

# *Becoming*

the City of

# CITRUS HEIGHTS



The history of a  
unique incorporation

by **Miranda Culp**

*in collaboration with Bill Van Duker*



# Becoming the City of Citrus Heights

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# BECOMING THE CITY OF CITRUS HEIGHTS

## Foreward

**I**t has been said that, every once in a while, ordinary people get to do extraordinary things. Sometimes that happens because an ordinary person works hard to discover and hone the skills to exceed expectations. However, other times ordinary people are swept up by the tide of events, and it enables them to do the impossible. The latter was the case with me as I reflect on the effort that began in 1984, the same year I moved to Citrus Heights from Southern California for a job promotion. I knew nothing about the Sacramento region and it's by chance that I bought a house in this particular community. I turned my attention to my local Citrus Heights Chamber of Commerce.

Before I knew it, I found myself on the board of directors, and by 1989, I was the president of the Chamber – the very group of people who were the impetus for the drive toward cityhood. I soon learned that lack of police services, bad planning with rapid growth, and no control over how the taxes generated from Citrus Heights were being spent – these were the issues driving change. I only had to look around to see that this was all true. It energized me to work towards the solution that we all hoped would bring positive change to my new home community.

Shortly after moving to Citrus Heights, I jumped on the train that had just left the station for a 12-year journey toward cityhood; a train called the Citrus Heights Incorporation Project, or CHIP. I've often likened it to a David and Goliath story, or The Mouse That Roared. My compadre and co-chair of Yes on Measure R was local businessman Bill Van Duker – that measure eventually brought the cityhood vote

to the ballot in 1996. He and I have often marveled at how brazen this little group of people was to tackle the machine that was Sacramento County, a Goliath in those days. I had the great fortune to know and live among the amazing people from this suburb who had a passion for civic improvement. Cityhood had been attempted before but had never built up enough steam to be successful. This time, giving up was just not an option.

I am fortunate to have been swept up in the tide called CHIP, and still more fortunate to live in this incredible city and enjoy long-lasting friendships from those days, and many more since. Being called to run for city council in 2002 was never part of my plan, but here I am, more blessed than ever, to be serving the people of Citrus Heights.

Thank you to Bill Van Duker and Miranda Culp for producing this historical account; to the Citrus Heights City Council for approving the grant that has funded this project; and to the amazing people, past and present, who work hard to make Citrus Heights a truly unique community. You'll get to know them as you enjoy reading about our adventure.

-Jeannie Bruins, former Mayor of Citrus Heights

## A Note from the Author:

I did my level best to present the facts of this story but must also recognize that it's shaped by the vantage points and opinions of those advocating for Citrus Heights' cityhood. My intent was to document the personal as well as the civic aspects of incorporation so that residents living here now can understand better the character and recent history of their city.

In this retelling, I consider the Sacramento County Board of Supervisors and the City of Citrus Heights to be main characters, and so it felt appropriate to capitalize the "County" or "City," when referring to these specific groups collectively during this roughly 20-year period of time. I made exceptions for printed quotes so I wasn't changing others' usage.

To distinguish statements made during the incorporation back in the 80s and 90s from the interviews I conducted recently to write this book, I refer to these quotes in the present tense. These conversations are all noted in the first reference.

-Miranda Culp

BECOMING THE CITY OF CITRUS HEIGHTS

## Chapter 1 A Short History of Citrus Heights

**T**he territory known today as Citrus Heights was occupied originally by the Valley Miwok, Nisenan, and Maidu tribes. There was so little access to water that the area was sparsely populated. Even after Spanish-conquered Mexicans invaded from the 1500s to the mid-1800s, there wasn't much here aside from a few outposts. This was a fairly isolated swath of frontier.<sup>1</sup>

Europeans began to trickle into California after Mexico surrendered the territory to the U.S. in the Mexican American War in 1848. That trickle became a flood in the whole Northern California area during the Gold Rush, a bloody and lawless time in the State's history.

Sacramento became one of the original 27 counties created by white settlers in California, with townships in the surrounding territory considered to be part of Sacramento Center Township.<sup>2</sup> The area within the boundaries of today's Citrus Heights was still remote when a newly cut road from Auburn went in, which is today's Auburn Boulevard. A few roadhouses popped up, but that was about it.<sup>3</sup>

Early European settlers in the 1850s slowly moved onto large parcels of land, to irrigate, harvest wood, and plant wheat and barley. When enough families took root, the first schoolhouse was built at Sylvan Corners, where Old Auburn Road and Auburn Boulevard intersect. It

also served as the main civic building for township business and church services and was later just called Sylvan. The railroad arrived in 1864 and the area continued to become more attractive to farmers.<sup>4</sup>

Let us flash forward through the early part of the 20th century when infrastructure started to develop. A highway system meant more traffic, and a real estate firm bought up tracts and broke them into ten-acre parcels. Looking to make a profit, the realtors renamed the region “Citrus Heights” to tempt agriculture buyers. To tell the whole tale, there wasn’t a single citrus orchard in Citrus Heights, unlike in neighboring Orangevale.<sup>5</sup>

It can truthfully be said that the struggle between Sacramento County and Citrus Heights extended as far back as the 1920s. From the beginning, Citrus Heights had a strong sense of community identity and was dissatisfied with the lack of County road support. Neighbors rolled up their sleeves and pitched in to help build and maintain the roads and schools, a tradition that carried on for decades.<sup>5</sup>

Increases in Citrus Heights’ residents and visitors saw commerce steadily rising and business chugging along right up until the Great Depression. Not only did the town get rocked by the economic collapse, but a freeze killed off most of the agriculture for Citrus Heights.<sup>6</sup>

Manufacturing took off in neighboring Rancho Cordova during WWII, and many residents in Citrus Heights became employed in service of the war effort. Again, Citrus Heights residents did their part. With the men at war, the women formed their own fire brigade called the “Ladies Auxiliary” (1941-1947), and similarly, the “Ladies in White” (1951-1986) performed local emergency medical services.<sup>6</sup>

However, it was mainly its healthy retail base and consistent traffic that saved the Citrus Heights economy. Building upon a sense of community, residents and wealthy developers helped to create a library, a fire department, a post office, and an upgraded schoolhouse. This stretch of Auburn Boulevard acted as a commercial hub, and by the 1960s and 1970s, Grand Oaks Plaza, Sunrise Mall, Birdcage Walk, and Fountain Square became major sources of tax-based income for Sacramento County. Mom and pop shops flourished.<sup>6</sup>

In 1963, a set of communities in Sacramento County that neighbored each other came together in an attempt to form the City of San Juan. At this time, the County was supplying over 110 services through special districts – fire, parks and recreation, sewer, roads – and the services were less than optimal. The San Juan effort was voted down, not because it wasn't feasible, but because the County wanted to maintain control.<sup>7</sup> This would foreshadow Citrus Heights' uphill battle.

By 1977, residents and business owners in Citrus Heights were seeing the disparity in clear terms: the revenue it was pouring into the County was not adding up to better services. The City of Sacramento and the immediate districts surrounding it were getting the lion's share of the benefits and Citrus Heights was watching its infrastructure suffer at the same time the area was being overdeveloped.

The County was seeing massive growth and suburbanization in many of its more desirable neighborhoods – Carmichael, Fair Oaks, Orangevale – which accounted for approximately 700,000 residents. In other California counties, these areas would have been incorporated or become their own special districts, but Sacramento County was an outlier in this regard. The population of the unincorporated areas was bulging to almost twice that of the City of Sacramento itself. This meant that there was a concentration of dissatisfied middle-class voters in the unincorporated territory. The County had grown both bloated and complacent and was not equipped to provide urban-scale services to its quickly growing populace.<sup>8</sup>

And here is where our story really begins.

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## Chapter 2 1984: Citrus Heights and the Formation of CHIP

**C**itrus Heights' population shot up to 84,000 by the mid-eighties. Despite its flourishing economy, it was revenue rich and resource poor.<sup>1</sup>

Law enforcement had very little presence in Citrus Heights; sometimes at night it shared a deputy sheriff who also patrolled the northern part of the County. Crime prevention and investigation were lacking, and petty theft, vandalism, and cruising on Sunrise Boulevard were becoming problems.

Citrus Heights seemed to be the youngest child in a big family and had to wear everyone else's hand-me-downs. That's actually a pretty apt metaphor, considering this next anecdote.

Bill Van Duker, who was a primary figure in the Citrus Heights incorporation and assisted with the writing of this book, remembers driving the blocks along San Juan Avenue, between Madison Avenue and Greenback Lane, counting roughly 20 daycares and nursery schools in the mid 1980s.<sup>2</sup> There were none in Fair Oaks. Residents of Citrus Heights felt the surrounding areas were shunting certain necessary-but-inconvenient services off on Citrus Heights so that they

still had access but didn't have to deal with noise and parking. In other words, NIMBY (Not In My Back Yard).

When cell phone technology arrived everyone wanted the reception, but no one wanted to house the towers. Fair Oaks residents complained, Citrus Heights neighbors said, about spotty service but refused to let a tower be built in Fair Oaks Park. The alternate proposal was for Citrus Heights to host the tower, and again, "Citrus Heights residents had no say in the matter," Van Duker says.<sup>2</sup>

Public works were eroding, and repairs and upgrades were scarce.

Another critical pain point, according to the business community, was the minimal representation business owners got when it came to community planning and policy. Having no cohesion of services and no voice in government made Citrus Heights a municipal mishmash that discouraged businesses and families from taking root. Developers had steadily subdivided rural land with plans for more high-density housing that didn't include parking, street maintenance, and traffic solutions.

Special districts for fire, parks & recreation, and water covered more territory than just Citrus Heights and the community was generally satisfied with the quality of service, so there was no reason to demand change for those services.

But quite simply, members of the community knew there was a history of chaotic planning and saw these problems compounding. Citrus Heights' current economic health was precarious and conversely, it was missing an opportunity to achieve its potential if a more comprehensive plan couldn't be implemented.

There were rumblings of incorporation in the 1970s that got as far as a feasibility study with a promising outcome but fell shy by 200 petition signatures.<sup>3</sup>

In late 1984, a small group of residents gathered with the firm resolve to form a committee and fully investigate if Citrus Heights had the income necessary to become its own city. They called this ad-hoc group the Citrus Heights Incorporation Project, or CHIP. Richard Wagner, Jean Duncan and Jack Duncan and other community members were present at that first meeting.

Jean Laurin was also there from the beginning as the president of the Citrus Heights Chamber of Commerce, and she remembers that in those pre-incorporation effort days, the County certainly gave plenty of lip service to Citrus Heights. “Back in the olden days when I was president of the chamber, whenever there was a big decision or event, we were invited the way the cities were. We were a political entity. We were treated as a city before we were a city.”<sup>4</sup>

This was a contradiction from the community perspective; on the one hand, the County invited Laurin to mayoral events as though she was the de facto mayor of Citrus Heights, but on the other hand, Citrus Heights was left out of decisions that had a direct impact on its quality of life.

At a certain point in the mid 1980s, this first, loose group of residents and business operators wanted to know:

- Did Citrus Heights generate enough tax base to support municipal government?
- Viable cities were springing up all over California with the support of their respective counties, so wouldn't the Sacramento Board of Supervisors follow suit?
- Based on the process already in place, could Citrus Heights become a city?

On April 14, 1986, CHIP filed a notice of intent with the Local Agency Formation Commission (LAFCo) of Sacramento County to circulate a petition among Citrus Heights residents that would demonstrate local support for becoming a city.<sup>5</sup> This would be the first incorporation in Sacramento since 1946.<sup>7</sup> Or would it?

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## Chapter 3

# Sacramento County, the Outlier

**S**acramento County was and is a unique feature of government in California. Within the bounds of the County, there were only three cities, sometimes referred to as FIG: Folsom (pop. 25k)<sup>1</sup>, Isleton (pop. 800-900)<sup>2</sup>, and Galt (population 5k-8k)<sup>3</sup>, as well as the City of Sacramento: (275k-369k).<sup>4</sup> The entire County's population was 948,523 in 1987, which meant that more than half of the County's population at the time was living in unincorporated areas.<sup>4</sup>

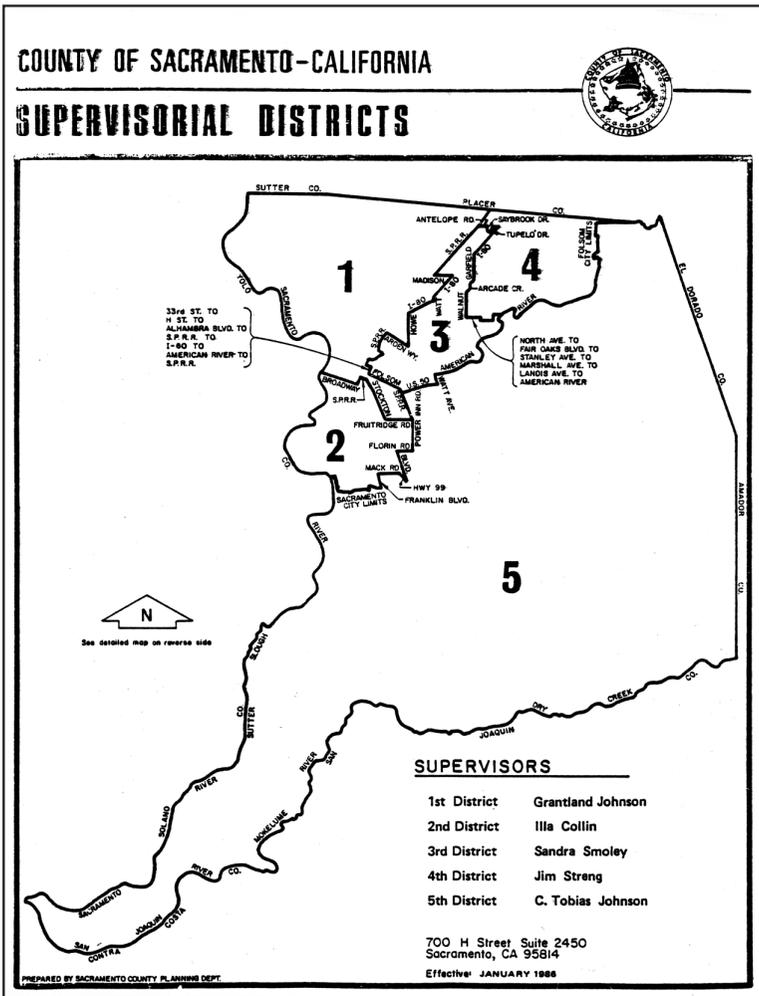
To demonstrate how unusual this is, we can look at Los Angeles County. Sacramento had not seen an incorporation since Galt became a city in 1946, and the County was one of the largest unincorporated areas in the state. Los Angeles County, on the other hand, saw a steady rhythm of incorporations, one every couple of years. In fact, Los Angeles actively encouraged new cities to form and guided communities through the process of self-governance. There are 88 active cities in Los Angeles County now, many of them a third of the size of modern-day Citrus Heights when it formed.<sup>5</sup>

Not only was Sacramento County already resisting cityhood for some of these more robust communities, but the City of Sacramento was also absorbing and annexing smaller communities, gobbling up nearby territory with high property values. From its inception to 1950, the City of Sacramento annexed 11,037 acres.<sup>6</sup>

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By the 1960s, Sacramento had annexed the surrounding territory to the north including South Natomas and North Natomas. There were multiple attempts to annex Arden Arcade into the city, and parcel-by-parcel annexations of the Fruitridge and Pocket areas were done.<sup>6</sup>

There were many at the time who felt that the members of the Sacramento County Board of Supervisors were beholden exclusively to their own districts to the exclusion of those outside. If you look at the district map...



Citrus Heights Archives.

...a majority of the representation on the Board was concentrated in the City of Sacramento and its immediate neighborhoods. This was again, another way that Sacramento stood out from other counties. The people in the far-flung regions of the County, the more rural parts and suburban parts, didn't feel like they had a voice and were skeptical that elected officials had their best interests in mind.



## Chapter 4 Becoming a City: How it Usually Works

**B**efore we get into the details of this municipal drama, it might be useful to have some California planning context.

In the Golden State, a community's desire to incorporate was generally encouraged, just like in Los Angeles County, for several reasons. It's written into the California State Constitution that communities within counties have the right to declare their intention, study the area's feasibility as a singular entity, gather the necessary signatures to assure the county that the community is in favor, and vote within the proposed boundaries on incorporation. It's generally understood that local government is more efficient; lawmakers within their own communities have a more granular view of the issues, are more beholden to the people they see every day, and are more agile in executing decisions. When government starts to sprawl, the bureaucracy slows and residents don't have the same access to planning and policy.

For many of the people involved in Citrus Heights' long and arduous journey to cityhood, this was also an issue of principle. In a democracy, we believe in no taxation without representation. If you don't like how your tax dollars are being put to work, you have the right to try and change it.

In some cases of incorporation, the loss of revenue to the county balances out because the county is no longer responsible for providing expensive services and infrastructure to the incorporated area. It really depends on the nature of the revenue and resources which that money funds. Sometimes a service is supported by a specific tax and when a city incorporates, it takes over issuing that tax, so the county doesn't get any savings.

Most forming cities don't withdraw entirely from their respective counties; they just want local representation and the right to negotiate directly with special districts for individual services. Often, the boundaries that govern the cities will change, but the service areas won't.

Still, it obviously requires an immense amount of exertion over a complex system to hammer out these finely-honed deals so that counties don't experience a noticeable revenue loss and new cities can still thrive.

The case with Citrus Heights was complicated by several factors. It was a revenue generator for the County, representing nine percent of Sacramento County's overall \$505.6 million budget.<sup>1</sup> It was never Citrus Heights' plan to become a full-service city where it would provide every single service independently, such as water, fire, sewer, and parks and recreation. Like most California incorporations, the proponents of the city aimed to gain more control over law enforcement, development, and infrastructure departments.

However, Sacramento County would not let go. Their opposition to the City of Citrus Heights precipitated a twelve-year battle which escalated all the way to the U.S. Supreme Court.

### The Previous Path to California Cityhood

To provide a baseline, it's useful to take a look at how this process usually works.

- 1) Local ad-hoc committee forms
- 2) Initiates incorporation process by notifying LAFCo of intent
- 3) Committee gathers signatures among residents
- 4) Applies to LAFCo

- 5) LAFCo conducts financial feasibility study
- 6) LAFCo hears and approves measure to be put on the ballot
- 7) Election in favor enables formation of new government in the first year<sup>2</sup>

Enough locals have to collectively declare, “We want to be a city!” and then write up a list of goals. They pool their shared human resources and approach LAFCo to help them accurately assess if the plan will fly financially and logistically, and in doing so, notify LAFCo that they intend to collect signatures to illustrate local support.

### What is LAFCo?

Growth after WWII in California was rampant; local government was struggling to keep up, green-lighting development and infrastructure projects without much coordination or forethought.

In 1963, LAFCo, or Local Agency Formation Commission, came into being with the Knox-Nisbet Act. Each of California’s counties would have its own LAFCo, but each LAFCo would also communicate with one another across the state to ensure orderly growth. From that time to 1985, where our story begins, LAFCo introduced the Municipal Organization Act and the District Reorganization Act. These laws succeeded in more confusion, and so in response, lawmakers passed the Cortese-Knox Act of 1985, a consolidated piece of legislation to oversee municipal planning and assessment of projects ranging from infrastructure development to environmental impact to community betterment. Anytime a boundary changes within California’s 58 counties, LAFCo studies, regulates, plans, recommends, and in some unusual cases, dissolves or consolidates municipalities or special districts. Incorporations, extensions, reorganizations, or expansions of county services all must seek evaluation and approval from LAFCo.<sup>3</sup>

This entity is independent from its respective county board of supervisors because it’s supposed to provide impartial, specialized assessment in situations precisely like that of the Citrus Heights incorporation. The composition of LAFCo varies from county to county,

but most have two county supervisors, two city council members, two special district members and sometimes members of the general public. The idea is to provide a level of protection from political influence and a strong coalition of perspectives.

An incorporation goes through a rigorous process that may require a year or more of formal review in order to examine the proposal from all these angles, with the most important being economic viability.

It's important to note that each LAFCo is funded by its own respective county, and shares some resources with the county, like legal services, for example.

In the very complicated business of delivering services and infrastructure, LAFCo is supposed to solve problems and provide some elasticity. When a community has the organization and will, typical reasons it might attempt to incorporate include:

- Law enforcement
- Water
- Fire protection and paramedics (in some cases)
- Planning for land use, environmental review, zoning, building, health inspection
- Public works (streets, engineering, traffic signals, streetlights, drainage)
- Local parks and recreation

In the event of an incorporation, California counties are required to continue to provide cities with certain services such as:

- Welfare and child protection
- Hospitals
- Criminal justice (courts, jails, probation)
- Elections and voters services<sup>4</sup>

## The Special Role of Special Districts

For illustrative purposes, let's look at this list above and imagine a separate map within the county for each of those services. For example, a water district might cover six neighborhoods, while a fire district might cover one of those same neighborhoods along with two others. Each special district has its own boundaries and those service-specific areas are referred to as special districts. They have their own boards, their own budgets, and their own politics. Now stack all those maps representing all those different special districts on top of the county map and you have a good idea of how straightforward local government is.

A practical incorporation isn't often a complete extraction of the city from its' county's services; it's the rerouting of certain funds and the addition of local legislative representation in order to give the new city autonomy in certain areas and leverage in others. When it goes like it's supposed to in California, it's like an amicable co-parenting arrangement. But the Citrus Heights incorporation was more like a nasty custody battle.

## CEQA and the EIR

The California Environmental Quality Act, or CEQA, is a statute established in 1970 that requires state and local agencies to identify the significant environmental impacts of their actions in terms of land use development. Any project undertaken by a public agency or a private activity that might impact the environment must receive some discretionary approval from the appropriate government agency.<sup>5</sup>

Most proposals for physical development in California are subject to the provisions of CEQA, and at a minimum, an initial review of the project and its environmental effects must be conducted.

An EIR, or Environmental Impact Report, is the full analysis of whether there will be ecological consequences to flora and fauna, as well as traffic, air quality, and noise that may result from the creation of a new mall, church, or freeway. As the law was originally written,

boundary changes for annexation or incorporation required a cursory examination, and that was often enough to issue a Negative Declaration, or a formal statement that the EIR was not necessary.<sup>5</sup> But the courts would rule otherwise in 1987.

Proposition 13, and a Quick Lesson in California Real Estate

***“It’s a zero-sum game. If you’re going to add a new entity or a new amount to an existing entity, someone else, some other tax entity is going to take less. It’s like bringing a new person to the table when dad shows up with a pizza. Do you reduce all the slices to accommodate the new person? Or does dad have to do it because he is, after all, dad. Those are, symbolically, the kinds of issues that started cropping up in the legislature starting in the early 1980s.”***

-BAXTER CULVER

Before 1978 in California, property taxes were crushing average homeowners. There were few limits on tax rates or assessed values – the two factors that annually determined the amount of property tax owed. The County Assessor reassessed properties based on current market value on a five-year cycle. In rapidly appreciating communities, some properties could see a huge tax hike in just a single year. If there is one truth in America, it’s that property is supposed to appreciate, but in this case, retired homeowners who had paid off their mortgages years ago and were now living on a fixed income were being priced out of their homes because of escalating property taxes.<sup>7</sup>

Proposition 13 presented a way to roll back tax assessments to their 1976 value and freeze them. Future assessment increases were limited to 2% a year as long as the property remained under original ownership. Once a property (commercial or residential) was sold, its value was adjusted to reflect the current market value of the property.

But Proposition 13 did something else. Baxter Culver, a lobbyist for the County of Sacramento explains: “Local services were provided by a number of different agencies, most of whom were governed by

independently-elected boards. The schools in the Citrus Heights case were in the San Juan School District, which encompassed most of the northeast area of the County. There was the County Office of Education, which was an overseeing-coordinating body for all schools in the County. There was a cemetery district. There was a park district (managed by the County with an Advisory Board) that had its own tax rate. There was a fire district that could levy its own tax rate. There were probably lighting districts, a water district, all of which, I believe, could levy a property tax to pay for their operations. Many districts such as lighting and water did not rely on property taxes for their operations – relying instead on user fees.

“Each entity or district that levied a property tax [did so] independent of the others. So, in the aggregate at the end of each year, each agency would determine its budget for the coming year and, using information from the [County] assessor, compute a tax rate that, when applied to every property’s assessed value, became the property tax for the next year.

“The sum of all of these tax rates, became, what I used to call, a layer cake – each layer different from all the other layers. The County’s share would be, let’s say, 34 to 40 percent. The schools would be about 55 to 60 percent. The park district would be 50 cents, etc. Add them all up; you had an aggregate rate in the \$12-13 range [per year], somewhere in there. It varied from neighborhood to neighborhood depending on which taxing agencies provided services to that neighborhood. They weren’t all the same. There were hundreds of different tax rate areas in Sacramento County.”<sup>7</sup>

Proposition 13 changed all of that. Culver continues, “Instead of each agency, the cemetery district, for example, or the park district, adopting a tax rate for the next fiscal year, Prop 13 said the rate is 1% of the assessed value of the property and the assessed value is based on a 1976 market – inflated by a maximum of 2% per year or a recent actual sale. And the proposition left it to the legislature to determine how to spread the proceeds among the taxing agencies.

“But the new 1% assessed value factor did not yield property tax revenue equal to the previous ‘layer cake.’ Property taxes were about

40% smaller than the previously shaped ‘layer cake.’ It was now just a big pizza, which the legislature under the terms of the proposition, now had to divide among all the taxing entities. The legislature did that in 1979 with Senate Bill 154. And then the next year, they passed what was called AB 8, which allocated the property tax, supposedly on a permanent basis. The County got about 60% of what it had previously received from property tax, likewise the schools. The State took some services over to try to balance the books. But that’s essentially how it worked. But the important thing is that local agencies, elected boards of supervisors, elected directors of cemetery districts, park districts, could no longer make a decision about what kind of property tax rate it would have for the coming year. Value was set at 1% and distribution was governed by SB 154 and then AB 8 based primarily on historic shares.”

