



FINAL MINUTES

LAFCO REGULAR MEETING

Wednesday, April 8, 2009, 9:00 AM

Planning Commission Hearing Room, Hall of Administration

10 Civic Center Plaza

Santa Ana, CA

1. CALL TO ORDER

Chair Wilson called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:00 AM.

2. PLEDGE OF ALLEGIANCE

Commissioner Patsy Marshall led the pledge of allegiance.

3. ROLL CALL

The following Commissioners and alternates were present:

- **Chair Susan Wilson**
- **Vice Chair Peter Herzog**
- **Commissioner Bill Campbell**
- **Commissioner Cheryl Brothers**
- **Commissioner John Withers**
- **Commissioner John Moorlach**
- **Commissioner Arlene Schafer**
- **Alternate Commissioner Patsy Marshall**
- **Alternate Commissioner Rhonda McCune**
- **Alternate Commissioner Charley Wilson**

The following Commissioners were absent at roll call:

Alternate Commissioner Pat Bates

The following LAFCO staff members were present:

- **Legal Counsel Clark Alsop**
- **Executive Officer Joyce Crosthwaite**
- **Assistant Executive Officer Bob Aldrich**
- **Policy Analyst Benjamin Legbandt**
- **Consultant Joe Serrano**
- **Administrative Assistant Danielle Angela Reyes**

4. APPROVAL OF MINUTES

March 11, 2009 – Regular Commission Meeting Minutes

Chair Wilson called for any changes and approval of the March 11, 2009 regular commission meeting minutes. There were no changes.

MOTION: Approve March 11, 2009 Regular Commission Meeting minutes without revision (Arlene Schafer)
SECOND: John Moorlach
FOR: Chair Susan Wilson, Vice Chair Peter Herzog, Bill Campbell, Arlene Schafer, John Withers, Cheryl Brothers, John Moorlach
AGAINST: None
ABSTAIN:
MOTION PASSED

5. PUBLIC COMMENT

Chair Wilson requested public comments on any non-agenda item.

Nancy Francis, a resident of the Southwest Anaheim Island, addressed the Commission regarding LAFCO's annexation process.

6. CONSENT CALENDAR

None

7. PUBLIC HEARING

7a. – Proposed LAFCO Budget for Fiscal Year 2009-2010

LAFCO Consultant Joe Serrano reported that State Law requires the Commission to adopt a proposed budget by May 1st of each year and that the proposed budget is distributed for review and comment to the Board of Supervisors, all Orange County Cities, and Special Districts. He further stated that the proposed budget represents a reduction of approximately 9% for LAFCO's member agencies from FY 2008-2009. He added that an additional public hearing will be scheduled for adoption of the Final FY 2009-2010 LAFCO budget at the May 13, 2009 Commission meeting.

Commissioner Moorlach asked if LAFCO received a letter from OCERS showing the projected rates for retirement costs in future years. Executive Officer Joyce Crosthwaite responded that the agency received retirement projections for FY 2009-2010 only.

Commissioner Campbell added that \$50,000 was set aside last year, as recommended by the Executive Committee.

Commissioner Moorlach requested clarification on the increase in the optional benefit plan costs from FY 2008-2009.

Executive Officer Crosthwaite stated that the optional benefit plan costs were based on County projections.

Commissioner Campbell also noted a decrease in the Professional Services category from FY 2008-2009 and suggested that that category be re-evaluated given the potential for additional LAFCO studies in 2009-2010.

Chair Wilson commented that there has been an increased amount of illness in the LAFCO office and suggested that alternative office space be evaluated.

Commissioner Moorlach suggested contacting OC Public Works to investigate any ventilation or air quality issues causing concern.

Executive Officer Crosthwaite informed the Commission that LAFCO Analyst Ben Legbandt has been working with the County Information Technology staff to resolve ongoing E-mail issues and that staff will report on progress at future meetings.

Chair Wilson opened the public hearing and closed it after not receiving public comments.

Commissioner Patsy Marshall questioned the source of LAFCO's investment interest shown in the revenue section of the proposed budget.

Executive Officer Crosthwaite responded that LAFCO has an investment account with the Local Agency Investment Fund (LAIF).

Commissioner Schafer asked if LAFCO is anticipating any filing fees this year.

