



FINAL MINUTES

LAFCO REGULAR MEETING

Wednesday, June 17, 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 9:03 AM.

2. PLEDGE OF ALLEGIANCE

Commissioner Bill Campbell 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 John Withers**
- **Commissioner John Moorlach**
- **Commissioner Pat Bates**
- **Commissioner Patsy Marshall**
- **Commissioner Rhonda McCune**

The following Commissioners were absent:

Commissioner Arlene Schafer, Commissioner Cheryl Brothers, Alternate Commissioner Charley Wilson

The following LAFCO staff members were present:

- **Legal Counsel Scott Smith**
- **Executive Officer Joyce Crosthwaite**
- **Assistant Executive Officer Bob Aldrich**
- **Senior Project Manager Carolyn Emery**
- **Policy Analyst Benjamin Legbandt**
- **Financial Analyst Joe Serrano**
- **Administrative Assistant AJ Cully**

4. APPROVAL OF MINUTES

May 13, 2009 – Regular Commission Meeting Minutes

Chair Wilson called for any changes and approval of the May 13, 2009 regular commission meeting minutes. There were no changes.

MOTION: Approve May 13, 2009 regular commission meeting minutes without revision (John Withers)
SECOND: Peter Herzog
FOR: Chair Susan Wilson, Vice Chair Peter Herzog, Bill Campbell, John Withers, John Moorlach, Patsy Marshall
AGAINST: None
ABSTAIN: None
MOTION PASSED

5. PUBLIC COMMENT

Chair Wilson requested public comments on any non-agenda item. No public comments were made.

6. CONSENT CALENDAR

No consent items were heard.

7. CONTINUED PUBLIC HEARING

7a.) Proposed Sphere of Influence Update for the Cities of Tustin and Orange in the unincorporated North Tustin area (SOI 08-04) and Reconfirmation of Municipal Service Review Determinations (MSR 09-12) and (MSR 09-13)

Assistant Executive Officer Bob Aldrich summarized the sphere updates and MSR determinations for the cities of Tustin and Orange. He stated that there have been four different sphere lines in the North Tustin area over the last 20 years. He addressed the difficulties involved in creating a logical sphere line which includes topography and development patterns, current resident opposition to annexation, and disagreement between the Cities of Orange and Tustin. Mr. Aldrich recommended that a modified school district boundary serve as the new sphere line. He noted that the current district boundary follows public roads and supports communities of interest. Mr. Aldrich recommended that the proposed sphere adjustments and reconfirmation of the MSR determinations for both cities be approved.

Chair Susan Wilson asked if annexation by either city had ever been initiated.

Assistant Executive Officer Aldrich stated that there were three to four small piecemeal annexations done 10-15 years ago but nothing since then. He added that annexation can be initiated at any time.

Commissioner Bill Campbell asked if the school district boundary splits the Rocking Horse Ridge area. Assistant Executive Officer Aldrich responded affirmatively.

Commissioner John Moorlach asked for clarification on the address used by North Tustin residents.

Commissioner Bill Campbell responded that the main post office address is Santa Ana, (zip code of 92705), but some residents also use North Tustin and Cowan Heights (for 92705 zip code).

The **Chair** opened the public hearing:

Pro Tem Mayor Jerry Amante, City of Tustin, expressed support for the LAFCO staff recommendations. He stated that using the proposed modified school district boundaries is logical, both topographically and geographically.

Commissioner Bill Campbell asked if the City of Tustin has gone on record expressing interest in annexing any portion of the unincorporated North Tustin area.

Mayor Pro Tem Jerry Amante responded no but added that annexation may be explored in the future.

Mayor Carolyn Cavecche, City of Orange, expressed support of the cities' current spheres of influence. She stated that the City of Orange believes the current sphere line is best option until annexation of North Tustin occurs.

Commissioner Bill Campbell asked if the City of Orange has gone on record regarding annexation of this area.

Mayor Cavecche answered that the City has not taken a formal position at this time.

Commissioner Campbell clarified that there were islands near Fairhaven, west of the North Tustin area that were annexed to Orange years ago.

City Manager of Orange John Sibley stated that City of Orange currently provides fire, police and water services to the North Tustin area. He discussed the need for proper analysis to be completed before the sphere boundary is changed.

Bruce Junor, resident of North Tustin, stated that the Foothill Community Association does not want to be included in any sphere of influence.

Niles Koenis, resident of North Tustin, supported the option to not be included in either city's sphere of influence.

A.J. Coco, resident of North Tustin, spoke in favor of staff's recommendation to have sphere line coincide with school district boundaries.

Commissioner John Moorlach asked Mr. Coco for his perspective of why this area had never been annexed.

A.J. Coco answered that parts of North Tustin had been annexed in an effort to square off boundary lines, but resident opposition has prevented following annexations. He added that the North Tustin area was included in the Greater Tustin Area General Plan in 1971.

Tom Kenny, resident of Rocking Horse Ridge, spoke in favor of remaining in the Tustin sphere of influence.

Commissioner Campbell asked Mr. Kenny to clarify how many schools serve the Rocking Horse Ridge community.

