

ACTION SUMMARY MINUTES
MINUTES OF THE SPECIAL BOARD MEETING OF
THE BOARD OF DIRECTORS OF THE
FRESNO METROPOLITAN FLOOD CONTROL DISTRICT
HELD TUESDAY, MAY 12, 2015

Pursuant to notice, the Special Meeting of the Board of Directors of the Fresno Metropolitan Flood Control District was held Tuesday, May 12, 2015 at 6:00 p.m. in the Board Chambers of the Fresno Metropolitan Flood Control District at 5469 East Olive Avenue; Fresno, California.

DIRECTORS PRESENT: Mike Rastegar, Chairman
Barbara Goodwin, Vice-Chairman
Roy Spina
Kendall Groom
Frank Fowler
Buzz Burleson

DIRECTORS ABSENT: Jennette Williams

**STAFF, CONSULTANTS,
OTHERS PRESENT:** Alan Hofmann, General Manager-Secretary
Peter Sanchez, District Engineer
Paul Merrill, Finance Manager
Daniel Rourke, Environmental Resources Manager
Karyn Kruser, Staff Analyst
Brent Sunamoto, Operations Engineer
Kristine Johnson, Staff Analyst
Esther Schwandt, Clerk to the Board

Ken Price, Assistant General Counsel;
Baker, Manock & Jensen
Craig Armstrong, Assistant General Counsel;
Baker, Manock & Jensen

PRESIDING: Director Rastegar, presiding as Chairman called the meeting to order at 6:00 p.m. and Director Spina led the Pledge of Allegiance.

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2. WORKSHOP:

Workshop on District Revenue Sources:

A. Property Tax Allocation

B. Benefit Assessment Authority Tax Levy

Review the District's revenue resources. This Workshop is for informational purposes only. No action is required of the Board of Directors unless specific direction is given to staff.

The Clerk to the Board distributed printed copies of the District's PowerPoint presentation to be used this evening and as attached to this Board Packet.

Mr. Hofmann noted the purpose of this Workshop was to review the Property Tax and Assessment Tax Authority, how it is calculated and how much of the 20¢ per \$100 maximum limit on the Assessment Tax the District is currently assessing. He stated Baker, Manock & Jensen has researched the District's Act, legislative history, Proposition 218 and the implementation act, and relevant cases and has provided a summation for the Board's review as attached to this Board Memorandum, and will be reviewing their portion with the Board as well. Mr. Hofmann then began the review of the Property Tax Allocation and Benefit Assessment Authority Tax Levy as outlined in the Board Memorandum and as highlighted in the PowerPoint presentation.

Responding to Director Spina's question as to Proposition 98 and the Education Revenue Augmentation Fund (ERAF), Mr. Merrill stated Proposition 98 was an allocation of school funding that was mandated in part, by the State Constitution requiring a certain percentage of the General Fund of the State of California going to fund schools. ERAF he stated was not done by ballot, but rather was done by the Legislature and was an attempt to fund schools using a shift of local public agency property taxes as opposed to funding schools out of the State Budget.

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Director Fowler questioned and initiated discussion regarding whether the District submits its yearly assessment filing with the County of Fresno (County) in the form of an Engineer's Report, noting he believed Proposition 218 requires Benefit Assessments to have a filed Engineer's Report presented by a Registered Engineer, and suggested staff should look into this. Director Fowler also questioned and initiated discussion among Board, staff and Legal Counsel regarding how the District reconciles the 20¢ per \$100.00 with the Benefit Assessment rather than with an Ad Valorem. Mr. Hofmann explained because there is no Ad Valorem role maintained by the County of Fresno, the Benefit Assessment is calculated using an alternative method which is calculated as an aggregate of total valuation and cannot exceed 20¢ per \$100.00 on the aggregate. Mr. Merrill stated what the District has traditionally used to get an estimate as to what the maximum valuation is, is to look at the County rate schedule, and it shows the assessed valuation based on the Assessor's Proposition 13 numbers. Director Fowler expressed his concerns noting the District has switched from an Ad Valorem to a Benefit Assessment and he questioned how that can be fairly calculated. Mr. Price noted this would be discussed further under Legal Counsel's presentation. Mr. Hofmann noted the current rate is below the original Benefit Assessment rate the District charged.

The Clerk to the Board then distributed printed copies of the PowerPoint presentation prepared by Baker, Manock & Jensen, and as attached to this Board Packet.

Mr. Armstrong and Mr. Price then reviewed the issues with respect to FMFCD's Assessment Tax and Proposition 218 as outlined in the Board Memorandum, and as highlighted in the PowerPoint presentation.

Director Fowler, noting the complications the City of Fresno encountered with their increase in water rates, initiated discussion among Board Members, staff and Legal Counsel regarding the complexities of increasing a benefit assessment rate.

Mr. Hofmann noted, while he believed it important that the District understand the District's Revenue sources and the processes to increase those assessments, he does not see with this current District Budget, nor does he see anything in the foreseeable future that would necessitate the District to increase its Benefit Assessment. However, should the District in the future be at a position that would necessitate an increase, he explained how the District had handled the increase in the past. Specifically, Mr. Hofmann stated that the District has had two increases, one in 1997 and one in 2001, which were after the passage of Proposition 218, and there were no challenges even though the District had sent out notices to 116,000 parcels, noting the District only received 3 protest letters.

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Director Spina recalled in the Sunnyside area where the District increased the assessment, those property owners wanted the assistance due to the flooding issues they were experiencing. With respect to Drainage Areas "II/RR", Director Spina stated the District had funding help with this area, and the citizens again, wanted the assistance. Mr. Hofmann concurred noting not only did the Drainage Area "II/RR" have their assessment increase, but the entire District was increased almost 20% to help fund the downtown drainage system as the community benefited from no flooding of their downtown area. Responding to Director Fowler's question, Mr. Hofmann stated the amount was only a \$4.00 per year increase.

The Board of Directors commended staff and Legal Counsel on their excellent information and presentations provided at this Workshop.

As the report was submitted for informational purposes only, no further action was taken.

ADJOURNMENT

Adjourned Board Meeting 7:05 pm

Motion by: Spina Second by: Burleson
Ayes: Rastegar, Goodwin, Spina, Groom, Fowler, Burleson
Noes: None
Abstentions: None
Absentees: Williams



ALAN HOFMANN
GENERAL MANAGER-SECRETARY

6/2/15

DATE