



MEMORANDUM

TO: CITY COUNCIL

FROM: WHITNEY McDONALD, CITY MANAGER

**SUBJECT: SUPPLEMENTAL INFORMATION
AGENDA ITEM 11.a. – JULY 27, 2021 CITY COUNCIL MEETING
REVIEW AND PROVIDE DIRECTION ON OPTIONS FOR REDUCING
THE CITY'S UNFUNDED ACCRUED LIABILITY; APPROPRIATION OF
EXCESS AVAILABLE FUND BALANCE; AND ALLOCATION OF
AMERICAN RESCUE PLAN ACT FUNDING**

DATE: JULY 27, 2021

Attached is correspondence received by 4:00 PM for the above referenced item.

cc: Assistant City Manager/Public Works Director
Administrative Services Director
City Attorney
City Clerk
City Website (or public review binder)

From: [Jim Guthrie](#)
To: [Caren Ray Russom](#); [Keith Storton](#); [Kristen Barneich](#); [Jimmy Paulding](#); [Lan George](#)
Cc: [Whitney McDonald](#); [Jessica Matson](#)
Subject: Comments for 7/27/21 council meeting
Date: Monday, July 26, 2021 7:15:23 PM

Mayor and Council Member

Comments for 7/27/21 council meeting

City districts

I think streets will have to be the primary borders for setting up districts in a small city like AG. Without any demographic information it is difficult to access where the actual boundaries will fall.

Hwy 101 is a natural starting point. It separates the oldest and newest portions of AG (the Village and Rancho Grande) from the densest and middle-aged portion (most of the west side). If my old information is still correct 64% of AG residents live west of Hwy. 101 so 2 .5 districts will be made up from the west side and one district will be split by the freeway, so it's not a perfect fit.

I also think we should delay the 2nd public hearing until after some of the draft maps are available to the public. It will be easier for the public to understand and respond once they have seen some possibilities. Having that public input early will be better than the proposed hearing and then jamming the rest of the process into the last 30 days, (2/22/2022- 1/22/2022).

Appropriation of excess available fund balance.

It will come as no surprise that I am in favor of spending the 1.7 million on street repair rather than an early payment for the unfunded pension liability. Some of you may remember, when we paid the 5 million for a 7% ROI, I asked what the ROI on street repair would be. I never saw an answer but as the staff report notes it is significantly higher and I in my opinion will be for the seeable future. I understand, although don't agree, that spending the 5 million to create \$450,000 in general fund cashflow made the "tough decisions" on closing the budget deficit a lot easier for council and staff and that has some worth as well. Had we seen a comparison then, I believe we would have recognized the need for dedicated funding for street maintenance so that we are not sacrificing the future to soften the present and could have come together on a compromise for sales tax increase in 2020. I will add here that the ROI will be even greater if we see significant inflation in the next few years.

I am also in favor of staff's proposal for use to the ARPA funds. I do think there is a broadband project that could be worked into the Grand Ave enhancement plan and tie in with the under grounding of utilities in the Fair Oaks section of Grande that we collected funds for, several years ago.

Thanks
Jim Guthrie