



Legislation Text

File #: 19-1047, **Version:** 1

Chief Administrative Office recommending the Board discuss and provide direction to staff on proposed ballot measure and benefit assessment options to address specific Board priorities, as previously proposed or discussed by the Board, and on Charter amendments related to prior Board discussion regarding non-constitutional, elected official positions. These items have previously been proposed for consideration by voters during the 2020 elections. (Est. Time: 1 Hr.)

FUNDING: General Fund.

DISCUSSION / BACKGROUND

Over the past two years, the Board and County staff have discussed several potential ballot measures for the 2020 Elections. The Chief Administrative Office is seeking the Board's direction on which, if any, ballot measures to define, analyze, and prepare for the ballot, and the timing for each measure. Below is a brief description of each potential ballot measure.

1. Sales Tax Ballot Measure to Support Road Maintenance & Improvements

At the April 9, 2019 Board of Supervisor's Meeting (Legistar Item 19-0513), the Director of Transportation presented the Board with a summary of the state of the County Road Fund, which is predicted to fall short by \$2.8 million in Fiscal Year 2020-21. The Director presented several funding options including grant funding, County Services Area expansions, a motor vehicle registration fee, Transient Occupancy Tax increase, the use of Tribe agreement funding for roads, and a sales tax measure that would enable the County to qualify for additional funding from the State.

The Board directed staff to explore the feasibility of a ballot measure that would qualify El Dorado County as a self-help county according to Road Repair and Accountability Act of 2017 (SB 1). Counties in which voters have approved sales taxes, parcel or property taxes, voter-approved tolls, or developer fees solely dedicated to transportation are eligible for funding through the Local Partnership Program. Because El Dorado County does not currently have an eligible voter-approved tax or fee, none of this funding is accessible.

The objective of the Local Partnership Program is to reward counties, cities, districts, and regional transportation agencies in which voters have approved taxes or fees dedicated to transportation. The program is allocated \$200 million dollars annually in gas tax revenue. Of this amount, 50% of funding (\$100 million) is distributed by a formula based on proportional County population and toll, fee, or tax measure to all eligible counties. Taxes must be at least a quarter percent to qualify, and the measures must be in place for a minimum of 10 years. Sales tax measures for a specific purpose require a 2/3 majority vote. Madera County, which has a voter-approved half-cent sales tax and a similar sized population to El Dorado County (156,890), received \$341,000 in Fiscal Year 2019-20 through the formulaic program. It should be noted that due to yearly allocated amount, the more counties that approve a fee, toll, or tax measure, the smaller the shares will be.

The other 50% of funding is distributed through a competitive grant program. Not all counties receive

this funding every year. The Western Placerville Interchanges Phase 2 project at Ray Lawyer Drive and Forni Road is funded through this program by the City of Placerville. The total project cost is \$12,725,000 and \$1,070,000 was awarded.

There is also an incentive program wherein new or renewed voter-approved measures may receive the total projected annual revenue resulting from the measure. For example, a sales tax measure that is anticipated to generate \$6 million over the course of one year would also be awarded \$6 million the first year only. The total amount for this program is \$20 million per year, which is distributed among each of the counties that approve new measures.

A ½ cent sales tax measure in El Dorado County is estimated to result in approximately \$6 million each year in revenue. For the first year in effect, the measure could receive a Local Partnership Program incentive match of another \$6 million, plus possibly \$400,000 in formulaic program funding, for a total of \$12.4 million. The ½ cent would increase El Dorado County's tax rate from 7.25% to 7.75%, and would also add ½ a percent to the current sales tax in the cities of South Lake Tahoe (7.75% to 8.25%) and Placerville (8.25% to 8.75%).

It should also be noted that SB 277 (Beall), which at the time of this writing has not yet been before the State Senate for a vote, would change the requirements for accessing the Local Partnership Program dollars. Although a voter-approved tax, toll, or fee would continue to be required, this change would allow for revenues to be appropriated for road maintenance, rehabilitation, and other transportation improvement projects.

Should the Board direct staff to move forward with a sales tax measure for roads, it is recommended that the Board consider identifying what portion of any revenues generated would be dedicated to on-going road maintenance needs and what portion would be available for transportation improvement projects.

