



FINAL MINUTES

LAFCO REGULAR MEETING

Wednesday, March 10, 2010, 9:00 a.m.

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

1. CALL TO ORDER

Vice Chair **John Moorlach** called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:06 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner **McGregor** led the pledge of allegiance.

3. ROLL CALL

The following Commissioners and Alternates were present:

- Vice Chair **John Moorlach**
- Commissioner **Cheryl Brothers**
- Commissioner **Bill Campbell**
- Commissioner **Arlene Schafer**
- Commissioner **Susan Wilson**
- 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:

- Chair **Peter Herzog**

The following LAFCO staff members were present:

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

4. APPROVAL OF MINUTES

February 10, 2010 – Regular Commission Meeting Minutes

Vice Chair Moorlach called for any changes of the February 10, 2010 regular commission meeting minutes. There were none.

MOTION: Approve February 10, 2010 Regular Commission Meeting minutes without revision. (Arlene Schafer)
SECOND: Cheryl Brothers
FOR: Cheryl Brothers, Bill Campbell, Patsy Marshall, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers.
AGAINST: None
ABSTAIN: None
MOTION PASSED

5. PUBLIC COMMENT

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

6. CONSENT CALENDAR

None.

7. PUBLIC HEARING

None

8. CONTINUED PUBLIC HEARING

8a. – Sphere of Influence update for the City of Rancho Santa Margarita (SOI 09-09), reconfirmation of MSR determinations (MSR 09-05) and South County Governance Options Fiscal Impact Analysis

Executive Officer Joyce Crosthwaite recognized the individuals involved with the South County Working Group and thanked them for their dedication and commitment. She thanked **Commissioner Bates** and her staff for their continued involvement and support.

Analyst Joe Serrano continued with a summary of the goals of the South County Governance study which included producing a credible study. He summarized the study prepared by consultant Stan Hoffman & Associates and recommended the Commission receive and file the governance study and continue the sphere of influence and Municipal Service Review

updates to May 12, 2010. He added that the extension would allow the communities sufficient time to discuss the study with their residents during upcoming town hall meetings.

Commissioner Campbell requested clarification of an area on the map. Analyst Joe Serrano responded that the area involves O'Neill Regional Park.

Commissioner McGregor requested that staff include a discussion on the park and recreation needs when the sphere of influence update is presented in May.

Commissioner Bates suggested that staff review the Aliso Viejo incorporation model when exploring the park and recreation needs of these communities. She added that this is an important issue in this area.

Vice Chair Moorlach requested the status of the fiscal studies for the unincorporated islands. Assistant Executive Officer Carolyn Emery replied that staff is currently working with GST consulting on the studies. She noted that staff would present the final studies for the Sunset Beach, Santa Ana, and La Habra areas at the April Commission meeting.

Vice Chair Moorlach inquired about the relationship of the island fiscal studies to the South County Governance Options Fiscal Impact Analysis.

Executive Officer Joyce Crosthwaite noted that the South County Governance Options study provides a more detailed set of data than the island fiscal model. She noted that the island fiscal studies are very high-level analyses intended to be a catalyst for discussions between the County and adjacent cities regarding annexation of islands and delivery of municipal services.

Commissioner Campbell inquired if Dove Canyon was included in the incorporation application for the City of Rancho Santa Margarita. Executive Officer Joyce Crosthwaite stated that Dove Canyon was part of the Rancho Santa Margarita incorporation proposal and is within the city's boundary.

Vice Chair Moorlach opened the public hearing.

Bob Varo, Coto de Caza resident, described his experience with the working group. He expressed his desire to see a more equitable distribution of services and revenues for the unincorporated area of Coto de Caza.

Fred Whitney, Las Flores Maintenance representative, stated his appreciation for the opportunity to participate in the working group. He added that he is in favor of continuing the Sphere of Influence and Municipal Service Review update to the May 12, 2010 Commission hearing.

Vice Chair Moorlach closed the public hearing.

Commissioner McGregor asked Mr. Whitney if any interested Commissioners may attend the public workshop scheduled for Tuesday, April 13th. Mr. Whitney invited the Commission to attend and noted that he has extended the invitation to the members of the working group as well. Executive Officer Joyce Crosthwaite added that representatives of the working group, including LAFCO, would attend the April 13th meeting.

