnel that we have...so my feeling was if that's the purpose of this tax, to keep the personnel, then make a commitment to that and do it right up front...the intent is to keep the personnel that we have."

Director Conley called for a short recess at 6:50pm.

The Board reconvened at 7:00pm.

Public Comment

Public member Carol Simpson stated, "I am even more impressed with the breadth of the services our fire department provides and skills that they bring to the job...I really appreciate the attempt at fairness with regard to the Mello-Roos, but it does seem that it is very complicated...for that reason I'm tending to think the Parcel Tax is much more simple and everyone can understand it."

Public member Virgil McVicker stated, "...you haven't adjusted your lifestyle to conform with what we are losing in the marketplace."

Public member Craig Maxwell stated, "...you are making a decision on which way to go, Mello-Roos or the Parcel Tax...the Parcel Tax is the better of the two vehicles if you choose to levy a tax at all...we are effectively creating a credit bubble that we cannot finance, but we don't have the wealth...the income to finance the debt you are putting us into."

Public member Michael Elliott asked, "...are you saying Mr. Mello that your intentions for the money...will be part of the text of the ballot?" Mr. Mello responded, "my intent and my proposal to our Board will be exactly that, obviously what goes to the voters is up to the Board to decide, but yes...that is my intent and my proposal."

Public member Kay Crow stated, "...I would like the sunset shortened from 10 years."

Director Conley called for a motion. *Director Riley moved to proceed with a parcel tax to partially fund the fire department and direct staff to complete the process necessary to submit the Parcel Tax to registered voters for approval in the June 5, 2012 primary election. The motion was seconded by Director Armstrong.*

Board Discussion

Director Armstrong stated he feels the District has made significant cuts in the fire department budget. Director Armstrong stated, "I would like to see this Parcel Tax pass and I am recommending that we go with this Parcel Tax Option E myself, that's what I would like to see...ten years is a good clause for the sunset and if we do it much sooner we are going to be doing this all the time...I feel if the Ad Valorem taxes do go up, then the Board needs to decide what to do if we have extra money. What I would like to see would be to fund the capital reserves for the fire department to a certain point and we should set that number. After we catch up, then we should start reducing the tax."

Director Riley stated, "I have a preference for Option F and the reason is very simple...the parcel tax offers one thing; we are not really buying fire insurance when we buy this, what we are buying is fire protection services. Those services go on whether the property is improved or unimproved...the unimproved properties will go off just as quickly as improved properties. It takes the same amount of services to provide fire protection for unimproved properties as it does for improved properties, so I just don't see the difference between those."

Director Schaap stated, "...I will be in favor of the Parcel Tax."

Director Conley stated, "...I also favor the Parcel tax. It's simpler and cheaper to implement."

Director Perreira stated, "I do not support any tax because the costs have not been addressed adequately here...what I see and what I have seen since I have been on the Board is a mismanaged budget...you give these people more money and they will find a way to spend it."

The first thing we need to do is cut spending and we need to cut it in the most affordable arena and that is in benefits for employees.”

Director Conley called for the vote.

Aye: Directors Conley, Armstrong, Schaap, and Riley

Noe: Director Perreira

Director Conley called for a recess at 8:15pm.

The Board reconvened at 8:20pm.

Information Items

Staff Reports

General Manager Comments

Mr. Mello thanked staff for all of their help with the special tax process. Mr. Mello also announced that the Hetch-Hetchy tunnel shut down is over.

O & M Report

None

Fire Department Report

None

Director Comments

Director Riley stated he very much appreciated Mr. Mello’s efforts in giving the Board all of the options available with regard to a special fire tax.

Director Conley thanked the staff for coming in the evening for the meeting and giving up their time.

Closed Session

Closed session was cancelled due to District Counsel’s inability to attend the meeting.

Adjournment

Director Armstrong moved, seconded by Director Riley, and the motion passed unanimously to adjourn the meeting at 8:30pm

APPROVED:

ATTEST:

Roy Conley, President

Jennifer Flores, Board Secretary