

BASS LAKE BULLETIN

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CITYHOOD OPPONENTS ON DISINFORMATION CAMPAIGN

Disinformation is the spreading of deliberately false information with the purpose to mislead or the distortion of true information in such a way as to render it useless. Disinformation manipulates the audience at the rational level by either spreading conflicting information or supporting false conclusions. Disinformation techniques may be found in commerce and government, used by one group to try to undermine the position of a competitor.

For example, a number of official-looking letters that urge voters to reject Cityhood and Measure P have been showing up in El Dorado Hills mailboxes. Written on the letterhead of an official county office or county organization, the writers generally warn that incorporation will produce a "fiscal train wreck" if passed. The writers enclose one or two documents taken from the Comprehensive Fiscal Analysis that they say support their claim that cityhood is either fiscally impossible, or that the police will be under funded, or that unlimited growth will result from cityhood. One El Dorado Hills citizen has described the barrage of letters as "The carpet-bombing of El Dorado Hills." (See the article on page 3 for the definition of a Comprehensive Fiscal Analysis)

The Bulletin will not bother to name those who wrote the letters. Their identity and their county positions are evident to everyone in El Dorado Hills who got the letters.

Section 20001 of the California Election Code provides that the voting public is entitled to protection by law from deception in political campaigns in the same manner and for the same reasons that it is entitled to protection from deception by advertisers of commercial products.

Speaking of the right of the public to know what is going on, Supreme Court Justice Louis Brandeis is credited with saying, "Sunlight is the best disinfectant."

So as a service to its readers, the Bulletin will try and shed some sunlight on the city-

hood questions that seem to be the most misunderstood: police protection, fire protection, population growth, and overall fiscal viability.



Police Cost Comparisons

One letter compares the annual per capita police protection cost for the cities of Folsom (\$210) and West Sacramento (\$265) to the projected annual cost of police protection in El Dorado Hills (\$120). The implication is that the comparison shows that the projected cost for El Dorado Hills is unrealistic. Is this true?

First, the letter ignores the newly-formed cities of Aliso Viejo, Goleta, Oakley, and Rancho Santa Margarita, whose average police costs are \$121 per capita.

Second, it is unfair to compare police costs in Folsom and El Dorado Hills to those of West Sacramento. West Sacramento is plagued with more than twice as much violent crime as the national average, while Folsom and El Dorado Hills enjoy violent crime rates of about one-third the national average.

Third, the projected cost of El Dorado Hills police protection is based on the current level of service; that is, it anticipates no increase in police protection over what we now have other than perhaps faster response time, including both traffic control and law enforcement. These costs were developed by the Sheriff and the CHP and were given to the consulting firm that prepared the Comprehensive Fiscal Analysis. So according to those two law enforcement agencies, El Dorado Hills will enjoy the same level of police protection as it currently enjoys for \$120 per capita.

Fourth, it is also unfair to compare El Dorado Hills to Folsom. Folsom is much more urbanized than El Dorado Hills, and has a

population of over 60,000 as opposed to El Dorado Hills with a population of about 30,000 residents. The Folsom police department employs about sixty-five police officers, because police protection must be 24 hours a day, seven days a week. According to the Sheriff and the CHP, it will require about thirty police officers to maintain the present level of law enforcement and traffic patrols in El Dorado Hills. Half the population and half the officers equates to half the cost for El Dorado Hills. That sounds like El Dorado Hills will be proportionately equal with Folsom.

Finally, the letter says "*The Comprehensive Fiscal Analysis states that to balance the new city of El Dorado Hills' budget the expenditures for police protection must be \$120 per city resident.*" (Italics in the original) Since this was a powerful statement, the Comprehensive Fiscal Analysis document was perused to find it. However, a search of the text of the CFA found no such statement.

In summary, the argument that the cost of police protection is understated or will result in less protection must be deemed to be disinformation.



Fire Protection

Another letter concerns police protection and the cost of wildland fire protection. The false comparison of police protection levels and costs to Folsom has been refuted above. That leaves us with the question of wildland fire protection.

The letter claims that "wildland fire protection costs us nothing now but WILL cost us \$216,000 if we incorporate." Is this true?

Wildland fires are those fires that occur on lands with natural vegetation such as forest, brush, and grass. Wildland fires occur in both sparsely populated and developed

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areas. As development continues to increase in areas with high wildfire risks, cities and counties are faced with the challenge of controlling the costs of wildland fires while reducing the losses from such fires. Of course, this means having an adequate fire department to control wildland fires that might threaten the city of El Dorado Hills.