Vice Chair Moorlach stated that fiscal equity between unincorporated communities and the County is one of his priorities as a Supervisor.

MOTION: Receive and file the South County Governance Options Fiscal Impact Study; continue the Sphere of Influence Update and Municipal Service Review determinations for the City of Rancho Santa Margarita to the May 12, 2010 Commission meeting. (Susan Wilson)

SECOND: Cheryl Brothers

FOR: Cheryl Brothers, Bill Campbell, Patsy Marshall, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers.

AGAINST: None

ABSTAIN: None

MOTION PASSED

9. COMMISSION DISCUSSION AND ACTION

9a. – LAFCO Policies and Procedure

Executive Officer Joyce Crosthwaite noted that the Commission requested clarification on portions of the LAFCO Policies and Procedures Handbook which was presented at the February 10, 2010 hearing. She stated that staff addressed the issues which included renumbering sections, clarification of the compensatory time policy, and the agency's policy regarding overtime compensation.

MOTION: Direct staff to incorporate amendments to the 2010 LAFCO Handbook and distribute to LAFCO funding agencies. (Bill Campbell)

SECOND: Susan Wilson

FOR: Cheryl Brothers, Bill Campbell, Patsy Marshall, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers.

AGAINST: None

ABSTAIN: None

MOTION PASSED

9b. – 2009-2010 Orange County LAFCO Work Plan Update

Executive Officer Joyce Crosthwaite provided an update on the 2009-2010 Work Plan.

Vice Chair Moorlach requested a status update on the incorporation efforts of the community of Sunset Beach. Executive Officer Joyce Crosthwaite responded that the group has circulated a petition to the residents, collected funds for the incorporation, and hired Willdan Associates to complete a preliminary fiscal study.

Commissioner Susan Wilson asked if the newly adopted policy for Evaluating Proposals would be applicable should the residents file an incorporation application.

Executive Officer Joyce Crosthwaite stated that the policy would be applicable if an incorporation application is be filed. She noted that the policy requires that applications proposing actions such as an incorporation to include evidence of community support.

Commissioner Susan Wilson stated that she thought the policy required a more substantive form of demonstrating support.

Executive Officer Joyce Crosthwaite stated that the policy allows for alternative forms of demonstrating community support for a proposal.

Assistant Executive Officer Carolyn Emery noted that prior to the circulation of the Sunset Beach incorporation petition, a notice was published that indicated the potential of a utility tax in order for incorporation to be economically feasible.

Commissioner Susan Wilson expressed her discomfort in accepting a mailed notice and petition language as adequate proof of support.

Executive Officer Joyce Crosthwaite stated that staff suggested to the Sunset Beach leadership that the voters be aware that there is a high probability of a utility tax when considering signing of the petition. She noted that when an incorporation application is filed it would be necessary for the applicant to undergo a Comprehensive Fiscal Analysis and to demonstrate that there is resident support for incorporation.

She noted that the policy does require the applicant demonstrate support for the services to be provided. However the applicant does have discretion of how to demonstrate that support.

Vice Chair Moorlach requested an update regarding the Orange County/Los Angeles County boundary project and the issues corresponding to Island Village currently located in the City of Long Beach.

Assistant Executive Officer Carolyn Emery noted that staff had met with the residents of Island Village. She added that the residents had recently completed surveys indicating overwhelming support to adjust the boundary for their area from Los Angeles to Orange County. Assistant Executive Officer Emery stated that the residents have indicated that they will be working with Long Beach Councilmember DeLong to explore detachment from the City of Long Beach. She noted that the City of Long Beach has formally stated their opposition to the detachment of any areas from the City's boundaries and the Cortese-Knox-

Hertzberg Act requires approval from the City of Long Beach in order for the detachment to occur. Ms. Emery highlighted current discussions between the City of Los Alamitos and Long Beach regarding potential boundary adjustments involving areas adjacent to these two cities.

Vice Chair Moorlach stated that he is willing to work with the Mayor of Long Beach, Bob Foster, Councilman Gary DeLong, and Supervisor Don Knabe if necessary.

Commissioner Schafer requested a CALAFCO update.

