



## FINAL MINUTES

### LAFCO REGULAR MEETING

Wednesday, January 13, 2010, 9:00 a.m.

Planning Commission Hearing Room, Hall of Administration  
10 Civic Center Plaza  
Santa Ana, CA

#### 1. CALL TO ORDER

**Chair Susan Wilson** called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:02 a.m.

#### 2. PLEDGE OF ALLEGIANCE

**Chair Susan Wilson** led the pledge of allegiance.

#### 3. ROLL CALL

The following Commissioners and alternates were present:

- **Chair Susan Wilson**
- **Vice Chair Peter Herzog**
- **Commissioner Cheryl Brothers**
- **Commissioner John Moorlach**
- **Commissioner Arlene Schafer**
- **Commissioner John Withers**
- **Alternate Commissioner Pat Bates**
- **Alternate Commissioner Patsy Marshall**
- **Alternate Commissioner Derek J. McGregor**
- **Alternate Commissioner Charley Wilson**

The following Commissioners were absent at roll call:

- **Commissioner Bill Campbell**

The following LAFCO staff members were present:

- **Legal Counsel Clark Scott Smith**
- **Executive Officer Joyce Crosthwaite**
- **Assistant Executive Officer Carolyn Emery**
- **Analyst Benjamin Legbandt**
- **Analyst Joe Serrano**
- **Commission Clerk Esther Garcia-Negrete**

#### **4. APPROVAL OF MINUTES**

##### **December 9, 2009 – Regular Commission Meeting Minutes**

**Chair Wilson** called for any changes of the December 9, 2009 regular commission meeting minutes. There were none.

**MOTION:** Approve December 9, 2009 Regular Commission Meeting minutes without revision. (Arlene Schafer)  
**SECOND:** Peter Herzog  
**FOR:** Cheryl Brothers, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers.  
**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**

None

#### **7. PUBLIC HEARING**

Prior to the consideration of the Public Hearing items, Executive Officer, Joyce Crosthwaite requested that item 7b. – Request for Reconsideration for the “Ortega/La Pata Annexation to the City of San Juan Capistrano” (CA 09-19) be pulled from the agenda. She stated that the Commission did not receive a formal request for reconsiderations so this item did not need to be heard.

##### **7a. – Proposed “Cypress Recreation and Parks District Detachment from the City of La Palma” (DD 09-20)**

Analyst Benjamin Legbandt summarized the proposal which included the detachment of approximately 10 acres of territory of the Cypress Recreation and Parks District from the City of La Palma. Mr. Legbandt noted that the proposal was the result of a MSR and Sphere of Influence update conducted by the Commission in 2008 which removed the area from the Cypress Park and Recreation District’s sphere of influence. He added that the proposal included the reallocation of the property tax revenues for this area to the City of La Palma as the provider of park and recreation services. Mr. Legbandt recommended that the Commission adopt staff’s recommendation approving the detachment subject to terms and

conditions outlined in the staff report. Mr. Legbandt noted that due to the dissolution of a former water district, allocation of a portion of the tax revenues involving the proposal area need to be corrected. He added that it was an oversight and asked the Commission for direction.

Executive Officer Joyce Crosthwaite requested clarification as to which governing body, LAFCO or the Board of Supervisors, has the authority to direct the Orange County Auditor Controller to correct the issue.

**Chair Wilson** called for questions from the Commission.

**Commissioner Moorlach** stated that the Orange County Board of Supervisors addressed this issue at the December Board meeting. Executive Officer Joyce Crosthwaite clarified that the Board approved only the property tax exchange for the proposed "Cypress Recreation and Parks District detachment from the City of La Palma" and not the administrative error that occurred during dissolution process. .

**Chair Wilson** inquired if the administrative action would take into account the money that was previously distributed to the City of Cypress. Analyst Benjamin Legbandt responded that any changes in the tax rate areas would be for tax years going forward only and would not include or change the allocation of revenues for this area for past years.

**Commissioner Moorlach** requested that LAFCO staff work with his staff to correct this administrative oversight.

**Chair Wilson** opened the public hearing.

June Liu, Director of Recreation and Community Services, City of Cypress stated that Cypress City Council and the District do not oppose the proposed detachment. She noted that the City Council and the District's position is predicated on the agreement that only the future property tax transfers will be reallocated.

