

Eastvale Public Review Draft CFA - Comment Matrix

October 2009

Comment Reference	Report Location	Response
1.a	Through out	Revised as requested.
1.b	Table 5.9	Sales per square foot for new retail have been revised to equal \$177 per square foot, as directed by Riverside County LAFCo
1.c	Tables E.1, 6.1	Payback of transition year costs is now shown over five years
1.d	NA	Scenario 2 is no longer being considered in the CFA.
1.e	Table E.1	The latest revenue neutrality figures are now included in Table E.1
1.f	NA	See response to comment #6.
2.a	Through out	It is true that the economy is unstable at the moment. Despite the uncertainty, assumptions were needed to complete the CFA. As such, Willdan has relied on development projections from the Riverside County TLMA Transportation and Land Management Agency (TLMA) for both residential and nonresidential growth. The projections were updated several times throughout the CFA process, most recently in August of 2009 and reflect TLMA's most up-to-date understanding of projected development in the area.
2.b	Table 5.9	Sales tax cycles are more procyclical than anticyclical or "frozen" as the commenter suggests. We expect that the recovery of the Inland Empire economy on jobs and output will correspond to a recovery on sales tax.
2.c	Table 5.9	Since the issuance of the Public Review Draft CFA, Willdan has revised the assumption of sales per square foot of new retail to \$177 per square foot. This figure was provided by Riverside County LAFCo and represents the existing sales per square foot for all retail in the Jurupa Valley.

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3.a	Table 4.8 – No changes required	<p>While the CFA includes a 1% real cost increase, it is also calculated in “Real (Constant 2008) dollars,” which takes inflation into account. All costs are shown in 2008 dollars. When the effect of inflation is considered, the costs in the model are actually increasing at 4% annually. While this is not as high as the 5.1% annual cost increases that the Sheriff’s Department suggests, it is significantly higher than the misinterpreted 1% increase. Furthermore, given the economic uncertainty that the County is facing, it is not reasonable to assume that the cost of Sheriff Services will increase at the historical rate, when every other department of the County will be cutting services and budget in the near term.</p>
3.b	Table E.1	<p>The repayment of transition year costs is now spread over five years instead of seven years.</p>
3.c	Table 4.8 – No changes required	<p>See answer to 3.a</p>
3.d	Table 4.8 – No changes required	<p>The services levels, in terms of cost per capita for staffing, vehicles and operations are maintained from the FY2007-08 estimates and applied to the FY2011 service population to determine the cost in FY2011. Since the costs are in real 2008 dollars, the effect of inflation does not need to be added to estimates, thus the estimates used are correct and do not need to be revised.</p>
3.e	Table 5.11 – No changes required	<p>The amount of revenue from fines, forfeitures and penalties is an estimate based on the County’s budget, and is not a quota. It is a “best guess” of what the revenues would be, based on the budget, and does not tie the Department into any quotas</p>
4.a	No changes required	<p>The data contained in Appendix B was collected from each city’s budget. There may be a discrepancy between what was budgeted and what was invoiced in the contract.</p>
5.a	Through out	<p>The figures in the CFA have been revised significantly since the Public Review Draft, and the conclusions have changed. Nonresidential growth projections, sales tax assumptions, and property tax revenue have all changed since the last draft.</p>

