



Alameda County Special District Association & Contra Costa County Special District Association Joint Chapter Meeting Minutes

7.31.2023	Meeting Time: 10:00 a.m.	Meeting Location: Dublin San Ramon Services District Field Operations Facility 7035 Commerce Circle, Pleasanton
Call to Order / Breakout Sessions	At 10:00 a.m., the meeting was called to order.	
Minutes	Cecilia Goff, District Secretary, Ironhouse Sanitary District	
Zoom Recording	July 31, 2023 ASCDA/CCSDA Joint Meeting Recording	

Welcome and Introductions

Mr. Sheila Young, ACSDA Vice President, Oro Loma Sanitary District Board Member, Mr. Chad Davisson, CCSDA President, Ironhouse Sanitary District General Manager, called the meeting to order and welcomed ACSDA and CCSDA members. Association members were welcomed to the DSRSD Field Operations Facility by Georgean Vonheeder-Leopold, President of the Board.

Overview of Taxpayer Protection and Government Accountability Act Initiative – Tim Seufert, NBS, Managing Director

Tim Seufert, NBS, Managing Director was introduced to the Associations and provided an overview of the Taxpayer Protection and Government Accountability Act Initiative.

Mr. Seufert explained that Proposition 13 limited property tax to 1%. Proposition 218 amended the Constitution and expanded restrictions on assessments and property-related fees and spending. Proposition 26 established new limitations on the State's and Local governments' power to impose fees and charges. He explained that voters may repeal or reduce taxes, assessments, fees, and charges by initiative process. He also explained that fees and charges that do not fall within one of the seven exceptions established are redefined as taxes and are subject to voter approval.

Mr. Seufert explained that the Taxpayer Protection and Government Accountability Act qualified for ballot for November 2024. It will significantly amend how state and local governments can impose taxes, fees, and other charges. The provisions of the Act are retroactive to January 1, 2022. Mr. Seufert explained that provisions include affirming a 2/3 voter requirement for all special

taxes. It specifies that all parcel taxes are special taxes and that all taxes must be limited to specific purposes and clear sunset provisions for any revenue measures are required. The Act also forbids the measure A/B approach which provided a way to get around voting hurdles. It upholds property-based Business Improvement Districts and recategorizes business-based BID charges from governing body approval to “voter” approval.

He explained that the Act exclusively states that fees shall not exceed ‘actual’ costs as opposed to the current provision of ‘reasonable’ cost and puts forth a new standard of ‘minimum amount necessary’ for fees and rates. Additional provisions include limiting Vehicle Mileage Traveled (VMT) fees and new development fees.

A question and answer session was held. The Associations thanked Mr. Seufert for participating.

Panel Discussion – Introduction by Chad Davisson

Mr. Davisson introduced the panelists and explained that this was an opportunity to present their position and was not intended to be a debate.

- A. Jim Pezzaglia, Contra Costa County Taxpayers Association
- B. Ben Granholm, advocate, Tax Payer Protection and Government Accountability Act
- C. Ben Triffo, League of California Cities, Legislative Representatives
- D. Tom Rubin, Alameda County Taxpayers Association, Vice President
- E. Kyle Packham, CSDA Legislative Director or Mustafa Hessabi, CSDA Deputy General Counsel

Mr. Pezzaglia, Contra Costa County Taxpayers Association Vice President, explained that there have been three times in the past 48 years that voters have gone to the initiative to address tax and fee problems in California. He stated that some special districts cannot seem to justify their fees. The Taxpayer Protection and Government Accountability Act is intended to protect the people from local government that serve them exacting excessive taxes or fees and defines an exempt charge for services. Mr. Pezzaglia provided examples of case law.

He stated that more recently he feels that districts are supporting the mission of other districts beyond their scope of duties. Public entities derive their power from the electorate, but when the powers granted have evolved into exacting tribute from people in their communities augmented by trying to please every special interest group and taking on every social issue, then courts get involved, it goes back to the electoral process.

Mr. Pezzaglia concluded by reinstating the provisions of Taxpayer Protection and Government Accountability Act.

Mr. Granholm explained that he is a representative of the official campaign that developed the Taxpayer Protection and Government Accountability Act. He stated that California has a cost of living crisis and families are fleeing for lower cost states. For the first time since 2015, California’s population has gone down. He stated that, in 2023 the State legislature has proposed over \$200 billion in new and higher taxes.

hands of the voters and to control the continued cost of living crisis in California.