So why is this an important detail as far as Citrus Heights becoming a city? Because back in 1977 as the idea of incorporation was first circulating, the Board of Supervisors was neutral on the Citrus Heights incorporation. But after 1978, and the passage of Proposition 13, Sacramento County saw a huge drop in property tax revenue. And the implementation of AB 8 contained a new provision that further threatened the remaining property tax base.

Proposition 13 would therefore regularly come up throughout the court proceedings as a primary point of opposition against incorporation, and not just for Citrus Heights, but for neighboring communities as well.

The process of incorporation had become much more complicated right around the time that Citrus Heights was getting serious about it. Despite it happening with regularity in other counties all over California, the Citrus Heights case would come to signify all the ways that Sacramento was different, and it would change the way cities formed in California from that point on.

## Chapter 5 Getting the Ball Rolling

1986: CHIP Files with LAFCo

**O**ur core group of residents and local business owners assembled and decided they were ready to act, so they made contact with LAFCo in late 1985. LAFCo conducted an initial financial feasibility study, or a broad evaluation, to ensure that the community could support itself. By March, LAFCo, with John O'Farrell as its Executive Officer, initially concluded that a Citrus Heights incorporation was feasible with roughly \$17 million in income and \$15 million in expenses.<sup>1</sup> O'Farrell had a unique perspective throughout the Citrus Heights struggle; he was also the County Deputy Executive. This meant that he had to withstand enormous pressure from both sides of the issue.

That October, the Sacramento County Board of Supervisors fired its first shot across the bow of incorporation; it declined to help with the cost of the feasibility study. This was unexpected and the first of many deviations from standard practice around the state. Members of CHIP saw it as an inconvenience at the time, rather than the portent of what was to come. Usually, the funds to conduct the study, paid for in

this case by many bake sales, raffles, and fundraisers, would have been covered by the County.

Nevertheless and according to procedure, CHIP notified LAFCo of its intent to collect signatures in support of the cityhood effort. It was April 1986 and the official Notice of Intent to Incorporate was published in The Sacramento Union newspaper. Petitions started to circulate and the neighbors rallied, generating excitement.<sup>2</sup>

In similar cityhood efforts, signatures are collected using paid signature gatherers. CHIP relied solely on volunteers who took nights and weekends to organize signature parties by setting up ironing boards in front of supermarkets to talk to the neighbors and make the case for cityhood. This would be the beginning of over a decade of grassroots grunt work.

Jeannie Bruins, who sat on the Citrus Heights Chamber of Commerce Board and participated in the entire twelve-year process, says, “Jack and Jean Duncan have this barn on their property, so they’d load all this junk in it that we’d all donate over time and we’d have these massive garage sales, oh my gosh, or parking lot sales, basically. They’d go on for a whole weekend and by the end, you’re just dragging. You just want to give the stuff away, because you want to get rid of it. Those were fun.”<sup>3</sup>

CHIP volunteers collected over 12,015 signatures, which was three thousand beyond the required number.<sup>4</sup> The community support was clearly there, and everyone involved was hoping to see Citrus Heights cityhood on the ballot in the coming election in November of 1986.

### The Business Community Says Yes

The official endorsement from the Citrus Heights Chamber of Commerce came on June 14, 1986<sup>5</sup> and it was important because the Chamber represented about 300 businesses in Citrus Heights. Many were locally owned, mom & pop shops that had experienced difficulties due to the planning and policy decisions made by the County. There were traffic congestion problems throughout the business corridors and issues with parking and street maintenance that affected business

owners on a daily basis. This left small business owners doubtful about their long-term prospects.

It was a significant move of solidarity when the Chamber formally backed cityhood, cementing a working relationship with CHIP that would lay the foundation for establishing a strong local government.

### The Negative Declaration that Would Subsequently Be Negated

In February of 1987, the Sacramento County Department of Environmental Management (SCDEM) issued a Notice of Intent to issue a “Negative Declaration,” meaning that no Environmental Impact Report (EIR) was necessary.<sup>6</sup> Citrus Heights was so built out by this point that there was almost nothing left to develop, and again, according to CEQA, this was one of those boundary-only cases.

Any changes to physical infrastructure inside the limits of future Citrus Heights would have to go through the new City’s permitting processes, and of course, be subject to its own CEQA review.

The negative declaration would come to be one of the keystones in the County’s case against Citrus Heights. Despite the fact that no trees or butterflies would be harmed, Sacramento County would claim that not conducting an EIR was against the law regardless of the nature of the incorporation, thereby broadening the legal definition of the term “environment” to this day.

Local archivist and Citrus Heights volunteer historian, Teena Stern explains why this would become problematic, “In the case of a project that’s really going to affect the environment, you’re going to do an assessment and an environmental impact study. That study will not only determine what the consequences are, but also suggest a number of mitigating actions that you can take to correct the problems that you’re creating with the environment.”<sup>8</sup> However, in this case, and from then on, “the environment” would not just be air and water, it would also assess the impact on residents.

The County alleged that Citrus Heights the City would affect not only the environment, but the very political structure of Sacramento

County and create dire impacts for vulnerable people outside incorporated boundaries. Every other similar incorporation up to the point of Citrus Heights had gone through the CEQA/EIR process with a Negative Declaration or an exemption. There were 30 or 40 cities in Los Angeles County that had incorporated without any additional environmental review.<sup>9</sup> This would be one of several ways in which the County of Sacramento changed precedent on a statewide level.

## Chapter 6 Things Heat Up

**C**HIP membership had grown significantly, with whole teams mobilizing to canvas and fundraise. Throughout the effort, membership would fluctuate from a handful of people to scores and back to a handful. Some of these folks came in later, and some of them fought hard in one battle but not the whole war. Here's a by-no-means-comprehensive list of the core group of CHIP members:

Richard Wagner	Rita Gibson	Charlie Miller
Gene Ahner	Brian Harris	Diane Muro
John Angerer	Jerry Jodice	Doug Ose
Steve Baker	Lawanda Johnson	John Padden
Jeannie Bruins	Bill Kahl, Jr.	Anthony Priley
Tom Canino	Alma Kenyon	Mary Purvis
Angela Dean	Jean Laurin	Vivian Rodgers
Patricea Dean	Eleanor Lofquist	Mike Sides
Bill Van Duker	Roberta MacGlashan	Cissy Vaughn
Jack Duncan	Rob Marvin	Don Werve
Jean Duncan	Gifford Massey	Estelle Werve <sup>1</sup>
	Loretta McMaster	

Richard Wagner, a CPA by profession, would serve as CHIP's first president. The enthusiasm was building in the mid 1980s in the community: teams of 15-35 people were getting increasingly organized.

It probably goes without saying that politics was a much less rancorous undertaking than it is today. People still talked face-to-face, rather than texting or flaming each other on social media. Answering machines were still novel, and actual mail was the primary way of delivering written information. Many of the participants noted that they were on opposite sides of the fence when it came to national politics, but party preference never came up in conversation between the folks who worked side-by-side on this local issue.

### The Opposition

By April of 1987, LAFCo had its second hearing on the subject of Citrus Heights cityhood.<sup>2</sup> The LAFCo determination was that Citrus Heights incorporation was viable, and therefore approved. A timeline was established projecting that the issue would be included on the November 1987 ballot.

CHIP was fairly confident it had its ducks in a row heading into the coming hearings, but on the County side, cityhood opponents began to mobilize in earnest. The main argument from the majority on the Board of Supervisors was that the divvying of resources was still best realized by keeping the unincorporated areas unified or there would be more fragmenting of services. But for those on the CHIP side watching up close, and many in the press and in government, Sacramento County really just wanted to maintain control over the area. Even after two studies and an extensive LAFCo investigation confirmed that the loss would be minimal and the benefits to Citrus Heights many, three members of the Sacramento Board of Supervisors were very motivated to deter the cityhood effort.

Members of the Board of Supervisors at the time were Illa Collin, Toby Johnson, Jim Streng, Sandra Smoley, and Grantland Johnson. Supervisor from District 5, Toby Johnson, and Jim Streng from District 4, were in favor of the incorporation effort.<sup>3</sup> Notable is that Districts

4 and 5 are the furthestmost from the City of Sacramento (see district map on page 10). But Collin, Smoley, and G. Johnson where opposed.

Toby Johnson's assistant during these proceedings was Don Nottoli, and he currently serves that district seat today. He says there was just so much fiscal uncertainty with public works at the time. The entire County population was growing so rapidly only adding to the demand for scaled up services. "When you start talking about property tax and revenue tax, it lent itself to many differences in opinion on just what the impact would be."<sup>4</sup>

Hal Bartholomew, who was involved in the Elk Grove incorporation and watched this process carefully, noted that Sacramento County had mostly preferred to be unincorporated because the general sense was that the City of Sacramento ran everything. "Nobody wanted to join the City of Sacramento," he observes. "City Council was elected by district, so everyone was really protective of their turf. With the County Supervisors, three districts were mostly in the City of Sacramento, therefore they had no constituents [outside of the city]."<sup>5</sup>

In the mid-to-late 1980s, drugs and crime were spiking, traumatizing low-income neighborhoods in cities all over the country. The three opposing supervisors expressed fear that social services were under threat if this affluent community got its way. It's easy to understand that perspective given the circumstances. But again, it's a question of looking at the math. The message that things would get worse for the vulnerable made everyone from the arts to elder care organizations write pleading letters begging the Board not to allow Citrus Heights to incorporate.

The approach to these social problems, both in Sacramento and in the country at large, was a sense that everyone just needed to get tougher on crime. A natural coalition formed between the opposed Board members and Sacramento's law enforcement. At this time, two critical and influential groups sided with the County against CHIP: the Sacramento Metropolitan Chamber of Commerce, and the Sacramento Deputy Sheriff's Association, Sacramento's law enforcement union.

Enter Wendell Phillips, the President of the Deputy Sheriff's Association at the time, a law enforcement heavyweight who had worked on the infamous Golden State Killer/Bay Area Rapist case. Phillips became an outspoken opponent of cityhood, using his bully pulpit to broadcast all manner of warnings about the danger of the project.

Phillips describes it this way: "You have to remember that back in California in the 80s, the strain on local government, especially law enforcement, was outstripping the tax base to pay for it, so you had certain neighborhoods wanting to draw a line, for instance, around the Sunrise Mall. It started a drive for law enforcement special districts, every kind of special district you could think of. There was a real hodgepodge of services through special districts. There wasn't any planning between the special districts or succession planning, or any of that, and that needed to happen."<sup>6</sup> It was his feeling, and he was not alone, that if the County continued to handle the rendering of services in this same way, meaning badly, that it could expect that more communities with the means would attempt to incorporate. With both Elk Grove and Rancho Cordova leaning in that direction, the County was concerned that Citrus Heights would start a trend.

"LAFCo had gotten to the point where it was wagging the dog for County government by creating these new potential cities that would cripple parts of the County that would get left out of the cold."<sup>6</sup> In fact, Phillips voiced this position in an article for Deputy Magazine entitled, "LAFCo: Nothing to Smile About."

As mentioned, Citrus Heights was under-policed and many opponents tried to make the argument that it had less crime, therefore less need for police. Baxter Culver, who gave us that concise explanation of Proposition 13 and who lobbied for the County, is the only remaining interviewee who maintains that incorporation was a bad idea. He says proponents' complaints were overblown with regard to law enforcement, that police go where the calls are. "The County doesn't allocate resources based on population; we allocate based on calls for service." But according to Citrus Heights residents, the call response was so bad that people stopped dialing 911 because there was no point. Having

police presence in the neighborhood, they argued, would reduce petty crimes like vandalism, dumping, and theft.

No, the new City of Citrus Heights would have even less access to law enforcement, claimed the opposition, and come back to the County begging for help. “If you’d come to realize that criminals don’t pay much attention to boundaries, having two sets of law enforcement doesn’t solve the problem,” says Phillips.

One scathing editorial article in *The Sacramento Bee* entitled, “The shenanigans are disgusting” suggested that Wendell Phillips was motivated by the fact that he was “the head of an employee group and when he loses employees, he loses power.”<sup>7</sup>

Culver says, “That’s just the nature of California politics in the second half of the 20th century...which led some people to believe in that community and other communities, both [Rancho] Cordova and Elk Grove, that their money was being collected by the County and spent someplace else...but all three communities had the same complaint. And none of them could identify where the money was being spent.”

“So what?” Van Duker replies. “Accounting at the County was abysmal. For years, the neighbors in Citrus Heights and then CHIP had been trying to negotiate more police protection, making repeated requests to the County for some hard numbers on how much it would cost to put another officer on the street. But we never got a straight answer as to how much the County was paying per cop.”

### Sacramentans to Save Our Services

Aside from all the procedural brinksmanship that the sheriff’s union, the Metro Chamber, and the Board employed to combat CHIP, an ad-hoc group, Sacramentans to Save Our Services, or SSOS, operated as a Public Relations instrument against incorporation.

According to an article in the “Neighbors” section of *The Sacramento Bee*, John O’Farrell said that various groups within the SSOS received funding from the County itself.<sup>8</sup> In other words, SSOS was not grassroots group of equally energized citizens forming to counter

CHIP, many felt it was an extension of the opposition designed and funded expressly to influence voters.

The reasons that the opposition conducted an expensive and time-consuming campaign to prevent Citrus Heights from incorporating vary, and many of those in the opposing camp are no longer with us to explain their positions at the time. What is clear from their statements to the media is that Illa Colin and Grantland Johnson felt that vulnerable communities would be further jeopardized by losing revenue associated with Citrus Heights. “The rest of the county be damned,” Johnson stated, “that characterizes their mentality.”<sup>9</sup>

When a city incorporates, it doesn't turn the revenue tap off in the middle of the night. There is a phasing out in order for both the city and its county to make the necessary fiscal adjustments.

Further, the whole purpose of LAFCo is to provide a clear picture of the impact, and in this case, the negative impact to Sacramento County appeared to be minimal and the potential benefits, many. Nonetheless, three out of five Board Members chose to dismiss LAFCo's recommendations.

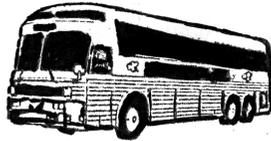
John O' Farrell offers another possible factor as to why Sacramento County was doing the opposite of all other big counties in California: water. The Sacramento region's water holdings are some of the most significant in the state. Because it had such a vast amount of water assets at the time, it could afford to provide and therefore develop as much territory as possible. Water, even way back into the 1920s, was a “use it or lose it proposition,” in a state that would become one of the richest agricultural producers in the world. It's possible that the City of Sacramento was in the business of maintaining its water and therefore, all the land it could grab and maintain control over.

Bob Churchill, former General Manager of the Citrus Heights Water District notes that “the region's water assets are not solely held by the City of Sacramento as several districts also have significant water rights contracts.”<sup>10</sup>

**We're On The Move!!**

**FIGHT FOR CITYHOOD!**

Now is the time to show you  
care for CITRUS HEIGHTS -  
join those who do!!!



**FREE ROUND TRIP BY CHARTERED BUS  
to the  
Local Agency Formation Commission  
meeting**

**Date: Tuesday April 14th, 1987**

**Time: 4:00pm  
also carpools at  
5:00pm & 5:30pm**

**From: The Chamber of Commerce  
of CITRUS HEIGHTS**

**7433 GREENBACK LANE**

**FOR MORE INFORMATION, PLEASE CALL:**

**722-4545**

## Second Feasibility Study

CHIP had hired an independent assessor to conduct a granular study of the community's finances as was the LAFCo requirement. This measure was put in place specifically to independently confirm LAFCo's initial findings.

The results, produced by Ralph Andersen & Associates, found that Citrus Heights' annual revenue was \$3.2 million in surplus, not counting capital expenditures.<sup>11</sup> This was certainly the news that CHIP was hoping to hear, but it didn't move opponents in the slightest.

### On "Balkanization"

One of the charges lobbed at CHIP throughout the Citrus Heights cityhood debate was "balkanization," or the fracturing of municipal services. The sense was that Citrus Heights would separate itself and create hostile, isolated, and underserved pockets in the region. The phrase brought to mind a post-Cold War economic blight where chaos reigned outside little bastions of elite civilization.

Remember the stack of maps representing all the different services within county lines? Well, balkanization was the idea that these services would break up further and that more neighborhoods would fall through the cracks. It's true that having dozens of separate fire departments was inefficient, but this charge was puzzling because it was already the reality in Sacramento; the County was a jigsaw lasagna funded by a pizza, to take Baxter Culver's food metaphor to the extreme.

And more importantly, it didn't really apply to the Citrus Heights scenario because the new city wouldn't be reinventing the wheel in terms of services. The idea that Citrus Heights was going to be a spontaneously full-service city was never proposed – it simply wanted the right to negotiate directly with those problematic special districts.

At one point, there were 21 different fire districts in the County, John O'Farrell says. In the more recent past, LAFCo has been able to facilitate the consolidation of many of those special districts, which

makes way more economic and logistic sense. But at the time, Sacramento was already a massive stack of maps. Citrus Heights wasn't looking to redraft the map on every single one of those services, but the term "balkanization" suggested as much. All Citrus Heights wanted was a seat at the table.

### Sunrise Mall Hokey Pokey

*"All the tax revenue that came out of the Sunrise Mall that was going downtown and it spread throughout the unincorporated area for the sheriff, the district attorney, planning, animal control, what have you, would then be recaptured and spent in Citrus Heights for their services."*

-JOHN O'FARRELL

The Sunrise Mall on Sunrise Boulevard was built in the 1970s and very commercially successful. By the mid 1980s, it represented about \$1.8 million in annual revenue. The complex was a sore point for Citrus Heights residents because even though it was so lucrative, little municipal planning had gone into the infrastructure around the mall. Traffic was terrible, and sound and air pollution were awful.

This excerpt taken from a piece written by Bill Van Duker published special to the Bee explains, "To sweeten the deal in 1987, CHIP proposed to give \$1.9 million per year in additional property taxes back to the county for nine years in lieu of the sales-tax loss to offset the Sunrise Mall revenue. Expert analysis indicated that this would bring down the net cost to approximately \$1.5 million

## Mall deal rejected by foes

By VERN AHRENDES  
Of The Press-Tribune staff

SACRAMENTO — Citrus Heights city boosters unveiled a plan Thursday to keep tax-rich Sunrise mall in incorporation boundaries while giving Sacramento County \$18.5 million over nine years — but opponents are not buying the offer.

Cityhood supporters also said they were willing to exclude parts of Fair Oaks and Orangevale from the new city.

While flatly denying the plan was a compromise to avoid a key revote by the Local Agency Formation Commission, Citrus Heights Incorporation Project President Richard Wagner said it is an attempt to bring "some harmony" into what has become a bitter fight over incorporation and its fiscal effects on the county.

On May 26, LAFCO upheld a May 12 decision by voting 4-3 to keep the mall within the proposed city limits.



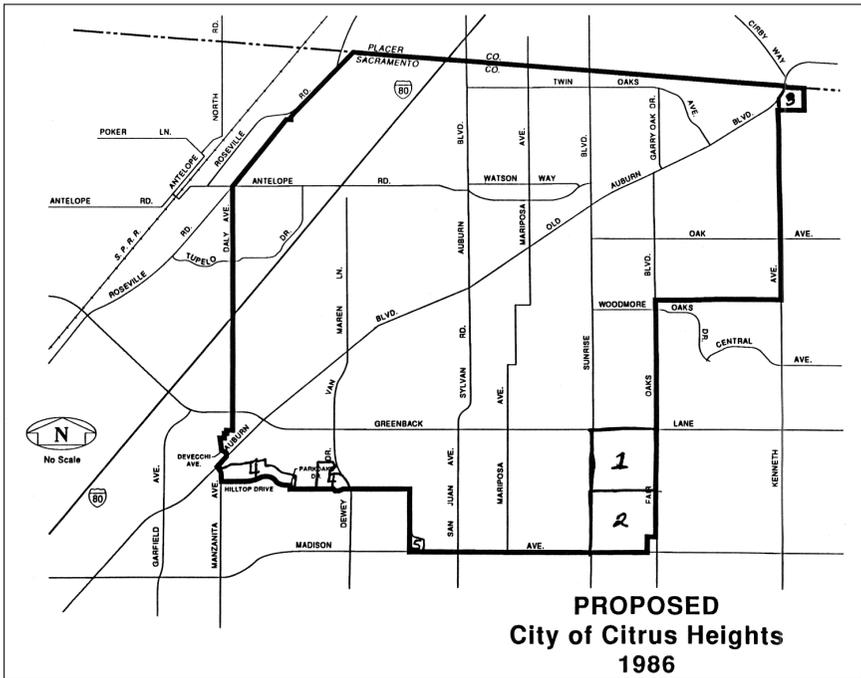
Wagner

*Press-Tribune, Citrus Heights Archives.*

per year. When weighed against Sacramento's \$700 million budget, this was a negligible loss."<sup>12</sup>

The fight over Sunrise Mall was central to the dispute, a dispute that became quite absurd at times. As outspoken Press-Tribune Columnist Dennis Wyatt pointed out in the May 15, 1987 issue, Citrus Heights had gotten stuck with the traffic from these mega malls but was expected to hand over all the revenue.

Here were the proposed boundaries of Citrus Heights in 1986:



Citrus Heights Archives.

**THE PRESS-TRIBUNE**  
188 Cirby Way, Roseville, CA 786-8742 May 27, 1987 25 cents

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**Mall remains in new city**

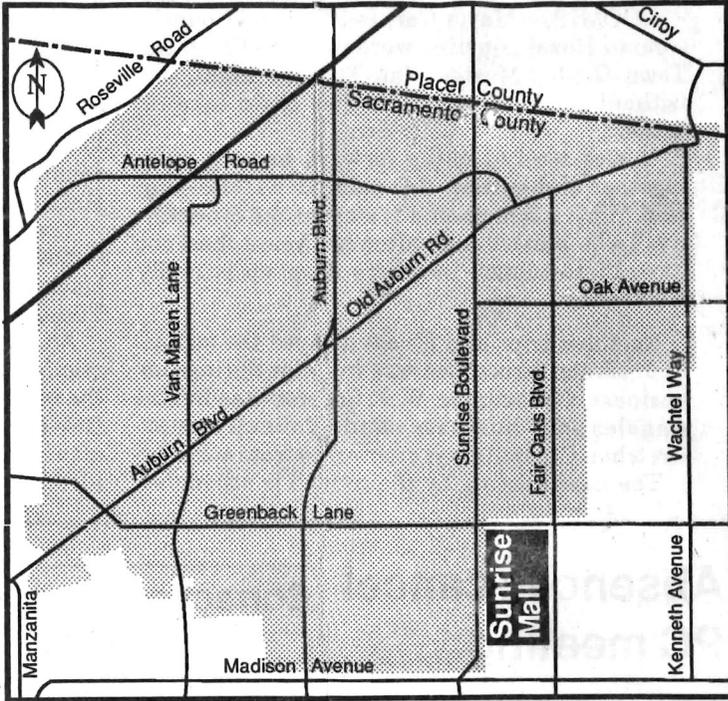
**THE PRESS-TRIBUNE**  
188 Cirby Way, Roseville, CA 786-8742 July 1, 1987 25 cents

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**LAFCO yanks mall from city plan**

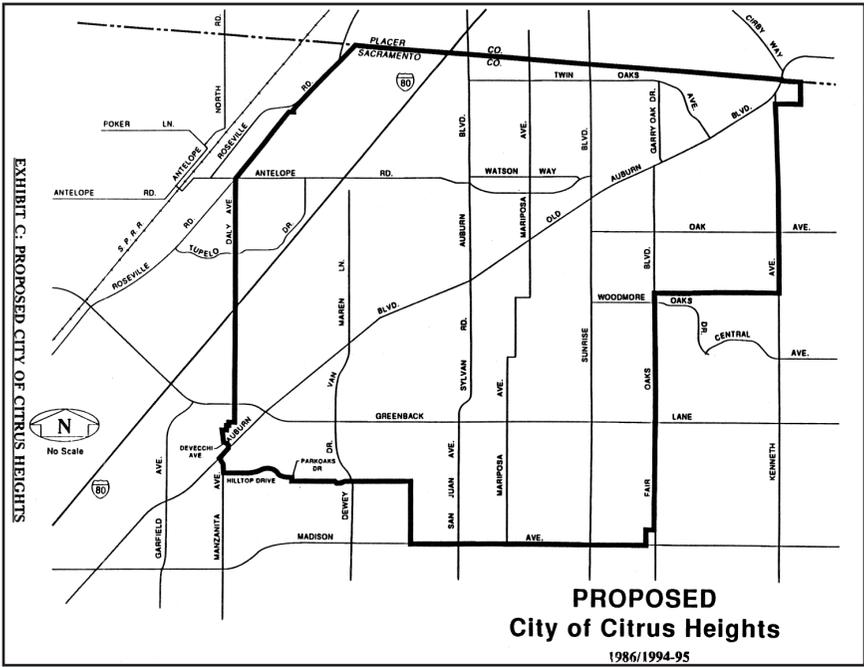
courtesy of Press-Tribune, Citrus Heights Archives.

And here was the County's that would exclude the mall in 1992:



courtesy of Press-Tribune, Citrus Heights Archives.

And here was the County's proposal in 1994-95:



*Citrus Heights Archives.*

The mall would actually pass out of and back into the Citrus Height boundaries four times, like a game of topographical hokey pokey.

According to LAFCo notes, on May 6, 1987, a LAFCo staff report concluded that even with the extraction of the Sunrise Mall from Citrus Heights' proposal, it was still a viable for cityhood.<sup>13</sup>

So, CHIP introduced a proposal to redraw the boundaries and forfeit the mall revenue which still did not persuade the County to come to an agreement, fomenting the suspicion for many that this struggle wasn't exclusively about the money. It was also about maintaining political control.