Executive Officer Joyce Crosthwaite stated that the California Coalition of LAFCOs (CCL) held a meeting and have developed draft by-laws for the coalition. She noted that if the CALAFCO regional proposal is approved, the CCL will continue to meet to discuss regional issues. Ms. Crosthwaite noted that the next CCL meeting would be Monday, February 15th at 9:30 at the Santa Ana train depot and Commissioners are welcome to attend.

Commissioner Brothers inquired when the voting results of the CALAFCO proposed regional plan would be available. Executive Officer Joyce Crosthwaite responded that the results should be available by mid-July.

Commissioner Schafer asked if only those members who have paid their dues are allowed to cast a ballot. Executive Officer Joyce Crosthwaite replied that Orange County LAFCO has paid the 2009-2010 fiscal year dues, and would be allowed to vote.

9c. – Proposed contributing partnership with Center for Demographic Research

Policy Analyst Benjamin Legbandt summarized the terms and conditions of the proposed partnership with the Center for Demographic Research (CDR). Mr. Legbandt introduced Deborah Diep, Director of CDR, and indicated that she was available to the Commission for questions regarding the proposed partnership.

Commissioner Withers expressed enthusiasm in the potential partnership with CDR and requested that staff provide a quarterly update of the partnership with CDR.

MOTION: Direct Executive Officer to present a final version of a partnership contract with CDR; Direct staff to present a quarterly update of the usefulness of the partnership with CDR. (Cheryl Brothers)

SECOND: Arlene Schafer

FOR: Cheryl Brothers, Bill Campbell, Patsy Marshall, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers.

AGAINST: None

ABSTAIN: None

MOTION PASSED

9d. – Ex-Officio Member of the Orange County Council of Governments (OCCOG)

Policy Analyst Benjamin Legbandt described a recent decision by the OCCOG Board of Directors to expand the board to include ex-officio positions, including Orange County LAFCO.

Vice Chair Moorlach requested clarification on staff's recommendations regarding LAFCO representation on OCCOG.

Policy Analyst Benjamin Legbandt responded that it was recommended that Executive Officer Crosthwaite would serve as the regular representative and he would be the alternate representative.

MOTION: Direct Executive Officer to accept the ex-officio membership invitation extended to Orange County LAFCO. Appoint Executive Officer Joyce Crosthwaite as the regular ex-officio representative and Policy Analyst Benjamin Legbandt as the alternate ex-officio representative on the OCCOG Board.
(Cheryl Brothers)

SECOND: John Withers

FOR: Cheryl Brothers, Bill Campbell, Patsy Marshall, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers.

AGAINST: None

ABSTAIN: None

MOTION PASSED

9e. – Quarterly Project Calendar

Commission Clerk Esther Garcia-Negrete described the project calendar objectives. She noted that the calendar includes updates on the status of projects and additions of new projects.

Commissioner Susan Wilson requested an oral update of the status of the Three Arch Bay activation of latent powers application.

Policy Analyst Benjamin Legbandt responded that currently the Three Arch Bay Home Owners Association (HOA) provides lifeguard services, but due to unforeseen expenses, the HOA is no longer able to provide those services. Mr. Legbandt noted that the Three Arch Bay Community Services District (CSD) would like to activate their latent powers to provide lifeguard services.

Commissioner Susan Wilson requested clarification as to who would have administrative authority over park and recreation within the community of Three Arch Bay. Policy Analyst

Benjamin Legbandt replied that the Community Services Board of Directors would be the body responsible for the establishment and enforcement of park and recreation rules.

MOTION: **Receive and File the Quarterly Project Calendar.
(John Withers)**

SECOND: **Arlene Schafer**

FOR: **Cheryl Brothers, Bill Campbell, Patsy Marshall, John
Moorlach, Arlene Schafer, Susan Wilson, and John Withers.**

AGAINST: **None**

ABSTAIN: **None**

MOTION PASSED

9f. – Commissioner Terms of Office

Executive Officer Joyce Crosthwaite noted that **Chair Herzog, Commissioner Charley Wilson, Commissioner Susan Wilson, and Commissioner John Withers** terms of office expire on June 30th, 2010. She thanked **Commissioner McGregor** for observing that the language of staff's recommendation is awkwardly worded where it could be interpreted that the alternate public member office is available.