Mr. Granholm explained that the measure gives voters the final decision on all new and final taxes and eliminates hidden taxes ensuring that when those taxes are raised the money goes where it was intended while maintaining that current revenue and spending. He provided an overview of the processes related to voting, tax vs. initiatives, and accountability. Mr. Granholm explained that only six measures would be impacted and the retroactive provision would only go back to 2022.

Mr. Ben Triffo, League of California Cities, Legislative Representative, explained that his intention was to underscore what was heard today and provide additional context. The goal was to leave everyone with a message of solidarity because local governments are under attack and it is critical that we stand together. Sixteen cities in Alameda and Contra Costa Counties oppose this measure. The measure's latest attempt intends to reverse court interpretations favorable to locals, dodge local enforcement, and make it that much harder to raise funds necessary to serve our communities. The measure pretends to protect tax payers, but only protects the wealthy at the expense of local governments.

Mr. Triffo explained that to say the measure course corrects the high cost of living and doing business in California ignores the broader economic factors to which local government have little control, such as supply chain issues, labor readiness, rising costs of raw material and federal monetary policy. He stated that the components of the measure ignore attempts at government defunding pursued over the last 50 years, including Proposition 13, 26 and 218 and we are still litigating these measure in 2023.

Mr. Triffo explained that proponents of the measure would have constituents believe that it is easy to raise revenues, although this is not true as major revenue sources have declining buying power. He stated that this measure has erased the bottom and the bare minimum is not good enough. Mr. Triffo explained that this far reaching measure puts at risk billions of dollars dedicated to critical state and local services and would force cuts to fire, emergency response, law enforcement, parks, libraries, affordable housing, services to support homelessness, mental health services and more. It makes substantial changes to how fees are calculated, requires fees and charges to not exceed the actual cost of providing the product or service which the fee is charged and the actual cost will now be the minimum amount necessary. Minimum amount necessary would force agencies to choose from cheaper less optimal projects for good or services or to subsidize the activities with general fund revenues.

Mr. Triffo provided an overview of the new "clear and convincing" standard within the measure and explained that it is a much higher legal standard generally required for civil lawsuits. He also provided an overview of the how the measure would increase taxes, significantly reduce fees large companies pay for use of public properties, voter approval requirements, how it would invalidate the Upland decision, stall the expansion of both territory and tax applicability in the future, and many other consequences. An overview of newly created constitutional loop holes that would adversely affect local government was provided.

Cindy Silva, City of Walnut Creek Mayor and Immediate Past President of CAL Cities provided an overview of how the measure will affect local cities and why the City opposes this measure.

She explained that Walnut Creek is a very fiscally conservative city and follows the model of “pay as you go.” Policies to support this were provided. The City of Walnut Creek views the Taxpayer Protection and Government Accountability Act as a direct threat to services provided. Mayor Silva provided an example of successful meetings and dialogue between the City and local community to address rising costs and needs of both the community and City, the City place a half cent general tax on the ballot. A simple majority was required and it passed with 65% of the voters support.

Mayor Silva explained that the measure has been put on the ballot by big business although they want you to believe it was small, local businesses. This measure has put public agencies in an untenable situation at the local level, because it rewrites the rules and requires measures approved to go back to the ballot.

Thomas A. Rubin, Alameda County Tax Payers Association Vice President, explained his past experience working with local government. He provided an overview of the purpose of Proposition 13 and his views on how it has done little to shut down tax increases. He stated that California Government, at all levels, are not increasing cost-effectiveness, cost-efficiency, or productivity as part of their methods. Mr. Rubin did state that most public agencies do a pretty good within the limitations, however, the really bad ones need to be addressed.

Mr. Rubin provided results of a personal analysis completed for roads and transit taxes and fees in the nine Bay Area Counties from 1956-2018 approved by two-thirds tax and explained that there was a \$1.7 billion increase from newly adopted taxes. He explained that Local government leadership has found creative ways to increase taxes and fees and provided examples. Mr. Rubin provided BART as an example of an agency that will not consider alternate options to reduce costs and stated that options such as autonomous train control could significantly reduce the burden of its highest expense of wages and benefits.

Mr. Rubin stated that this may finally be the time that the taxpayers and voters are fed up. California is losing up-and-coming people who are leaving to find places where they can buy homes. Jobs and businesses are leaving. Taxes is one of the things that need to stop as well as getting State Legislators under control.