## Chapter 7 May Madness, 1987

**T**he temperature of the debate had heated up in Board of Supervisors and LAFCo meetings, and local media kept adding gas to the fire. CHIP distributed a flyer explaining the importance of the upcoming LAFCo meeting, restating its basic position:

### Cityhood?

We're all fairly familiar with reasons for cityhood by now, but what about LAFCo and the County? If the case for cityhood was summarized in just two words, it would be: LOCAL CONTROL. Translate that to considerably more clout for Citrus Heights! We need better law enforcement services; control over land use planning decisions; control over local streets and roads. As a city, we are empowered as never before to influence decisions that affect us right where we live. Our closest representative is the County Board of Supervisors. Each supervisor represents approximately 190,000 people! Each Citrus Heights City Council member would represent approximately 15,000 residents (7,500 voters). Who would be more responsive? More accountable? Wouldn't it be nice to know that the same people making decisions for Citrus Heights were also the same people who had to live with and by their decisions?<sup>1</sup>

# CITRUS HEIGHTS NEEDS YOU!

## OUR ENEMIES WILL PLAY THEIR LAST CARD MAY 12. WILL THEY WIN?

The enemies of Citrus Heights, spearheaded by County Supervisor and L.A.F.C.O. Commissioner Illa Collin, want **NO VOTE OF THE PEOPLE** on cityhood for Citrus Heights! Mrs. Collin wants a bill to be passed by the state legislature giving her control of the sales tax money generated in Citrus Heights before she will support cityhood! Her "fallback" position is to **EXCLUDE SUNRISE HILL** from the city, so she can keep the sales and property tax monies under county control.

Is it any wonder that the residents of Citrus Heights no longer wish to be ruled by Queen Illa?

## CONSIDER THE FACTS:

Under the "leadership" of the County of Sacramento, Citrus Heights:

- (1) Has the worst traffic congestion in the entire unincorporated area. And, it is going to get **A LOT WORSE**, due to projects approved by the supervisors, but not yet built.
- (2) Has the worst air quality in Sacramento County, according to a study recently published by the Sacramento Area Council of Governments. (And, the whole county is below minimum health standards!)
- (3) Has **THE WORST** police-to-population ratio of ANY CALIFORNIA CITY OR COUNTY studied by Sacramento County Sheriff Glen Craig. (He studied 27 similar cities and counties.)
- (4) And now we find that our county leaders have allowed so much building that we will have a water shortage of at least 23% into the foreseeable future. Their response: "Gee, if we'd known, we wouldn't have done it."

It is time for Citrus Heights to be governed by someone who considers it to be something other than a money-producing machine to feed the whims of Sacramento County politicians!

## CONSIDER THE ADVANTAGES TO SACRAMENTO COUNTY:

There are several advantages to the unincorporated area of Sacramento County which will result from the incorporation of Citrus Heights. All Illa Collin talks about is the \$4.7 million which will be transferred from the County of Sacramento to the City of Citrus Heights. But what about this?:

- (1) The County of Sacramento will **save** \$1,005,000 in Citrus Heights road maintenance costs which will be assumed by the new city. These funds will be spent in other areas.
- (2) Traffic Control services, currently provided by the CHP at a cost of \$1,332,716, will be assumed by the new city. The CHP has said all patrols will be transferred to other northeast Sacramento County areas, due to the extreme manpower shortage out here.
- (3) So, the **net** effect on the county is \$4.7 million MINUS \$1,005,000 and also MINUS \$1,332,716. That's \$2.4 million, **less** than 1/4 of the county's \$665 million budget!
- (4) Incorporating Citrus Heights will make us eligible to receive motor vehicle in-leau fees (DMV fees) of \$2.5 million and gas taxes of \$1.4 million. That's \$3.9 million we are now paying in taxes, but not receiving because it goes only to incorporated areas.
- (5) The \$2.4 million "net loss" to the county and the \$3.9 million in new money will be spent in Citrus Heights. Citrus Heights is still part of Sacramento County; more people visit here than any other part of the unincorporated area. There's nothing wrong with Citrus Heights having better roads and more police protection! Criminals arrested in Citrus Heights won't be able to commit crime in other areas.
- (6) Under Mrs. Collin's fiduciary stewardship, the County of Sacramento is spending \$300,000 of **our** money to put a fish tank in the new county jail. If it is true that the county is going broke, then where did they find \$300,000 to build a fish tank for criminals?!

## L.A.F.C.O. STAFF IS NOW RECOMMENDING APPROVAL OF CITRUS HEIGHTS INCORPORATION WITH THE MALL.

PLEASE HELP US NOW BY ENCOURAGING L.A.F.C.O. MEMBERS TO VOTE "YES" ON CITRUS HEIGHTS.

## HERE'S WHAT YOU CAN DO TO HELP

### WRITE L.A.F.C.O. COMMISSIONERS AND URGE THEM TO VOTE "YES".

IF YOU CAN WRITE JUST ONE LETTER, SEND IT TO:

Mr. George "Bud" Hannaford  
L.A.F.C.O. Chairman  
City of Folsom  
50 Natoma Street  
Folsom, CA 95630

IF YOU CAN WRITE ONE MORE, SEND IT TO:

Mr. John O'Farrell  
L.A.F.C.O. Executive Officer  
700 H Street, Suite 7625  
Sacramento, CA 95814

SEND ADDITIONAL LETTER (OR COPIES) TO:

Mr. Ralph Tomson  
Sloughhouse Fire District  
P. O. Box 587  
Sloughhouse, CA 95683

Mr. Dave Keller  
Arcade Water District  
2736 Auburn Blvd.  
Sacramento, CA 95821

Supervisor Toby Johnson  
700 H Street, Room 2450  
Sacramento, CA 95814

Roseanne Chamberlain  
4900 Monterey Way  
Sacramento, CA 95822

Councilman Terry Kastanis  
915 I Street  
Sacramento, CA 95814

Supervisor Illa Collin  
700 H Street, Room 2450  
Sacramento, CA 95814

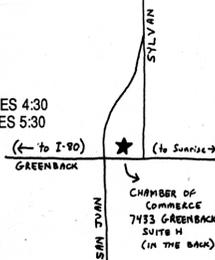
### ATTEND THE L.A.F.C.O. MEETING:

DATE: TUESDAY, MAY 12  
TIME: 4:30 P.M.  
PLACE: 700 H STREET, ROOM 1450  
(BOARD OF SUPERVISORS ROOM)

WE WILL HAVE 2 BUSES!  
BRING A FRIEND



4:00 DEPARTURE - ARRIVES 4:30  
5:00 DEPARTURE - ARRIVES 5:30



R.S.V.P. 722-4545

The Board of Supervisors and LAFCo meetings that took place on May 12, 1987 were a series of high-drama exchanges between the factions. It was standing room only, and sadly, the official records, which were captured on reel-to-reel audio, have disintegrated. The written minutes, which are only a dry summary, express none of the vitriol present in those board and commission meetings.

Citizen after citizen got up to defend or denounce; support or oppose the exclusion of the Sunrise and Birdcage Malls; express concerns with the Almond Orchard Shopping Center being included; will fire protection become a problem? (Fire, water, and parks and recreation were not going to change, so that was unfounded.)<sup>2</sup> And as stated, local organizations that depended on County support had fallen prey to the idea that resources they relied upon would dry up if Citrus Heights became a city.

Wendell Philips also addressed the Board, stating in forceful terms that the County would lose funding that covered the cost of 70 deputies as a result of incorporation. 'It would be chaos' was the message. On behalf of the Deputy Sheriff's Association, he opposed the petition and then proposed that issue be tabled until legislation could be enacted to provide for better revenue division, or alternatively, that the Sunrise and Birdcage Malls be drawn out of new city boundaries.

The Gang of Three, Collin, Smoley, and G. Johnson as they had come to be called, requested that LAFCo deny the CHIP petition without prejudice, either that or modify the boundaries, echoing Philips almost down to the letter. Collin, Smoley, and G. Johnson voted aye. T. Johnson and Streng voted nay.<sup>3</sup>

That same day, LAFCo also held a packed hearing on the issue, accepted limited testimony, and voted 4-3 to keep the Sunrise Mall within the bounds of future Citrus Heights with intent to approve the incorporation. The yeses were Thomson, T. Johnson, Hannaford, and Kastanis. The no's were Collin, Smith, and Chamberlin. LAFCo also approved the incorporation vote for November.<sup>4</sup>

In response, Illa Collin requested that Sacramento City Council weigh in on the matter. Objectively speaking, there would be no

legitimate reason for Sacramento City Council to voice an opinion on County matters. Terry Kastanis, who sat on the Sacramento City Council and LAFCo, remarked that this move was "... sour grapes. It's what happens when you don't get your way."<sup>5</sup>

Collin lashed back, suggesting that Kastanis had such "screwed up" ideas about the issue that she couldn't be sure he was relaying the facts.

After a CHIP board meeting that month, Richard Wagner, Dianne Muro, Brian Harris, Jean Laurin, John Rivers, Bill Van Duker, Loretta McMaster, and Lawanda Johnson released a newsletter thanking the four board members of LAFCo (Bud Hannaford, Toby Johnson, Terry Kastanis and Ralph Thomson) that voted in favor. Despite all this resistance from law enforcement and a few powerful politicians, the group was still feeling like the facts were on their side and the wind was at their backs. "We now have before us, the opportunity to realize the benefits of a very healthy and vital city," the newsletter proclaimed. "Success on November 3, 1987 will mean the largest new city California has ever seen."<sup>6</sup>

### The Illatolah Tee Shirt

It's true that the issue became incredibly heated and some folks on both sides lost their tempers, got carried away, and took the taunting a little too far. Some of the most flagrant displays during this power struggle involved Supervisor Illa Collin, who was often the colorful voice of the opposition, and thus became an easy target. Her position was injected with advocate language that positioned Citrus Heights as a privileged secession that would leave the surrounding communities destitute.

"It's obvious Citrus Heights would survive without the mall," Collin was quoted in *The Roseville Press-Tribune* on May 27, 1987. "The County will go to budget in August with severe problems...and for the first time ever, we'll be pitting suburbia's fears over inadequate law enforcement against services for the elderly and mentally ill."<sup>7</sup>

The odd thing here is that after the studies showed that the new city would still be viable without the mall, the proponents said, great, take the mall! Just let us have our city! But Collin and her team disputed

LAFCo's findings by providing their own inaccurate numbers, as though it was not LAFCo's domain to make these types of determinations for the County utilizing County data. Nor did the independent study conducted by the private firm seem to change their view.

Again, County rhetoric was so incongruent with the facts that LAFCo had carefully laid out. This only reinforced the proponents' perspective that the deciders on the County side just liked being the deciders.

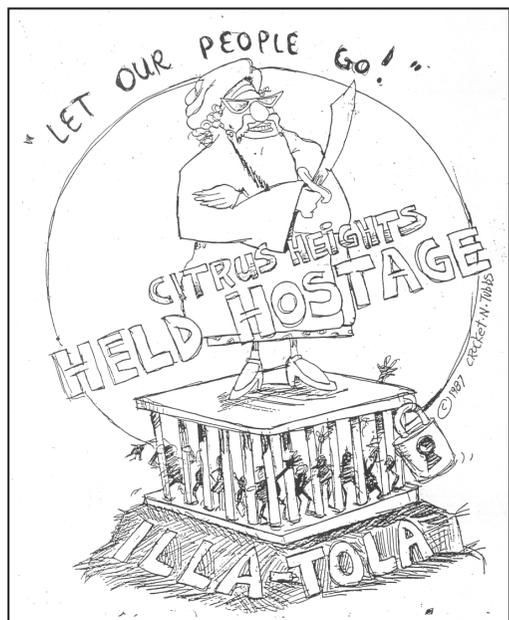
In a letter to Diane Muro at the Citrus Heights Chamber of Commerce, Van Duker relayed a phone conversation between himself and Collin. He took diligent notes: "Her opposition is based on her overriding concern for the fiscal implications vis-a-vis the poor, the homeless, the disadvantaged, the ill, the mentally ill.

"She stated concern for some of the issues in Citrus Heights, outlining instances when she had, 'voted in favor of our position,' Example: the signal at Greenback and Indian River Drive."

In closing, Van Duker noted: "My personal observation is that it is hard to reconcile the warm and open conversation with her on Friday evening with her remarks in The Sacramento Union on Saturday morning."<sup>8</sup>

Collin gave CHIP and its constituency plenty of fodder for their outrage, but to tell this story fairly, the name calling did get completely out of hand.

At the time, the feared dictator of Iran, Ayatollah Khomeini, was all over the news, and some outspoken members of the Citrus Heights coalition seized on this and caricatured Collin as a dictator. Images



*Citrus Heights Archives.*

appeared on tee shirts depicting the board member with a saber riding a camel. Some zealous proponents even sported these tee-shirts at public meetings.

After months of similar off-the-wall behavior, Jean Navarro of EBM Business Institute, wrote a letter to Diane Muro, who was vice president of CHIP and the Executive Director of the Citrus Heights Chamber of Commerce, "I, in no way, shape, or form, wish to be associated with the group of individuals who want to put billboards in strategic locations with the phrase, 'Illa Tolla, Let My People Go.'"<sup>9</sup>

To her credit, Ms. Collin appeared unshaken by the jeers. Grantland Johnson was quoted in the Bee at the time as insinuating that all the name calling directed at Collin in particular would make coming to an agreement even more challenging.

### Johnson vs. Johnson: Musical Chairs

CHIP proponents were shocked in a May 21, 1987 LAFCo meeting when their issue came up on the docket and Toby Johnson, who was on both the LAFCo Commission and on the Board of Supervisors, stepped down from his usual LAFCo seat so that Grantland Johnson, who was an alternate on the LAFCo Commission, could step in and be the deciding "no" vote.<sup>10</sup> The supervisors who opposed incorporation had independently voted that Toby Johnson had a conflict of interest on this issue and appointed Grantland Johnson in his place.

"I remember literally that when Citrus Heights came up, Toby would get off the dais and go sit in the audience so Grantland could come up. It was a real slap in the face, and an embarrassment, really," says Hal Bartholomew, who sat on LAFCo later on in the incorporation process, but who observed the proceedings.

Toby Johnson's District 5 did not include Citrus Heights, but it was clear to the people around him that he felt strongly about the principle. Don Nottoli, who was Toby Johnson's assistant at the time, says, "He was a big believer in folks having the right of self-determination as far as charting the course for the future of their communities. And we did have some groundswell movements in Elk Grove and Rancho

Cordova which he did represent, and in his conversation with people in the Citrus Heights community, with the Chamber of Commerce and civic leaders at the time about what was important to them. Toby felt pretty strongly that if folks went through the various processes to qualify for the ballot, the appropriate studies were done, both fiscal analysis and any other analysis as it relates to viability, that folks should have the right to do that.”

Because Toby Johnson had constituents in the two other communities looking to incorporate, and he took a principled stand, he was denied the vote.

This happened more than once in LAFCo meetings where members would play “musical chairs,” by swapping Toby for Grantland expressly when the CHIP vote came up. The problem with the Board saying Toby Johnson should be disqualified from voting on certain initiatives related to this issue because he had a conflict of interest sitting on both the Board and LAFCo was that Illa Collin was also on both boards and she never recused herself.

Ralph Thomson, commissioner of LAFCo, was quoted in the papers as saying: “If Toby has a conflict, then Illa Collin certainly has a conflict.”<sup>11</sup>

Bartholomew said it wasn’t all that uncommon for members to try and cancel out someone’s vote because they didn’t like how their fellow members were voting. But it almost never works. “There was no conflict. Toby Johnson was pushed off for those votes. Toby was much more open to ideas and responsive to people, as opposed to ‘my way or the highway.’”

“It was the way that LAFCo was structured,” Nottoli explains, echoing Bartholomew’s sentiment that it’s a deliberate safeguard to have some overlap. In other words, the reason that two Board members, in this case T. Johnson and Collin, were on LAFCo was to provide a check. So Bartholomew was right: there was no conflict.

“Toby handled it professionally,” Nottoli says. “But it was indicative of the tension of the time.” Citrus Heights was fuming.

Still, Grantland Johnson’s “no” vote didn’t tip the scales. LAFCo member L.B David Keller, who, at the beginning of the proceedings

declared that the attempt to change the vote “stinks,” swung the vote. On May 26, 1987, LAFCo approved the CHIP proposal by a 4-3 vote.<sup>12</sup>

## Chapter 8 A Volley of Correspondence

Schrag v. Van Duker

**O**n June 6, 1987, Peter Schrag, associate editor at *The Sacramento Bee* who went on to write for *The Nation* and to author several landmark books on California history, wrote an op-ed entitled “The Incorporation Syndrome” in which he both lashed Collin for her dubious behavior and also supported some sort of regional solution.

“To base regional decisions on the parochial interests of little district boards is insane. But the thing became uglier still when Illa Collin and Grantland Johnson went to the City Council to enlist its support in pressuring Kastanis. There was good argument for such support. A Citrus Heights-with-mall will sharply reduce the county’s ability to support the Sheriff’s Department and thus create tremendous pressure to find new funds. The only source of such money is likely to be the discretionary programs — programs for the

Commentary

*The Incorporation Syndrome*

By Peter Schrag, ASSOCIATE EDITOR



THE CONFUSED, nasty and often personal fight now being waged over the incorporation of Citrus Heights is
their interests into the dispute, there isn't much doubt that Collin wanted them to do more.
Joe Serna, among others, blew his top because he said he didn't like being lectured in a public meeting

*Sacramento Bee, Citrus Heights Archives.*

elderly, for the poor, for shared city-county cultural projects — that benefit city as well as bar county residents.”<sup>1</sup>

Bill Van Duker responded immediately, and his letter was published in *The Sacramento Bee* on June 16, 1987:

*William H. Van Duker*

June 6, 1987

Mr. Peter Schrag, Associate Editor  
Sacramento Bee  
2100 Q Street  
Sacramento, CA 95816

Dear Mr. Schrag,

While your "Commentary" column (June 6) was accurate in reporting the intensity of the battle around the incorporation of Citrus Heights, it overlooked several components that have driven the incorporation efforts from the beginning.

*Citrus Heights Archives.*

Dear Mr. Schrag,

...your assumption that counties are capable of providing the intense level of services that highly urbanized areas require is flawed... No other county in the state attempts to govern highly urbanized areas at the county level. Cities govern highly urbanized areas better than counties.

The opponents of incorporation (including the Bee) have, from the beginning, charged the proponents of incorporation with greed, (“...capture fat taxpayers like Sunrise Mall...”) In the impassioned opposition to incorporation from Supervisor Collin and others, I have heard no constructive alternatives offered. But now that we have their attention downtown, it seems the only alternative is to crush us.

I call on The Bee to re-examine your editorial position, and assist us in seeking a solution that has a measure of fairness to all.<sup>2</sup>

June 8, 1987 Letter from Sacramento Metropolitan Chamber of Commerce to Grantland Johnson

Meanwhile, the County was forging ahead with another plan that it hoped would appease unhappy residents like those in Citrus Heights, while still maintaining financial control of its current revenue. The idea

was a "reorganization" that would declare a temporary moratorium on the drawing of any new boundaries until a purported alternative could be fleshed out. Denise Mazzucca, Chairman of the Board of the Sacramento Metropolitan Chamber of Commerce, wrote a letter to the Board expressing this plan:



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Serving Sacramento, Placer, Yolo & El Dorado Counties

June 8, 1987

Grantland Johnson  
County Board of Supervisors  
700 H Street  
Sacramento, CA 95814

Dear Supervisor Johnson:

The Sacramento Metropolitan Chamber of Commerce urges you to support the establishment of a Sacramento County Government Reorganization Commission to review reorganization and consolidation of our local governments.

We recommend that this commission be organized by the Sacramento County Board of Supervisors with the direct participation of the cities within Sacramento County, the Sacramento Metropolitan Chamber of Commerce and other major representative groups. We also recommend that such a commission be organized as soon as feasible and that a twelve month time frame be allowed for the completion of the Government Reorganization Study.

The Sacramento Metropolitan Chamber of Commerce further urges you to appeal to LAFCO to hold any existing or future city incorporation proposals in abeyance for the twelve months that the Sacramento County Government Reorganization Commission would be developing their studies and recommendations. To take action, positive or negative, on incorporation matters prior to such completion would only hinder efforts for significant local government reorganization or consolidation and foster fragmentation of services.

We believe such a government reorganization review should be made at this time in order to assure good, equitable governmental services are provided to all residents of the incorporated and unincorporated areas of Sacramento County in the most efficient and least costly manner feasible. Such a review, we believe, should also include methods to lessen fragmentation of planning and zoning decision and potential administrative savings to county taxpayers.

917 7th Street • P.O. Box 1017 • Sacramento, California 95805-1017 • (916) 443-3771



The Sacramento Metropolitan Chamber of Commerce pledges that we will work with you in the most positive manner feasible to assist in this important process.

Thank you very much for your continued leadership in the ongoing efforts to make metropolitan Sacramento an even greater community. We hope you agree that implementing these recommendations will help move us toward that goal.

Sincerely,

Denise J. Mazzucca  
Chairman of the Board

DJM/mkn  
Enclosure

Citrus Heights Archives.

### June 10, 1987 Wyatt Fairytale Parody

In a June 10, 1987 editorial, Dennis Wyatt wrote a scathing parody of Collin in the Press-Tribune:

“Once upon a time, there was a young woman named Citrusella who lived in a big kingdom with her stepsisters and wicked stepmother, Illa.

Citrusella’s stepsisters had the run of the kingdom, they were able to frolic in cozy villages such as Rich Oaks with minimal worry about big, massive problems caused by the hordes who went to market in the community where Citrusella was banished to work and live by her wicked stepmother.”

It’s easy to see where he was headed with this allegory. One of his last lines was, “Will Illa succeed in crushing the glass slipper of democracy?”<sup>4</sup>

**Wicked Illa is doing her best to keep Citrusella in line**  
*Press Tribune 6/10/87*

Once upon a time there was a young woman named Citrusella who lived in a big kingdom with her stepsisters and wicked stepmother, Illa. Citrusella's stepsisters had the run of the kingdom. They were able to frolic in the cozy villages such as Rich Oaks with minimal worry about big, massive problems caused by the hordes who went to market in the community where Citrusella was banished to work and live by her wicked stepmother.

Before we go on, let's take a closer look at Illa, the stepmother and the heart of five warts that...

The stepsisters followed Illa's direction and resisted the invite. After all, Illa had promised they could get all the princely stuff they wanted without the benefit of marriage. Citrusella, though, was enchanted.

"I want to go listen to this charming, young Prince Incorporated, and see what he has to say," Citrusella said.

The stepsisters only laughed.

**"WHAT WOULD COMMON DIRT** like you be doing with a classy guy like the prince?" they



**Dennis Wyatt**  
Press Tribune columnist

serts in the kingdom that freedom for any large group of peasants meant the palace would be forced to put them under permanent servitude.

But still, Citrusella wasn't worried. She was sure her prince charming would come through thanks to the hope of self-determination held out by LAFCO.

But Illa did not rest. Soon she got the Metropolitan Chamber of Textures to go against the wishes of its loyal supporters in the Crummyplanned Heights market squares and proposed creating a massive kingdom for Illa and the chosen few to rule.

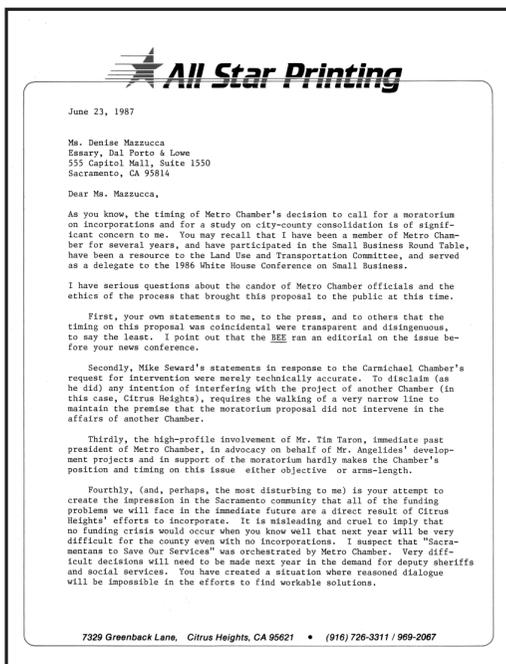
Press-Tribune, Citrus Heights Archives.

## June 23, 1987 Letter to Ms. Denise Mazzucca

Bill Van Duker wrote a letter to Denise Mazzucca of the Metro Chamber on June 23 in which he called out the “purely coincidental” timing of what was starting to be called City-County Consolidation:

“I have serious questions about the candor of Metro Chamber officials and the ethics of the process that brought this proposal to the public at this time...your own statements to me, to the press, and to others that the timing on this proposal was coincidental were transparent and disingenuous, to say the least. I point out that the Bee ran an editorial on the issue before your news conference..

“[P]erhaps the most disturbing to me... is your attempt to create the impression in the Sacramento community that all of the funding problems we will face in the immediate future are a direct result of Citrus Heights’ efforts to incorporate. It is misleading and cruel to imply that no funding crisis would occur when you know well that next year will be very difficult for the county even with no incorporations. I suspect that “Sacramentans to Save Our Services” was orchestrated by the Metro Chamber. Very difficult decisions will need to be made next year in the demand for deputy sheriffs and social services. You have created a situation where reasoned dialogue will be impossible in the efforts to find workable solutions.”<sup>5</sup>



Citrus Heights Archives.

**AN ODE TO CITRUS HEIGHTS**

*with apologies to Chaucer  
and to Gilligan's Island*

Just sit right back and you'll hear a tale,  
a tale of a fateful trip.  
That started with the voter's "x"  
and the gossips' busy lip.

The Suburbanites most frequent cry  
was the County gave short shift;  
that their taxes built up county finds,  
yet the services were nixed.

Citrus Heights, of two zip codes made  
their Chambers, Groups, and Clubs.  
Yet cleaved in two by the Sheriff's brass  
with a District line. A snub?