**Chair Wilson** closed public hearing.

<b>MOTION:</b>	<b>Approve the proposed "Cypress Recreation and Parks District Detachment from the City of La Palma" (DD 09-20); Direct staff to work with 2<sup>nd</sup> District regarding reallocation of tax revenue due to previous administrative oversight.(Arlene Schafer)</b>
<b>SECOND:</b>	<b>John Moorlach</b>
<b>FOR:</b>	<b>Cheryl Brothers, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers.</b>
<b>AGAINST:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>None</b>
<b>MOTION PASSED</b>	

**7b. – Request for Reconsideration for the “Ortega/La Pata Annexation to the City of San Juan Capistrano” (CA 09-19)**

Item pulled from the agenda.

**8. COMMISSION DISCUSSION AND ACTION**

**8a. – Draft Guidelines for Evaluation of LAFCO Proposals**

Bob Aldrich, Consultant, summarized the background for preparation of draft guidelines for evaluation LAFCO proposals. He noted that the need for guidelines was raised at the 2009 Best Practices Summit and the LAFCO Strategic Planning Session. He stated the draft policy guidelines address applications that include a request to provide a new service or activation of latent powers. He noted that the item today is for discussion purposes only and would be brought back before the Commission in February with consideration of the LAFCO handbook and other policies. He concluded by recommending a revision to the draft policy.

**Chair Wilson** called for questions and comments.

**Commissioner Withers** expressed his support for the policy. He stated that the intent of the policy is to ensure that residents are involved in the process and supportive of request for new or enhanced services.

**Commissioner Bates** requested clarification on a section of the guidelines. Executive Officer Crosthwaite responded that some text was inadvertently omitted and thanked **Commissioner Bates** for bringing the omission to staff’s attention.

**Commissioner Herzog** expressed some concern regarding wording used in the guidelines. He requested that staff clarify the language used regarding the funding source for the new or enhanced services. Executive Officer Crosthwaite replied that proposed language requires applicants to demonstrate that residents of the area demonstrate approval of a funding source for new or enhanced services.

**Commissioner Herzog** additionally noted that the draft policy should clarify the threshold necessary to demonstrate that a majority of area residents support the proposed funding source. He added that the thresholds vary depending on the type of funding proposed.

**Commissioner Brothers** inquired whether language should be added to the policy requesting that the applicant provide LAFCO staff a copy of any resident petition prior to distribution to ensure that petition includes required information. Executive Officer Crosthwaite replied that generally community groups seek input from LAFCO staff when developing the petition.

**8b. – Unincorporated Islands Fiscal Model**

Assistant Executive Officer Carolyn Emery stated that the revised fiscal model for the unincorporated islands had been completed. She noted that the revised model now includes a 10-year projection of the revenues and costs to the County for unincorporated islands.

**Commissioner Moorlach** inquired whether the fiscal model would be used for the communities of Coto de Caza, Ladera Ranch, and La Flores. Executive Officer Joyce Crosthwaite responded that the communities of Coto de Caza and Las Flores were participating in a separate joint effort to prepare a fiscal study for these areas.

#### **8c. – Orange County LAFCO Website**

LAFCO Analyst Joe Serrano navigated the Commission through the newly designed LAFCO website. He highlighted the improved accessibility and functionality of the new website band and pointed out that some of the pages are available in Spanish.

**Chair Wilson** commended staff on the website. Executive Officer Joyce Crosthwaite noted that the website redesign was done solely by internal staff resulting in a significant cost-saving to the agency.