Executive Officer Crosthwaite responded that the proposed budget does not include any filing fees for FT 2009-2010.

MOTION: Continue the public hearing and consideration of the Draft FY 2009-2010 budget to May 13, 2009. Arlene Schafer

SECOND: John Withers

FOR: Chair Susan Wilson, Vice Chair Peter Herzog, Bill Campbell, Arlene Schafer, John Withers, Cheryl Brothers, John Moorlach

AGAINST:

**ABSTAIN:
MOTION PASSED**

8. COMMISSION DISCUSSION AND ACTION

8a. – Best Practices Review

Ben Legbandt, LAFCO Policy Analyst, provided the Commission with an overview of Best Practices Summit held on March 27, 2009. Mr. Legbandt stated that a report summarizing the key issues and proposed “next steps” will be presented to the Commission at a later meeting.

Chair Wilson complimented Mr. Legbandt on an outstanding job in coordinating the summit.

Commissioner Campbell commented that the structure of the summit was very good and inquired as to the number of city council members present vs. special district members.

Policy Analyst Legbandt responded that more special district representatives attended than city representatives.

Commissioner Campbell recalled that staff had previously attempted to initiate a process to compare services, costs and revenues among Orange County agencies but that the proposal met with opposition from city managers. He suggested some type of similar approach may have merit.

Commissioner Herzog observed that comparing cities can be difficult. He noted that the City of Lake Forest, a contract city, cannot be accurately compared to the City of Fountain Valley, a full service city, and that all 34 cities in Orange County are different.

Commissioner Campbell noted that how city revenues are allocated is an important issue.

Commissioner Schafer expressed her appreciation that special districts were included in the Best Practices Summit and suggested that a presentation be made by LAFCO staff to the Independent Special Districts of Orange County summarizing the results of the summit.

Commissioner Withers informed the Commission of a previous effort by the Rose Institute to evaluate public services.

Commissioner Campbell requested that staff return with a report on available data to assess and compare city revenues and expenditures.

Commissioner Herzog questioned why LAFCO would be involved in this kind of study.

Commissioner Brothers suggested that every city may be able to provide a pie chart illustrating how revenues are spent.

8b. Boundary Report Update

Ben Legbandt, Policy Analyst, stated that LAFCO staff has held two boundary workshops with the staff from the border cities of Los Angeles County and Orange County to discuss opportunities to reorganize their boundaries. He indicated that the Cities of Long Beach and Seal Beach have expressed interest in considering a boundary change.

Commissioner John Moorlach added that the City of Seal Beach has contacted him about possible boundary changes.

8c. – CALAFCO Annual Staff Workshop

Consultant Joe Serrano informed the Commission that the LAFCO staff will be attending a three-day CALAFCO Staff Workshop beginning May 29, 2009.

8d. – LAFCO “101” Presentations Update

Assistant Executive Officer Bob Aldrich updated the Commission on recent staff outreach efforts with Orange County’s special districts and cities.

8e. – Alternate Public Member Process Update

Commissioner McCune announced that she will not seek another term as LAFCO’s Alternate Public Member.

8f. – Financial Disclosure Requirements (AB 745 & AB 1998)

Executive Officer Joyce Crosthwaite reported that CALAFCO, Orange LAFCO, the Fair Political Practices Commission and the Senate Local Government Committee staffs have been working on clean-up legislation to close a loop hole on disclosure requirements for certain LAFCO proceedings. She requested that the Commission send a letter supporting the proposed legislation.

MOTION:	Direct staff to send a letter of support for AB 1998
	John Moorlach
SECOND:	Bill Campbell
FOR:	Chair Susan Wilson, Vice Chair Peter Herzog, Bill Campbell, Arlene Schafer, John Withers, Cheryl Brothers, John Moorlach
AGAINST:	None

**ABSTAIN:
MOTION PASSED**

9. COMMISSIONER COMMENTS

Commissioner Brothers invited LAFCO to participate in the Orange County Division of the League of Cities new council member orientation.

10. INFORMATIONAL ITEMS & ANNOUNCEMENTS

None

11. CLOSED SESSION

None

12. ADJOURNMENT

The meeting adjourned 10:21 a.m.

SUSAN WILSON, Chair
Orange County Local Agency Formation Commission

By: 
AJ Cully
Commission Clerk