Staff is also seeking direction on the inclusion of a citizen's oversight committee in the ballot measure that would contribute to decision-making on how the sales tax revenue is spent.

Finally, the Director of Transportation is requesting Board consideration of and direction on pursuing an agreement with a public opinion research firm to carry out a survey within the next two months to gauge public opinion on the measure. The cost estimate is approximately \$50,000, and work would need to begin as soon as possible in order to place a measure on the November 2020 Ballot. If the Board chooses to support this agreement, staff recommends the use of Transient Occupancy Tax funding for the purpose, but is asking for direction on the funding source as well.

2. CSA 3 Increase to Support Snow Removal Equipment

County Service Area 3 was established on January 21, 1963, to establish a Vector Control District for Mosquito Abatement. In 1983, two snow removal Zones of Benefit within County Service Area 3 were formed to fund snow removal from roads within the County Maintained Mileage System and to offset the cost of acquiring snow removal equipment utilized within the Zone boundaries. The benefit assessment/service charge for the West Shore Snow Zone of Benefit is \$50 per improved parcel. The benefit assessment/service charge for the South Shore Snow Removal Zone of Benefit (South Shore Zone) is \$20 per improved parcel.

The total assessments projected for Fiscal Year 2019-20 is \$120,828 for mosquito abatement/vector control and \$457,350 for snow removal services and equipment for the West Shore/South Shore zones. Funding for the South Shore Snow Removal Zone in the unincorporated area of the Tahoe Basin has not kept pace with increasing equipment acquisition and operating and maintenance costs. South Shore Zone funds are not sufficient to allow for equipment replacement at best practice intervals. Estimated costs for equipment are approximately \$550,000 annually, and the projected revenue for the South Shore Zone is only \$136,000 each year.

An increase to the CSA assessment for the South Shore Zone was discussed at the June 11, 2019 Board of Supervisors' meeting (Legistar item 19-0774). An increase in the assessment per parcel from \$20 to \$80 per year would provide approximately \$544,000 each year in snow-removal-specific funding for the South Shore Zone. If approved, staff would ensure a more cost-efficient program using rental equipment whenever more cost-effective.

The City of South Lake Tahoe is considering a ballot measure for the March 2020 election. It is recommended, should the Board wish to include this measure, that the County coordinate with the City on both the amount of the increase for CSA-3 and the timing of the ballot measure. Staff will also work to confirm requirements for increasing the benefit assessment amount by ballot.

3. Creation of a Western Slope Cemetery District with a District Sales Tax

The County of El Dorado either owns or operates twenty cemeteries with many dating back to the Gold Rush Era. In recent years there has been a rise in private and community cemeteries asking for County assistance. In addition to the cemeteries that the County is involved with, there is the possibility of other historical cemeteries asking for County assistance (e.g. County taking over operations) in the near future.

After studying the cemetery situation in 16 similar counties, it was found that counties do not operate cemeteries. The County of El Dorado was the only county to operate cemeteries with almost all the counties studied having cemetery districts, which are funded by district property tax dollars. In the FY 2019-20 Recommended Budget, the General Fund net County cost for cemeteries is \$250,268.

On June 26, 2018 with Legistar item 18-0987 the Board received a presentation on the El Dorado County cemeteries and directed staff to proceed with an analysis of the next steps regarding the formation of a countywide cemetery district and contact the El Dorado Community Foundation to explore opportunities for an endowment. The Endowment was established on February 12, 2019 (Legistar #18-1921). As of July 1, 2019, El Dorado County has not received any funds from the El Dorado Community Foundation for cemetery operations and maintenance.

In an effort to provide maintenance, operations, and historical preservation for the County's historical cemeteries that are under County control, staff asks the Board to provide direction on the timing of a ballot measure to create a western slope cemetery district to be created with a district property tax.

4. Assessment/Tax to Support Broadband Implementation

The County has contracted with NeoConnect for the completion of a Broadband Feasibility Study,

completed on June 30th. This initial contract was funded 50% by a grant from the Economic Development Administration (\$75,000) and 50% Economic Development (\$75,000). As directed by the Board on September 18, 2018 (Legistar 18-1289), a countywide gigabit strategy was further analyzed by NeoConnect and the financial models for capital costs were updated and refined based on updated labor/construction costs and terrain assumptions.