The elections took a couple tries.  
Tongues both wagged and clucked.  
Incorporation was approved.  
The "Go (status) quo" goose was plucked.

"Revenue Neutrality"  
The shrill bean counters wail.  
"Have your turf, collect your tax.  
Send our share by U.S. Mail."

The city thought it sounded good,  
but the numbers enhanced fears.  
The County's money's on its way,  
but it'll take a few more years.

Then the County had to plan  
for movement in the ranks:  
the cops, the brass, and office staff;  
and with luck, no nasty pranks.

"You dumb clowns are traffic cops"  
say those who fear the task.  
Ain't you read the Wizard of Oz?  
There's naught behind the mask!<sup>6</sup>

The folderol continued. Someone who was clearly on the side of cityhood took it upon themselves to write this parody song. Sadly, we were never able to identify the author.

LAFCo Yanks the Mall

The Board requested that LAFCo reopen incorporation hearings, another way of saying, "We're not done." The stated reasons were concern that the unincorporated area would lose over 100 police officers and that there had been insufficient study on the issue.

Also on July 1, 1987, at 2 AM after debating the issue for eight and a half hours, LAFCo reversed its position on keeping the Sunrise Mall within future Citrus Heights boundaries, going back on the two

previous votes in May.<sup>7</sup> John O'Farrell, who was required to attend all these meetings, said he was working so many 60-hour weeks that his wife forgot what he looked like.

### July 2, 1987 Letter from Attorney to Collin

A piece of internal correspondence from the County's counsel on July 2, 1987 suggested that the County sue LAFCo. But first, the letter from attorney Robert Ryan to Illa Collin states clearly that the Board didn't have grounds to roadblock the effort outright:

"Insofar as the Board of Supervisors does not sit in review of determinations made by the Local Agency Formation Commission (LAFCo), possible legal defects are not justifications for the Board of Supervisors to refuse to carry out the mandatory acts required by statute."

Ryan goes on to supply strategies:

"Should the Board of Supervisors desire to challenge the legality of the incorporation proceedings, this Office has identified two potential bases for a court challenge by the County. These are:

- (1) That approval of the Citrus Heights incorporation subject to a vote only of registered voters residing in the territory to be incorporated is an impermissible denial of equal protection; and
- (2) That the incorporation of Citrus Heights, in itself, is a denial of equal protection.<sup>8</sup>

It's this second point upon which the County rested its argument that the vote would be unconstitutional.

### July 6, 1987: More Meetings, More Delays

On July 6, LAFCo once again heard the matter of Citrus Heights. Even though LAFCo had redrawn the boundaries to exclude the mall, the Board still refused to put the issue on the ballot, voting in a July 9 meeting to postpone consideration of the new city.<sup>9</sup>

In the midst of this, Sacramento Metro Chamber released a local government reorganization report attempting to pick apart the cityhood effort by proposing a moratorium on incorporation until other

plans could be formulated, just as the correspondence suggested. The report's opening salvo: "The land use decision-making issue, coupled with the delivery of services in the unincorporated areas of the county, has spawned efforts in Citrus Heights, Rancho Cordova, and Elk Grove to incorporate as new cities. The preservation of rural lifestyles and the pursuit of the myth of local autonomy from "downtown" decision-makers are fueling these drives, which, if successful, will exacerbate the fragmented decision-making processes already existing."<sup>10</sup>

Bill Van Duker attended a Sacramento Metro Chamber meeting where he debunked the finer points of these arguments again. He points out that the report is using data from 1974 in Los Angeles. Regarding land use, and concerns over Citrus Heights' independence somehow dinging developers, Van Duker replied, "I like developers, some of my best friends are developers, but I don't need them making all the decisions."<sup>11</sup>

Also that month, the Board canceled what is called a protest meeting where opposition to a proposal is heard, and rescheduled it for September due to some supposed lack of LAFCo filings.<sup>12</sup> But according to a piece of inter-office communication from County Attorney L.B. Elam to the Board, this was so the Board could charge the County Counsel to develop a legal challenge against Citrus Heights, which it could not do in the allotted time.<sup>13</sup>

There were so many meetings during this summer, that those involved found themselves embroiled in discussions that lingered late into the night.

### SSOS Likes the Idea of Suing

The SSOS announced that rather than gathering signatures to thwart the cityhood effort, it would pressure the County to sue in order to, "Protect the constitutional rights of county residents."<sup>14</sup> This was the first saber-rattling around litigation. It was evident to many people interviewed for this book that discussions between the Board and SSOS were going far beyond recommendations.

In his notes from July, Van Duker described Phillips being allowed to hold court during official proceedings. “Two weeks ago,” he wrote, “I witnessed the disturbing spectacle of an unelected person participating as a de-facto member of the board during deliberations after public input had been terminated! Just because he wears a badge and gun, I don’t believe that Wendell Phillips should have any more access to the microphone than any other citizen and that he be excluded from the deliberative processes just as the rest of us are.”<sup>15</sup>

July 27, 1986 Gary Susnara to Sandy Smoley

Apparently, there were many in the Citrus Heights community who thought that Supervisor Sandra Smoley was in support, but then something or someone persuaded her to change her mind. In a letter dated July 27, 1987, a perturbed Gary Susnara starts with pointing out the multiple times Smoley spoke publicly about favoring cityhood, once when he sat right next to her. It appears he knew her personally because he refers to her by her first name:

Sandy,

For many of us in Citrus Heights the issue is no longer should we or should we not incorporate. The issues have become should elected officials be able to politically manipulate truly fine people whose only political aspiration is to assist in the development of a better community to raise their families; should elected officials be able to promise one thing or a series of things and then ignore them; should 80,000+ people be denied the political process that 15,000 people in Elk Grove were given; should a Police Association be involved in the forming of public policy; should an elected official seeking higher office be able to promise support on an issue during the heat of a campaign and then not be held accountable when they do not support their promised position on the issue; should a community be allowed to continue to deteriorate in the interest of political motivation.<sup>16</sup>

## The SSOS Overstates its Support

During this tête-à-tête, the ad-hoc Sacramentans to Save Our Services released a list of local organizations and businesses it claimed were opposed to incorporation. This list is lost to history, but it seems SSOS had padded its list of supporters, according to the following correspondence.

### BRIAN HARRIS ADVERTISING

ADVERTISING • MARKETING • PUBLIC RELATIONS • POLITICAL CAMPAIGNS  
7215 Brookridge Court, Citrus Heights, California 95610 • (916) 969-1986

August 6, 1987

KVIE Channel 6  
P. O. Box 6  
Sacramento, CA 95801

Dear Channel 6:

Today I received from you the enclosed solicitation for further financial support for Channel 6. I am returning your solicitation to you, without a check.

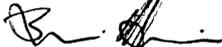
For the past two years I have been proud to be a member of your Producer's Club, and to support the fine programming offered by your station.

I was also very pleased to join the other members of the 20/30 Club Board of Directors in supporting our annual \$5,000 contribution towards "Sesame Street".

However, your organization has recently joined an umbrella organization called "Sacramentans to Save Our Services" (SSOS), which is engaging in vigorous efforts, ethical and otherwise, to deny the residents of Citrus Heights their democratic right to vote on incorporation.

As long as Channel 6 sees fit to join forces with corrupt public employee unions and crooked developers to deny Americans the right to vote, I will be unable to continue my modest financial support of your organization.

Cordially,



Brian Harris

BH/hs

KVIE Channel 6  
P.O. Box 6

Sacramento, California 95801  
916 929-5843



August 12, 1987

Mr. Brian Harris  
Brian Harris Advertising  
7215 Brookridge Court  
Citrus Heights, CA 95610

Dear Mr. Harris:

You are the second person in recent weeks to drop your support of KVIE because of your impression that KVIE supports "Sacramentans to Save Our Services" (SSOS).

In fact, neither KVIE nor I as an individual belong to or support SSOS. For many years I have been an advocate of a joint City-County government because I saw how effective it can be when my home town of Indianapolis consolidated its local governments. I intended to speak to that point at a recent public meeting. However, I left the meeting before the general public was invited to speak.

I am most eager to know where you heard that KVIE had joined SSOS. Please let me know right away.

We are grateful for your past support of KVIE, and I hope you will reconsider your decision to discontinue that support. I'm returning our Pledge Free request for an additional gift in case you change your mind.

I am concerned about this SSOS business and hope you will respond quickly with your source of information.

Sincerely,

A handwritten signature in cursive script, appearing to read "John D. Hershberger". The signature is written in dark ink and is positioned above the typed name and title.

John D. Hershberger  
President & General Manager

JDH: jw  
encl.

*Citrus Heights Archives.*

## BRIAN HARRIS ADVERTISING

ADVERTISING • MARKETING • PUBLIC RELATIONS • POLITICAL CAMPAIGNS  
7215 Brookridge Court, Citrus Heights, California 95610 • (916) 969-1986

August 18, 1987

Mr. John D. Hershberger  
President & General Manager  
KVIE Channel 6  
P. O. Box 6  
Sacramento, Ca 95801

Dear Mr. Hershberger:

I was very pleased to receive your letter of August 12. It is a great relief to me that I can continue to support your station's fine programming without putting myself into conflict with fundamental democratic principles.

While I was very pleased to hear that neither you nor KVIE belong to nor support SSOS, I was not surprised. It makes no sense to me that an organization such as KVIE would join in a narrow and partisan cause such as that espoused by SSOS. And it is typical of the ethics this organization has demonstrated to date that they would claim your support nevertheless.

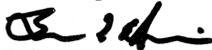
The specific source of your organization's (falsely) alleged support of SSOS is attached. This is a list of SSOS members which was appended by Wendell Phillips, to one of his requests to LAFCO for reconsideration of LAFCO's decision to allow Citrus Heights voters to vote on the incorporation they petitioned for in October of 1986.

I share your interest in and concern about the tendency on the part of SSOS to falsely claim support from organizations which have, in fact, never voted to support SSOS. I would be very interested to hear what final resolution this matter comes to as regards KVIE.

I am also gladdened to know that I will be able to continue my modest but enthusiastic support for KVIE, when my annual membership in your producer's club comes due again in 1988.

Keep up the fine work.

Sincerely,



Brian Harris

BH/hs  
enc.

## Sept 1987 LB Elam to Board of Supervisors

In a September 1987 letter addressed to the Board of Supervisors, L.B. Elam of the County Counsel wrote:

“Under the law, there are only three potential actions which the Board of Supervisors can take following the close of the protest hearing, and two of those actions are ones which are not discretionary. Those actions are as follows:

- a. Adopt a resolution placing the Incorporation Proposal on the ballot for an April 1988 election, if written protests by a majority of the registered voters within the area proposed for incorporation are not filed;
- b. Terminate the incorporation proceedings, if such written protests are filed; or
- c. Direct the commencement of legal action challenging the legality of the incorporation proceedings.”<sup>20</sup>

CHIP had sensed talk about lawsuits, but would the County really go so far as to sue its own LAFCo?

The tone and content of these exchanges reveal how the matter of Citrus Heights independence had bubbled over from the local level and was now arriving at a new place of litigation. CHIP could see the writing on the wall and was also arriving at the conclusion that it would need to activate the legal mechanisms available in order to accomplish its goal. With litigation, as with war, it's easy to escalate, and very difficult to de-escalate.



## Chapter 9 Let the Lawsuits Begin

**R**ichard Wagner, like many involved in the effort, had a successful career as a CPA and had put in many late nights and long hours as the president of CHIP. The whole undertaking was starting to take its toll on his health, and he was moving out of the area, so at the end of 1987, Wagner stepped down and CHIP's board voted in Bill Van Duker to take the helm.

Bill and Janie Van Duker own All Star Printing in Citrus Heights, and Bill is largely responsible for the making of this book. All the participants on all sides of this municipal dispute who contributed to this story had vastly different opinions, but they would all insist that Bill Van Duker's contribution should feature prominently in order for the story to be accurate. Although left to his own devices, he probably wouldn't mention himself at all.

The Incorporation Project would demand that Van Duker step pretty far outside his comfort zone in service of seeing the new city happen. In an interview conducted on September 16, 2019, Van Duker says, "My staff were always amused because the television people would show up at my business and want to film me making a comment. Of course, you talk for ten minutes and get eight seconds out of it on the air. I still have that stack of legal documents about three feet high that I

used to drag around as a show-and-tell, because that was the legal documentation that I accumulated prior to our going to the State Supreme Court.”<sup>1</sup> He would also take on other tough fights, like challenging the corporation that owned his franchise which was planning on opening franchises in South Africa during the height of apartheid.

It was the end of 1987; Van Duker just wanted his town to work better, and CHIP was despondent. Even after the LAFCo approval, the Board was refusing to put its measure on the ballot, this time over a minor technical error.<sup>2</sup> By now, it was clear the County had tossed fair play aside and would use even a clerical error in the minutes as an excuse not to put the issue in front of the voters. Morale was low.

Van Duker’s first order of business as president of CHIP was to figure out how to legally compel the Board of Supervisors to adhere to procedure and set an election date.

### Patrick Borchers’ Beginner’s Luck

In September of 1987, a young attorney fresh out of law school named Patrick Borchers joined the Sacramento law firm of Downey, Brand, Seymour & Rohwer. Borchers clerked for Anthony Kennedy, who would become *the* Justice Kennedy on the U.S. Supreme Court. He had only been working there a few months when Richard Wagner and Bill Van Duker came in specifically because some of the partners in the firm had been active in the Elk Grove incorporation effort, which had already gone a few rounds and failed.

At this time, the County had now refused to allow for a vote on the incorporation despite LAFCo’s repeated recommendation. CHIP was working on a shoestring budget laced together with a series of rummage sales. Wagner and Van Duker were looking for a firm that could consult on the appropriate legal action when they approached Downey, Brand, Seymour & Rohwer, today known as Downey Brand. They discussed what is called a Writ of Mandate, which would essentially request the court to direct the County to do its job according to the law and put the measure on the election schedule.

Downey, Brand, Seymour, & Rohwer gave the task to their new associate attorney, Patrick Borchers because even in his short time there, he had gotten a reputation for handling complicated policy matters. He suspects now that his new employers figured he was young and probably hungry.

Borchers started researching the issues and looking specifically at the Cortese-Knox Act, which established LAFCo as a distinct planning body for counties in California. There was the issue of the minor clerical error in the approval process, plus there was a dispute about whether the sales tax phase-in was ambiguous or not, and so careful research was required on his part. Borchers put in many long nights and drafted the proposed Writ of Mandate intended to have the court compel the Board of Supervisors to set a date for the vote.<sup>3</sup>

About that time, CHIP ran out of money, a terrible inconvenience since it had now had legal bills to pay. This ambitious young lawyer took the County's handling of the Citrus Heights matter as an affront. The way he saw it, the County was willfully draining CHIP resources in order to quash its nascent independence.

***“I just was so furious with the way CHIP was getting treated; with the way the people who lived in the proposed city were getting treated. I just couldn't abandon them, so I kept at it.”<sup>4</sup>***

He knew that if he quit at that moment, all his hard work trying to understand the complexities of the case would be for naught. Moreover, if CHIP was able to raise the funds again, the organization would have to start over with another lawyer, again wasting precious resources. So, he agreed to stay on pro bono. Borchers joined the growing group of people who attended to their careers during the day only to come home and work on the CHIP effort late into the night.

To give credit where credit is due, Downey, Brand, Seymour, & Rohwer supported Borchers' long battle on behalf of CHIP. Even after Borchers' moved from California to New York, the firm continued to

allow him to file through them so that CHIP's legal support in the area could stay alive.

Borchers filed the Writ of Mandate on behalf of Bill Van Duker and CHIP in December of 1987, just two days before Christmas. He had no idea just how big the issue would become.

Many of the people interviewed say that without Patrick Borchers' generosity and firebrand energy, incorporation in California might be a very different story today.

### County fights back by suing LAFCo

It was not until April 1988 when Citrus Heights got the news that not only did the Writ of Mandate not work, but it may have poked the proverbial bear because now Sacramento County was definitely suing its own LAFCo chapter with CHIP as the real party of interest.

The lawsuit entitled, "Board of Supervisors of Sacramento; Sacramento County Deputy Sheriff's Association; Sacramentans to Save Our Services vs. Local Agency Formation Commission of Sacramento County and Citrus Heights Incorporation Project" charged that the existing Cortese-Knox Reorganization Act of 1985 was unconstitutional by defying the "one person, one vote" rule.<sup>5</sup> The argument was that the entire County would be affected and so everyone within the County should get to vote on Citrus Heights cityhood. In other words, an exclusively community-wide vote by Citrus Heights residents would be violating the rest of the County voters' rights. The suit also claimed LAFCo was in violation by issuing a Negative Declaration and allowing the measure to go on the ballot without requiring an EIR, even though the County's own environmental department had signed a Negative Declaration. The tactical strategy on the part of the County was a three-pronged approach:

- Press for a county-wide vote so that Citrus Heights voices would be drowned out
- Require an EIR at CHIP's expense
- Stall long enough to push City-County Consolidation

## Lawyering up...Again

Previous to this seminal case, an attorney from within the County Counsel's office would be assigned to LAFCo to address any legal matters. In this case that would be L.B. Elam. When the County announced that it was suing both LAFCo and CHIP, L.B. Elam, the head attorney of the County Counsel's office, conflicted out. There was no way he could represent both LAFCo and the County at the same time. But we know from inter-office correspondence that he was advising the County throughout the dispute.

Now both the County and LAFCo had to go out and hire new lawyers. For LAFCo, this was especially vexing, because no firm in the region wanted to take a case against the powerful County of Sacramento. The big firms all politely declined.

John O'Farrell, in his capacity as Executive Officer at LAFCo, says, "...Nobody would touch us because we were, this was toxic, and any law firm that touched this would probably be tainted, except for, at the time, I contacted my friend, Dick Hyde who worked for Hyde, Miller, and Savage, and he said, 'sure.'"

Nancy Miller was a young, ambitious partner in the firm who had done a little work on LAFCo-related cases, and as she describes it, her outfit was one of the few in town that didn't have a conflict with either the County itself, the Deputy Sheriff's Association, or Sacramento Metropolitan Chamber of Commerce.

"I happened to be quite young, and it interested me...so when we got the call, I said, 'I'll go in, I'll try this, it'll be fun.' Little did I know," she laughs. "I mean it was fun, it was spectacular, and I learned a lot, but at the time, it was a tough decision for my partners, that we would take that on."<sup>6</sup>

When asked why she thought the Board found it necessary to sue, she replies, "There's also the political side, and human side to all this. And I think the Board thought they knew that answer better than LAFCo would."

It came down to Sacramento County represented by Brenton Bleier and his team of attorneys, and the Sheriff's union and SSOS

represented by Tina Thomas on one side. On the other side was Patrick Borchers who had never even argued a case in court, representing CHIP. And then there was caught-in-the-middle LAFCo, represented by Nancy Miller of Hyde, Miller and Savage.

### Little Peaks and Deep Valleys

For those involved, the cityhood process seemed to take forever, or for some, seemed to vaporize altogether. Much of 1988 was spent waiting on upcoming hearings and in the community, there were big slumps in enthusiasm and participation. Because of these lulls, many in Citrus Heights mistakenly thought that cityhood was done. Members of CHIP worried that they were losing momentum and if they were actually eventually able to get the measure on the ballot, the residents may have lost all interest, or worse, turned against the idea of cityhood due to opponents' smears. "At certain times, there were like five of us that kept the damn thing alive," Jean Laurin recalls.

### Sacramento Superior Court Hearing

In May of 1988, the Sacramento Superior Court heard the case of Sacramento Board of Supervisors et al. vs. LAFCo and CHIP.<sup>7</sup> The judgment, handed down by Judge James T. Ford, was a mixed bag as far as CHIP was concerned.

On the issue of the validity of whether or not the EIR was necessary, CHIP lost, a hit that created a huge financial setback going forward. Ford held that LAFCo did not abuse its discretion but should not have issued the Negative Declaration.

On the constitutionality of a county-wide vote, CHIP won. The court also found that the County should be responsible for the attorney's fees, which was a huge-but-fleeting relief to Patrick Borchers.

In terms of the technical side issues around LAFCo Resolution 962B, which was whether or not LAFCo failed to correct a clerical error, the LAFCo/ CHIP team also lost. Therefore, Judge Ford denied the Writ of Mandate that would have compelled the County to set a date for a Citrus Heights incorporation vote.

As tough as this news was, the verdict on voters' rights meant that incorporation wasn't completely dead. It turned out to be a good thing in the long run, according to Borchers because it enabled CHIP to go back to LAFCo and correct the clerical error and re-approve it before the case arrived at the Third District Court of Appeals. By then, it was clear to Borchers and Miller that this was where the issue was headed next. Both sides would appeal.

The vision of incorporation was put off yet again with this ruling, and it certainly poked a hole in the residents' already wavering enthusiasm. With the number of residents actively involved starting to dwindle, it occurred to the core members of CHIP that even if they finally did get the paperwork in order, the effort could implode just by virtue of waiting so long to get the measure on the ballot that the community would lose interest. Citrus Heights' autonomy was again on the brink.

### 1989: Who Gets to Pay the Lawyers?

Legal fees had continued to snowball this entire time and had therefore become another football to be punted back and forth. The County was technically suing LAFCo but naming CHIP as a party of interest. Because of LAFCo's status as an independent-but-connected entity that was funded by the County, it was a new frontier for these two entities to be at odds. And so in this scenario, who should pay for all this lawyering?

Borchers, who was still working on CHIP's behalf pro-bono, argued he should be paid through a statute in the law called the Private Attorney General Concept. This was an attempt by lawmakers to encourage lawyers to take on cases where the public interest was at heart by incurring some or all of the legal fees. If an attorney wins a case against a public agency, then under this clause, he or she can recover 1.5 times the fees plus expenses, according to O'Farrell, who jokingly referred to it in the press as "the attorney's full employment act."<sup>8</sup>

CHIP counter-sued the County for failing to cover its legal fees. Lawyer Tina Thomas, who represented SSOS and the Deputy Sheriff's

Association, sought \$130,000 in legal fees under the same statute. Thomas's fees were dropped to \$62,000, and LAFCo was ordered to pay it, but because LAFCo is funded internally, the County actually ended up footing the bill.<sup>8</sup>

Bill Van Duker says that by the time the whole incorporation was through, "Then it ended up, because of the court ruling, that they had to pay those two attorneys. Then they had to pay the Deputy Sheriff's Association attorney, and then they had to pay our attorney. So those costs were around half a million dollars. Then they had to pay all the legal fees and the related costs when they took the issue to the ballot on the City-County Consolidation. Our best guess is that the legal fees paid by the county were well in the excess of a million dollars over the period of years."<sup>9</sup>

### City-County Consolidation: Another Threat to Incorporation

Meanwhile, the other tack Sacramento County deployed was the ballot measure that would combine city and county government into a single regional entity, or City-County Consolidation. Again, this was an awkward departure from business as usual considering that a merger like this had only occurred one time in California history with San Francisco.

Moreover, similar proposals had been on the table, and rejected out of hand by County residents. Again, here's John O'Farrell: "There was also an attempt by the City and the County in 1972 to stop incorporations by consolidating the City and the County into one unified government. Both those measures went down resoundingly and although there is no definitive reason, the indication was that these communities wanted to remain autonomous."

Nonetheless, another ad hoc committee was created to extoll the virtues of this plan. The Sacramento Metropolitan Chamber of Commerce harnessed the same language in its report from June 1987 when the CHIP effort really mobilized.

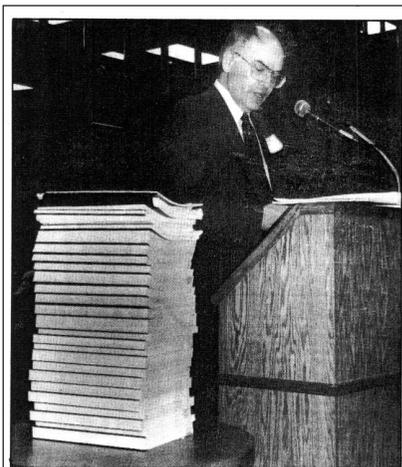
It warned, "...experience elsewhere in the state clearly suggests that local autonomy for a newly incorporated city is a myth."<sup>10</sup>

The report cited Los Angeles County as a basis for comparison, arguing that these fledgling cities often end up relying on their counties anyway. The solution, claimed the report, was a massive reorganization that would create 20 LCCs, or Local Community Councils, that would advise on things like land use planning, but these councils had no real jurisdictional authority.

Wendell Phillips held the position that City-County Consolidation would help communities address their issues because they would have more localized control, a position he still maintains today.

Probably no one would argue that it was ridiculous to have 21 fire departments in one county,<sup>11</sup> but for the majority of residents throughout Sacramento County, this problem could have been addressed without the City of Sacramento swallowing the unincorporated area whole. Had this proposal focused on consolidating special districts, it might have gained more public support, but for many, this felt like an attempt to erase neighborhood identity. Jeannie Bruins puts it this way, “If the measure had been successful, then the City [of Sacramento] and the County would have the same boundaries. That means that every community in the County that was not already a city would be the City of Sacramento.”

Even one of consolidation’s early proponents, Sacramento Councilman Tom Chinn, reversed



Tony Walther / Bulletin

Bill Van Duker presents a graphic description of the court battle cityhood backers have engaged in with the mountain of legal briefs filed to date.

## County merger would end dream of creating City of Citrus Heights

By **TONY WALTHER**  
News Editor

forget about home rule forever. Although theoretically cityhood backers could ask for a in-

tions for incorporation don't even live in Citrus Heights anymore," he said.

*all figures Sacramento Bee, Citrus Heights Archives.*

his position and spoke out against the final charter, insisting that these LCCs would simply be another layer of government, resulting in more red tape and not delivering the local control that communities were seeking because they would only serve in an “advisory” role.