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5.b	Through out	The salaries included in the CFA are in line with neighboring cities. Sales tax revenue has been revised to be more conservative than in the Public Review Draft CFA
6	No changes required	<p>If a city (or agency) contracts for Fire Protection through the County Fire Department, Emergency Management Services (OES) are part of that contract.</p> <p>The County “assists” the cities with their required emergency plans, training, etc. This means that Emergency Management is currently provided this service (as requested) to all of the County’s partner agencies.</p> <p>A city will need to identify a person or persons within their agency to be the POC for the city for emergency management and the County would work very closely with this person. In some cities, they have a full-time person doing this, however in most cities, it is another duty that is assigned to a person.</p>
7.a	Through out	Due to revisions, the conclusions have changed. The new city is fiscally neutral, and thus feasible, based on the updated Final Draft CFA.
7.b	Table E.1	The costs covered by the transfer from the Structural Fire Fund, to the General Fund are those costs related to the administration of the Fire Department contract including planning, and other administrative costs. The County (which also contracts for fire protection services) includes a similar administrative charge in its budget.
7.c	NA	The transfer of JARPD parks is no longer being considered in the proponent’s proposal.
7.d	No changes required	Redevelopment areas have been excluded from the analysis. Assessed value from redevelopment areas is not included in the base year assessed value. Consequently, property tax revenue does not include revenue from redevelopment areas. The redevelopment project areas will not be split as a result of incorporation.
8.a	No changes required	See answer 7.d
8.b	NA	The transfer of JARPD parks is no longer being considered in the proponent’s proposal.

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8.c	Through out	The Final Draft CFA uses assumptions for growth, sales tax revenue and consequently property tax revenue that were provided by Riverside County TLMA, per direction from Riverside County LAFCo. Sales tax assumptions have been revised downward for new development per Riverside County LAFCo.
8.d	Table E.1 – No changes required	Yes, the transfer of revenue from the fire and road maintenance fund is acceptable to recover costs incurred by the general fund related to fire and road fund administration.
8.e	Table E.1	The Final Draft CFA includes revenue neutrality payments. Based on the revised methodologies and assumptions, no negative fund balances are projected.
9.	Through out	<p>Both the estimates for nonresidential development and new retail sales per square foot have been revised downward to match assumptions provided by Riverside County TLMA, and Riverside County LAFCO.</p> <p>Additionally, the Final Draft CFA includes the effect of revenue neutrality payments, so there will be no need for an addendum this for the Final Review Draft.</p>
		<p>NOTE: All of the 10.X responses are responding to the comments in Irene Long’s commented PDF, and correspond to the order of the comments in that document. Some of the rhetorical questions and comments which are not pertinent or productive are not responded to.</p>
10.1	No changes required	The statement means that the relative level of service standards will be maintained, not that the absolute levels of service will remain unchanged.
10.2	No changes required	No response to unproductive comment.
10.3	No changes required	Please refer to the “Boundary Scenarios” section of the Executive Summary.
10.4	No changes required	The transfer of JARPD parks is no longer being considered in the proponent’s proposal.
10.5	No changes required	The transfer of JARPD parks is no longer being considered in the proponent’s proposal.
10.6	No changes required	The reasons for wanting to incorporate are described in the “Background” section of the Introduction.

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10.7	Table E.1	The negotiated revenue neutrality payments are included in the Final Draft of the CFA
10.8	No changes required	Graphical representation of fund balances is not a requirement of the CFA, and thus will not be included. The sales tax estimates have been decreased since the Public Review Draft.
10.9	Table 3.1 - No changes required	Please refer to Table 3.1 for a list of current and future service providers.
10.10	No changes required	CFA assumes current state-local fiscal relationship as embodied in current statute and cannot predict other major changes in shared revenues.
10.11	Table 4.1	Staffing needs and salaries have been revised since the Public Review Draft. Staffing has been reduced to the minimum needed to maintain current service levels. As such, the costs associated with the City Manager and the City Manager's staff have also been reduced.
10.12	No changes required	The assumption means that it is expected that the City would require approximately 40% of the capacity of a full time attorney throughout the year. This attorney would be a contract employee. It does not mean that the attorney would be paid for services that are not performed.
10.13	No changes required	Administrative service include: finance, payroll, risk management, and human resources.
10.14	No changes required	Development service include: planning, engineering, building inspection, code enforcement, etc.
10.15	No changes required	Speculation that a natural disaster will occur, and the State and Federal response for funding in such an event is not considered as part of the CFA. However, through the fire department contract with Riverside County Fire, Emergency Management Services (OES) are part of that contract. (See response #6)
10.16	No changes required	It is legal to transfer monies from one fund to another to reimburse a fund for expenses incurred by the administration of the other fund. The transfers can only be spent on General Fund costs associated with the administration of those funds.