In late May, 2019, the County received a favorable opinion from the Fair Political Practices Commission (FPPC) to utilize NeoConnect to perform the next step in Broadband planning for the county, which will include further refinement of design, more detailed engineering/planning, and a physical “ride-out” of the broadband backbone, including further validation of County terrain and percentage of aerial vs. underground assumptions. Based on advice from the FPPC, and due to the fact that there was a delay in moving forward with a contract for this follow-up work from the Feasibility Study (\$42,380), it was recommended that the Purchasing Agent execute this contract, as it is within Purchasing Agent signature authority. This work is currently planned to occur in July 2019. NeoConnect will provide further updates and refinements to the financial model and provide an update, including further analysis of capital costs and funding alternatives, to the Board in late August or early September 2019.

It is anticipated that the Broadband Ad Hoc Committee, along with the Technical Advisory Group, will bring a recommendation before the Board to continue to move forward with the planning and implementation of Broadband, including the consideration of moving forward with an assessment or tax to support the installation of network infrastructure.

5. Charter Amendments to Identify up to Four Non-Constitutional, Elected Department Head Positions as Appointed Positions

The 2015-16 Grand Jury issued a final report titled “21st Century County Charter” in June of 2016, identifying several amendments to the County Charter and recommending that the Board of Supervisors place the identified amendments on the ballot for voters to consider/approve. In its response to the Grand Jury Report, in August of 2016, the Board referred the consideration of those recommendations to a Charter Review Committee.

At the February 6, 2018 meeting of the Board of Supervisors, the Charter Review Committee presented their recommendations for Charter revisions for discussion with the Board (Legistar Item 18-0143, February 6, 2018). At its June 26, 2018 meeting (Legistar item 18-0988), the Board directed that Charter Amendment items be placed on the November 2020 ballot. The Board voted unanimously to “direct staff to return to the Board with ballot language that supports a change to Charter Section 402 - Elected Department Heads to reflect four separate ballot measures, one for each of the four non-Constitutional, elected Department Head positions. This matter would be considered for the 2020 General Election”. The elected officers required by the California Constitution are the Sheriff/Coroner/Public Administrator, District Attorney, and Assessor. The ballot measures, if approved by a majority vote, would result in all or any one of the currently elected positions of Auditor-Controller, Recorder-Clerk, Surveyor, and Treasurer-Tax Collector becoming department head positions that are appointed by the Board.

At that time, the staff recommendation indicated that, if approved by the voters, the change from elected to appointed will not be effective until the end of the next term for each elected department head (January 2023). In the event that voters pass any of these potential measures, it would also be

necessary for staff to return to the Board with changes to Section 2.16 of the County Code of Ordinances, Appointed Officers and Department Heads, in order to establish the appointed department head roles.

Summary, Next Steps

For each ballot measure and/or assessment, staff is requesting direction on:

- a. Whether to research the measure and prepare ballot language for Board review; and
- b. If moving forward, for each measure, direction on:
 - i. Recommendation for the date of the election
 - ii. Board priorities for ballot measure language
 - iii. Need for further presentations and/or discussion with the Board prior to ballot language being drafted.

ALTERNATIVES

The Board may choose to direct staff to move forward with all, some, or none of the ballot measures. The Board may also choose to provide direction for staff to return at a later date and consider placement on a later year's ballot.

PRIOR BOARD ACTION

Please see Discussion/Background

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Chief Administrative Office - Airports, Cemeteries, Cannabis, and Parks Division; Department of Transportation

FINANCIAL IMPACT

There is no direct financial impact related to this item. The cost of placing a measure on the ballot for the upcoming November election would be "shared" by the other items placed on the ballot, including County and State propositions and special district elections. The Elections Department cannot provide a specific cost estimate until all ballot requests have been submitted; an estimate of the County's share of placing a measure on the ballot would be available at the close of the filing period for each election. It should be noted that each measure will be a separate question for the voters, and there will be a cost for each question placed on the ballot.

CLERK OF THE BOARD FOLLOW UP ACTIONS

None at this time.

STRATEGIC PLAN COMPONENT

Good Governance: The review of proposed ballot measures at one time contributes to the Good Governance priority of "Evaluate requests and recommendations based on complete assessment of the best available information, with the goal of reaching well informed decisions."

CONTACT

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