In a letter to the Sacramento City Council, Chinn stated categorically that the City of Sacramento would not benefit from a merger, and that the goal of the proposal seemed to shift in order to appease those fighting for cityhood. “To gain their support,” he stated, “LCC’s were created so that they would have their own voices in planning through elected members. This concept loses force, however, because the LCC’s do not have responsibility over general plans nor regional planning, of transportation or public works, all of which concerns Citrus Heights and Rancho Cordova.”<sup>12</sup>

President of the California Business Journal, Chris Steele, stated that this measure would be “terrible for developers,” for the reason that the LCCs would be another layer of bureaucracy impinging on growth.<sup>13</sup>

The Sacramento County Alliance of Neighborhoods, a coalition of 20 communities within the County, vehemently opposed the charter, agreeing with many of Chinn’s points.

Tony Walther noted in *The Press-Tribune* that CHIP had to pivot from exerting its efforts on whipping up support for the incorporation to deterring the consolidation. It was clear that if voters agreed to the measure, fighting the process would quickly become so cost-prohibitive for CHIP, cityhood would be impossible. “If the merger passes, CHIP is dead,” Van Duker was quoted in the article.<sup>14</sup>

Later on, in October of 1990, City County Consolidation went on the ballot again, this time as Measure S. Luckily for CHIP, voters would not go for it. But in the meantime, the measure was another major obstacle.



**TOM CHINN**  
COUNCILMAN, DISTRICT 4  
CITY HALL:  
915 I STREET, ROOM 205  
SACRAMENTO, CALIFORNIA 95814  
BUSINESS (916) 449-5407  
RESIDENCE (916) 443-3135

## CITY OF SACRAMENTO

CALIFORNIA

December 22, 1989

Honorable Members  
Mayor and City Council  
City of Sacramento

**Re: Proposed Charter for Consolidation  
of City and County Governments**

Dear Members in Session:

I have reviewed, in detail, all the proceedings and the Proposed Final Charter of the Sacramento Ad Hoc Charter Commission.

Although I had early voiced my "endorsement" of the concept of consolidation, and publicly indicated that I would gladly give up my seat on the City Council if it results in less cost, and in less government, I find that it would result in more government, and at more cost. Thus, I cannot support the Final Charter and urge your consideration in **not submitting** it to the electorate.

This has not been an easy decision for me, nor for us, because of the extensive work by the Commission. However, I do not believe that the goals for consolidation has been met by the Final Charter. The Charter contains, in my mind, questionable benefits to the City. The benefits to the County could be substantial if the merger results in preventing the incorporation of Citrus Heights and Rancho Cordova, thus avoiding a substantial loss of revenue. However, this loss can be recouped, even if they become incorporated, as outlined in my attached analysis.

In view of the forthcoming workshop on this matter by the City Council on January 3, 1989, and the joint meeting of both the City Council and Board of Supervisors on January 10, 1989, I am enclosing my analysis for your review, as well as for comments by the Commission.

Respectfully,

  
Tom Chinn  
Councilman, District 4  
City of Sacramento

cc: Honorable Members, Sacramento County Board of Supervisors  
Walter Slipe, City Manager  
Brian Richter, County Executive  
Roy Brewer, Chair, Ad Hoc Charter Commission  
Robert Smith, Executive Director, Ad Hoc Charter Commission

*Citrus Heights Archives.*

## BECOMING THE CITY OF CITRUS HEIGHTS

## Chapter 10: Let the Unappealing Appeals Begin

*“The Third District Court of Appeals apparently hadn’t read the law regarding cities.”*  
-BILL VAN DUKER

**I**t can be said that neither party was satisfied with the outcome of the Sacramento Superior Court’s decision, namely the EIR issue, the Constitutionality of a county-wide vote, and the attorneys’ fees.

Both parties filed in the California Third Appellate District Court of Appeals.

The case was heard on September 18, 1991 by a panel of three judges: Justices Arthur Scotland, Keith Sparks, and George Nicholson.<sup>1</sup>

Again, the grassroots group, their attorney, and the neighboring communities were collectively biting their nails before the ruling. It was a dagger into the heart of the effort on October 2, 1991 when the Third District Court of Appeals ruled. On the issue of the Negative Declaration, CHIP lost. On the legality of a County-wide vs. community-wide vote, CHIP lost. On the issue of who should pay the attorney’s fees, CHIP also lost.<sup>2</sup>

If wealthy suburbs start extracting themselves, claimed the court, it could leave islands of unincorporated areas with no tax base to support

municipality. An EIR was still necessary. Clearly, the court was persuaded by the main balkanization argument put forth by Sacramentans to Save Our Services and the Deputy Sheriff's Association, and other opponents.

It was surprising to those involved why the appellate court would side with the County on this given the legal precedent, but if this ruling stood, Citrus Heights would have to come up with the money to fund an EIR and conduct a County-wide vote. It was an expensive and exhausting proposition.

The court found that a portion of the Cortese-Knox Act, was unconstitutional on the grounds that it violated the equal protection clause. The implication here was that this whole time, California had been violating voter rights by allowing California communities to conduct internal votes on whether or not they should to incorporate. This ruling was even more baffling to CHIP than the first.

"To allow 550,000 residents to decide if 69,000 residents (of Citrus Heights) can have a city is not constitutional," Nancy Miller said at the time.<sup>2</sup>

Even further, this disheartening ruling regarding the electorate tacitly consolidated the County and the City into a "pseudo-city," even though this very action was on the upcoming ballot with City-County Consolidation. It was quite extraordinary.

While there is still some disagreement to this day about whether or not Sacramento should bring the County under one gigantic operational umbrella, the voters would soon strike down the notion again.

And there was one more slap in the face with this ruling: where the initial ruling by Judge Ford ordered the County to pay Borchers, the Third District Court of Appeals overruled that judgment.

## **Ruling may doom drives for cityhood**

**By Kathryn Eaker Perkins**  
Bee Staff Writer

*Sacramento Bee, Citrus Heights Archives.*

## 1991: Decision Tree

After the crushing blow from the appeal, CHIP had another meeting and passed around a chart entitled, “the Decision Tree.” To summarize, it specified four options:

- Option #1: Drop the effort, no city, no foreseeable future where efforts could be resumed.
- Option #2: Do an EIR and request the effort be put in the ballot for a county-wide vote. This would be expensive, and probably a loss since there was no way CHIP could conduct a county-wide campaign funded by bake sales.
- Option #3: File an appeal with the California Supreme Court. The risk here would be that declination would mean that the appeal ruling would stand. This option would mean another two years until the case was heard.
- Option #4: Seek relief through the legislative process. It was difficult for the members of CHIP to even see what this would entail, but a few things were clear: it would kill the present process and most likely result in going back to square one.<sup>3</sup>

With City-County Consolidation still looming, despite having been voted down once, CHIP still had no idea if it would pass this time. If it did, it would certainly neuter the cityhood process indefinitely, not just for CHIP, but for other would-be cities in Sacramento County as well.

CHIP voted on Option #3 and instructed Borchers to file the appeal with the California Supreme Court.

## November 25, 1991 Chamber of Commerce Letter

The Citrus Heights Chamber of Commerce sent an official letter to the Honorable Chief Justice Malcolm Lucas of the California Supreme Court urging the court to review the case.

Jean Laurin was the president of the Chamber at that time, and in the letter, she stated, “We believe that the Third District Court of Appeals

rulings will have disastrous ramifications for other incorporation efforts, both those that are pending, and those being contemplated.”<sup>4</sup>

The California League of Cities sent a similar, but much more detailed letter, expounding on all the reasons the recent ruling was wrong.<sup>5</sup>

### California Supreme Court Announces It Will Review Third Circuit Court of Appeals Decision

For the members of CHIP and its proponents, this had become a problem larger than just Citrus Heights and Sacramento County. There were too many questions as to how incorporations should go in the future. With the other communities in Elk Grove and Rancho Cordova waiting in the wings, this was now a State Constitutional issue in everyone’s minds.

In December of 1991, the Supreme Court confirmed it would review the Third Circuit’s decision on the voter constitutionality, but not the issue of the Environmental Impact Report, so that judgment would stand.<sup>6</sup>

This meant two things, firstly that CHIP was going to have pay for its EIR and secondly, the incorporation process around Negative Declaration was now changed. The County never tried to make the argument that the environment would be impacted, just that people would. An EIR from this point on, would also encompass people.

Support for Citrus Heights extended far beyond the boundaries of Sacramento. Sixty-seven cities filed amicus (friend of the court) briefs in the appeal to the California Supreme Court through the League of California Cities in support of CHIP.<sup>7</sup>

This was very uncertain ground, but if CHIP could win on the constitutionality of an internal vote, it could find a way to cover the cost of the EIR, and so it still had a chance. Borchers described himself to the press as “ecstatic.”

All eyes were on Citrus Heights as The Sacramento Bee reported, “The case is being watched closely throughout California because of the potential – if the lower court’s decision is upheld – to stymie the

formation of future cities elsewhere and according to some lawyers, even jeopardize the existence of cities already incorporated.”<sup>6</sup>

### The County’s Lawyer Gets a Raise

In the middle of all of this in March of 1992, the Board voted to give its attorney, Brenton Bleier a raise, bringing his hourly rate from \$115 an hour to \$135, a move that further infuriated CHIP.<sup>8</sup> In the grand scheme of county budgets, these fees were a drop in the bucket, but in the middle of conversations about fiscal responsibility and all this resistance from the County against paying LAFCo’s lawyers, a \$20 per hour raise was a proverbial nose thumbing.

District 4 Board member and Citrus Heights representative Jim Streng was the sole dissent on this action.

The attorney price tag on all these suits was around \$125,000, with an additional \$175,000 to defend LAFCo’s position at court, then an additional \$26,000 for appeals.<sup>8</sup> Certainly all this added to the frustration for the members of CHIP who were tired of organizing rummage sales.

### Borchers and Miller Make the Case in the California Supreme Court

Inconveniently, the California Supreme Court case was to be heard in Los Angeles, so none of the CHIP participants could be present. In October 1992, CHIP paid to fly its lone young lawyer, Patrick Borchers, from New York to Southern California to go up against the battery of attorneys helmed by Bleier for the County. Nancy Miller represented LAFCo, which required her and her team to haul nine boxes of documents down there. Not knowing what issues would come up in an oral argument, they had to bring every possible reference in hard copy, a problem lawyers today don’t have to worry about.

Miller had dinner the night before the hearing with opposing counsel Tina Thomas so they could have some good-natured lawyerly,

“I’m-going-to-savage-you-tomorrow,” conversation. Miller says she didn’t sleep much, she was so busy preparing her argument. She knew the judges might let her talk for a minute before cutting her off and grilling her.

Patrick Borchers recalled the scene in an interview about court the next morning:

“So I flew into Los Angeles and we walk into the most regal, magnificent court room I’ve ever seen. There were the seven Justices of the California Supreme Court sitting up there and a podium that felt like it was about half a football field away from them and I was, at this point, the ripe old age of 30.” Sitting on the panel were Justices Stanley Mosk, Joyce Kennard, Malcolm Lucas, Marvin Baxter, Ronald George, Armand Arabian, and Edward Panelli.<sup>9</sup> “I think I was at least 15 years younger than anybody else in the courtroom. We were bringing the appeal, and so we got to go first.”

Borchers split his time with Miller, talking for about 15 minutes and in his recollections, he was surprisingly calm despite the pressure. “I just knew we were on the right side of the law.”

Miller remembers how Borchers made the justices laugh out loud: “The [Board of Supervisor] attorney kept referring to ‘the sheriff wants this, the sheriff wants that,’ and Borchers pointed out that it was in fact the sheriff’s union, and made a joke referencing the song, I Shot the Sheriff, saying, ‘We’re not really shooting the sheriff!’” Yes, a Bob Marley reference broke the ice in the state’s highest court that day. It also made Bleier look like he was mischaracterizing his client.

Unlike the atmosphere in the previous courtroom, Borchers knew he had the justices’ attention. One of the obvious weaknesses was the school board case that the County’s team was relying on. It was an outlier situation where a district had been redrawn in Southern California and had sapped resources away from the schools outside the new boundaries. However, the ruling on that particular case only had three of the seven votes of the California Supreme Court. Even though it wasn’t binding precedent, Bleier would try to argue that it was good law. Borchers knew this would work to his advantage.

While the Third District Court of Appeals basically ignored that small detail, the first question Bleier and his team got from this panel of judges was, “Why should we even pay attention to that case if it only got three out of seven votes?”

“It was clear that the California Supreme Court was incredibly sympathetic to us,” Borchers describes, “Instead of all the hostile questions I got in the 3rd DCA, I got questions like, ‘Don’t you agree, counsel, that those school board cases don’t apply, or were ill-considered by this court?’ To which I would answer, ‘Yes, exactly your honor, that’s my point.’”

Borchers finished his statement, and then Miller stepped in to argue on behalf of LAFCo. She describes its position, “I was talking about what this organization’s purpose was, and why it was being fulfilled in the context. It’s always controversial, and so it’s not unusual that you would have the sheriff’s union opposing and the County opposing.

“LAFCo was made up of all these entities that have a different point of view: the city, the special districts, like water or fire, the County, a public member. And you let them fight this out.”

“It went like a dream.” Borchers remembers, “Justice Stanley Mosk, who wound up writing the opinion, he asked most of the questions. I sat down, I was sort of thinking to myself, did that really go as well as I thought it went?”

It was now the County team’s turn. Brenton Bleier took almost all of the time for the opposition, leaving Tina Thomas only about five minutes to argue. And from the moment he started, the justices peppered him with questions.

These are not verbatim quotes but, according to Borchers, the exchange between the judges and Brenton Bleier went something like this:

Justice Lucas: “Is there anywhere else in the United States that allows people outside of a proposed incorporation to vote?”

Bleier: “To my knowledge, no,”

Justice Joyce Kennard wondered aloud, “I’m well aware of your argument that there would be a financial impact, but wouldn’t that

issue be best addressed by the legislature, rather than extending the franchise?”

The tone of the conversation had changed.

“So Bleier was on his heels the whole time.” Borchers says, “I think he’d only left five minutes for Tina Thomas, whom I thought was better prepared in the oral argument, but five minutes is like no time in these things. She barely could get a word out. So I thought that they made a tactical mistake there, but I don’t think it made any difference. I think we always were going to win that case in the California Supreme Court.”

After the hearing, Borchers, Miller, and Thomas went out for a drink. Actually, says Miller, they went out for several drinks. “It was obvious, you guys won,” Thomas sighed.

“I felt good about that case,” remembers Miller, “I always felt like they were barking up a tree that wasn’t even a tree. And I particularly felt good about the questions that we got. I felt so sorry for this poor community that had to sustain themselves fundraising through all this process, studies and environmental impact and hearings. It was necessary to fight through the issues, and eventually compromise. My job was to say to the justices, it’s not that unusual, and that doesn’t mean it’s not a well thought out and well-argued and well-intentioned decision.”

### The California Supreme Court Decision

On Monday, November 9, 1992, the California Supreme Court ruled 7-0 that Citrus Heights residents should have the right to an internal vs. countywide vote.<sup>10</sup> Now the highest court in California had weighed in on this state matter.

Miller exclaims, “I ran around the office and said, ‘it was unanimous and Mosk wrote the opinion!’”

Borchers says, “Justice Stanley Mosk who was, in my view, a legendary California Supreme Court Justice, he served on the California Supreme Court for over 30 years, wrote the opinion – and it was a great opinion. It was very careful and it also made the point, which again,

we had been trying to make but had fallen on deaf ears at the Third DCA, that it wasn't all about the election. One of the purposes of LAFCo, and the way that it was constituted, was to take into account the interests of people outside the city.

“So it wasn't as though they had no voice. In fact, he compared the vote to the mason's art stone in a temple; it was like the last piece that needed to go into it. It wasn't as if the statutory scheme was to collect the signatures and then have a vote. It had to go through this entire LAFCo process with all these financial analyses, and representatives from the County, representatives from other cities, representatives from the public.

“It was an arduous process to get through LAFCo and get them to order an election, and the point Mosk kept making, which was absolutely correct was, it's not as if everybody else was voiceless; it's just that their interests weren't as strong as the people within the proposed city. So, it made sense, when you got down to the last step, to just let the people within the proposed city decide whether they want a city or not.”<sup>11</sup>

Much rejoicing happened in the community of Citrus Heights that day. Borchers recalls the feeling of exhilaration after getting the news: “You get good lawyers who go their whole career and they never get a case that big, they never get a chance to argue in front of a court like the California Supreme Court, and in a way, I was just too naïve to ever think I'd lose. My knees were a little wobbly when I went up there, but when I got that first question and got into my argument, I immediately ceased to be nervous, but it was the legal fight of a lifetime.”

### The Board Of Supervisors Takes It All the Way to the U.S. Supreme Court

In a closed meeting on Nov 24, 1992, the Board of Supervisors decided to take this case all the way to the United States Supreme Court.<sup>12</sup>

CHIP was flabbergasted. This was not an issue that had any implications outside of the State of California as far as the members could tell, and the likelihood of the case being heard was slim at best.

Phillips was quoted in the *Sacramento Union* saying that it's an equal protection issue and that the U.S. Supreme Court should hear about it.<sup>13</sup>

Illa Collin was quoted as saying, "When you're talking millions of dollars lost to a county government and the potential loss of providing services, then (the legal cost) is money well spent."<sup>14</sup>

"We're prepared to spend more," chimed in L. B. Elam, Sacramento County Counsel who made the recommendation for appeal.<sup>14</sup> This is the same lawyer who conflicted out of the suit at the beginning.

Supervisors Grantland Johnson, Illa Collin, and Sandy Smoley or the Gang of Three, had now spent a small fortune in taxpayer dollars to block the cityhood effort and defeated Toby Johnson and Jim Streng's efforts to hike the hotel tax in order to offset losses in law enforcement. They were also the three votes in favor of suing LAFCo.

Nancy Miller says she wasn't surprised that the Board decided to take the case to the federal level. "It has to do with voting," she explains, "so we weren't sure what they were going to do."

### A Midnight Deal: Revenue Neutrality

At this point in late 1992, the Board knew that incorporation was inevitable, City-County Consolidation was looking shaky, and California's highest court had determined that Citrus Heights should be able to vote internally on its own cityhood. The strategy on the opposing side shifted. It was probably never the County's goal to win at the U.S. Supreme Court, according to those involved, but it could buy time to insert a piece of legislation into the law on the state level.

Baxter Culver, who explained the changes that took place in the 1980s with Proposition 13, penned contentious State Government Code §56815, or the Revenue Neutrality Tax Sharing Code, to be inserted into the original Cortese-Knox Act of 1985.<sup>15</sup>

SB 1559 was signed into law in 1992 by Governor Pete Wilson that October.<sup>16</sup> This amendment states that anytime a community wants to incorporate, it must not only be financially feasible, but it must also have no negative impact on its county by doing so.

This piece of legislation was an attempt, according to Culver, to rectify the sales tax-property tax overlap that would be afforded to new cities like Citrus Heights.

This development broadsided CHIP again. The law now required Citrus Heights to give over more of its revenue, even though LAFCo had stipulated that CHIP met the requirements under its previous policy. The Board was distrustful that LAFCo would enforce that policy, so it mandated revenue neutrality by making it a state law.

Jeannie Bruins describes it this way: “Prior to that, they wanted to carve out the Sunrise Mall, but with revenue neutrality in place, they didn’t care. The more we make, the more they make. Think about it: that bill says, ‘the more money we suck out of your community and use elsewhere, the more money you have to pay us back when you become a city. So the worse we treat you, the more you pay’.”

Local politician Doug Ose draws a direct connection between the Sacramento Board of Supervisors and this piece of state legislation, “The whole concept of revenue neutrality was driven by the demand of Illa Collin and her political team to preserve the tax revenues flowing to the County from the Sunrise Mall.”

Ose characterizes the revenue neutrality clause as a kind of poll tax, “Now the County wanted me to pay for the privilege of voting.”

John O’Farrell puts it more diplomatically, saying it was a way to balance losses and still enable the new city to thrive: “Revenue neutrality, simply stated, means that the revenue that’s generated within the area is not necessarily going to be staying in the area, but the cost of services is going to determine how much of that revenue you keep. In the case of Citrus Heights, let’s say they generated \$4 million prior to the change in the law and \$2 million was dedicated to services. Under the old law, they would have gotten all \$4 million. Under the new law, they’d only get \$2 million. All of the sudden, the fiscal feasibility of cities became a little bit more dicey. Could you really make it work if

you were still theoretically stuck with the same service level that you had before, but would you have the same amount of revenue to provide the service?"

Revenue neutrality did, in fact, change emerging cities from that point on. A 2007 article written by Glenn Robison supporting a more recent cityhood effort by the coastal community of Nipomo points out that incorporations have slowed considerably since this amendment: "The 2,000-pound gorilla hindering incorporation of new cities in California is something called "revenue neutrality." Amended to a 1985 law in 1992 and currently listed as Section 56815 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, revenue neutrality has caused incorporations across California to slow dramatically. Prior to revenue neutrality (1992), California averaged about four incorporations per year, which was natural given the rapid growth in the state. Since revenue neutrality was adopted, there has been less than one new incorporation per year in California on average."<sup>17</sup>

For CHIP, this seemed like another way for the County to derail its efforts by making it go back to the drawing board.

### City-County Consolidation Fails Again

On the night before the November 1992 vote for City-County Consolidation (CCC), Jean Laurin and Louise Walters, both active in the cityhood effort, ran off 300 copies of a flyer with all the reasons that the measure was a bad idea.

They snuck into the legislature, "I knew the security guards, so they weren't going to kick us out," Laurin laughs, and spent all night slipping flyers under the doors of legislators who would be voting the next day. Again, not the kind of thing a grassroots movement could pull off these days.

Luckily for Citrus Heights, Sacramento residents were just as uninterested in consolidating city and county government this time as they were last time. On November 6, 1992 the proposal failed a second time.<sup>18</sup>

Wendell Phillips says, “CCC was the solution, region-wide planning so you didn’t end up with haves and have nots separated by an imaginary line on a map that somebody had drawn for the purposes of restricting revenue to one side of the line and depriving everything on the other side of the line.”

When asked why he thought the proposal had failed, Phillips replied that partisan politics played a big role. The outskirts of the County were conservative, and the Board was majority liberal. Residents in the more suburban and rural parts of the County saw the charter as a liberal power grab, Phillips believes, and there was a sense if Sacramento City and County merged, the City Council would just expand and take over the whole County. “If they had bothered to read the information we distributed, they would know that [not to be true].” This was ironic, he said, because conservative areas would have had more representation.

Again, this issue highlights all the nuanced ways in which people perceive their government and their right to govern. In talking about the whole process, Phillips observes, “Americans generally want all the services they can get, at a price that can’t possibly support all those services. They always think government is the answer and the best way to have government is to make it so local that you have the ability to change it every election. The problem is that government is really about sharing resources to provide vital services. The wonderful right of democracy is you have the right to want something, even if it’s against your own interest. It’s one of the terrible offsets of democracy. The electorate had every right to make that decision, but I don’t think it was the right one.”

The proposal was shot down and the Board had lost another round. But it was not out of ammunition: the plan now that revenue neutrality was in play, was to push CHIP back to the starting line with the process. There was also the possibility that CHIP would fail to come up with the money to pay for the EIR by the deadline.

## BECOMING THE CITY OF CITRUS HEIGHTS

## Chapter 11 Now Surely Citrus Heights Can Vote on Whether or Not It Gets to Be a City?

Wendell Phillips Reconsiders

**A**n article in *The Press-Tribune* on December 2, 1992 entitled, “Deputies may end Citrus Heights cityhood opposition,” stated that Wendell Phillips was reconsidering the Deputy Sheriff’s Association’s position.<sup>1</sup> This astonished proponents because he was one of the most aggressive voices against cityhood. More than one close observer described his actions in meetings throughout the entire process as “toxic.”

The article said that recent discussions of law enforcement reorganization that would ease the burden financially had reassured the deputies and taken the financial sting out of the incorporation.

In his announcement, he lashed out at the Board of Supervisors and staff, saying they had withheld critical budget information. Some of the newspapers speculated that his reversal appeared more like a bargaining tactic rather than a change of heart.

“The Sac Deputy Association and SSOS had kept Elk Grove from becoming a city for a number of years through political action and education,” he states in an interview for this book to explain his change

of position. “We were able to stave that off long enough until the statutory scheme caught up with what would adjust to those kinds of movements so it wouldn’t leave those economically starved populated unincorporated areas without services.”

Phillips became disenchanted with the lack of a plan B on the County’s part, he says. All this litigation bought time, but the cries from the suburbs were being ignored, “And sooner or later, it was going to happen. When it became clear that these areas were going to incorporate, our focus shifted to, ‘well, at least let’s get them to contract with the Sheriff’s Department’.”

### January 1993: David Cox Replaces Jim Streng

In the winter of 1992-1993, David Cox was elected as Supervisor for District 4 Citrus Heights as Jim Streng stepped down. “I will continue to support the residents of Citrus Heights in this issue of self-determination.” said Cox. “I believe, as do many of my constituents, that more and more funds are being funneled downtown and less and less services are being sent back out to the communities.”<sup>2</sup> Cox always supported the right for Citrus Heights to vote on incorporation, but never took a position on whether or not it was a good idea.

### Feb 2, 1993: County Announces US Supreme Court Appeal

All the speculation as to what Sacramento County would do next was confirmed when, in February of 1993, the Board filed a petition for certiorari to request that the U.S. Supreme Court review the case.<sup>3</sup>

“It was ridiculous,” says Jeannie Bruins of the decision. “It caught us off guard in the sense that they weren’t going to take ‘no’ for an answer, that’s how strongly they wanted to maintain control.”

Borchers immediately filed an opposing brief.

As Jean Laurin notes, “there was no real constitutional issue there, this was entirely a state-specific sussing of the law.” Certainly, CHIP’s attorneys thought this would get kicked back to the California court ruling, but this whole thing had gone so unpredictably, that no one

knew for sure. It could be that just having gained ground, CHIP could lose again.