First, the El Dorado Hills Fire Department is a separate autonomous fire district that has responsibility for fire protection to the residents of El Dorado Hills. It is funded by the state. The department protects El Dorado Hills from wildland fires and has several specialty fire trucks to deal with wildland fires, including a new Type III four-wheel drive Wildland Fire Engine that was recently placed in service at the main fire station.

Second, contrary to what the letter implies, our current wildland fire protection is not free. The fire district currently receives \$216,000 of our tax money from the state to provide wildland fire protection to unincorporated El Dorado Hills. Incorporation will remove the land occupied by the city from the wildfire area administered by the state. The fire district was assured by LAFCO that the \$216,000 cost of wildland fire protection would be absorbed by the new city.

All this is set forth in the Comprehensive Fiscal Analysis. The city will be mostly funded by a combination of property and sales taxes which it gets from the state. The wildland fire protection cost of \$216,000 is fully recognized as an expense in the revenue and expense calculations that determined that the city will be fiscally viable. So the expense was never free, and it will not be something extra.

A cost we are already paying for is not a new cost. So as far as disinformation goes, this letter qualifies.



Growth

The question of growth is directly related to land use. The development of new communities such as El Dorado Hills and large-scale developments like Serrano have brought increased attention to the complex relationships between private and public investment in infrastructure and new facil-

ities. This complexity has resulted in the greater use of what are called specific plans as a means of addressing complex planning issues.

First, specific plans do not replace the county's general plan but can act to modify or enhance it by directly regulating land uses in a particular area. Specific plans are approved by the county and are the documents that connect a general plan and individual development agreements. Among other things, a specific plan spells out the housing density that is allowed for the area covered by that specific plan.

Second, the land area of El Dorado Hills is covered by a number of specific plans. The major ones are the El Dorado Hills Specific Plan (6,200 homes on 3,896 acres), the Bass Lake Hills Specific Plan (1,458 homes on 1,167 acres), the Carson Creek Specific Plan (2,400 homes on 710 acres), and the Valley View Specific Plan (2,840 homes on 2,037 acres). Together these big specific plans provide for 12,898 homes on 8,977 acres. The balance of El Dorado Hills is substantially covered by other smaller specific plans. Though some of the land has already been developed, the overall growth rate for years to come has already been set by the county in the form of the specific plans already in place. They are done deals.

These numbers reflect the amounts shown in the specific plans as approved. Suffice it to say that the county has already approved substantially all of the growth that will take place in El Dorado Hills over the next ten or twenty years.

Third, now that we see that the growth is already approved by the county, the issue of whether the city will grow or not, or how fast it will grow, becomes irrelevant. The city will grow at the rate set by the county when it approved the specific plans, regardless of the wishes of the city of El Dorado Hills.

Lastly, let's talk about the effects of this inevitable growth on city finances. More new homes mean a demand for additional services (fire, police, recreation). This means the city budget must grow to meet the demand. But we have seen that the city has little control over growth. What critics fail to mention is that these additional services will be met with the additional property and sales tax revenue generated by the new residents. One hand washes the other, as the saying goes.

The letter complaining about growth says that, "To control the growth, the city has to

run a budget deficit. To balance the budget, the new city can't slow down."

But we know that the city can't slow the growth already approved by the county, which is practically all the developable land in the city. So growth will happen, and it will end up paying for itself.

Stating only part of the information is another blatant case of disinformation.



Overall Fiscal Viability

The fiscal viability letters were written by two CPAs who criticize the Comprehensive Fiscal Analysis using only selected data. As accountants, they should know better.

First, the preparation of a Comprehensive Fiscal Analysis for a new city is governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and codified as California Government Code Sections 56000 et seq. The guidelines for preparing a Comprehensive Fiscal Analysis were prepared by the Governor's Office of Planning and Research, and cover over 25 pages.

Second, the state guidelines vest responsibility for the accuracy of the Comprehensive Fiscal Analysis in the LAFCO board. In El Dorado County, the board consists of eleven commissioners, including two county supervisors (Charlie Paine and Rusty Dupray), city representatives, and prominent citizens drawn from the county at large.

No doubt aware of their responsibility, the LAFCO board hired one of the most respected consultants in the state, Economic & Planning Systems, Inc. (EPS), to prepare the Comprehensive Fiscal Analysis. Judged by the price of the incorporation studies, around \$400,000, the Comprehensive Fiscal Analysis prepared for the El Dorado Hills incorporation must be the most accurate study ever done.