Commissioner Campbell inquired if Commissioner Susan Wilson is interested in serving an additional term on the Commission.

Commissioner Susan Wilson indicated that she is interested in serving an additional term.

Commissioner Schafer asked if those Commissioners whose terms are expiring would like to serve for another term.

Commissioner Susan Wilson stated that **Chair Herzog** has indicated that he would run for another term at the League of Cities election.

Commissioner Withers stated that both he and **Commissioner Charley Wilson** intend to seek another term at the ISDOC election.

Commissioner Schafer requested that Executive Officer Crosthwaite state the details of the election deadlines for the record. Executive Officer Joyce Crosthwaite stated that the Orange County League of California Cities manages the City Member election process. She noted that staff, in conjunction with the ISDOC staff, holds the election for the regular and alternate special district seats at the Quarterly ISDOC meeting scheduled for April 29, 2010.

MOTION: **Direct the Executive Officer to prepare and distribute special
notice advertising the public member position; Direct**

Executive Officer to prepare and distribute a press release regarding the public member position. (Susan Wilson)

SECOND: Cheryl Brothers
FOR: Cheryl Brothers, Bill Campbell, Patsy Marshall, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers.
AGAINST: None
ABSTAIN: None
MOTION PASSED

9g. – Legislative Bills of Interest

Executive Officer Joyce Crosthwaite summarized Assembly Bill 1859, introduced by Assemblyman Chris Norby. She noted that there was some concern about the current language of the bill and changes to the Cortese-Knox-Hertzberg Act. Executive Officer Joyce Crosthwaite stated that the Assemblyman's staff is currently working on the language of the bill and had requested comments from the Orange County Commission. She also noted that she informally polled the other Southern California LAFCOs.

Commissioner Susan Wilson inquired if the language of this bill authorized LAFCO to modify a redevelopment project.

Executive Officer Joyce Crosthwaite stated that her understanding is that the bill intends to give LAFCO authority over the expansion of redevelopment agencies.

Commissioner Schafer stated that she serves on the Redevelopment Advisory Committee in the City of Costa Mesa and believes that this bill will add an additional layer of government.

Commissioner Brothers noted that this has been discussed at the League of Cities and that most cities oppose the bill.

Executive Officer Joyce Crosthwaite stated that she would relay the Commission's comments to Assemblyman Norby and his staff.

10. COMMISSIONER COMMENTS

Commissioner Bates expressed her appreciation for the effort LAFCO staff has dedicated to the South County communities. **Commissioner Charley Wilson** concurred.

Commissioner Schafer reminded everyone of spring forward occurring this Saturday.

Commissioner Campbell noted his concern with the South County Fiscal Study and how the data is based on an average cost instead of using a marginal cost. **Commissioner Campbell** stated that he is not comfortable accepting the basic premise indicated in the study. Staff stated that they would look into the Commissioner's concern.

11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

11a. – AB1234 Ethics Training

Vice Chair Moorlach asked if Best Best & Krieger would provide the mandated ethics training. Legal Counsel Clark Alsop responded that counsel is available to provide the training. He noted that Best Best & Krieger has previously provided the training following the Strategic Planning Session.

Vice Chair Moorlach noted that the County of Orange provides the Board of Supervisors with a self-study guide and assessment, but stated his preference for an instructor-led training.

Commissioner Brothers noted that the California State Attorney General offers an on-line program as well. She suggested that Best Best & Krieger provide the training and extend an invitation to others to participate.

Commissioner Susan Wilson inquired how often training is needed to comply with AB1234. Executive Officer Joyce Crosthwaite responded that training is required every two years.

Commissioner Schafer stated that California Special Districts Association will be providing an ethics training session in late September if the Commission is interested.

Vice Chair Moorlach requested that staff prepare a list of options for the Commission to consider at the April 14th, 2010 Commission meeting.

11b. – Form 700 Submissions

Vice Chair Moorlach reminded the Commission that their completed form 700 submissions are due before April 1, 2010.

12. CLOSED SESSION

None.

13. ADJOURNMENT OF REGULAR COMMISSION MEETING

The meeting adjourned at 10:22 am.

John Moorlach, Vice Chair

Orange County Local Agency Formation Commission

By: _____

Esther Garcia-Negrete

Office Manager/Commission Clerk