### Elk Grove, Rancho Cordova, and the Waterfall Effect

Another reason the Board of Supervisors fought so fiercely against Citrus Heights was that it wasn't the only community in Sacramento with the dream of self-governance. The County feared what was being referred to in the press at the time as "the waterfall effect," or "the domino effect", where if Citrus Heights gained independence, then other financially feasible cities would follow suit.

Truthfully, this is a strong argument if you are looking at it strictly from an immediate economic perspective. One new city might leave a \$5 million hole, but three new cities would leave a \$15 million hole. But as discussed, there was a lot more at play than just the money. Every bout of the Citrus Heights fight was being closely observed by Elk Grove and Rancho Cordova residents and leaders. However, both those communities stand in stark contrast to Citrus Heights.

To highlight some of the uniqueness of the Citrus Heights drive, it's worth doing a little comparing. Elk Grove made three failed runs at cityhood: 1976 (which never even got on the ballot), 1987, and 1994.<sup>4</sup>

Hal Bartholomew sat on Sacramento County's LAFCo for eight years starting in late 1993, but before that, he had actively participated in the Elk Grove attempts and therefore had watched all the Citrus Heights drama with a practiced eye. When Elk Grove incorporation was on the ballot in 1987, he actually ran for city council. Bartholomew won but Measure A lost, so there was no city council for him to be on. He jokingly remembers going up and down the state saying, "I'm an elected official, I'm just looking for a city."

The opposition to Elk Grove cityhood was the development sector, although the Deputy Sheriff's Association also opposed Elk Grove and spent tremendous resources fighting that fight too, as Phillips confirmed. Unlike Citrus Heights, which had long since developed pretty much every square inch of its territory, Elk Grove was rich in raw property.

In its second run at cityhood in 1994, the proponent committee decided not to include council member elections because of complaints that in 1987, council candidates were all about promoting themselves and not the city itself. Some even opposed Measure A! But, despite that alteration, the ‘city’ of Elk Grove was voted down a second time.<sup>4</sup>

When asked why he thought the Elk Grove effort failed at the ballot box twice, Bartholomew replied that the committee was “underfunded, disorganized, and lacked leadership.” More specifically, the group that pushed to get the right for an incorporation vote became exhausted when it came time to campaign. In the first attempt, several members of the leadership ran for city council, which necessarily meant they couldn’t be involved in the cityhood campaign because that was considered to be a conflict of interest. That meant new people had to step in to take up the torch of incorporation. When the building community came out with some hit pieces, the new leadership had no idea how to react.

According to Bartholomew, there were similar dodgy PR tactics in the Elk Grove cityhood where letters went out to residents who were registered Democrats asking them if they wanted a bunch of Republicans in the new Elk Grove city council. And likewise, identical letters went out to Republicans with the word “Republicans” changed to “Democrats.”

The loss was a bitter one because Elk Grove incorporation missed by a mere 554 votes. It finally won the right to self-govern in the year 2000.<sup>4</sup>

The Elk Grove path to cityhood illustrates again just how easily the Citrus Heights effort could have imploded. The contrast also speaks to the perseverance and organization of CHIP’s members that it ultimately succeeded, even after so much resistance.

Rancho Cordova, a community south of Citrus Heights, was also watching the CHIP proceedings to see if it would win the uphill battle against the County. In fact, Rancho, as it is affectionately known in these parts, had also mounted multiple drives for cityhood, its first real attempt being spearheaded by the aerospace community around Mather Field and Aerojet back in the 1960s.<sup>5</sup> It was Rancho Cordova,

along with Citrus Heights and Elverta-Rio Linda that blocked a bill in 1985 that would have given Sacramento County extreme discretion over any compensation associated with incorporation. Despite Rancho Cordova's obvious will to be a city, it would still take Citrus Heights' neighbor another five years of fundraising, which it did with panache, and of course, hammering out a revenue-neutral deal with Sacramento County before completing the mission.

It could be argued that losing three sources of tax revenue could potentially hurt the unincorporated areas, but the problem was that the County wasn't really looking at the data or responding to reasonable solutions that might have even addressed some of those vulnerable areas, it was just sounding the alarm that everything would collapse inside the County once these cities managed their own resources. The specter of "balkanization" reared its ugly head again, saying that these neighborhoods would all suffer from a mishmash of poor services. Many felt this was a convenient way for the County to blame its lack of attentiveness to its underserved communities by pointing the finger at incorporation projects like CHIP.

There was plenty of evidence, both back then and now, that cities provide sustainable benefits to their respective counties. John O'Farrell explains: "Cities with a strong property tax base pass a portion to counties. Good examples: San Jose, Los Gatos, and Campbell help to make Santa Clara County stronger. A city with a strong economy— sales tax base, transient occupancy, high paying jobs – makes for a stronger county and the region as well."<sup>6</sup>

The truth is that complex systems resist change, and Citrus Heights represented the first in a series of changes that would force the County to adapt. Revenue neutral incorporations should have alleviated any fears that incorporation was going to leave Sacramento County destitute and been replaced by enthusiasm for the potential value over time. But all this seemed mysteriously absent from the calculus.

## United States Supreme Court

In March of 1993, CHIP would legally prevail. The United States Supreme Court did not provide an explanation for why it would not hear the case, but the sentiment was quite clear, ‘This is a state issue.’



*Sacramento Bee, Citrus Heights Archives.*

The U.S. Supreme Court therefore was upholding the California Supreme Court ruling that Citrus Heights had the right to vote on incorporation within its own boundaries.<sup>7</sup>

CHIP proponents were delirious. In fact, it could be said that much of California took a figurative sigh of relief, especially in Elk Grove and Rancho Cordova. Now, if the voters didn’t go for it at the ballot box, at least the path for incorporation had been clearly established by the courts.

John O’Farrell observes now looking back, “There was no longer that dark cloud that you must have a countywide vote.”

Bob Smith, County Executive, was quoted in *The Sacramento Bee*: “I was disappointed for the voters in the unincorporated areas, I thought we had a good argument that ...voters impacted by any action ought to have a right to vote on it.”<sup>7</sup>

March 29, 1993

Now CHIP was in a difficult spot: it had a massive voter education campaign to run and the \$130,000 EIR debt to cover.

In the meeting minutes for CHIP on March 29, 1993, Jean Laurin pointed out that the age of the petitions might be a problem: the County might take the position that the signatures are too old.<sup>8</sup> Signatures, according to the law, are simply a temperature taken at that moment, and that moment happened almost seven years ago. In that

time, awareness of the effort had waxed and waned. If the signatures weren't valid, CHIP would have to start again from scratch in drumming up support.

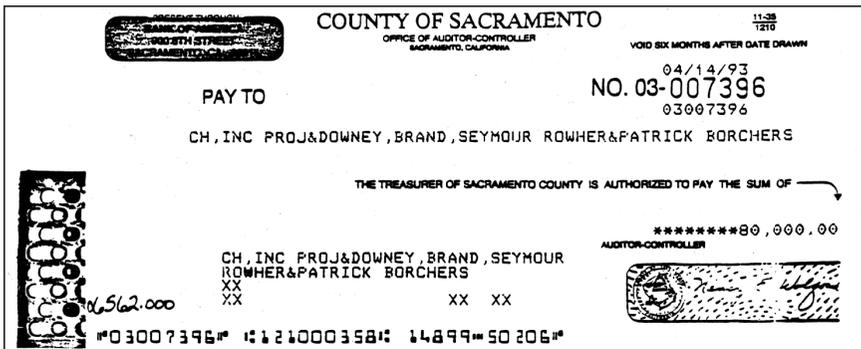
It also became clear from this last ruling that CHIP would have to conduct an EIR and another financial feasibility study. CHIP took the position that it should try to defend the validity of the documentation it had already filed and discussed looking at how these drawn out delays had affected other communities' incorporation processes.

Van Duker announced that he would step down now that the lawsuit was resolved. CHIP's board was unanimous in wanting his continued involvement.

That May, CHIP requested that LAFCo consider Citrus Heights incorporation under the rules in existence at the time of filing. LAFCo would deliberate on who would pay for updates to the EIR and the feasibility study.

### Borchers Finally Gets Paid

On April 14, 1993, Downey, Brand Seymour & Rowher, got a check in the mail for \$80,000 to pay back Patrick Borchers' fees on behalf of CHIP. After six years of late nights, long-distance representation, and taking the case all the way to the California Supreme Court, he finally received compensation. There aren't many lawyers in the world who would go to those lengths, and the CHIP case proved Borchers to



Citrus Heights Archives.

be a truly exceptional lawyer indeed. That amount probably covered half the time he spent on the case.

Strangely, this case was one of Borchers' last, as he went on to become a law professor. He currently teaches at Creighton University School of Law in Nebraska. but he often jokes about his "Hail Mary" with his students.

### Doug Ose and Revenue Neutrality Law

When Bill Van Duker stepped down, the board nominated Doug Ose to take his place. In an interview with documentary filmmaker Larry Fritz, Ose talked about why he took over as the head of CHIP: "Bill Van Duker's a very good friend of mine and he twisted my arm. Not only did he persuade the United States Supreme Court to stand by his right of self-determination, he persuaded me. I think things just went from there. I have a great respect for Bill and Janie Van Duker; when they ask me to do something, I try to do it." <sup>9</sup>

Ose, like a few other key players in the Citrus Heights fight, would continue his political career and eventually go on to run for Congress and win. CHIP nominated him as the next president on April 21, 1993, and Roberta MacGlashan was voted in as vice president.

Ose is a tough negotiator with lifelong relationships in the Sacramento region, and he had the clout and the persuasiveness to sway key members of the opposition.

The Board of Supervisors was also experiencing a shift in members; Sandra Smoley and Toby Johnson would not run for re-election. Don Nottoli would follow in Toby Johnson's footsteps and Muriel Johnson would replace Sandra Smoley. This change in personnel would be a gamechanger for CHIP.

On the political process Ose said, "I had to educate myself, I had to understand what they were trying to get to, I had to understand what was driving them politically, then I had to reverse their perspective on it."<sup>10</sup> His negotiating skills paid off because, eventually, he coaxed Muriel Johnson to put the cityhood vote on the schedule.

But at present, the mission-critical task ahead of Ose was to defend the legitimacy of the signatures collected in 1986 that demonstrated Citrus Heights' support of cityhood. This was key: if a Superior Court judge found the signatures invalid, the process would be scrapped and Citrus Heights would be back to square one. He approached Judge Ford, who initially ruled on CHIP's case, and Ford signed off on the validity of the signatures.<sup>11</sup>

Ose's other objective was to make the persuasive argument that when incorporation was first being considered, LAFCo paid for the Negative Declaration that stated an EIR was not even necessary. That was procedural proof that the County was at least partly responsible for sharing the costs. Well, it eventually worked. He negotiated a cap of \$55,000 as the total amount that CHIP would be responsible for, still a daunting amount to raise before the deadline in order to get the measure on the ballot.<sup>11</sup>

### Abandonment Attempt

The power struggle was far from over. The Board of Supervisors attempted to abandon LAFCo Resolution 962B, stating in effect that LAFCo had ignored the Board's request for an extension back in March of 1989. It's now July of 1993.

Again, the argument revolved around whether or not the Negative Declaration was in violation of CEQA. A letter from the desk of Brenton Bleier read, "Accordingly, pursuant to statute, the proceedings were deemed abandoned, as a matter of law, on March 27, 1989. This was well before the first order of the Superior Court (May 4, 1989) related to invalidating the Commission's Negative Declaration.

"Accordingly, it is recommended that the Board adopt the attached resolution finding, determining and declaring that all further proceedings arising from or related to the proposal contained within Resolution 962B were, and the Board deems them to be, abandoned."<sup>13</sup>

What does this mean? It means the Board's lawyer was saying that because the Negative Declaration was invalid, that rendered all the

subsequent paperwork invalid. Therefore, the whole proceeding was also invalid.

The other prong of opposition that Bleier was pointing at CHIP was the revenue neutral issue. There exists a video recording from July 20, 1993, one of the few remaining tapes of Sacramento Board of Supervisor meetings from that time, a badly lit video in which Brenton Bleier pulled off a feat of bureaucratic and political brinksmanship in explaining why the County's attorneys were recommending abandoning the Citrus Heights proposal.

"The proponents in the Citrus Heights matter, otherwise known as CHIP, have recently begun to contend that although the state law now requires any new organization or reorganization formation approved by the Local [Agency] Formation Commission in the state to be revenue neutral, that is, in a financial sense to treat the County financially in a fair way. They contend that their particular proposal is somehow immune from that or is allowed to circumvent it, by reason of the fact that their petitions are now seven years old. The relevance of this is per direction of your board, we've contended that we really do not want to stand in the way of their proposal provided they comply with state law..."<sup>13</sup>

Bleier was trying to make the argument that the indication of the past court rulings around the EIR necessarily meant that CHIP's signatures were no longer valid. He also inferred that the County and LAFCo were in alignment now and it was CHIP that was holding up the process. Give this petition up and we'll figure out a new plan according to the new rules, was the general thrust.

When Doug Ose got up to counter Bleier's argument, he opened with, "I feel like I'm watching Alice in Wonderland, this revision is entertaining to say the least." He pointed out that just because Judge Ford decided that LAFCo couldn't declare a Negative Declaration on the EIR, that was not synonymous with CHIP's signatures being invalid, or that the fiscal analysis was flawed. He contradicted the notion that Citrus Heights the City was unwilling to pay its fair share, and that the court had already determined that the proposals met the criteria for sufficient revenue offsetting.<sup>14</sup>

Bleier was given 19 minutes to talk. Ose was given a little more than five.

“We are desirous of moving forward. This request for resolution, in the final analysis, is abusive,” stated Ose with conviction. Grantland Johnson and Illa Collin tag-teamed Ose, trying to get him to say that CHIP would agree to revenue neutrality, to which Ose would respond by pointing to the court records and saying, “I don’t know what that means! It takes all of us, all the parties, to sit down and make a binding agreement on the entire universe!” He was correct about that, because it was up to the new Citrus Heights City Council to make this determination. But Johnson and Collin continued to peck, asserting that Ose had changed his position. All three of them talked over each other for several minutes.

Perhaps the funniest part of this motion by the Board was that, legally speaking, there was nothing to abandon. Katherine Tobias, also an attorney assisting CHIP, stepped up to the plate and demonstrated that because of Judge Ford’s ruling, “the Board has nothing to abandon because the Board never initiated proceedings in the first place. The decision to approve Resolution 962B was found void by Judge Ford and that means proceedings that went up to that point were not void, but to act without proper CEQA compliance means the subsequent decision cannot stand. If that decision cannot stand, then there is nothing the County can do next until that issue is resolved, there’s nothing to abandon because there’s no evidence that the County initiated those proceedings.”<sup>14</sup>

When it was the Board’s turn to go around and talk, Illa Collin wondered if CHIP was considering pursuing more litigation against the County as to whether or not Citrus Heights would fall under the new revenue neutrality clause. “One of the lingering doubts out there is always the legitimacy of those signatures...if CHIP plans to use it as their threshold issue to keep them out of the revenue neutrality, I find that a real subterfuge.”<sup>14</sup>

This was staggering to the CHIP camp, who felt it was actually Illa who weaponized revenue neutrality by working with Baxter Culver to create the state amendment.

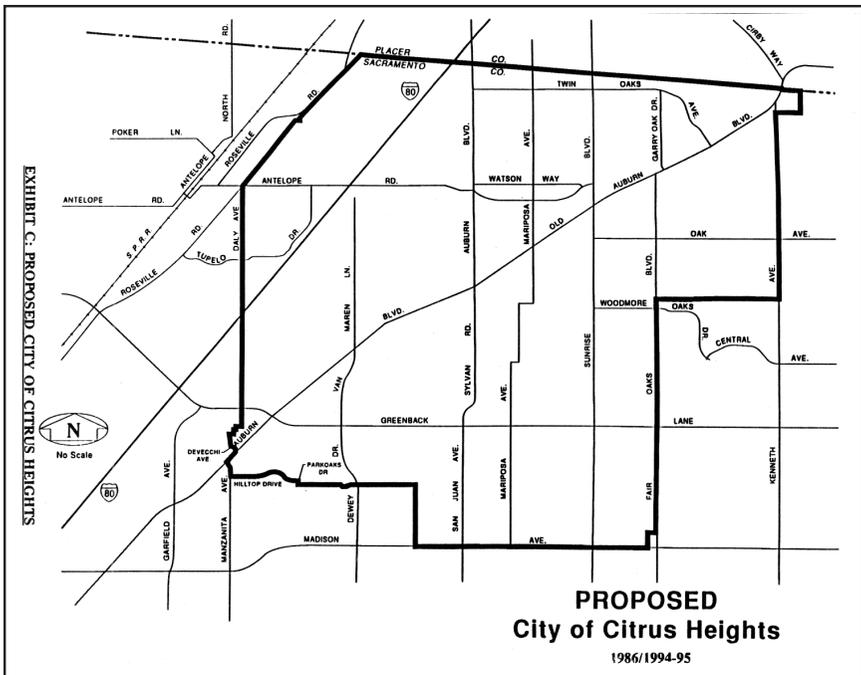
Upon review of the abandonment action by LAFCo's attorneys, the Board of Supervisors reversed its abandonment decision and referred the matter back to LAFCo. So, it could be said that the Board abandoned abandonment.

Once again, the boundaries of the 14.2 square miles that would become Citrus Heights were drawn up. As The Roseville Press-Tribune noted, "The boundaries are similar to those outlined in an incorporation proposal first submitted in 1985 to LAFCo."<sup>15</sup>

### 1994: Dickinson Takes District 1

At the end of 1993, the Clinton administration announced that it had appointed Grantland Johnson to be Regional Director of Health and Human Services and he would be leaving his seat on the Board.

Not much happened for Citrus Heights in the public eye in the year of 1994 except a special election that January which put Roger



*Citrus Heights Archives.*

Dickinson in the District 1 seat previously occupied by hardliner citizenship opponent, Grantland Johnson.<sup>16</sup> Dickinson was also staunchly opposed, so this did not help CHIP one bit.

Aside from that, there were, of course, negotiations, and meetings, but not a lot of forward motion.

### 1995: Roberta MacGlashan

*“I just knew the power of local government and having your own local representatives to get things done and to really listen to the people in the community.”*

*‘ - ROBERTA MACGLASHAN*

In 1995, Roberta MacGlashan became President of CHIP, taking over from Doug Ose. MacGlashan arrived in the area in the early 1990s during the time that CHIP was tied up in court. She hadn't even been aware that there was an incorporation effort afoot. She found a flyer stuffed, not mailed, in her mailbox one day about a CHIP meeting. “Bill Van Duker and others organized a big community meeting and my husband and I went to that, learned about it and I ended up becoming involved with the process after that meeting based on my search for a better sense of community.”<sup>17</sup> When the other members discovered her background in LAFCo as a principal planner and negotiator, they immediately offered her a spot on the board of directors. She was currently employed as a planning consultant for a private firm.

Each of CHIP's past presidents filled a unique role. Richard Wagner dealt with the LAFCo relationship and process, Bill Van Duker dealt with the legal issues, and Doug Ose dealt with some of the tough negotiations. Now it was MacGlashan's expertise in environmental policies which would provide the groundwork for the scope of the new EIR.

“Once the litigation part was over, there was much optimism,” MacGlashan remembers, “but then the problem became how to pay for the process. Nowadays, you'd just do a ‘GoFundMe’,” she laughs.

The concern with the EIR now was that opponents would try to tack on more issues and members felt that MacGlashan had the

capability to move the report through the process in time enough to put the measure on the ballot by November of 1996.

“I started out meeting with the LAFCo staff. Doug Ose came with me the first time to introduce me to them and they started launching into a whole explanation of the process,” says MacGlashan. “I just said, ‘stop, I’m a former LAFCo executive officer!’ They were delighted to hear that, not to have to explain one more time how all this works, which is frankly kind of arcane, not just for incorporation, but all those kinds of boundary changes.”

She goes on, “I then met with the current members of the [Board of Supervisors], and we were having monthly meetings with CHIP and preparing for the upcoming hearings and having to try and raise money at the same time.”

The tone of the discussions with the Supervisors had shifted due to personnel changes, though it was still obvious that certain members of the Board were hoping that CHIP would simply not be able to pay its bills. “Muriel Johnson was not supportive of the effort,” MacGlashan says, “but she wasn’t mobilizing against us either. Illa Collin and Roger Dickinson were opposed. Don Nottoli was generally supportive, or at least he wasn’t outwardly hostile. I was just introducing myself and answering questions as the new [CHIP] president.”

She worked closely with Jean Laurin, who was vice president of CHIP at the time. “This is the time to get the community involved again,” Laurin said.

## Cop Talk

Another big shift was taking place in the law enforcement arena toward the end of 1995. Wendell Phillips stepped down as the president of the Deputy Sheriff’s Association, and Daryl Peterson would take over in 1996.<sup>18</sup> Bill Hughes, who was a police lieutenant in nearby Rosville, and Doug Ose had developed common ground with Peterson and began discussions about what it would look like to address the law enforcement issues should Citrus Heights win its independence. Citrus Heights revenue, remember, supplied a portion of the funds that paid

for County law enforcement, and so Ose and Hughes pledged there would be no reduction in officers for the first five years of the new city's life. "Law enforcement was one of the major planks in incorporation, so we actually employed more cops in those first years, not fewer," explains Ose.

Organized opposition from law enforcement had ceased, and the Board of Supervisors had lost a powerful piece on the chessboard of incorporation.

### And the Check Runs in

The requirement was that LAFCo could not move forward with a final decision on the incorporation unless all expenses were paid. Ose had winnowed the cost down with the County, but CHIP was still \$30,000 short for the EIR.<sup>19</sup> Citrus Heights volunteers were suddenly once again scrambling to find the funds, reactivating whatever mechanisms were in place to collect donations and approaching allies in the business community.

On June 4, 1996, several members of CHIP including Ose, MacGlashan, Jean Duncan, Bruins, and Van Duker appeared at a Citrus Heights Water District meeting to outline the financial benefits to the District's rate-payers in cost efficiencies to be realized by coordinating improvement project with a local city public works department.<sup>20</sup> CHIP requested a contribution from the Water District to cover the EIR, and thanked them for their consideration. The CHWD Directors, comprised of David Zweig, Tim Nunnemaker, and Henry Ingram unanimously voted in favor of the resolution to support the incorporation effort, including a \$30,000 contribution, but it was the day before the deadline and it was unclear whether or not the CHWD could make the payment in time. After all this tireless work, the nascent city might not come to be over an outstanding bill.

"We thought we were sunk," MacGlashan recalls.

Jeannie Bruins was in the Citrus Heights Chamber of Commerce with Jean Duncan wondering what they could do. Fax machines were the latest communication technology, and it didn't even occur to most

people to use it. “Jean Duncan said to me, ‘Let’s just do one more fax.’” Bruins remembers. “We did one more fax and that’s when the Citrus Heights Water District responded.”

It was 1:00pm, literally the last hour before the deadline, when David Zweig, the president for CHWD, ran into the LAFCo commission meeting with a check for \$30,000 in hand.

“I would give Jean credit for putting us over the top.” Bruins says, “When they went into that meeting, which was the last meeting they were going to have before the deadline, in June 1996, [the Board] was confident they had us. They were confident. We threw that check on the table and, it blew them away. They were not expecting that, and they had no choice but to let us go forward, so we did.”

Had CHWD not made that last-minute contribution, Citrus Heights might not be a city today. Although the City of Folsom was also prepared to help CHIP, that one slip of paper cut it awfully close. Tim Nunnemaker would later serve on the Citrus Heights Planning Commission, and Henry Ingram is notable for having been the only dignitary to sign the Sacramento Water Form Agreement twice, once for the Water District and again for the Sacramento Metropolitan Water Authority.

LAFCo officially and once again approved incorporation. “Tacked to my bulletin board in my kitchen is the five dollar bill that was the table stakes on a bet John O’Farrell and I made prior to LAFCo’s decision in which I said LAFCo was going to approve our position, and he said it wouldn’t,” says Doug Ose. He obviously won that bet.

Hal Bartholomew, who sat on LAFCo for this final vote, remembers that “It got to the point where we had to vote yes because there was nothing to say ‘no’ to.”

The Board of Supervisors, in a last gasp, and according to procedure, held a protest hearing. If there were no protests, the Board had no choice but to approve the matter and set an election date. There were no protests.

On January 16, 1996, The Sacramento Board of Supervisors voted not to oppose the incorporation of Citrus Heights.<sup>19</sup>

## Chapter 12 1996: The Final Vote on Measure R

**C**HIP and its supporters now had a proposal on the ballot that would allow Citrus Heights residents to vote. Bruins and Van Duker chaired the “Yes on Measure R” committee. Once again, Van Duker found himself taking over as CHIP president from Roberta McGlashan now that she had accomplished her mission. MacGlashan had another reason: she was running for city council.

CHIP members would be responsible for the “pro” messaging on the ballot where it emphasized local control, boosting law enforcement, reducing problems like petty crime, traffic congestion, growing blight, and declining property values.

It was CHIP’s understanding that the opposing language on Measure R was to be crafted by Ted Costa, a Citrus Heights resident and a powerful Republican operative who would later be known for initiating the ouster of Governor Grey Davis. Everyone was bracing for another onslaught.

Except that the opposing language never made it onto the ballot.<sup>1</sup> That section was left blank, and no one seems to know why.

And yet it was clear, that even after all the court battles, the heavy-duty negotiating, and finally settling on revenue neutrality, the

original opposing members on the Board of Supervisors were going to oppose on principle.

The main objective for CHIP leading up to election night was to counter any of the misleading language, which required informing as many Citrus Heights residents as possible of the facts.



**CITRUS HEIGHTS INCORPORATION PROJECT**

P.O. Box 24 • Citrus Heights, CA 95611  
(916) 969-CHIP

**FACT SHEET**

The Downtown Sacramento Chamber of Commerce, the Sacramento County Deputy Sheriffs Association, and Sacramentans to Save our Services (SSOS) have made many misleading statements about Citrus Heights Incorporation.

This fact sheet gives you the **real** story about Citrus Heights becoming a city, and how that will affect the rest of the County.