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10.17	No changes required	The fire protection costs are based on the County Fire Department's plan for adding stations and capacity to serve the projected population growth.
10.18	No changes required	The road fund transfers are intended to cover the City's costs of administering the contract and are in line with other Riverside County city's recent experience.
10.19	No changes required	Scenario 2 is no longer being considered.
10.20	No changes required	Scenario 3 is no longer being considered.
10.21	No changes required	A CFA examines operating revenues. Capital funding is expected to come from other revenue sources, such as development impact fees.
10.22	No changes required	No response.
10.23	No changes required	General government facilities.
10.24	No changes required	The City's level of service for both fire protection and law enforcement is based on the contracts to be negotiated with each agency. The city could choose to not renew its contracts with each agency, should it wish to change service providers. The city will owe revenue neutrality payments based the revenue lost by the County. Revenue neutrality payments will be based on an agreement between developed through negotiations with the County.
10.25	No changes required	No response.
10.26	No changes required	There is no citywide list of capital improvements at this time. The CFA only evaluates ongoing, not capital costs.
10.27	No changes required	Impact fees ARE NOT annual or ongoing fees. They are one time fees paid by new development to fund its share capital improvements. Currently, Riverside County charges impact fees in its unincorporated areas. Existing fee schedules can be found on the County's website.
10.28	No changes required	The transfer of JARPD parks is no longer being considered in the proponent's proposal.
10.29	No changes required	The data was used to establish base year (2008), not current year estimates.

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10.30	No changes required	The data was used to establish base year (2008), not current year estimates.
10.31	No changes required	Cities have wide latitude in setting affordable housing policy governing future growth. No assumption has been made in the CFA for significant affordable unit impacts on assessed valuation, as current market prices and the multi-family segment of growth projections may satisfy any requirement the new City imposes.
10.32	No changes required	Absorption is held at below the average growth rate for the initial years of the analysis. It isn't until year 5 (2015) that residential development even comes close to approaching the boom years.
10.33	No changes required	Nonresidential growth projections have been revised since the Public Review Draft, and are completely in line with figures provided by TLMA.
10.34	No changes required	See response to 10.31.
10.35	No changes required	Nonresidential growth projections have been revised since the Public Review Draft, and are completely in line with figures provided by TLMA.
10.36	No changes required	Nonresidential growth projections have been revised since the Public Review Draft, and are completely in line with figures provided by TLMA.
10.37	No changes required	Nonresidential growth projections have been revised since the Public Review Draft, and are completely in line with figures provided by TLMA.
10.38	No changes required	Scenario 2 is no longer being considered.
10.39	No changes required	The staffing plan is set to provide the same level of service as is currently provided by the County. It has also been revised downward in response to this comment, in an effort to realize efficiencies and in response to dwindling revenues.
10.40	No changes required	The transfer of JARPD parks is no longer being considered in the proponent's proposal.
10.41	No changes required	The staffing plan in Table 4.1 indicates "who will do what." It has been revised since the Public Review Draft.
10.42	No changes required	No operating costs are missing.

