



FINAL MINUTES

LAFCO REGULAR MEETING

Wednesday, May 13, 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 Charley Wilson led the pledge of allegiance.

3. ROLL CALL

The following Commissioners and Alternates were present:

- **Chair Susan Wilson**
- **Vice Chair Peter Herzog**
- **Commissioner Arlene Schafer**
- **Commissioner Cheryl Brothers**
- **Commissioner John Moorlach**
- **Commissioner Pat Bates**
- **Commissioner Charley Wilson**

The following Commissioners were absent at roll call:

Commissioner Bill Campbell, Commissioner John Withers, Alternate Commissioner Patsy Marshall, Alternate Commissioner Rhonda McCune

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
- LAFCO Public Accountant Paula Simeone
- Administrative Assistant AJ Cully
- Administrative Assistant Marion Jasieniecki

4. APPROVAL OF MINUTES

April 8, 2009 – Regular Commission Meeting Minutes

Chair Wilson called for any changes and approval of the April 8, 2009 regular commission meeting minutes. There were no changes.

MOTION: Approve April 8, 2009 regular commission meeting minutes without revision (Arlene Schafer)
SECOND: Cheryl Brothers
FOR: Chair Susan Wilson, Vice Chair Peter Herzog, Arlene Schafer, Cheryl Brothers, John Moorlach, Charley Wilson
AGAINST: None
ABSTAIN: Pat Bates
MOTION PASSED

5. PUBLIC COMMENT

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

None

6. CONSENT CALENDAR

None

7. CONTINUED PUBLIC HEARING

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

LAFCO Consultant Joe Serrano stated that State Law requires the Commission to adopt a proposed budget by May 1st and a final budget by June 15th. He addressed the concerns of the Commission regarding the optional benefit plan, professional services, information technology and the employee contribution for the retirement fund. He also explained that a relocation of the LAFCO office is not prudent at this time due to higher rental rates elsewhere. Mr. Serrano stated that the current budget represents a 2% reduction in funding agency contributions over the FY 2008-2009 budget. He recommended that the commission direct the Executive Officer to distribute the budget for review and comment to the Board of Supervisors, all Orange County Cities, the City Selection Committee, Special Districts, and the Independent Special Districts of Orange County (ISDOC). He also requested that the Commission direct staff to schedule an additional public hearing per Government Code Sec 56381 for consideration and adoption of the final FY 2009-2010 LAFCO Budget at the June 17, 2009 Commission meeting.

MOTION: Adopt the draft of the 2009-2010 Budget as presented and direct staff.
(Arlene Schafer)
SECOND: Charley Wilson
FOR: Chair Susan Wilson, Vice Chair Peter Herzog, Arlene Schafer, Cheryl
Brothers, John Moorlach, Pat Bates, Charley Wilson
AGAINST: None
ABSTAIN:
MOTION PASSED

8. PUBLIC HEARING

8a) Sphere of Influence Review for the City of Los Alamitos (SOI 09-02) and Reconfirmation of the City of Los Alamitos Municipal Services Review (MSR 09-01)

Executive Officer Joyce Crosthwaite mentioned that there are two letters in the Commissioner folders regarding this item.

Assistant Executive Officer Bob Aldrich stated that the City of Los Alamitos SOI, which includes the unincorporated area of Rossmoor, was last reviewed and approved in 2005. LAFCO staff is recommending no change at this time. A letter of support for LAFCO staff's recommendation was received from the City of Los Alamitos. The Rossmoor Community Services District also sent a letter requesting that the unincorporated community of Rossmoor be removed from the City of Los Alamitos SOI.

Chair Susan Wilson asked if this was the first time the City had taken a formal vote on this issue.

Mayor Troy Edgar stated that the City of Los Alamitos is taking a proactive stance by writing a letter of support. They recognized the SOI is a future planning tool and they intend to work with the community of Rossmoor.

Henry Tabouda, Rossmoor Community Services District, reiterated the contents of the Rossmoor CSD letter. He added that the County should allocate funds from its own budget to deal with the provisions of services such as animal control and sheriff's services; otherwise, there is no point for further discussion toward joint ventures with other cities.

Commissioner Herzog commented that the Rossmoor electorate spoke against incorporation.

MOTION: Re-Confirm the Los Alamitos Sphere of Influence (SOI 09-02) and
Municipal Services Review (MSR 09-01) (Peter Herzog)
SECOND: Cheryl Brothers
FOR: Chair Susan Wilson, Vice Chair Peter Herzog, Arlene Schafer, Cheryl
Brothers, John Moorlach, Pat Bates, Charley Wilson
AGAINST: None
ABSTAIN:
MOTION PASSED

9. COMMISSION DISCUSSION AND ACTION

9a.) City Managers' Sphere of Influence Report

Executive Officer Joyce Crosthwaite summarized a report, prepared by the Orange County City Managers, recommending that the County prepare a specific plan for unincorporated islands to ensure that the general plan and zoning designations between county codes and city codes are consistent. She added that this was another tool to encourage annexation of islands but noted that it is not appropriate for all of the islands. She added that a distinction should be made for small islands (less than 150 acres) because they can be annexed without protest.

Commissioner Peter Herzog said that the item was scheduled for consideration by the Orange County League of Cities Board.

Commissioner Cheryl Brothers noted that the study was a beginning. She added that she believed cities should assume the building and planning functions in their own SOIs and that if they did, the County would not have to maintain a Building and Planning Department.