An analysis of past studies done by EPS for other new cities shows that because EPS
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was consistently conservative, the cities did better than projected. A graph showing the projected cumulative surplus of the city of El Dorado Hills under four financial scenarios is shown to the right.

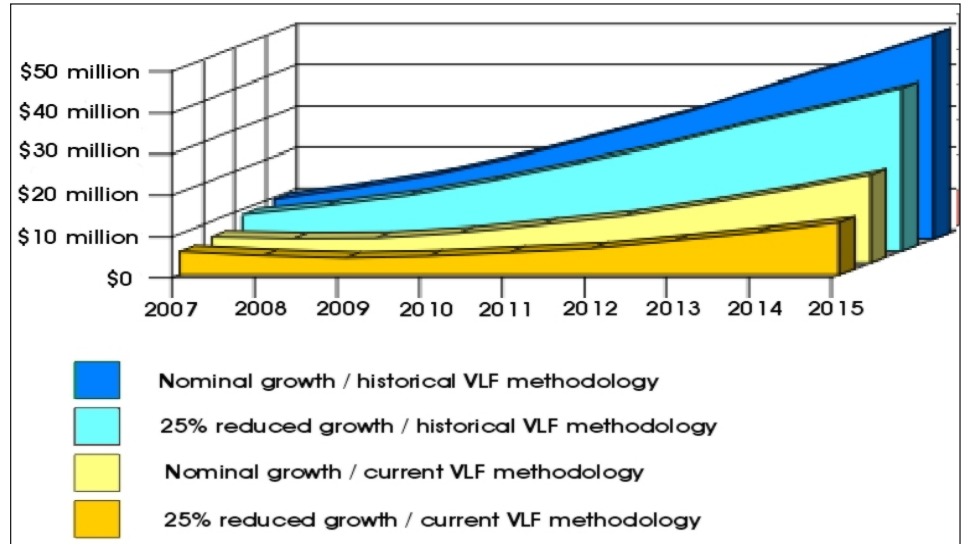
Based on the reputation of EPS and the approval by LAFCO, the letters claiming the city of El Dorado Hills will not be fiscally viable are another clear case of disinformation.

The Bottom Line

Let's review what constitutes disinformation: Spreading deliberately false information and distorting true information to try to undermine a position. Trying to manipulate the audience at the rational level by spreading conflicting information and supporting false conclusions.

The methods are obvious. The motives are clear. Mass mailings do not come cheap. Someone is willing to spend tens of thousands of dollars to try to derail cityhood. El Dorado Hills voters were warned that friends of the county opposed to cityhood would launch a last-minute dirty tricks campaign to try and defeat cityhood. It looks like the prediction is coming true.

However, the Bulletin is confident that once the truth is told, and once the sunlight shines in, the voters of El Dorado Hills will not be taken in by any disinformation campaign. ~



City of El Dorado Hills cumulative budget surplus forecast scenarios from worst (yellow) to best (blue) cases. Sources: EPS Comprehensive Fiscal Analysis and www.sierrafoot.org

WHAT IS A COMPREHENSIVE FINANCIAL ANALYSIS?

Many of the arguments for and against incorporation refer to the Comprehensive Fiscal Analysis (CFA). Just exactly what is the CFA, and what does it do?

Several years ago, the California Legislature revised the law that governs the incorporation of new cities. The legislature wanted to be sure that a new city would not be formed if there was insufficient tax revenue to actually support a city.

A key element in the new law was the requirement that the Local Agency Formation Commission (LAFCO) commission a comprehensive fiscal analysis (CFA) to make sure that any new city would be fiscally viable. That is, will the city have enough money to maintain the level of public services that the city will be required to furnish? It is important to note that the CFA only looks at those services that the new city will have to assume from the county and what it will cost the city to maintain the level of service that the county currently provides.

That means the El Dorado Hills CFA budget includes the cost of providing the police protection at the service level now enjoyed by the residents. That present cost was provided by the Sheriff and the CHP to the CFA consultant, who combined the data to arrive at the projected cost to provide the level of law enforcement and traffic patrols the residents now enjoy.

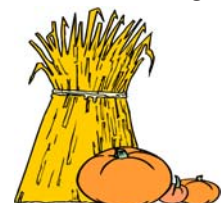
It is important to remember that the CFA does not include costs that the city will not have to assume. In the case of El Dorado Hills, for example, the city will not bear the

cost of maintaining the fire department, which has its own state funding.

