

**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, June 24, 2016 9:00 A.M.**

CALL TO ORDER:

Chairman Jack Rodenhi called the meeting to order at 9:18 A.M.

Secretary Shannon Marrs 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 Council Member James Mosby

Committee Member – City of Lompoc Management Services Director Brad Wilkie

ORAL COMMUNICATIONS:

1. Tim Smith suggested the Committee first confirm the Reimbursement Study is within the confines of Proposition 218.
2. Al Clark encouraged the Committee to recommend to the City Council that an assessment of what any possible reimbursements would affect rate payers.

UNFINISHED BUSINESS:

The Committee discussed at great length the City of Lompoc Enterprise Reimbursement Study (Study), which included possibly recommending the City Council provide an assessment of what the affect to rate payers might be, if any reimbursements from any City Enterprise Fund to the City's General Fund were approved; if the Study is within State law and regulations as a valid reimbursement cost or if it would be defined as a tax; and possibly recommending to the City Council to remove the cost of repairing a cut in a City street that is caused by a City Enterprise.

Chairman Rodenhi made the following motion:

Recommend to the City Council to adopt a City policy that would obligate a City Enterprise or Utility to warrant repairs to any City right-of-way for an appropriate fixed period of time against subsidence or decline, to an appropriate level of pavement condition, if that Enterprise or Utility was responsible for making cuts to the City right-of way.

The motion was seconded by Committee Member Fink and passed by a 4-1 vote (Committee Member Wilkie voted No)

UNFINISHED BUSINESS: (cont'd)

Chairman Rodenhi distributed a copy of Article 13C of the State of California Constitution (Article 13C) and suggested the Committee recommend to the City Council to review Article 13C and confirm if any proposed fees in the Study are actually a tax as defined by Article 13C.

After lengthy discussion, Chairman Rodenhi made the following motion:

The City Council consider the Committee's objection to the City of Lompoc Enterprise Reimbursement Study (Study), as the Committee recognizes the charges and/or fees in the Study do not meet the exceptions defined in Article 13C(e) of the State of California Constitution, and are therefore taxes subject to voter approval.

The motion was seconded by Committee Member Mosby and passed by a 5-0 vote.

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. **ACTION** – Motion/Second: Fink/Lingl. By a 4-1-0 (Committee Member Wilkie abstained) vote, the Committee recommend to the City Council to discuss any relevant litigation such as the Redding and Pasadena, CA cases as they relate to using a percentage/proportional methodology to determine the amount to be transferred.
5. **ACTION** – Motion/Second: Fink/Rodenhi. By a 5-0 vote, the Committee recommended to the City Council direct a review the Lompoc Municipal Code, specifically of the Sections listed below, and any other Sections as they relate to the City of Lompoc Enterprise Reimbursement Study, and make any modifications to ensure the language of Lompoc Municipal Code is in agreement with approved Council action.
 - 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. **ACTION** – Motion/Second: Fink/Lingl. By a 5-0 vote, the Committee recommended to the City Council to direct 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. With a General consensus, the Committee agreed this item is outside of the Committee's scope of work.
8. **ACTION** – Motion/Second: Fink/Rodenhi. By a 5-0 vote, the Committee recommended to the City Council direct a comparison of the Cost Allocation Plan to the Enterprise Reimbursement Study to assure that there are no duplications of charges or fees.
9. Committee Member Fink moved to recommend to the City Council to discuss the appointment of a citizen oversight committee to monitor progress on any recommendations developed by this Single Purpose Committee, the motion died for lack of a second.