<b>MYTH</b>	<b>FACT</b>
Citrus Heights will not be financially viable without Sunrise Mall.	Even without Sunrise Mall, the Local Agency Formation Commission (LAFCO) estimates that Citrus Heights will operate with a \$1.1 million <b>SURPLUS</b> the first year. This surplus will grow by at least \$500,000 annually.
Citrus Heights Cityhood will be just another layer of government.	Incorporation consolidates services under one agency — a city. The city is not responsible to the County. The city will become the ultimate authority for local matters.
Making Citrus Heights a city will hurt the poor, the handicapped, law enforcement, and other essential county services.	The county will lose about \$1.8 million out of a \$700 million budget. There is no good reason county administration cannot be cut when Citrus Heights is no longer a county responsibility.
County services are fine now. Why incorporate?	Citrus Heights will be better financed, and more dedicated to solving our local transit, water, land use, and police problems. LAFCO has projected that Citrus Heights can deliver all urban municipal services better than Sacramento County.
Citrus Heights Cityhood is just a ploy by politicians to create positions for themselves.	Citrus Heights will have a City Council elected by <b>you</b> . And they can be unelected by you. Don't you want local control over local decisions, not taxation without representation?

Another comic reversal after Citrus Heights finally got itself on the ballot was the money. For the last twelve years, exhaustive fundraising efforts, shoestring budgets, and bake sales barely covered CHIP's costs. Now that it might finally be happening, suddenly pretty much everyone in the business community started flowing money CHIP's way. Most eager were developers, engineering firms, and contractors, keen to get a piece of the new city's budget.

"We had enough money that we were able to hire a campaign consultant who really helped us to shortcut through what we needed to do, what we needed to pay attention to, what we didn't need to pay attention to, train us how to deal with the media, train us how to stay on task when we were given wild questions," Bruins says.

"Our citizens continued to participate and contribute. We were on a path that we really didn't know, but the passion grew. I firmly believe that if we had made the ballot in 1986, when we were first entitled to



Citrus Heights Archives.

make the ballot, there's a very good chance incorporation would not have passed.

“The reason I feel that is because people weren't mad enough, but ten years later, we had ten more years of county rule. We had ten more years of increasing crime, ten more years of our roads not being maintained, ten more years of poor planning to continue to build in Citrus Heights without any regard to its impact on our local community, which is why, even today, we are the most densely populated area in the entire region. Measure R would finally settle the matter once and for all.”

### The Future Possible City Council

If the new city was to become a reality, it would need immediate governance. At the same time that Measure R was put before the voters, twelve Citrus Heights candidates were simultaneously running for the Citrus Heights City Council seats: Bill Hughes, Roberta MacGlashan, Tim Raney, James C. Shelby, Alma E. Kenyon, John Padden, Jack Duncan, Curtis Morton, Susan Sivere, Gifford Massey, Kevin Knight, and Jeff Slowey.<sup>2</sup>

Here's Bruins again: “We had twelve candidates on our first ballot for City Council that was concurrent with the vote on cityhood. They all felt cityhood was more important than their own personal campaign. As they campaigned, they advocated for cityhood and then they tried to sell themselves as candidates. We had twelve more people out there walking precincts, helping us do our work.”

This was a sharp contrast from the Elk Grove effort mentioned earlier, where part of the problem was a lack of cohesion. CHIP adopted a different approach and spent some of that fresh influx of cash on training the candidates how to talk to different types of leadership. This training ensured that prospective council members had a clear vision of the new city, and how each of them could contribute. In this sense, there was more collaboration and less competition. It was a strategy that really worked with voters.

By tradition, whoever got the most votes would become the first mayor, so by proxy, if they were running for the council, they were also technically running for mayor. Roberta MacGlashan, who was one of those contenders, notes, “I was running for a seat that didn’t exist yet.”

## Election Night

It was the fall of 1996. Bob Dole was running for President against incumbent Bill Clinton. For many Californians, this was just another election, but for the people living in Citrus Heights, Elk Grove, and Rancho Cordova, the anticipation was thick. Once again, enthusiasm ran high. Citrus Heights had experienced more than a decade of obstacles and the community was galvanized. CHIP had spent roughly \$235,000 over the course of the dispute, according to CHIP’s own literature. In the grand tradition of democracy, the moment had finally arrived. The fate of the new city rested in the hands of Citrus Heights voters. Residents throughout the hopeful community were knocking on doors, waving signs, making calls, and passing out flyers in a final push to make the city dream a reality.

Bruins, who has served four terms as mayor of Citrus Heights, recalls how she and Jean Laurin went out in the cold to wave at drivers on the overpass. “It was November, so it was kind of a drippy, cold day. We were standing on Antelope and I-80, right close to the overpass, and we had this great big sign. Here we are, saying, ‘Vote Yes on Measure R.’ We were out there for several hours, from the morning until the early afternoon. Cars would honk. We got tons of positive reinforcement. That was our last hurrah.”

David Reese, publisher  
Richard Walker, managing editor

Community Advisory Board: Joseph Dorr, Wendy Gerig, Jim Gill, Brian Lewis, Dorothy McIntyre, Myron McIntyre, Nancy Plunholtz, Margaret Sepponen, Dave Uribe

# OPINION

June 9, 1996  
The Press-Tribune

**A4**

There is little opposition to the incorporation of Citrus Heights. Figures show incorporation would result in better police protection, local control of government, more money. After years of effort, Citrus Heights seems to finally be ...

## ON THE EDGE OF CITYHOOD

*Press-Tribune, Citrus Heights Archives.*

Laurin then went to a cocktail party put on by The Sacramento Bee at the Hyatt Regency Hotel across the street from the capitol building to watch the numbers roll in. It was a general gathering and Laurin found herself hobnobbing with many of the people who had done their best to block the effort. As is often the case with politics on the day the election finally arrives, everyone lets their defenses down. “The citizens are going to do what they’re going to do. Let’s sit down and have a drink,” is how Laurin describes it.

CHIP had been operating out of the Chamber of Commerce offices on Sunrise Boulevard, a space that was previously a daycare. In fact, CHIP’s first order of business in its ersatz space had been to replace all the tiny toilets.

Election night parties are, by nature, a little weird. It’s bad enough that any election night party might turn into a funeral by the end of the night, but with an incorporation election, it’s not just one person who might not win, it’s a whole new city that might not come into being.

There were also those twelve candidates running for the City Council of the future City of Citrus Heights, and whoever got the most votes would automatically become the first mayor. How strange would it have been had cityhood not passed, to be both elected and immediately out of a job? Hal Bartholomew would be a good guy to ask.

A huge group of folks showed up at the chamber office to wait on the results, some of them from Citrus Heights, some of them just supporters from Elk Grove and Rancho Cordova hoping this was going to be the turning of the tide. In 1996, there were no real-time websites or digital tools, a time we can hardly imagine now, when people simply had to make do and be patient as the ballots got counted. “We couldn’t even test the wind,” Bruins says, meaning CHIP also didn’t conduct a poll, so there was very little sense of how the vote was going to play out.

CHIP had the big back room in the Chamber building set up with tables of homemade food and donated cakes from local businesses. It was one of probably dozens of potlucks that CHIP had conducted over the years. The mood in the room was tense with hope and trepidation. The television was tuned into local news and people snacked and chatted nervously.

Meanwhile on the other side of the County, Wendell Phillips and his cohorts were gathered at a bar somewhere in Sacramento, keenly focused on the reports coming through on the news.

Surely, the neighbors in Elk Grove and Rancho Cordova were glued to their televisions waiting to see if it was still possible to become a city in California.

Bruins remembers the feeling when “the returns started rolling in and we all kind of went, ‘whoa. Now what?’”

Jean Laurin decided to go home and sleep. She could wait until morning to hear how the whole thing turned out.

Dave Ritchie, who was a reporter for The Sacramento Bee and had covered the issue, was in the newsroom watching the tallies. He called the Chamber office and told CHIP, “You guys are winning.”

From the moment the ballots started rolling in, incorporation was way out in front at over 50% when it was still early in the evening. The euphoria kicked in pretty early that night. The polls closed at 8pm and the announcement came through: Citrus Heights was the newest city in Sacramento County. The official count was 16,833 votes in favor out of 26,973, giving Citrus Heights a 62.4% win.<sup>4</sup>

“It was just bedlam. We just partied all night. The news showed up, the neighbors showed up, we were up till 2 or 3 [am],” laughs Bruins. The press showed up, and interviewed members of CHIP about their hard-won victory.

The newly elected Citrus Heights City Council members were Bill Hughes, Roberta MacGlashan, Tim Raney, James C. Shelby, and Alma E. Kenyon. Bill Hughes received the most council votes, making him the first Mayor of Citrus Heights.

Bill Hughes, who has since passed away, told Jeannie Bruins that when he realized he was going to be the mayor, he promptly went home and threw up.

Wendell Phillips was with fellow officers when the returns came in and the mood at that campfire was not so toasty. “It became obvious that it was going to pass. There were some recriminations, not angry, but sure.”

John O’Farrell, who had to remain neutral in his role as the Executive Director of LAFCo, but who always saw the significance of Citrus

Heights' desire for local government, put it this way: "On election night there was celebration of cityhood and it was not only a celebration for Citrus Heights. In a broader sense, it was a celebration for all those communities that wanted to incorporate and move forward because all the heavy lifting had been done by CHIP. The community and the people here wanted to become incorporated. It fundamentally changed Sacramento County. It was the most important change probably since the county was created, the first new city in 50 years. It was the template for moving forward so that Elk Grove and Rancho Cordova could be established. All they had to do was follow the same rules. Then it was up to their residents to support or not support incorporation."

The celebration lasted well into the wee hours of the morning. Bruins went home and tried to sleep, but she had so much nervous energy, she quickly ended up back at the Chamber office. "I just remember the mess the next day. I wasn't going to go to work because I was exhausted. I looked like hell, but I went back in and the media was there, so I was just doing interviews and stuff. I'll never forget this either because I was on the phone with Bill Van Duker and he said to me, 'I sure hope this works!' In the years that followed, he would say to me many times that cityhood worked well beyond his wildest dreams."

Citrus Heights had managed to pull off a win against the big powerful machine of the County, making headlines all over the state and beyond.

After all this work, the bake sales and contentious meetings, picking over tedious planning and procedure verbiage, court cases, and media frenzy, Citrus Heights had finally accomplished its goal. And now the real work would begin.

NORTHEAST November 10, 1996

# Sunday Neighbors

Citrus Heights / Orangevale / Fair Oaks

## A city is born! Now comes the hard part

*Sacramento Bee, Citrus Heights Archives.*

## Chapter 13 City Council Growing Pains

**T**he makers of this fledgling City now had to roll up their sleeves for a whole new set of reasons. The City of Citrus Heights had no insurance, no staff, no location, and no money in the bank since any CHIP money didn't technically belong to the city. There was no designated space in which to conduct all the meetings it would need to have. "Our first City Council was very poor," says Jean Laurin, "I don't even think they even got reimbursed for travel!"

Mike Oliver was named interim city manager for Citrus Heights and he negotiated a line of credit from River City Bank to cover the basics until mandated revenue from the County started to come in. He also had some connections in the insurance industry that would provide coverage for the liability insurance that a new city requires in order to operate within compliance.

Until a permanent location for Citrus Heights City Hall could be secured, the Chamber of Commerce gave Oliver a couple of desks and an office in the chamber building, which MacGlashan would describe as a "broom closet." The very first employee hired after Oliver was Helen Brewer, who went out and purchased computers on her own credit card so that she would have something to work on.

Council members drove around the neighborhood looking for potential places to set up Citrus Heights City Hall. They still had to operate out of the Chamber building and being roommates with the chamber was far from a permanent solution, even after the Chamber generously popped for a fancy new fax machine with the roll-out paper.

MacGlashan recalls her time during those first days being on the City Council: “We had two months to get the City up and running – the time from the election till the time we were sworn in. We started meeting even before we were sworn in and those meetings were open to the public. We hired an interim city manager. We had to find a physical space. You have to address all of those three things in a short amount of time, but we had the interim city attorney, who served as the city attorney until 2019, Ruth Ann Ziegler. She knew that we would... have revenue coming in. Her firm was willing to put in the time and wait to get paid.

“Until sales tax and other revenues started coming in, I remember driving around with a box of resumes in the trunk of my car from people who wanted to work for the City. [I was] getting phone calls from the Franchise Tax Board who wanted to know where to send the sales tax revenue.”

As chaotic as it sounds, it most likely would have been far more hectic had these folks not spent years working together. Unlike other new city councils that reorganize after an election, this group spent long, dedicated hours together and knew how to communicate and get things done. Setting up this local government was, in essence, a continuation of their grassroots effort. “City Hall wouldn’t have been where it was had we formed in the 80s,” Van Duker says. “We have a much stronger City Council today that often votes together. Most votes in the beginning were unison: 5-0.”

It would have been a reasonable expectation for the first City Council to take some time to get its footing, but the first elected officials to the Citrus Heights City Council worked very cohesively. “We were very blessed, we had five very dedicated people who worked well together who met the challenges,” says Van Duker.

“That’s why I say they created something out of nothing,” says Bruins, “It was an exciting time – like a new birth. You look back on that with a lot of fondness and kind of wondering how you got through it all.”

The Council quickly had to find a location to hold City Council meetings, which are required to be open to the public. The Sunrise Recreation and Park District, which is a special district of Sacramento County, offered the City of Citrus Heights its space. They even fashioned a dais to try to make the community room look more council-like.

### CHIP Transforms

CHIP officially disbanded in the beginning of 1997; some of its members created neighborhood associations and some formed into a general plan advisory committee. There was so much work to do in order to transition services that many meetings needed to be called over very specific things like forging direct relationships with animal control and street sweeping.

But above all, the top priority throughout the struggle was getting more police officers on the streets.

### Oh, But One More Lawsuit

It would have been folly to think that just because Citrus Heights was now incorporated that there wouldn’t be more difficulties with the County. There would be one more round over the money.

MacGlashan explains, “Unlike Elk Grove and Rancho Cordova, we didn’t have anyone helping us. When LAFCo prepared a projected budget with expected revenues and expenses, we had no one to evaluate that for us but ourselves. And it turned out to be wildly inaccurate. This is no reflection on LAFCo, whose members I still hold in very high esteem, they did their best to produce an accurate forecast, but it was just that no one had done it before.” A memo from the budget office put the calculated revenue neutral payment at \$5.621 million annually for 25 years. How did LAFCo arrive at that number?

MacGlashan continues: “When a community goes through an incorporation process and gets to the point where LAFCo does a report that shows the money the county will save by the services they no longer have to provide to the residents and the money that they will lose from the tax revenue that will go to the new city, in theory, that’s supposed to balance and be revenue neutral. Then, they do a calculation of what the new city, if it’s formed, will have to pay or reimburse the county in order for that to be revenue neutral.

“That was done in the terms and conditions that were on the ballot measure. It was not just an agreement between some private citizens, but it was also, in a sense, ratified by the voters who voted on the incorporation. After that was all done and the first City Council actually had staff on board that were experts in municipal finance, they discovered that the calculations that were done by LAFCo were not accurate forecasts. Based on that, the first City Council decided not to make that first revenue neutrality payment to the County because they felt it was too high.”

The math was flawed, and so on top of all the other footwork that that needed to be done in order to set up shop, the Council also had to reconfigure the payments it owed the County based on accurate numbers. Despite all the long hours of clarifying and negotiating just exactly what revenue neutrality meant in relation to the new City, the issue was still not settled. One of the Council’s highest priorities was to come to terms on how much and for how long Citrus Heights would have to pay out to the County.

MacGlashan describes it, “The terms of the revenue neutrality agreement, as it turned out, would have made it very difficult for the new City to move forward.”

Jeannie Bruins remembers, “These early days were difficult, very, very difficult. Until they got this whole revenue neutrality issue settled with the County, it was more battles and more battles on top of all the other stuff you have to do to start a city, like get money. We received our tax revenue quarterly, so we weren’t going to get any money for 90 days, so we have to find a bank that will give you a line of credit because you have payroll! You’ve got things you’ve got to pay for!”

The Council then made the difficult decision not to make that first revenue neutrality payment to the County, and so naturally, the County sued Citrus Heights for loss of revenue.<sup>4</sup>

### The Deal the City Cut with the County

Throughout the first year of the city's existence, Citrus Heights and the County did successfully hammer out a settlement, with MacGlashan handling a good deal of the negotiating. She was able to secure much more agreeable terms than the previous ones.

She explains: "At the very beginning of the 25-year period of those payments, I believe the initial payment was going to be over \$5 million a year, if I remember correctly, and the negotiated settlement was that the payment would be the amount that the City would normally receive as property tax revenues, which at that time was a little more than \$2 million a year. It reduced the payment that first year by over \$3 million."

MacGlashan's memory is pretty accurate: according to the March 4, 1997 Sacramento County Board of Supervisors meeting agenda, the initial annual payment Citrus Heights owed the County was \$5.621 million.<sup>5</sup>

That property tax that Baxter Culver referred to as a "bonus" would go back to the County, an amount that fluctuated annually as property values have gone up and down, but it still saved the City millions of dollars over that 25 years. Citrus Heights comes to the end of its revenue neutrality obligation to Sacramento County in 2022.<sup>6</sup>

BECOMING THE CITY OF CITRUS HEIGHTS

## Chapter 14 Citrus Heights Today

Let Bygones be Bygones

**M**any of the key characters in the Citrus Heights story remarked that the journey to cityhood was like riding a roller coaster for twelve years, a rickety one that often stalled or threatened to go off the rails. But those same people would also say it actually happened in the best way possible for both Citrus Heights and future cities in the Golden State. Elk Grove and Rancho Cordova, though very different communities from Citrus Heights, would come to thrive once they achieved their right to self-govern.

As Jeannie Bruins points out, there was more strengthening of local government all around, with many of the former CHIP board members moving into different government positions. “Cityhood brought more new talent to the region,” she explains. Bruins herself would serve multiple terms as mayor, and former City Council member Sue Frost currently sits on the Sacramento Board of Supervisors for District 4.

Don Nottoli who is ending his tenure as Supervisor for District 5 in Sacramento County, says that the culture within the County’s governing body has really changed following the incorporations – and for the better. There are now strong partnerships between the County

and its seven cities. About the tension and anxiety over the course of the process, Nottoli says, "...two other cities have followed Citrus Heights and the County continues to be a service provider and we've worked through those relationships, and I think it's working just fine."

An observation that came up repeatedly in the retelling is that people on opposite sides of the aisle worked together without having a single conversation about national politics. Similarly, people who really went at each other's throats on the issue of incorporation became friends and coworkers in the long run. In today's political climate, it's hard to imagine folks on opposite sides of the political spectrum working side-by-side on a singular issue, but when we roll up our sleeves and put energy into enacting change in our own neighborhoods through local government, surprising transformations can occur. 25 years have elapsed since the cityhood fight began, so how did all that work out?

### Impact on the County of Sacramento

As predicted, Elk Grove and Rancho Cordova then had an established path to cityhood and quickly followed Citrus Heights, with Elk Grove achieving cityhood in 2000, and Rancho Cordova in 2002. To say that all three cities have fared better economically is an understatement: Rancho Cordova unabashedly brags about the 86 excellence awards in city government it has garnered in its first ten years. Elk Grove was the nation's fastest growing city during the mid 2000s with schools, law enforcement, and developers hustling to keep up.<sup>1,2</sup>

The next question, given the clear evidence that cityhood was a far better form of governance for those three newly-formed entities, is obvious: was there a notable change in quality of life for those outside the incorporated areas?

California is struggling with some mighty forces now in 2022: the pressure of inflation in response to the pandemic, spiking property values, deepening wealth inequity, and rapidly increasing homelessness. It's an ecosystem that incorporation didn't create or solve, and it would be a gross oversimplification to explain County woes on the development of the cities.

Even Wendell Phillips, one of the fiercest opposition leaders, acknowledges that Citrus Heights is better off, but he maintains that regional government still would have worked better, and that the unincorporated areas of Sacramento County are still under policed today.

Baxter Culver still maintains that the cityhood movement in those five years between 1997 and 2002 were not good for the unincorporated areas of Sacramento County.

Nottoli says, “People can do their own measure of that,” when it comes to the implications of the impact on the County. “There are still fiscal impacts, revenue neutrality took care of that, we had to make those adjustments. But I think looking at those communities, from a public safety standpoint, they [the cities] made great strides, and whatever progress they’ve made about how they want to grow...I don’t think it’s been to the detriment of the County.”

### On Citrus Heights’ 25th Birthday

Patrick Borchers recalls returning to California and having lunch with Bill Van Duker and Mayor Bill Hughes in Citrus Heights. “It was an emotional moment when I saw the sign that said ‘City of Citrus Heights’ on it and cop cars going by with the City’s seal on them. I thought to myself, this really happened.”

Today, Citrus Heights has a modern city hall on Fountain Square Drive, its own community center, and its own police station. There is a medical center and active community and economic development branches in addition to Citrus Heights Chamber of Commerce. Its Urban Forest Tree Assistance Program provides cutting edge husbandry to protect and foster the City’s canopy, and things like construction and street maintenance are tracked on the City’s website to keep the public informed.

While Citrus Heights remains a major retail hub, times have definitely changed. Just like in the rest of the country, brick and mortar businesses have given way to online retailers like Amazon, and some of the cityhood participants note that it’s a little ironic that after all of the struggle over the Sunrise Mall, it doesn’t really represent the lion’s

share of Citrus Heights revenue anymore. As of late 2021, the Citrus Heights City Council approved a massive redevelopment of Sunrise Mall into an outdoor, mixed use residential, office, and retail space.

Bob Churchill, who worked before and after the incorporation as the General Manager for the Citrus Heights Water District, described in an interview with Larry Fritz how they were able to coordinate infrastructure and maintenance projects with other special districts like fire and sewer once they contracted directly with the City of Citrus Heights. “Nobody likes to have a street cut up right after it’s been repaved, especially on the Auburn Boulevard corridor from Sylvan Corners up to Rusch Park. [We] worked closely with the City on that and had a lot of work we needed to have done in there incorporated into their plans...I would say the district’s \$30,000 investment has probably come back tenfold over the course of time.”<sup>3</sup>

Before Citrus Heights became a city, Glen Craig was the Sacramento County Sheriff and he was very familiar with contract policing. He had helped CHIP develop its new law enforcement strategy, and he retired in 1999.

Lou Blanas<sup>4</sup> took over as sheriff and Citrus Heights city managers set up stronger contracts with the County and saw huge improvements, putting more, better equipped officers on the streets. In 2006, Citrus Heights ended its contract with Sacramento Sheriff’s Department to furnish services and continues to reduce crime on an annual basis. Citrus Heights Police Department has since innovated programs that larger, more entrenched police forces could not.

Bill Van Duker notes the differences, “The city manager picked the chiefs, then they picked the best of the best. Commanders pick their lieutenants, who then selected their officers. With contract services, they could select the officers they wanted, but if we got a bad penny, we could trade him up.”

Citrus Heights Police Department partnered with WEAVE, a domestic violence non-profit that protects women and children in Sacramento. Women who have been victims of intimate partner violence are often unwilling to press charges, but this program that embeds a Violence Response Advocate to assist patrol and investigation officers

in rape, assault, and domestic violence. The force saw an increase in criminal charges, and victims are better able to receive immediate safety and support.

Citrus Heights also participates in Project Lifesaver<sup>4</sup>, a national program that fits seniors living with Alzheimer's or dementia with a tracking device in the event that they get lost.

The police department has also stepped up community policing methods that better serve issues like mental illness and substance abuse. This enables officers to connect those in need to services rather than treating these instances as crimes. Officers on the beat carry gift cards on them so that folks on the street can get a pair of socks or a meal right away.

Citrus Heights' HART (Homeless Assistance Resource Team) addresses housing, trauma-informed education, and veteran support.<sup>5</sup> These accomplishments and plans are a product of incorporation whereby Citrus Heights could redesign itself and its relationship to Sacramento County.

Jack and the late Jean Duncan, who had championed the effort from the beginning, made a substantial donation toward the fountain that stands outside the City Hall. It's a symbol of Citrus Heights' autonomy and prosperity.

### A Note on Local Democracy

*“There’s no question that Citrus Heights is better for it. I take enormous satisfaction out of being able to drive through Citrus Heights and see a clear delineation between us and our opponents’ districts. Because it is night and day.”*

- DOUG OSE

The right to self-governance is the main plank of democracy. For Citrus Heights and the cities that followed, that belief finally transcended the seemingly intractable mechanisms of power. As complicated and messy as the whole process of building and maintaining cities can be, even in the best of circumstances, it's a defining feature for the people who live here.

There are many fragmented communities in the County that do not have the embedded resources or organization that a middle class community like Citrus Heights does, but as O'Farrell notes, both the City and the County are in a better position to work together on tough issues like housing, public health, social services, and conservation.

Communities with strong identities and good economics will want to form stronger local government and move more quickly to address the problems right in front of them. Maybe one of the lessons here is that when the incorporation zeitgeist is there, counties are better served by facilitating them in the interest of creating healthy, mutually beneficial alliances in the long term.

Everyone has an opinion on the nature of local government and how to best accomplish it – that will probably not change. But underneath all those differences is the force of civic pride. The City of Citrus Heights is a shining example of democracy in action, and proof of just how much aspiration can accomplish.

Like any new city struggling to invent itself, Citrus Heights still has some of the same issues that most American cities do. However, this is a community that has elevated its own quality of life and is far more capable of responding to its own problems since it has redefined itself as a city.

As we look to conquer some of our toughest challenges, and our national politics grow more fractious and divisive, the story of Citrus Heights, and its sister cities, Elk Grove and Rancho Cordova, demonstrates the value of working together on a single important local issue. Continuing to come to the table, even when there is no trust, even when it feels hopeless, does pay off. It speaks to the innate goodness of democracy, despite it being more of a dynamic ideal than a static truth. Democracy, and even more important, communication, is the single most valuable skill we have as a species. And when we put it to use, the impossible becomes possible.