California Law and the Guidelines set out by the Governor's Office of Planning and Research are specific. The manner of preparing a CFA is set forth in detail. The CFA must calculate the city finances under scenarios ranging from low revenues to high revenues using the same base costs. The results of the scenarios in the El Dorado Hills CFA are set forth in the chart above. All four scenarios predict a cumulative budget surplus for the city of El Dorado Hills.

The preparation of a CFA is the legal responsibility of LAFCO. In practical terms, that means that LAFCO determines who prepares the CFA. LAFCO has the ultimate responsibility for ensuring that the information is accurate, complete and objective. LAFCO must be satisfied that the CFA has been prepared according to the law and the guidelines, and the LAFCO board has to vote to approve the CFA before a cityhood vote can be taken.

The CFA for El Dorado Hills was prepared by Economic Planning Systems (EPS), one of the largest consulting firms of its kind in California. Newly-formed cities in California whose CFAs were prepared by EPS have always done better than their CFA predicted, because EPS is careful not to overstate revenue and avoids understating costs. ~



TAX WATCHDOG GROUP RECOMMENDS YES ON P

The ballot recommendations that the Howard Jarvis Taxpayers Association will distribute for the coming election will urge a "Yes" vote on Proposition P, and Cityhood for El Dorado Hills.

The Howard Jarvis Taxpayers Association is dedicated to the protection of Proposition 13 and the advancement of taxpayers' rights including the right to limited taxation, the right to vote on tax increases and the right of economical, equitable and efficient use of taxpayer dollars.

Recent studies have shown that counties have a greater propensity for raising taxes than do cities, perhaps because city voters can exert more local control over taxation and spending. ~

SACRAMENTO BEE, MOUNTAIN DEMOCRAT ENDORSE CITYHOOD

In October both the Greater Sacramento Region's largest newspaper and El Dorado County's newspaper of general circulation went on record as endorsing cityhood for El Dorado Hills.

In a feature editorial, the Sacramento Bee said that, "Local experience has repeatedly shown that cities are better at managing urban areas than a county board of supervisors. Orderly growth is more likely to happen when counties focus the growth in cities. Measure P is part of a positive regional trend of getting counties out of the business of behaving as if they are cities."

The Bee's endorsement message also pointed out that growth will continue within the city of El Dorado Hills whether a new City Council likes it or not, because the county Board of Supervisors has approved additional suburban development. The Bee opined that as local land use issues and redevelopment ideas come up, the city of El Dorado Hills would be far more attentive to doing things right than the county, if the Sacramento experience is any indication.

On their editorial page, the Mountain Democrat said that, "There are some persuasive political reasons for El Dorado Hills residents to form their own city. A city hall will be more accessible and more user friendly to businesses and residents. By contracting with the sheriff the city can actually ensure more deputies around the clock patrolling and serving 28 square miles instead of 50 square miles." The editorial ends with, "All we can say is local control is a good thing and we wish the people of El Dorado Hills all the best for their future."

Cityhood advocate Greg Jones was pleased with both endorsements. "A city of El Dorado Hills can make a difference on a regional basis, by fostering responsible development in our end of the greater Sacramento area and throughout the county." ~



A portion of the proposed Bass Lake park site that the county is negotiating to sell to the school district.

BLAC HIDES SCHOOL BOARD TRUSTEES OVER SECRET PARK LAND DEAL

At the October 11 meeting of the Rescue Union School District Board of Trustees, Bass Lake Action Committee President Kathy Prevost and Vice President Dr. John Thomson addressed the trustees and presented them with a strongly-worded letter outlining BLAC's concerns over what appeared to be ongoing secret negotiations for the sale of a portion of the 41-acre Bass Lake park land to the school district for an elementary school.

These secret negotiations came to light only after recent articles in the Bulletin exposed the negotiations between the county and the school district. On October 19, the Placerville Mountain Democrat newspaper featured an article on the pending deal.

BLAC believes that building a school on the park property will cause a number of substantial adverse changes to the Bass Lake neighborhood.

First, BLAC believes that certain aspects of the site may be hazardous to the children that attend the school. BLAC urged the school district to seriously consider the environmental issues connected with the school site, which includes naturally occurring asbestos. The school site sits squarely in the middle of an area designated by the state as being more likely to contain natural occurrences of asbestos. An engineering study and assessment for naturally occurring asbestos performed by Youngdahl Consulting Group in 2002 turned up evidence of naturally occurring asbestos. Asbestos mitigation costs for the site may cost the district many millions of dollars.