Kyle Packham, CSDA Legislative Director, explained that most of the special districts and local governments are doing a great job. He followed up on the BART example provided by Mr. Rubin regarding use of autonomous drivers to decrease spending and stated that a solution would be to run for the BART Board. He explained that people elect Boards to make these decisions to decide the type of government they want. A disagreement over operational decisions such as autonomous drivers vs. non-autonomous drivers, applied on a statewide basis will have devastating consequences.

Mr. Packham reiterated Mr. Rubin’s statement that this measure has gone to the ballot three times and failed. Mr. Packham asked why voters should trust this measure if the authors can’t seem to get it right.

Mr. Packham stated that the campaign authors did not reach out to CSDA, or any of the local public agencies, as is the appropriate process to allow for inclusivity, fairness and objectivity. Instead \$16 million was spent on this measure and the public will be responsible for it.

Mr. Packham reiterated that this measure will affect public services for all. He expressed his hope that there will be reconsideration of an opportunity to work together on the back end to solve these problem that are out there. He stated that in addition to the 16 cities mention earlier that are opposed to the Taxpayer Protection and Government Accountability Act, there are over 100 special districts who oppose this measure as well. He suggested that special districts interested submit a resolution of opposition to CSDA. This does amend the State Constitution and essentially takes everything and defines it as either a tax or exemption charge, regulatory fees such as traditional Proposition 218 fees or admission fees, become “exempt charges” and must meet the requirements of this initiative. Boards would have to pass every single fee and fee change that qualifies as an exempt charge at a Board level. An overview of the process to change fees, while applying clear and convincing evidence that the fee change is the actual cost defined as the minimum amount necessary and reasonable in order to comply with the measure.

Mr. Packham stated that it is the job of elected Board Members to make these hard decisions, not lawsuits making determinations. He also clarified that the proponents stated that this measure would only affect six taxes. However, it would be retroactive to 2022 and includes all fees levied, referred to as exempt charges in the measure, which is significant. He explained that many of the reasons for this measure do not apply to special districts and it’s a shame that the consequences of this bad legislature would end up costing our communities. It does not provide protection, but actually reverses the will of the voters.

A question and answer session was held after each panelist’s presentation. The Associations thanked the panelists for their participation.

Overview of the “Exoneration of the Port Chicago 50” by East Bay Regional Parks

Dee Rosario, East Bay Regional Parks District (EBRPD) Ward 2 Board Member, explained that in 2019, EBRPD received conveyance from the Navy via the National Parks District to take ownership of the former Concord Naval Weapons Station, now named Thurgood Marshall Regional Park – Home of the Port Chicago 50.

Mr. Rosario explained that in July 1944, at the Concord Naval Weapons Station there was a tragic accident from an explosion of munitions that incinerated two ships and killed over 320 sailors, 200 of those sailors were black American sailors. The remaining sailors that were required to return to work the next day, protested by refusing to go back to work until the cause of the explosion was known. This resulted in the Navy selecting 50 leaders of the group that were charged with mutiny and prosecuted. All of the white officers were given leave.

He explained that one of defenders of the charge of mutiny was Thurgood Marshall, an attorney for the NAACP. This trial led to the desegregation of the Military. This was a major civil rights issue that EBRPD has embraced and intends to create an informational visitor center to share this story. EBRPD has been working with on this project with local legislators including Congressman Mark DeSaulnier.

Mr. Rosario explained that EBRPD thought that the exoneration of the Port Chicago 50 was completed in 2021 as it was embedded in the military budget, however was later cut. EBRPD is still working to receive that exoneration and has requested that local agencies sign-on in support and join in the effort to seek exoneration. The 80th anniversary is in July 2024 and EBRPD, along with the National Parks District is planning an event to celebrate.

More information on the Thurgood Marshal Regional Park – Home of the Port Chicago 50 can be found here: <https://www.ebparks.org/sites/default/files/ExonerationBrochure-PortChicago50-web-2022-10-4v2.pdf>

The Associations thanked East Bay Regional Parks District for their presentation.

Announcements and Member Comments

- a. Next Meeting for ACSDA – Wednesday, September 13, 2023 @ 8:00
- b. Next Meeting for CCSDA – Monday, September 18, 2023 @ 9:30 am

Adjournment

The meeting was adjourned at 12:15 p.m. and lunch was provided by Site Logic.