

**From:** Karen  
**Sent:** Tuesday, December 3, 2024 12:01 PM  
**To:** City Clerk Group; Paula Perotte; Stuart Kasdin; James Kyriaco; lreyesmartin@cityofgoleta.org; Kyle Richards  
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**Subject:** December 3, 2024 Agenda Item C-1

**To the Goleta City Council:**

Mayor Paula Perotte  
Stuart Kasdin  
James Kyriaco  
Luz Reyes-Martin  
Kyle Richards

Tonight you are forming a VERTICAL Joint Powers Agreement to hide from the public this council's fiscal mismanagement. With this agreement, you seek to cover up your poor spending choices that have resulted in neglect of our city's existing infrastructure in favor of boutique construction projects. Pursuing a VERTICAL JPA allows you to circumvent voter bond approval by taxpayers, in order to avoid transparency.

By each of your AYE votes tonight, you will be passing the cost of your poor fiscal management (focusing on huge underfunded new construction projects such as Project Connect, the San Jose Bike Path, the train station and others) on to the next two generations.

What is your plan for future costly projects, like the Cathedral Oaks crib wall? More Vertical JPAs? While mouthing words about transparency, these JPAs are a blank checkbook for the council to abuse.

You were told by Rich Foster about these grand jury reports months ago. Have you educated yourself about the subject since then?

**Nevada County Grand Jury Report 2021**

Vertical-model JPAs are formed within the same organization and controlled by a single authority instead of several. An example would be a city that forms a JPA with a Redevelopment Successor Agency. The JPA then issues a bond to fund a redevelopment project in the city. The practical effect of such a JPA is that while the city is in control, it can issue bonds as a JPA without voter approval.

**"Findings by the Nevada County Grand Jury:**

**F1 There is no governmental entity with oversight responsibility for JPAs.**

**F2 The JPA vertical structure has limited checks and balances.**

**F3 Marks-Roos bonds may be issued without voter approval. Taxpayers may face potential liability.**

**F4 Municipal service JPAs are only required to provide their local LAFCo with a copy of their Agreement and any amendments. JPAs providing only financial services are not required to file with LAFCo.**

**F5 The complexities of JPA structures, laws, and terminologies make JPAs difficult to understand.**

**Orange County 2015 Grand Jury report:**

**The grand jury concluded that the JPAs in Orange County control a significant amount of public funds with a limited amount of oversight and disclosure to the taxpayers...**

**JPA's may provide a legal means to avoid voter approval of debt decisions and to potentially mask financial accountability. This latter case is of significant concern since it is not in the best interest of taxpayers and does not provide for full transparency."**

*Have you done ALL of your homework for tonight's meeting?*

*After reading every word of Item B.2 File# 24-401 (you did read it, right?) about debt issuance and, hopefully, educating yourselves about the negative properties of Vertical JPA's, are you truly **100% convinced** that they are good for Goleta?*

It is your duty, Goleta City Council (and, as of tonight, the "Directors of the Goleta Facilities Financing Authority") to seek alternatives that avoid this monumental misstep in managing city finances.

Don't lead our city down this murky path.

Find another way!

Karen Lovelace

City of Goleta resident