## Acknowledgements

This story would not have made it into written form if not for Bill Van Duker. Bill's dedication to the cause, his bins of clippings, his editing savvy, and his wry sense of humor about the whole tawdry tale really made Citrus Heights, and this book, possible. Thanks for everything, Bill.

My deepest thanks to Chris Van Duker for his hours of tedious editing and solid suggestions when I was completely out of ideas. And thank you to Andrew Van Duker for your design input on the cover.

I'd like to thank Doug Ose and John O'Farrell, who made themselves available for countless, and probably sometimes irritating follow-up questions.

Thank you to Teena Stern, the volunteer archivist who met with me many times, dug through boxes, and asked critical questions that I never would have considered. I owe you big-time for your thoughtful notes and corrections.

Sky Road Web, I appreciate your taking the time to help me get my facts straight with regard to the native tribes who originally occupied the region.

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I'd like to thank Wendell Phillips and Baxter Culver for their sharp memories and responsiveness in answering my questions. Larissa Wasilevsky at the Citrus Heights Police Department, thank you for your research and time. To the folks at Sacramento Historic Society who went to the trouble on your one day a week in the office during lockdown to dredge up some old election documents for me. Thank you.

And my deepest appreciation to the Citrus Heights History and Arts Committee for giving me the grant to write this book. Bill was a sure bet, but I was certainly an unknown for a project this immense. I appreciate the committee's flexibility during a very difficult year for all of us.

## About the Author

Miranda Culp was born in Los Angeles and has lived in Sacramento since 2013. She has contributed to *Dame Magazine* and *Submerge Art + Music* as a journalist and art writer, and she has edited books on fiction, memoir, and health. She is also the co-owner of Amatoria Fine Art Books in Midtown Sacramento. Miranda's second collection of short stories entitled *Women With Unusual Names* will be released in 2023.

BECOMING THE CITY OF CITRUS HEIGHTS

## Appendix: LAFCo Timeline

### **CHRONOLOGY OF THE PROPOSED INCORPORATION OF CITRUS HEIGHTS (29-86/94)**

By John O'Farrell, Executive Officer  
Sacramento Local Agency Formation Commission

October 14, 1986	Petition for incorporation filed by the Citrus Heights Incorporation Project (CHIP) with the Sacramento Local Agency Formation Commission.
November 13, 1986	Petition deemed sufficient by Registrar of Voters; Executive Officer notifies CHIP proponents. Certificate of Sufficiency posted.
December, 1986 - March 15, 1987	Preparation of LAFCo staff report/CEQA document.
December 9, 1986	Executive Officer prepares three timelines for the proposed Citrus Heights and Elk Grove incorporation proposals. Executive Officer indicates that it is possible, but will be difficult to complete the fiscal analysis, environmental documentation and hearings in time for a November, 1987, election. Executive Officer indicates that an earlier, June, 1987, election would be extremely difficult, if not out of the question.
January 7, 1987	Commission unanimously adopts "Timeline 2" for the proposed Citrus Heights incorporation process which leads to a November, 1987, election.
February 23, 1987	Initial Study (CEQA) prepared for Citrus Heights incorporation proposal.
March 26, 1987	Negative Declaration endorsed by County Clerk and distributed for public comment, for 30 day period.
March 31, 1987	County Executive's report on the impact of Citrus Heights incorporation on Sacramento County heard by Board of Supervisors.  -Report did not take a position on incorporation.  -Report made minor boundary modification recommendations for "straight and logical" boundaries, not a zip code line, but <u>did not recommend excluding the Sunrise Mall.</u> (Straightening of

boundaries placed portions of Carmichael and Fair Oaks ZIP code areas within the proposed city.)

-Recommended June 30 as the effective date and no "free" services.

-Translated one year impact (\$4.5 M net loss) service reduction for Unincorporated Area Services Fund but not General Fund. Briefly discussed total dollar loss to General Fund, but no specifics in terms of program impact.

-Did not address long term impacts on Fund 01 (General Fund) or 013 (Unincorporated Area Services Fund).

-Did not speak to constitutionality of incorporation law.

April 1, 1987

LAFCo staff report distributed.

-Recommended incorporation of Citrus Heights with Sunrise Mall included. Noted a \$3.5 million net negative impact on Sacramento County the initial year of incorporation.

-Recommended June 30 effective date/ no "free" services.

April 7, 1987

Board of Supervisors directs County Executive to open negotiations with incorporation proponents on alternative financing during transition year (dry period financing, borrowing, etc.) assuming a June 30 [1988] effective date. No discussion of Sunrise Mall exclusion. No discussion of long term impacts of incorporation/ constitutionality of incorporation law.

April 14, 1987

County Executive reports back on financing options for Citrus Heights (dry period financing, borrowing, etc.) assuming a June 30 effective date.

April 14, 1987

First LAFCo hearing on proposed Citrus Heights Incorporation. (4 hours) Executive Officer reviews report; public testimony taken from proponents and opponents.

April 22, 1987

Supplemental LAFCo report released discussing why incorporations are such a concern to Sacramento County. Discusses boundary options for Citrus Heights (larger area vs. exclusion of Sunrise Mall) including the concept of a "revenue neutral" proposal.

- April 28, 1987                    Second LAFCo hearing on proposed Citrus Heights Incorporation. (4 hours). Additional public testimony taken. Discussion of continued economic feasibility if Sunrise Mall is removed from city boundaries begins, but no accompanying fiscal analysis is presented. Commission directs Executive Officer to prepare such an analysis.
- May 6, 1987                      LAFCo staff report on continued financial feasibility if Sunrise Mall, or larger area, is removed from proposed city is drafted and circulated. Conclusion: The incorporation proposal still feasible if the Sunrise Mall is removed. The Executive Officer suggests removing the Mall.
- May 12, 1987                    The Board of Supervisors requests LAFCo to deny the incorporation petition without prejudice; or, modify boundaries to exclude the Carmichael and Fair Oaks zip code areas (contrary to an earlier recommendation) and Sunrise Mall, if LAFCo does not disapprove the entire proposal. (3-2 vote: Collin, G. Johnson, Smoley - aye; T. Johnson and Streng - No on Mall.)
- May 12, 1987                    Third LAFCo hearing on proposed Citrus Heights incorporation. Limited testimony. No discussion of Supplemental Report on removal of Sunrise Mall. Intent motion to approve incorporation including Sunrise Mall made by T. Kastanis; passes 4-3. (Tomson, T. Johnson, Hannaford, Kastanis voting aye; Collin, Smith and Chamberlain voting no.) (4 hours)
- May 21, 1987                    Supervisor Toby Johnson forced to absent himself from LAFCo proceedings on Citrus Heights issue. Grantland Johnson appointed by Board of Supervisors to sit in Toby Johnson's place on all matters dealing with proposed Citrus Heights incorporation.
- May-June, 1987                Inquiries made by several individuals about the procedure to replace Terry Kastanis and Ralph Tomson on LAFCo.
- May 26, 1987                    Fourth LAFCo hearing on proposed Citrus Heights incorporation. Limited public testimony. Formal motion to approve Citrus Heights Incorporation including Sunrise Mall, over Executive Officer's protestations, and "logical boundaries" including portions of Carmichael and Fair Oaks. [Resolution No. **LAFC 960.**] (4-3 vote: Tomson, Hannaford, Kastanis and Keller - aye; Chamberlain, Collin and G. Johnson - no.)

May 26, 1987 -  
June 25, 1987

Thirty day Reconsideration Request period.  
Requests for Reconsideration filed:

(1) May 31, 1987, Lalon Montgomery, petitions on behalf of Fair Oaks Residents, to exclude Carmichael and Fair Oaks zip code boundaries. (Exempt from fee/policy adopted June 2.)

(2) June 17, 1987, Citrus Heights Incorporation Project, petitions to provide for property tax "kick back" in exchange for inclusion of the Sunrise Mall within the proposed city.

(3) June 18, 1987, Metro Chamber of Commerce, petitions to hold all incorporations in abeyance for 12 months while city-county consolidation issue can be studied.

(4) June 22, 1987, Fair Oaks Fire Protection District, petitions to exclude portions of Fair Oaks Fire District from the proposed city.

(5) June 25, 1987, Sacramentans to Save Our Services, petitions to deny request and study city-county consolidation.

(6) June 25, 1987, Deputy Sheriffs Association, et.al., petitions to deny, modify boundaries, prepare EIR, prepare supplemental fiscal analysis, and hold additional hearings.

May 25 or 26, 1987

Citrus Heights Incorporation Project calls press conference and proposes to "kick back" \$1.9 million/year in property taxes to mitigate the negative impact of incorporation on Sacramento County in exchange for retention of Sunrise Mall.

June 2, 1987

Sacramento Metro Chamber of Commerce calls a press conference to announce its plans to study city-county consolidation. Request all incorporation(s) to be deferred for 18 months.

June 2, 1987

LAFCo adopts reconsideration policy which would regulate reconsideration hearing.

June 4, 1987

Citrus Heights Incorporation Project submits property tax kick back proposal to save Sunrise Mall.

- June 5, 1987 LAFCo Special District Election Results: Hal Bartholomew, Commissioner, and William Shelton, Alternate Commissioner, are named the winners of the Special District Election; they replace Dave Keller, Commissioner, and Edd Smith, Alternate Commissioner.
- June 8, 1987 County Executive submits report to Board of Supervisors in response to CHIP's proposal for property tax kick back. The County Executive recommends rejection of CHIP's proposal and endorses the proposed Chamber of Commerce study.
- June 9, 1987 The Board of Supervisors endorses Chamber request to study city-county consolidation (3-2). Board also officially appoints Grantland Johnson to vacant Alternate Commissioner (Supervisor) seat on Sacramento LAFCo.
- June 9, 1987 LAFCo hearing. Hal Bartholomew is seated. Grantland Johnson is seated. Citrus Heights Incorporation Project's attorney, David Hurst, challenges Grantland Johnson's seating on LAFCo. Grantland Johnson refuses to leave.
- June 16, 1987 City of Sacramento endorses Chamber request to study city-county consolidation with a twelve month study period.
- June 30, 1987 Fifth hearing on Citrus Heights. LAFCo Reconsideration Hearing. Commission reviews each reconsideration request filed on the threshold issue of whether or not the Commission wants to reconsider the issue. Commission decides separately whether or not to hear each of the six issues.
- Item 1: Modify boundaries to exclude Fair Oaks and Carmichael per established zip code boundaries. LAFCo approves a reconsideration.
- Item 2: Modify boundaries to exclude Fair Oaks Fire Protection District. LAFCo denies.
- Item 3: CHIP property tax kick back proposal. LAFCo denies.
- Item 4: Sacramentans to Save Our Services request to study city-county consolidation. LAFCo denies.
- Item 5: Deputy Sheriffs' Association proposal to deny and/or modify boundaries, prepare additional fiscal analysis and EIR and supplemental

hearings. LAFCo denies all elements except the boundary modification request which excludes Sunrise Mall.

Item 6: Metro Chamber request to hold election in abeyance for twelve months - tabled until July 6, 1987. LAFCo directs staff to report back on the legality of deferring election until June, 1988. LAFCo hearing continued to July 6, 1987. (8 1/2 hour hearing: 5 :30 P.M. to 2:00 A.M.)

July 6, 1987

Continued reconsideration hearing opened. Sixth LAFCo hearing on proposed incorporation of Citrus Heights. LAFCo hears from Commission Counsel regarding its ability to defer the election. Counsel advises that LAFCo can defer an election. On a 4-3 vote, LAFCo decides not to defer the election. (Tomson, Hannaford, Chamberlain, Bartholomew - aye; G. Johnson, Kastanis, Collin - no.) Commission adopts Resolution No. **LAFC 962** which reaffirms its decision to move the incorporation proposal forward, with modified boundaries, which exclude the Sunrise Mall, for a November 3, 1987, election date.

July 6, 1987

Memorandum from Lee Elam, County Counsel, County of Sacramento, regarding the legality of a vote **within only** the proposal territory on the Citrus Heights incorporation question is published and circulated. Equal protection issue raised. Mr. Elam opines that voters both within the proposal area, as well as outside the proposal area, should have the right to vote on the issue of incorporation. Challenges constitutionality of LAFCo law.

July 7, 1987

Board of Supervisors, acting as the conducting authority, consider a date for their protest hearing. (Streng, Collin, T. Johnson, G. Johnson). Smoley absent. County Counsel raises the constitutionality issue covered in Memorandum dated July 6, 1987. He also raises issue of proper notice being given. Notice given by Clerk of Board of Supervisors on FIRST resolution (LAFC 960) approving incorporation with original boundaries. Resolution to be acted upon at protest hearing differs because of amended boundaries (exclusion of Mall and zip code boundaries).

Board of Supervisors splits vote 2-2 to hold protest hearing as soon as possible. Board continues matter to July 9, 1987, for new vote.

July 9, 1987

Board of Supervisors votes to deny opening protest hearing without new notice. (Collin, G. Johnson, Smoley - no; T. Johnson, Streng -

	yes.) Board directs new notice to be published for protest hearing. Continues protest hearing to mid-September.
August 18, 1987	Board of Supervisors meeting to open protest hearing on proposed incorporation of Citrus Heights; continued to September 15, 1987.
September 15, 1987	Board of Supervisors continues time to October 20, 1987 for County Counsel report on proposed litigation.
October 20, 1987	Board of Supervisors receives County Counsel report on proposed litigation; Counsel points out "technical error" in LAFCo <b>Resolution No. 962, 8(e)</b> , regarding property tax transfer. Board directs revisions to report pursuant to comments of County Executive.
November 30, 1987	Board of Supervisors closes time for receipt of protest.
November 30, 1987	LAFCo holds special meeting and amends Resolution LAFCo 962 to correct "technical" error regarding condition 8(e), property tax transfer, with Resolution LAFCo 962-A. Insufficient time to notice as a public hearing so no public testimony is allowed. LAFCo staff transmits Resolution <b>LAFCo 962-A</b> to Board of Supervisors.
December 1, 1987	Board of Supervisors receives report from County Counsel; requests further review of LAFCo Resolution LAFCo 962-A regarding condition 8(e). Board of Supervisors requests LAFCo to convene to review Condition 8(e).
December 7, 1987	LAFCo holds second special meeting to review property tax transfer, condition 8(e) as amended in LAFCo 962-A. Two requests for reconsideration are made: (1) Deputy Sheriffs Association and (2) Sacramentans to Save Our Services. Commission Counsel opines that reconsideration of any part of the incorporation process at this time is not within the frame of the Government Code. Commission Counsel states <b>LAFCo 962-A</b> is a clarification of LAFCo 962, <b>not a substantive change</b> in the resolution.  On a 4-2 vote (G. Johnson and I. Collin voting no), the Commission adopts a letter to the Board of Supervisors stating Condition 8(e) has been reviewed and that Resolution No. LAFCo 962-A states the intent of Resolution LAFCo 962.

## BECOMING THE CITY OF CITRUS HEIGHTS

- December 8, 1987 Board of Supervisors, on a 3-2 vote (G. Johnson, I. Collin, S. Smoley vote no) defeats a resolution calling for a Citrus Heights election on April 12, 1987; Board asks LAFCo to reconsider incorporation issue.
- December 23, 1987 William Van Duker vs. Board of Supervisors of Sacramento County is filed in Superior Court. The suit requests that the Board of Supervisors call the Citrus Heights incorporation election for the April, 1988, date.
- January 8, 1988 Judge Ford rules that the Supervisors had made a timely request for reconsideration to LAFCo, and therefore, the Supervisors were not yet under a duty to put the matter on the ballot. Judge Ford expressly stated that it was LAFCo's decision whether or not to deny reconsideration and return the matter to the Board of Supervisors.
- January 11, 1988 LAFCo holds special meeting to discuss hiring outside counsel because it has been determined by County Council that a conflict of interest exists between the Office of the County Counsel and LAFCo, as well as between the Office of the County Counsel and the Board of Supervisors on the litigation fallout of the Citrus Heights issue. The Board of Supervisors retains Counsel Brenton Bleier. The Commission authorizes the Executive Officer to act in hiring private counsel at once. LAFCo also begins discussions within the Commission regarding the creation of an independent staff, housed outside the County Administration building.
- January 12, 1988 LAFCo Commission holds special meeting to be introduced to new counsel, Richard Hyde and Lee Savage of the firm Hyde, Miller & Savage. Meeting continued to January 15, 1988.
- January 15, 1988 Commission meets to discuss Van Duker vs. Board of Supervisors of Sacramento County. Commission receives advnce from Richard Hyde and Lee Savage regarding threatened litigation in executive session; on the advice of Counsel, decides to hold a reconsideration hearing on February 11, 1988.
- February 11, 1988 LAFCo Commission holds special meeting to consider three requests for reconsideration: (1) Deputy Sheriffs' Association; (2) Sacramentans to Save Our Services; (3) Sacramento County Board of Supervisors. Attorneys for the three parties present their requests. Attorney for the Citrus Heights Incorporation Proposal presented his

request for denial of the reconsideration. Extensive testimony was received; meeting interrupted when, because of a bomb threat, the building is evacuated.

March 2, 1988

LAFCo Commission meet in continuation of the February 11, 1988, meeting. Attorneys for the reconsideration requests again addressed the Commission; the Citrus Heights Incorporation Project attorney also addressed the Commission. After lengthy testimony and Commission discussion, a motion is passed to delay the Citrus Heights proposal until the City-County Consolidation Commission completes its study, however, staff is directed to return with dates for a possible election on Citrus Heights cityhood, for Commission review.

Another motion is passed which directs staff to prepare for Commission review of Resolution **LAFc 962-B**, validating the Commission's prior approval of the Citrus Heights cityhood proposal; such action would deny the three reconsideration requests. Another special meeting is called for March 28, 1988.

March 28, 1988

Sacramento LAFCo, on a 4-3 vote, adopts Resolution **LAFc 962-B** validating the Commission's prior approval of the Citrus Heights Incorporation proposal, denying the reconsideration requests, and forwarding the proposal to the Board of Supervisors to act as conducting authority stating they are to proceed with the protest hearings and call the election. The Commission also adopts a resolution regarding findings involving the California Environmental Quality Act (CEQA) which validate the Commission's former adoption of a Negative Declaration for the project.

April, 1988

Board of Supervisors of the County of Sacramento; Sacramento County Deputy Sheriffs' Association; Sacramentans to Save Our Services vs. Local Agency Formation Commission of Sacramento County and Citrus Heights Incorporation Project is filed in Sacramento County Superior Court. At issue is the Negative Declaration for the project, abuse of discretion by LAFCo, and the constitutionality of the Cortese-Knox Local Government Reorganization Act of 1985.

May 4, 1988

The Honorable Judge James T. Ford, Sacramento County Superior Court, renders the trial court decision on the Citrus Heights incorporation litigation. Judge Ford rules that the Sacramento Local Agency Formation Commission **should have prepared an Environmental Impact Report** and considered the contents of that EIR before considering the merits of the incorporation proposal. He

also rules that **LAFCo did not abuse its discretion** in approving an incorporation which was not "revenue-neutral" and briefly rules that **the voting requirements of Cortese-Knox, as they refer to incorporations, are constitutional.** Judge Ford also provides for an **award of fees**, under the private attorney general's concept, to attorneys representing the Deputy Sheriffs' Association and Sacramentans to Save Our Services who, along with the Board of Supervisors, brought action against the Sacramento LAFCo. Fees were also awarded to the attorneys for Citrus Heights Incorporation Project (proponents), the co-defendants.

May 24, 1989

Attorneys for the Board of Supervisors appeal the trial court action on the Citrus Heights litigation. Attorneys for the Board appeal the lower court award of fees to CHIPS attorneys and the constitutionality of the Cortese-Knox incorporation statute. Attorneys for the County of Sacramento do not appeal the lower court's ruling finding no abuse of discretion by LAFCo.

June 6, 1989

Attorneys for CHIPS cross-appeal the lower court's ruling on the need to prepare an Environmental Impact Report on the incorporation.

The Citrus Heights Incorporation litigation takes on statewide, if not national, significance. The LAFCo incorporation statutes, which have been in existence since 1963, and have provided a legitimate basis for conducting elections on the question of cityhood are challenged. Over the twenty-five year period between 1963 and 1988, seventy cities have been incorporated, subject to the requirements of LAFCo law. If the voting requirements of Cortese-Knox are held to be unconstitutional and residents of the entire county of any proposed incorporation, as well as residents of other incorporated cities, are entitled to vote on a new city, it is likely that very very few, if any, cities will incorporate in California in the future.

June-July, 1990

Briefs for Appellate Court submitted.

September 18, 1991

Trial at 3rd District Appellate Court, Sacramento. Oral arguments given at trial. After trial, judges have 90 days in which to render a decision.

October 1, 1991

Appellate Court decision declares the Cortese-Knox law **unconstitutional and states that any incorporation proposal within the County of Sacramento must be voted upon by the**

- entire unincorporated area of the County.** It also declared that an **EIR should have been done** on the Citrus Heights Incorporation proposal. Also **reverses the trial court decision regarding attorneys fees** for CHIPS.
- October 10, 1991 Sacramento LAFCo votes 5-2 to appeal the unconstitutionality of the Cortese-Knox Local Government Reorganization Act regarding incorporations. Sacramento LAFCo votes 4-3 **not** to appeal the ruling that an Environmental Impact Report must be done. Filing briefs with the Supreme Court of the State of California must occur by November 11, 1991. CHIPS unanimously votes to appeal the 3rd District Appellate Court opinion.
- December 19, 1991 State Supreme Court issues Order granting a review of the issue of constitutionality of the Cortese-Knox Local Government organization Act.
- January - March, 1992 Briefing of the issue before the State Supreme Court.
- August, 1992 **Revenue Neutrality Law** (SB 1406, Davis), Section 56845 of the Government Code, signed by the Governor July 27, 1992; takes effect immediately as an urgency statute. Law states, among other things, that any incorporation must result in a substantially similar exchange of revenues and service costs. The transfer of the funding must be substantially equal to the transfer of the service responsibility.
- November 9, 1992 Oral argument. California Supreme Court unanimously reverses the Appellate Court; unanimous decision holds that the Cortese-Knox incorporation law [Government Code Section 57103] is constitutional by petition for writ of certiorari.
- March 22, 1993 Rehearing requested. County Board of Supervisors appeals the decision of the U.S. Supreme Court. Briefs are filed. The Supreme Court of the United States denies the petition for a writ of certiorari on Sacramento County Board of Supervisors vs. Sacramento County Local Agency Formation Commission, et. al.
- July 20, 1993 County declares Citrus Heights Proceedings abandoned.

## BECOMING THE CITY OF CITRUS HEIGHTS

September, 1993	County enters into settlement discussions with CHIPS. At issue is (a) County wants petition for incorporation to be referred back to LAFCo subject to current law which includes revenue neutrality statute; (b) CHIPS wants petition to be referred to LAFCo subject to law existing at time of petition (no revenue neutrality.)
October, 1993	LAFCo extends period for completion of proceedings indefinitely to allow settlement discussions to continue.
September 7, 1994	Citrus Heights Incorporation Project and the County of Sacramento sign a <b>Settlement Agreement</b> which LAFCo will resume proceedings and Citrus Heights petition will be subject to the current law. Neither party waives the right to any future court challenge.
November, 1994	Sacramento LAFCo begins to negotiate with Department of Environmental Review and Assessment, County of Sacramento, for an Environmental Impact Report for the proposed incorporation of Citrus Heights (29-86/94).
May, 1995	Notice Of Preparation of Draft Environmental Impact Report issued.
December 6, 1995	Draft Fiscal Analysis of the Proposed Incorporation of Citrus Heights is published. Draft Environmental Impact Report published January, 1996. Official hearing on Citrus Heights incorporation proposal before Sacramento LAFCo set for February 7, 1996.
February - May, 1996	Final Fiscal Analysis and Final EIR published. LAFCo holds hearings on Proposed Incorporation of Citrus Heights.
June 5, 1996	LAFCo certifies Final Environmental Impact Report for the Incorporation of Citrus Heights (29-86/94) (95-LFE-0109); adopts Findings of Fact and a Statement of Overriding Consideration; adopts a Mitigation Monitoring and Reporting Program; approves the proposed Incorporation; establishes the terms and conditions of the proposal; and forwards the proposal to the Board of Supervisors as conducting authority for protest hearing and action to call the election.
July 23, 1996	Sacramento County Board of Supervisors calls the election on the proposed Incorporation of Citrus Heights for November 5, 1996.
August 7, 1996	LAFCo adopts Impartial Analysis and forwards to Registrar of Voters.

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This is the unlikely story of the struggle between Citrus Heights and the powerful influences in Sacramento County, a struggle that spanned twelve years and extended all the way to the U.S. Supreme Court. It's a history worth exploring, a portrait of a small-but-determined, bipartisan community that insisted on its democratic right to self-govern. In a time of division and uncertainty, this is a truly American story about local politics – with a happy ending for a change.

*“I am not overstating what a joy it was to be reminded of all the players and the memories that came flooding back in when reading this book. I hope every member of this community will take the time to read it and come to appreciate the gravity of each person who carried so much water for us and made this city what it has become today. The fight, and this book, are a job well done.”*

**– Kermit Schayltz, Citrus Heights Business Owner**

*“Becoming the City of Citrus Heights is a fabulous account of the David/Goliath battle the citizens of our community fought to become the city we are today. The author has brought to life the true essence of determination and grit required to overcome the obstacles brought forth by a power-hungry county leadership. This work is a true account of history for our community.”*

**–Albert Fox, Former Member, Citrus Heights City Council**

*“This book is an excellent documentary of the vision, setbacks, and victories leading to the ultimate success of the Citrus Heights Incorporation effort.”*

**–Bob Churchill, former General Manager,  
Citrus Heights Water District**

*“A compelling chronicle of how a small band of determined Citrus Heights residents beat all odds to form a city. Reads like a novel... a real page turner!”*

**–Roberta MacGlashan, former President,  
Citrus Heights Incorporation Project**



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