Mr. Kenny answered that there are several schools serving the area.

Don Nevins, resident of Rocking Horse Ridge, spoke in favor of unifying the Rocking Horse Ridge neighborhood by placing it in the Tustin SOI and the Tustin School District.

Commissioner Campbell clarified that LAFCO has no authority over school district boundaries.

Bob Winters, resident of Rocking Horse Ridge, clarified there are two Rocking Horse Ridge areas, one located in the City of Orange and the other located in the unincorporated North Tustin area. He added that each has different homeowner associations and municipal service providers. Mr. Winters stated that he is in support of staff recommendations.

Commissioner Campbell elaborated on the specific challenges faced by a change in spheres at this time but added that he favored staff recommendations to modify sphere of influence boundaries to generally coincide with school district boundary.

MOTION: **Adopt the Spheres of Influence for the Cities of Tustin and Orange for the unincorporated area of North Tustin (SOI 08-04) and Reconfirm of Municipal Service Review Determinations (MSR 09-12) and (MSR 09-13) (Bill Campbell)**

SECOND: **Susan Wilson**

Commissioner Patsy Marshall stated that the current SOI be reaffirmed as both cities agreed on it two years ago. **Commissioner Marshall** made a motion to reaffirm the current Tustin and Orange current spheres.

Commissioner Peter Herzog agreed with Commissioner Marshall in support of leaving the current sphere line in place and seconded the motion.

Commissioner Rhonda McCune spoke in support of the staff recommendation and original motion to amend the cities' sphere boundaries along school district boundaries.

Commissioner Bill Campbell stated that the residents of NTAC and FCA had three positions: 1) no sphere in North Tustin area; 2) entire North Tustin area should be placed in City of Tustin sphere; 3) support staff recommendation to align City of Orange and City of Tustin spheres along school district boundaries in North Tustin area.

SUBSTITUTE MOTION: **Reaffirm the current Spheres of Influence for the City of Orange and the City of Tustin. (Peter Herzog)**
SECOND: **Patsy Marshall**
FOR: **Vice Chair Peter Herzog, Patsy Marshall**
AGAINST: **Chair Susan Wilson, Bill Campbell, John Moorlach, John Withers**
ABSTAIN: **None**
MOTION FAILED

Commissioner John Withers noted his support for the original motion to amend both cities' spheres of influence.

ORIGINAL MOTION: **Adopt the Spheres of Influence for the City of Orange and the City of Tustin (staff recommendation) and Reaffirm the MSR Determinations for both the City of Orange and the City of Tustin. (Bill Campbell)**
SECOND: **Chair Susan Wilson**
FOR: **Chair Susan Wilson, Bill Campbell, John Moorlach, John Withers**
AGAINST: **Vice Chair Peter Herzog, Patsy Marshall**
ABSTAIN: **None**
MOTION PASSED

8. PUBLIC HEARING

8a) Proposed adoption of the LAFCO Final Budget for Fiscal Year 2009-2010

LAFCO Consultant Joe Serrano stated that the FY 2009-2010 proposed budget included a 2% reduction to our funding agencies. If budget is approved by the Commission, he requested that staff be directed to distribute the Final Budget to the Board of Supervisors, County Executive Office, each city and independent special district, and the County Auditor.

Commissioner Moorlach questioned if staff had done research on costs associated with leasing of office space.

Executive Officer Joyce Crosthwaite answered that staff found that the current monthly rate charged by County is comparable to other leasing costs explored in the area.

Commissioner Moorlach requested clarification on the history of how budget allocations are paid.

Executive Officer Joyce Crosthwaite stated that in 2000, the Legislature mandated that LAFCO costs be divided equally between the county, city, and special districts.

MOTION: Adopt the final budget for Fiscal Year 2009-2010 (Peter Herzog)
SECOND: John Moorlach
FOR: Chair Susan Wilson, Vice Chair Peter Herzog, Bill Campbell, John Withers, John Moorlach, Patsy Marshall
AGAINST: None
ABSTAIN: None
MOTION PASSED

8b.) Proposed Sphere of Influence Update for the City of Rancho Santa Margarita (SOI 09-09) and Reconfirmation of MSR Determinations (MSR 09-05)

Assistant Executive Officer Bob Aldrich summarized the staff report and recommendations for the City of Rancho Santa Margarita sphere of influence and MSR determinations. He stated that the City of Rancho Santa Margarita and unincorporated Coto de Caza are linked economically, socially, and geographically. He recommended the sphere of influence for the City of Rancho Santa Margarita be expanded to include all of unincorporated Coto de Caza.

Commissioner Bill Campbell asked for clarification from staff regarding the unincorporated Las Flores area.

Mr. Aldrich responded that Las Flores is not being considered for inclusion in the Rancho Santa Margarita sphere at this time.

Commissioner Peter Herzog wanted clarification that the proposed sphere of influence includes Wagon Wheel and Stonegate.

Mr. Aldrich answered that these areas were included in staff's recommendation.