Second, BLAC is disturbed that the decision to purchase a portion of the park land for a school site was not disclosed more

fully to the community at large by either the county or the school district. The county Board of Supervisors (BOS) authorized negotiations to sell the property in a closed meeting in May 24, 2005, without a public announcement. BLAC believes that the action was in direct violation of the Ralph M. Brown Act, the open government law that mandates that such deals be publicly announced beforehand. BLAC believes that the discussions should have been disclosed in a more open and public forum, especially since the deal involves local government entities and would entail the transfer of public lands and public funds.

It was not until September 13, 2005 that the school district acknowledged that it was in negotiation for a school site on the proposed park site. Both the BOS and school district officials had previously denied that any negotiations were in progress, even though BLAC had heard for months that a deal was probably in the works.

Third, it appears that the school is being built to serve the needs of Serrano residents. The school board's stated reason for buying the Bass Lake property is that, "The development of homes in the Serrano region has resulted in the need for a consideration of purchasing property for future development of a school site." The El Dorado Hills Specific Plan provides that a school is to be situated in Serrano to the south or west of Bass Lake, and it is common knowledge that the school district has been negotiating for a school site there for some time. Bass Lake is outside of the El Dorado Hills Specific Plan. BLAC wonders why the District has suddenly abandoned the effort to build a school on the Serrano site previously selected and chosen instead to build a school at Bass Lake.

BLAC has received a response to their letter from the school district, and hopes to enter into discussions that will clarify the role of the school district in Bass Lake. Until then, it is hoped that the county and the school district will be more forthcoming in disclosing their actions to the public. ~





THE PRESIDENT'S LETTER

As the cooler nights and shorter days of Fall roll into the Holidays, I always look forward to Halloween, the Fall leaves, and the children knocking at our door in their Batman, Ladybug, and Spiderman costumes. When our daughter was growing up, I was always the one who stayed home and doled out the treats while Herb enjoyed the trick or treating experience (sometimes he had a companion with him and they even wore masks!). A good time was always had by all. One favorite year, a good friend of ours who had two girls a little younger than my daughter Lynne made them all witches' outfits which they thoroughly enjoyed.

Now all three girls have children of their own ranging in age from babies to 19 year olds and live in different parts of the United States but still keep in touch. Their children will enjoy taking part in this fun tradition marking the changing of the seasons and I will be at the door greeting the delightfully dressed neighborhood children and their parents!

Over two years ago, when the Bass Lake Action Committee was formed, we discovered the website www.shatteredpeace.com which describes other communities that are experiencing situations similar to ours with regard to lighted sport fields. I recently checked the website and found that it is much expanded, with many new towns listed in a very concise format. In California alone there are around ten cities, ranging from Thousand Oaks to Mountain View,

that are mentioned either because they desire passive parks or parks without lights.

A good example of a city council listening to the residents is an article about the city of Carlsbad, CA which had a 22 acre site given to the city in the 1970's by developers which was earmarked to include illuminated ball fields, tennis and basketball courts, barbecue pits and a large picnic area. Because of neighboring residents' concerns about environmental issues, traffic, noise, lights, and vandalism, only a 3.4-acre section will be turned in to a passive park for people.

Built by volunteers, the Carlsbad park will include picnic tables and benches, a couple of tot lots, restrooms, parking, and trails. A 13,200 square foot dog park which opened on a trial basis in September 2001 will become a permanent part of the park, including more parking spaces for the pet owners. Residents were even asked to suggest a name for their new park!

Nearer to home, the El Dorado County contingent of the California Highway Patrol, along with associated traffic enforcement officers from the jurisdictions of Auburn, Amador, Sierra, Nevada, and San Andreas issued 233 citations and 61 verbal warnings along Highway 49 in a four-hour period dubbed a "zero tolerance" session. While the majority of the tickets were for speeding, there were also violations for not wearing seat belts, and running stop signs. Fifty of the drivers receiving citations were from El Dorado County. Auburn CHP has been running similar efforts on Highway 80 with dramatic success, resulting in a decrease in accidents since the program was instituted. This was the first time Highway 49 had been included in a zero tolerance effort. I wonder how something like that would work on Bass Lake Road?

