

# City of Goleta Detachment Proposal



**Board of Supervisors**

April 20, 2010

# How Did We Get Here?

- Detachment is not a new issue
  - Detachment was anticipated by residents eight years ago when voting for incorporation
  - Voters supported detachment after extensive public debate
- Consolidation has been recommended
  - Three studies performed over the past 20 years have recommended consolidation
  - The most recent study was conducted in 2005
  - Despite the study's results, consolidation was rejected by GWSD's Board

# Detachment Application

- The will of the voters
  - Council directed staff to begin applying to detach territory within city limits
- Comprehensive financial analysis
  - The City contracted with Bartle Wells to analyze the effects of detachment
  - Bartle Wells is a well-respected special districts financial consulting firm which has done studies for over 430 special districts, including GSD and GWSD



# Two is Not Better Than One

- It is inefficient and irresponsible to spend...
  - Thousands of dollars on street sweeping services
  - Over \$1.1 million in pre-funding pension liability for six employees
  - More than \$750,000 over the past year in legal expenses
- Having two sanitary districts in Goleta is not economically efficient
  - It means double boards, stipends, conferences, overhead, etc.

# Detachment Makes 'Cents'

- We owe it to the public to...
  - Reduce redundancies
  - Limit the layers of government
  - Spend taxpayer dollars effectively
- Significant improvements in efficiency could be realized through detachment
  - The City's analysis identifies over \$500,000 in annual savings

# Annual Cost Savings

Administrative Services	\$110,000
Financial Services	\$153,000
Legal Services	\$310,000
Misc. Services	<u>\$7,000</u>
Total	\$580,000

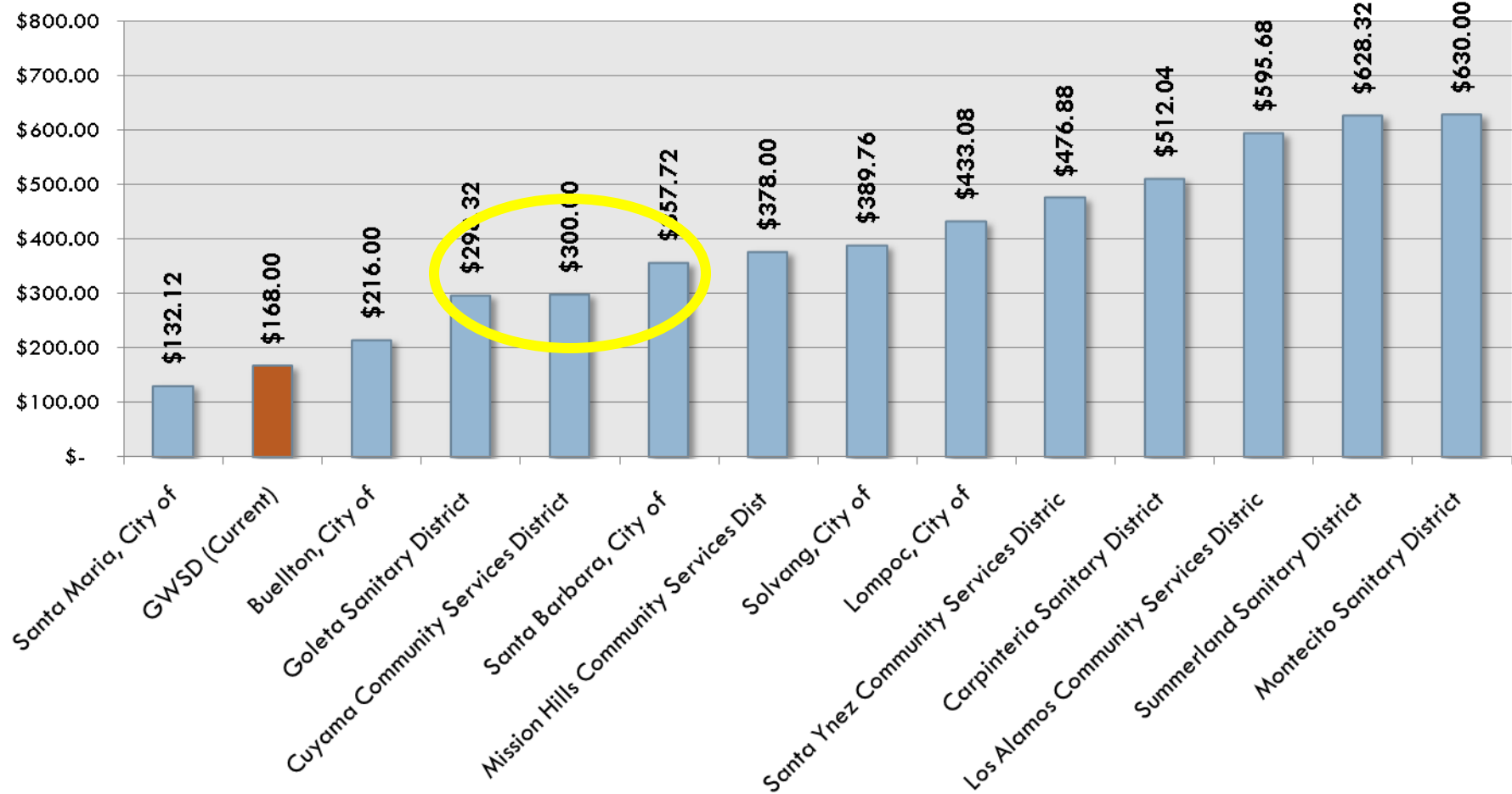


# Rates **Will** Go Up

- But detachment can mitigate this
  - By allowing County staff to work with the City and GSD, we can better respond to concerns about rates
  - Goleta is committed to the stabilization of sewer rates over a 3-5 year period
  - Given the opportunity, the City would use whatever means available to secure rates

# Average Sewer Rates

**Annual Single Family Residential Charge, FY2009/10**





# Other Benefits of Detachment

- Transparency
  - Televised meetings
  - A progressive website
  - Streaming audio and video of all meetings
- Improved Infrastructure
  - Council is committed to the District's infrastructure needs
  - Council has agreed with the County to set aside \$20 million in reserves for the treatment plant upgrade
- Prop 13
  - Pre-Prop 13 Special Districts with large fund balances have been the target of State takeaways
  - Local taxpayers deserve to have their tax dollars stay in this County

# The Bottom Line?

- Bartle Wells validated what the voters sought some eight years ago
- We hope the Board of Supervisors will find value in working with the City on this proposal