

MEMO:

To: Board of Directors and Staff
From: Jane Dykstra
Subject: Financial Report
Date: March 17, 2011

The following is a summary of fuel sales for the month of February:

Fuel Sales

	February 2011	February 2010	FYTD 10-11	FYTD 09-10	FYTD 10-11 Budget
100 LL - Gallons	5,684	3,795	29,723	25,432	
100 LL – Revenues	\$27,466	\$15,890	\$133,300	\$106,021	\$116,689
100LL – Net Revenues	\$2,713	\$1,752	\$13,772	\$12,388	\$10,747
Gross Margin Percentage			10.3%	11.6%	11.1%
JET A - Gallons	11,907	12,176	49,574	37,994	
JET A - Revenues	\$65,511	\$59,307	\$259,781	\$184,854	\$193,522
JET A – Net Revenues	\$29,858	\$29,011	\$122,269	\$92,948	\$94,231
Gross Margin Percentage			47.1%	50.3%	48.7%

The number of gallons sold of both 100LL and JetA are higher than sales in the first five months of the prior year. Overall Airside Revenues, year-to-date through February 28, 2011 are \$94,780 (24.7%) ahead of budget, while total Revenues are \$105,847 (9.7%) ahead of budget.

Detail of significant variances to budgeted expense amounts will be reviewed by staff and presented to the board in conjunction with the March 2011 financial statements.

The District's auto policy is up for renewal April 1, 2011. The District received two competitive quotes that are both within the budgeted amount. Once the binding conditions are evaluated, staff will finalize a policy with the broker.

The District has retained outside counsel to handle an issue related to a hangar tenant who has filed for bankruptcy. The attorney is currently working on an agreement with the trustee through the bankruptcy court.

The District is included in the fourth (and final) group of governmental agencies required to submit compensation information to the state. Our reporting deadline has been extended to early May. The information required on all employees and directors includes:

- Annual Salary Minimum
- Annual Salary Maximum
- Total wages subject to Medicare
- Employees' share of Pension Contributions paid by the District
- Deferred Compensation contribution made by the District
- Health, Dental and Vision premiums paid by the District

The disclosure is made by position title – employee and director names are not included. The individual detail for premiums paid by employee will be the only time consuming task, as the District does not pay any of the employee pension contributions and does not contribute to the 457 plan. I plan to start gathering the information the last week of March.

The State of California continues to work to solve its financial crisis, and many of the solutions suggested would have an impact on special districts. At a special hearing in Sacramento on March 2, 2011 some strong suggestions were made regarding special district administration and funding. I am attaching a summary of the meeting which was compiled by the California Association of Sanitation Agencies. Another group called *California Forward* has formulated a restructuring framework for the state (see their website at www.cafwd.org). One of their primary principles is the consolidation of local agencies to reduce costs and improve service. I have attached the cover letter to their twenty-five page proposal, which is available online.

Please contact me if you have any questions. My direct phone number is 587-7692.



CALIFORNIA ASSOCIATION of SANITATION AGENCIES

1215 K Street, Suite 2290, Sacramento, CA 95814 (916) 446-0388 FAX (916) 231-2141 www.casaweb.org

VIA ELECTRONIC MAIL

March 3, 2011

TO: CASA Member Agencies
CASA Associates
CASA Legislative Committee
CASA Executive Board
CASA Attorneys

FROM: Mike Dillon, Lobbyist
Christina DiCaro, Lobbyist
Jessica Gauger, Legislative Assistant

RE: **News From the Capitol**

SPECIAL HEARING FOCUSES ON CONSOLIDATION AND PROPERTY TAXES

Yesterday morning the Assembly Committee on Accountability and Administrative Review, and the Assembly Local Government Committee held a joint hearing at the Capitol on the subject of "California's Special Districts: Efficiency and Alternatives." While Vice Chair of the Assembly Local Government Committee, Assemblyman Luis Alejo, conducted the hearing, most of the commentary came from newly elected Assemblymember, and former member of the Sacramento County Board of Supervisors, Roger Dickinson, Chair of the Accountability and Administrative Review Committee. Mr. Dickinson opened the hearing by noting that the committee wanted to "examine the land of special districts," and noted that with 58 counties, approximately 500 cities, and 4700 special districts, there may be a need to examine the transparency, accountability, and efficiency, and public engagement with respect to special districts. He questioned, "Does the abundance of special districts create an overlap that results in a more expensive delivery of services?"

In his opening remarks, Assemblyman Martin Garrick, Vice Chair of the Accountability and Administrative Review Committee, commented that "special districts have a rich history dating back to 1887, and that they are governed by officials elected by the people." He further commented that he supported special districts as democratic institutions that kept dollars locally, and cited, for example, the importance of "water districts bringing water to customers, and sewer districts taking water away."