#### **8d. – CALAFCO**

Executive Officer Joyce Crosthwaite noted letters regarding CALAFCO were placed in the Commissioners' meeting folders. She stated that there was a meeting scheduled for Monday, January 25<sup>th</sup> of the southern California LAFCOs to discuss these items. She invited Commissioners to attend and noted that both staff and Commissioners from other LAFCOs would be in attendance. Ms. Crosthwaite stated that the purpose of the meeting was to discuss forming a regional agency. She summarized the CALAFCO proposal regarding regionalization. Executive Officer Joyce Crosthwaite requested the Commission's direction regarding continued participation as a member of the CALAFCO Legislative Committee. The Commission directed staff to resign from the CALAFCO Legislative Committee

**Commissioner Marshall** noted that there appeared to be four LAFCOs that would prefer to maintain the current CALAFCO Board structure and a couple of others are undecided. She inquired whether Executive Officer Joyce Crosthwaite would be attending the January 15<sup>th</sup> Board of Directors meeting. Executive Officer Crosthwaite replied that she had not intended on participating but would attend at the Commission's direction.

**Chair Wilson** stated that **Commissioner Campbell** had previously directed Executive Officer Crosthwaite to not participate in any CALAFCO events.

**Commissioner Moorlach** stated that he would not be able to attend the January 25<sup>th</sup> meeting due to a conflicting meeting. Commissioners Herzog and Brothers indicated that they would attend the meeting.

**8e. – Election of New LAFCO Officers for 2010**

**Chair Susan Wilson** commended Bob Aldrich for his years of service at LAFCO and the County and awarded him a resolution highlighting some of his significant accomplishments.

Executive Officer Crosthwaite mentioned that Ms. Emery had agreed to accept the position of Assistant Executive Officer and Mr. Serrano accepted the position of Policy Analyst. She congratulated Mr. Serrano for completing his Bachelor of Arts degree in accounting and finance at California State University, Fullerton. .

**Commissioner Withers** nominated **Commissioner Herzog** for the Chair position.

**MOTION:** Nominate **Commissioner Peter Herzog as Chair for 2010.**  
(**John Withers**)  
**SECOND:** **Arlene Schafer**  
**FOR:** **Cheryl Brothers, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers**  
**AGAINST:** **None**  
**ABSTAIN:** **None**  
**MOTION PASSED**

**Commissioner Schafer** nominated **Commissioner Moorlach** for the position of Vice Chair.

**MOTION:** Nominate **Commissioner John Moorlach as Vice-Chair for 2010.** (**Arlene Schafer**)  
**SECOND:** **Susan Wilson**  
**FOR:** **Cheryl Brothers, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers**  
**AGAINST:** **None**  
**ABSTAIN:** **None**  
**MOTION PASSED**

**Chair Peter Herzog** recognized **Commissioner Susan Wilson** for her outstanding year of service as LAFCO's Chair for 2009.

**Commissioner Susan Wilson** thanked the Commission for the opportunity to serve as Chair.

**9. COMMISSIONER COMMENTS**

**Commissioner Schafer** introduced the newly selected Costa Mesa Sanitary District General Manager, Scott Carol.

**Commissioner Susan Wilson** mentioned the current recall election of the Mayor of the City of Mission Viejo. She noted that residents are continuing the tradition of holding signs at major intersections to raise awareness of the election.

#### **10. INFORMATIONAL ITEMS & ANNOUNCEMENTS**

**Commissioner Withers** requested that staff update the Commission on the status of the goals set at the 2009 strategic planning session at the March meeting. He also noted that given the current budget constraints the Commission might provide member agencies with suggestions on how to enhance their resources.

Executive Officer Joyce Crosthwaite noted that the staff continues to highlight best practices throughout Orange County as a resource to other agencies. Ms. Crosthwaite mentioned that the southern California LAFCOs have proposed developing guidelines to help evaluate and assess financially stressed agencies.

**Commissioner Bates** excused herself from the meeting. (9:58 am)

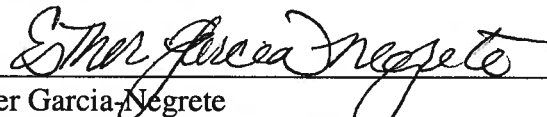
#### **11. CLOSED SESSION**

None

#### **12. ADJOURNMENT OF REGULAR COMMISSION MEETING**

The meeting adjourned at 10:01 am.

Peter Herzog, Chair  
Orange County Local Agency Formation Commission

By:   
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Esther Garcia-Negrete  
Office Manager/Commission Clerk