Commissioner Pat Bates requested this item be continued for 30 days to allow her additional and adequate time to speak with all parties involved.

The **Chair** opened the public hearing.

Mike Ameal, resident of Coto de Caza, spoke against changing the sphere until a financial feasibility study is completed.

Commissioner Campbell asked staff who paid for the Rossmoor Incorporation Study.

Executive Officer Joyce Crosthwaite responded that the study was paid for by the residents of Rossmoor.

Commissioner Campbell added that communities typically fund their own studies.

Commissioner Moorlach asked if there had been a financial study done since 2007.

Executive Officer Joyce Crosthwaite responded that no study had been done since then and that the 2007 study was funded by the County.

Kathleen Haton, City of Rancho Santa Margarita Development Services Director, spoke in opposition of placing Coto de Caza in the Rancho Santa Margarita sphere of influence.

Fred Whitney, Counsel for Las Flores Maintenance Corporation, requested consideration for Las Flores to be included in the Rancho Santa Margarita SOI and/or be designated as a special study area.

Robert Varo, resident of Coto de Caza, spoke in favor of the staff recommendation to place Coto de Caza in the Rancho Santa Margarita sphere.

MOTION: **Continue the Proposed Sphere of Influence Update for the City of Rancho Santa Margarita (SOI 09-09) and Reconfirmation of MSR Determinations (MSR 09-05) to the July 8, 2009 Commission Meeting. (Patsy Marshall)**

SECOND: **Bill Campbell**

Commissioner John Withers asked if a 30-day continuance was sufficient for discussion with all parties.

Commissioner Pat Bates stated she preferred 60 days but will work with this time frame. She added that if additional time is needed, she would discuss with the Commission.

Commissioner Peter Herzog stated that this area has been studied a great deal through the years. He also stated that he saw no need for a fiscal analysis to be done. He emphasized that being placed in a sphere of influence does not limit the discussion of governance options.

Executive Officer Joyce Crosthwaite informed the Commission of schedule conflicts for the July and August meetings and added that the item may need to be continued to September.

Commissioner Bates requested that an update be presented at the July 8th meeting.

Commissioner Peter Herzog stated that the Commission may want to consider designating Las Flores as a special study area.

Chair Susan Wilson requested an amended motion to continue the item.

AMENDED MOTION: Continue the Proposed Spheres of Influence Update for the City of Rancho Santa Margarita (SOI 09-09) and Reconfirmation of MSR Determinations (MSR 09-05) to the September 9, 2009 Commission Meeting with an update by Commissioner Bates at the July 8th meeting. (Patsy Marshall)

SECOND: Bill Campbell

FOR: Chair Susan Wilson, Vice Chair Peter Herzog, Bill Campbell, John Withers, John Moorlach, Patsy Marshall

AGAINST: None

ABSTAIN: None

MOTION PASSED

9. COMMISSION DISCUSSION AND ACTION

9a.) CALAFCO Update

Executive Officer Joyce Crosthwaite discussed transportation arrangements for the 2009 CALAFCO annual conference in Yosemite this coming October.

Executive Officer Joyce Crosthwaite informed Commissioners that the CALAFCO Board will be holding their August meeting in Irvine.

9b.) 2008-2009 BUDGET and LAIF UPDATE

Consultant Joe Serrano stated that as of April 2009, the majority of LAFCO expenditures are within targeted levels. He provided an update to the Commission on LAFCO's investments in LAIF and requested that the Commission receive and file the budget and investment update.

Chair Susan Wilson recognized that this was Commissioner McCune's last seated meeting and commended her on her involvement as a Commissioner over the past several years.

Chair Wilson highlighted Commissioner McCune's personal and professional accomplishments and thanked her for her many contributions.

Commissioner Rhonda McCune expressed her sentiments regarding her years of service as a Commissioner and public member.

9c. Alternate Public Member Interviews and Selection

The Commission interviewed five candidates for the Alternate Public Member position: Lynette Berk, Paul Ireland, Derek McGregor, Daniel Joseph, and Fred Smoller. They discussed each applicant individually and commended them on their outstanding qualifications.

Chair Susan Wilson announced the selection of Derek McGregor as LAFCO's new Public Member.

Commissioner Pat Bates left the meeting at 11:30 a.m.

Chair Susan Wilson recused herself so Rhonda McCune could vote for the Alternate Public Member.

MOTION: **Appoint Derek McGregor as Alternate Public Member for LAFCO (Bill Campbell)**
SECOND: **Peter Herzog**
FOR: **Vice Chair Peter Herzog, Bill Campbell, John Withers, John Moorlach, Patsy Marshall, Rhonda McCune**
AGAINST: **None**
ABSTAIN: **None**

10. COMMISSIONER COMMENTS

No comments made.

11. INFORMATIONAL ITEMS

No informational items heard.

12. CLOSED SESSION

No closed sessions items heard.

13. ADJOURNMENT OF THE REGULAR COMMISSION MEETING

The meeting adjourned at 12:02 p.m.

SUSAN WILSON, Chair
Orange County Local Agency Formation Commission

By: 

AJ Cully
Commission Clerk