Eric Zeemering, Assistant Professor, Public Administration, San Francisco State University, was asked to provide the Committees with an overview of special districts. Professor Zeemering noted that: special districts were typically formed in relation to the need for services, residents often feel closer to their special district providers as opposed to much larger governmental entities, they allow for direct citizen participation and oversight, and that special district officials often become experts for particular services. With respect to criticism

of special districts, he noted that consolidation could eliminate some administration, resulting in savings, that voter turnout in special district elections is often low, and there can be confusion as to who provides what type of service.

Other witnesses invited to participate in the hearing included Bill Chiat, Executive Director, CALAFCO; Kyle Packham, Legislative Director, California Special Districts Association; Michael Shires, Associate Professor of Public Policy, School of Public Policy, Pepperdine University, who discussed policy considerations; Rusty Dupray, Captain, Sacramento Metro Fire District; Jason Warner, General Manager, Oro Loma Sanitary District; and Jim Friedel, Executive Director, Conejo Recreation and Parks District. While Rusty Dupray talked about the ability of 16 fire districts in the Sacramento area being able to merge into one large metropolitan fire district over an extended period, Jason Warner emphasized the difficulties his agency has had in combining with other agencies because of the unique characteristics of the various agencies.

Of significance to CASA members was the discussion relating to enterprise special district property taxes. During his presentation Professor Shires noted that millions of dollars of property taxes continue to go to enterprise districts as one of the legacies of Proposition 13. He questioned whether this was still appropriate given the competing demands for government funds. However, he did note that a lot of property taxes go to high-value needs, such as water and wastewater infrastructure. As a footnote, he mentioned that "if these funds were taken, they would have to be replaced, and ratepayers would have to pick up the cost." Most significantly, however, were the comments from Assemblymember Dickinson at the close of the hearing when he commented that, "Independent enterprise districts' property taxes should flow to general purpose cities and counties rather than remain with the special districts, which should be fee based."

CONFERENCE COMMITTEE APPROVES BUDGET PACKAGE

This afternoon the powerful 10 member Budget Conference Committee put their final mark on a massive reductions and revenues package, addressing a \$26 billion Budget deficit.

For the last two days, the Conference Committee has not met, prompting lobbyists to speculate that a deal might be imminent. This suspicion was confirmed this morning when the Governor's Executive Secretary for Policy, Appointments, and Legislation told a group of lobbyists at a breakfast we attended and coordinated, "It is my understanding that the Conference Committee hopes to close out their work today."

When the committee convened around 3:30 p.m., Chairman Bob Blumenfield stated that the Conference Committee would "reconcile the remaining items but won't officially close down the committee." He added, "This proposal is making the best out of an incredibly bad situation." The package adopted this afternoon features \$12.6 billion in cuts, \$1.1 billion in the reserve, and \$12 billion in revenues. The Conference Committee is expected to continue working through the evening and they are hopeful they will be able to vote on a Budget bill on the Floors next week.



Making California Work Again: Restructuring State-Local Relationships

California may be struggling – but we can fix it. Our state can once again have a prosperous and environmentally sustainable economy that provides equal opportunities for all. We can remain a frontier for innovation, creativity, discovery, and enterprise in both the public and private sectors.

To get there, governments at the state and local levels must work together to provide cost-effective services. Today, this does not happen as much as it should. Most essential services in California are delivered by local governments like cities, counties, and school districts. But most of the rules regarding who gets funded and how the money is spent are dictated by a state government far from neighborhoods. Taxpayers have little sense of how tax dollars are being used, the goals for public programs, and who to hold accountable. This top-heavy, siloed system also is frustrating for the community-level governments across this sprawling state of more than 36 million people that are charged with responding to everything from underperforming schools to crumbling infrastructure.

To improve community services, the roles of state and local governments need to be restructured. The first order of business should be better use of existing resources –

and more reliable information about how they are being used. The state should establish statewide outcomes and support local efforts to improve results. Locally, counties should assume greater authority for public safety and social services. Local services must be integrated, and local governments also should work closely with other local governments to coordinate efforts and improve results. Studies show that if California could become as efficient and effective as other states in major programs like state corrections, public safety, welfare, and mental health, as much as \$9 billion each year could be saved and outcomes could be improved.

California Forward calls this *Smart Government*, and the Restructuring Framework that follows is built around this simple idea: California's three most significant areas of government spending – education, health and human services, and public safety – are fundamentally interrelated. Better education leads to better jobs, which leads to a healthier population, less crime, and, ultimately, less pressure on government budgets. All of our public programs must work together – with a renewed focus on cost-effectiveness and improving outcomes – to achieve safer communities, increased employment, reduced poverty, improved health, and educational success.