Commissioner John Moorlach asked Commissioner Brothers to clarify if the study was prepared just by the City Managers.

Commissioner Cheryl Brothers answered that this was a follow up to the very informal bullet point list she sent to him. She added that the committee did not include her or Commissioner Herzog.

9b.) Policies and Procedures Updates

Assistant Executive Officer Bob Aldrich summarized recommended updates to the LAFCO Policies and Procedures. He noted that the first change was to ensure compliance with new requirements of the Fair Political Practices Commission (FPPC) regarding the disclosure of reporting requirements for gifts, tickets or passes. The second proposed change clarified that the Commissioner parking passes are part of their monthly stipend for serving on the Commission. The third proposed change eliminates the cap of transferring more than 80 hours of unused sick time among LAFCO employees. He noted that the elimination of the cap is subject to the approval of the Executive Officer and would only be allowed under extraordinary circumstances. The fourth proposed change provided a Leave of Absence with Pay policy which mirrors the current County policy.

Commissioner Brothers requested clarification on transferring sick leave hours.

Executive Officer Joyce Crosthwaite pointed out that while there is no cap on accumulating sick time, LAFCO's policies prohibit paying employees for accumulated sick time. She added that there is a cap of 240 hours on vacation time and that, consistent with State law, LAFCO employees are paid for accumulated vacation time upon leaving. She added that when LAFCO staff reaches the cap of 240 hours for vacation time, they do not accrue any additional time.

Commissioner Moorlach stated that none of the Supervisors can transfer sick time. He noted the extraordinary circumstances but questioned whether changing general policies to fit specific circumstances was appropriate.

Executive Officer Joyce Crosthwaite agreed that it is not always good policy to change general policies in response to a specific situation; however, she noted that the safeguards placed on this policy will protect the agency. She suggested that the Commission could also place an upper limit on the hours transferred or could make it subject to approval of the full Commission.

MOTION: Approve changes to the Policies and Procedures (Cheryl Brothers)
SECOND: Arlene Schafer
FOR: Chair Susan Wilson, Vice Chair Peter Herzog, Arlene Schafer, Cheryl Brothers, John Moorlach, Pat Bates, Charley Wilson
AGAINST: None
ABSTAIN:
MOTION PASSED

9c.) Southwest Anaheim Annexation Update

Executive Office Joyce Crosthwaite stated that staff is continuing to work with residents willing to annex. She added that Analyst Ben Legbandt has been working to group those annexations into logical boundaries.

Nancy Francis, West Island Neighbors Community Group, stated that the main opposition to annexation is that this area wants to be able to reap the benefit of the 40% lower electricity costs from the City of Anaheim over the higher costs from SCE. She added that this issue had never been addressed in the current or previous annexation efforts.

Executive Officer Joyce Crosthwaite disagreed, stating that the issue had been addressed in all previous annexation efforts and in a recent article written for the West Island Community Group newsletter which the group refused to print. She summarized the fees required to opt out of SCE and added that there are other reasons for annexation such as better response time from police and better services from the city.

Commissioner Bates questioned if this was a matter for legislation changes.

Executive Officer Joyce Crosthwaite stated that cities would be more inclined to address this on behalf of residents rather than the County who has regional issues to address.

Commissioner Charley Wilson clarified that the Public Utility Commission has established a rigorous process to ensure that if there is a transfer of customers from one electrical system to another, the incurred costs are not borne by remaining customers.

Commissioner Brothers commented that in her small city, she has two different telephone companies. She does not see any difference between this and other public utilities.

Commissioner Charley Wilson stated that cost structures for Anaheim residential rates are lower than standard SCE residential rates.

Commissioner Herzog stated that he's been through many annexations, including one in his own city. All annexations have unique issues that can be taken, analyzed, and worked out creatively. He added that the residents must look at the whole package when making the decision to annex.

d.) County Service Area (CSA) 20 Update

Policy Analyst Ben Legbandt stated that in December 2008, in accordance with re-write of County Service Area Law, this Commission completed an inventory of all CSAs in Orange County. He indicated the CSA 20 is within the SOI of the City of La Habra. Mr. Legbandt explained that the county does not currently provide sewer services anywhere in the county. He also added that no funds collected through CSA 20 have been used. He stated that the most efficient way to utilize these funds would be as a condition of any annexation to the City of La Habra.

Commissioner Schafer asked if the CSA continued to collect the funds.

Mr. Legbandt answered the CSA continues to collect a percentage of the 1% property tax and it has its own county fund.

e.) Fiscal Model Update

Executive Officer Joyce Crosthwaite stated that LAFCO staff is working with the County staff on a pilot project to collect revenues and expenditures on an annual basis for unincorporated areas. There are three pilot projects including the islands of Sunset Beach, La Habra, and Santa Ana. She noted the help received from Commissioner Moorlach's office.

Chair Wilson commented that she thinks it will be very valuable information and she is anxious to see it.

10. COMMISSIONER COMMENTS

Chair Wilson shared her experiences over the last six months with the selection process for a seat on the Grand Jury.

Chair Wilson announced that LAFCO Senior Project Manager Carolyn Emery's husband passed away.

11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

None

12. CLOSED SESSION

None

13. ADJOURNMENT OF REGULAR COMMISSION MEETING

The meeting adjourned 9:56 a.m.

SUSAN WILSON, Chair
Orange County Local Agency Formation Commission

By:  _____
AJ Cully
Commission Clerk