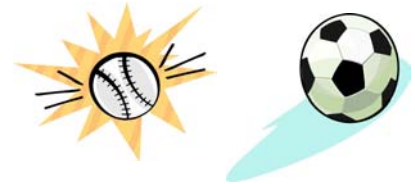
In closing, please remember to vote on November 8! I notice that the Bass Lake polling place has been changed to the Fire House on Bass Lake Road, so it is now a little closer. Also, I see that the realigned

section of Bass Lake Road between its intersection with Serrano Parkway and the Fire House is expected to open soon, which would expedite our trip to the polls.

Kathy Prevost

President

Bass Lake Action Committee



SPORTS GROUPS ENDORSE CITYHOOD

Yes on Cityhood Committee recently announced that the El Dorado Hills Soccer Club and the El Dorado Hills Little League have formally endorsed Measure P.

Citing the need for more sports fields for youth play, El Dorado Hills Little League president Bob O'Neill announced the endorsement on October 24 in a memo encouraging its members to Vote YES on Measure P.

O'Neill's message echoed an earlier announcement by the El Dorado Hills Soccer Club that the soccer club was backing cityhood.

Citing the advantages that the sports groups see in cityhood, O'Neill listed the ability to bring on new parks in a timely manner, better leverage to encourage developers to enhance park services, and access to \$1.6 million for improving services such as parks and law enforcement. In addition, he pointed out that the city will have access to state and federal grants currently not available to the Community Service District.

Besides the advantages for youth sports, O'Neill pointed out that cityhood would hasten the delivery of quality of life projects in the community, such as open space, trail links, and oak tree preservation. ~

 **YES ON P FOR CITYHOOD**

KEEP OUR MONEY IN EL DORADO HILLS



IMPROVEMENTS ON TAP FOR LIGHTING AND LANDSCAPING AREAS

The El Dorado Hills Community Services District recently hired Dave Luckschieder to be the new Park Supervisor in charge of the twenty Lighting and Landscaping Districts in the District.

Dave brings a wealth of experience to his new job. He will have the ability to focus on the needs of the L&L Districts, one of which is our own Bass Lake Village Lighting and Landscaping District. If you notice Dave and his EDH CSD truck in the area, be sure to stop and say "Hello!"

Dave can be reached at 916-825-4805 if you wish to report a concern. ~

EDH CHAMBER OF COMMERCE CAVES TO COUNTY, DEVELOPERS, SAYS NO TO CITYHOOD

Rejecting their own consultant's finding that cityhood is viable, the El Dorado Hills Chamber of Commerce directors that generally represent the county and big developers rejected cityhood in a 6-3 vote.

The directors voting for a chamber stance against cityhood were Joe Harn (County Auditor), David Kennedy (El Dorado Hills Fire District), Kirk Bone (Parker Development), Mike Dougal (MJM Properties), T. Abraham (Marshall Medical), and Wendy Davidson (Valley Yellow Pages).

Chamber directors opposing the motion included Jeff Haberman, Wayne Lowery and Susan Johnson. Director Chris Henderson was absent.

The negative stance was taken despite a favorable report on cityhood by independent consultant David Storer that was commissioned by the chamber. Storer's report said that the city would in all likelihood be financially viable. Commenting on Storer's report, County Auditor Joe Harn is quoted as saying, "It wasn't what we asked for." ~



BLAC NOMINATIONS AND ELECTION OF OFFICERS NEARS

Bass Lake Action Committee members are reminded that nominations for the board offices of BLAC for 2006 are due in by the regular meeting that will be held on November 7, 2005, at the home of Herb and Kathy Prevost. Candidates may also be nominated from the floor at that meeting.

Board offices are open to any BLAC member in good standing. Those wishing to run for a position should contact Nominating Committee Chair Tasha Boutselis. The final slate of candidates for 2006 will be mailed or emailed to members soon after the November meeting.

The election of officers will take place at the regular monthly meeting to be held on December 5, 2005, at the home of Dee and Denny Olberding. All BLAC members are cordially invited to attend, as members must be present at the December meeting in order to vote for the candidates of their choice.~



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NEW BASS LAKE ROAD REALIGNMENT TO OPEN BY EARLY NOVEMBER

The new and realigned section of Bass Lake Road from the fire house to Serrano Parkway is scheduled to be open before election day.

The El Dorado Hills cityhood vote will be a lot about roads (remember the Yes on Measure B slogan, "Fix the Roads"?). So the speed at which the new road was completed may have something to do with the upcoming cityhood election. ~

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