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10.43	No changes required	It is legal to transfer monies from one fund to another to reimburse a fund for expenses incurred by the administration of the other fund.
10.44	Table E.1	You have misunderstood the transition year repayment costs. The County will be reimbursed for transition year costs over five years (revised from seven years in the Public Draft CFA). The reimbursement includes 3% interest. The first year of Cityhood would be FY 2010-11, not 21010 (which is much too far in the future to accurately model costs and revenues).
10.45	Table 4.1	The staffing plan has been revised downward.
10.46	No changes required	No response.
10.47	Table 4.1	Staffing has been reduced downward, however a fulltime City Manager is required from the start, based on Willdan's experience with other incorporations.
10.48	No changes required	A financial model seeks to estimate what the costs would be. In this case, it is estimated that 40% of an attorney's time will be required to serve the needs of the city. This does not mean that the city will pay an attorney to do nothing, rather, it estimates (in other words makes an educated guess) what those costs will most likely be.
10.49	Table 4.1	While your estimation of a City Manager's responsibilities is oversimplified, we have reduced the staffing plan, but not the City Manager's time.
10.50	Table 4.1	The staffing plan has been revised.
10.51	No changes required	The engineering staff is needed for several reasons: to manage development, to manage the city's interests in local and regional facilities, etc.
10.52	No changes required	The misrepresentation that we wished to avoid, is that we do not mean to imply that increases in costs are tied to specific promotions and salary/contract increases for specific positions in specific years.
10.53	No changes required	CFA assumption on benefit share of total compensation is an average across all cities, most of which participate in CalPERS. No analysis was made of costs in the event of non-participation.

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10.54	No changes required	The transfer of 5% of annual fund expenditure each year enables contract negotiation at year end and enhanced outreach to the community as fire protection needs grow and the City considers whether to start its own fire department.
10.55	No changes required	The transfer of JARPD parks is no longer being considered in the proponent's proposal.
10.56	No changes required	The transfer of JARPD parks is no longer being considered in the proponent's proposal.
10.57	No changes required	The transfer of JARPD parks is no longer being considered in the proponent's proposal.
10.58	No changes required	The transfer of JARPD parks is no longer being considered in the proponent's proposal.
10.59	No changes required	The transfer of JARPD parks is no longer being considered in the proponent's proposal.
10.60	No changes required	The transfer of JARPD parks is no longer being considered in the proponent's proposal.
10.61	Table E.1	The transition year repayment costs are included in Table E.1 and 6.1 and are labeled "County Repayment." Repayment of those first year costs will happen within five years. There will be no repayment costs beyond 2016.
10.62	No changes required	See response to 10.31.
10.63	No changes required	Assessed value for existing properties is increased back to its 2008 level by 2015 at approximately 1.6% to model the effect of temporary reassessments being lifted, as the economy recovers. The assessed value for all new development throughout the study period, and all existing development after 2015 is increased at 2% annually.
10.64	No changes required	Redevelopment areas were excluded from assessed value calculations.
10.65	No changes required	See response to 10.10.
10.66	No changes required	See response to 10.10.
10.67	No changes required	Please read section "Senate Bill 301"

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10.68	No changes required	See response to 10.10.
10.69	No changes required	See response to 10.10.
10.70	No changes required	The transfer of JARPD parks is no longer being considered in the proponent's proposal.
10.71	No changes required	The assumption is that these fees will stay the same and that the new city will receive the same level of funding on a per capita basis that the County currently receives.
10.72	No changes required	Typically charges for services are not 100% recoverable. 80% recovery is as high a rate as is reasonable. Charges for services are related to development services (if planning, code check, etc.).
10.73	No changes required	The conclusions have changed since the Public Draft CFA.
10.74	No changes required	The conclusions have changed since the Public Draft CFA.
10.75	No changes required	No response.
10.76	No changes required	The conclusions have changed since the Public Draft CFA.
10.77	No changes required	The conclusions have changed since the Public Draft CFA.
10.78	No changes required	The City could simply choose to not renew the fire or law enforcement contract, and to choose new service providers for those services. The neutrality fees are charged based on the revenues and costs transferred and are governed by an agreement that would be signed by the County and the new City. Whether or not revenue neutrality will be revised if service providers change, is something that would have to be included in the revenue neutrality contract, and is unknown at this time.
10.79	No changes required	The conclusions have changed since the Public Draft CFA.
10.80	No changes required	Not correct. This table means that for the base year, the County received approximately a million dollars more in revenue than is spent on services in Eastvale.