



FINAL MINUTES

LAFCO REGULAR MEETING AGENDA

Wednesday, May 13, 2015
8:00 a.m.

Orange County Transportation Authority
First Floor - Boardroom
600 South Main Street, Orange, CA 92868

1. CALL TO ORDER

Chair **McGregor** called the regular meeting of the Orange County Local Agency Formation Commission (OC LAFCO) to order at 8:03 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner **Andrew Do** led the Pledge of Allegiance.

3. ROLL CALL

The following Commissioners and Alternates were present:

- **Chair Derek J. McGregor**
- **Vice Chair John Withers**
- **Commissioner Cheryl Brothers**
- **Commissioner Charley Wilson**
- **Alternate Commissioner Andrew Do**
- **Alternate Commissioner James Fisler**
- **Alternate Commissioner Kathryn Freshley**

The following Commissioners were delayed:

- **Commissioner Todd Spitzer** (arrived at 8:05 a.m.)
- **Commissioner Allan Bernstein** (arrived at 8:35 a.m.)

The following Commissioner was absent:

- **Commissioner Lisa Bartlett**

The following LAFCO staff members were present:

- Executive Officer Carolyn Emery
- Project Manager Benjamin Legbandt
- Policy Analyst Carolyn Jones
- Commission Clerk Cheryl Carter-Benjamin
- Legal Counsel Clark Alsop

4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS

None

5. APPROVAL OF MINUTES

April 8, 2015 – Regular Commission Meeting Minutes

The minutes were approved with no revisions.

MOTION: Approve the April 8, 2015 Regular Commission Meeting Minutes. (Charley Wilson)

SECOND: John Withers

FOR: Derek J. McGregor, John Withers, Cheryl Brothers, Andrew Do, Charley Wilson

AGAINST: None

ABSTAIN: None

MOTION PASSED

6. PUBLIC COMMENT

Chair McGregor requested public comments on any non-agenda items. There were none.

Chair McGregor closed public comments.

7. CONSENT CALENDAR

None

8. PUBLIC HEARING

8a. – Final LAFCO Budget for Fiscal Year 2015-2016

Executive Officer Carolyn Emery presented the final LAFCO budget for fiscal year 2015-2016 to the Commission. Ms. Emery recommended approval and the

transmittal of the final LAFCO budget to the Board of Supervisors, each city and independent special district, and the County Auditor-Controller.

Chair McGregor opened the public hearing and requested comments from the public on the final LAFCO budget for fiscal year 2015-2016. There were none.

Chair McGregor closed the public hearing.

Commissioner Freshley asked if comments were received from cities or special districts on the final LAFCO budget for fiscal year 2015-2016. Ms. Emery replied that there were none.

Commissioner Spitzer arrived at 8:05 a.m.

MOTION: Adopt the Final LAFCO Budget for Fiscal Year 2015-2016; and direct staff to transmit the Final LAFCO Budget for Fiscal Year 2015-2016 to the Board of Supervisors, each city and independent special district, and the County Auditor-Controller. (John Withers)

SECOND: Charley Wilson

FOR: Derek J. McGregor, John Withers, Cheryl Brothers, Andrew Do, Todd Spitzer, Charley Wilson

AGAINST: None

ABSTAIN: None

MOTION PASSED

9. COMMISSION DISCUSSION AND ACTION

9a. - Quarterly Legislative Report

Policy Analyst Carolyn Jones presented the quarterly legislative report on proposed legislation of LAFCO interest. The report was comprised of legislation, which directly or indirectly impacted the Commission's policies and ongoing efforts. Ms. Jones asked the Commission to consider adopting positions on the 2015 proposed legislation in the report and send letters of support for AB 448, AB 851, AB 1532, SB 25, and SB 181,182,183, and a letter of opposition to SB 239. Staff recommendation also included the adoption of watch positions on AB 402 and SB 272.

Validating Acts of 2015 (SB 181, SB 182, and SB 183):

Commissioner Spitzer asked how the validating acts will protect the Commission from lawsuits based on the officials' inadvertent procedural errors or omissions and how is the Commission indemnified. Legal Counsel Clark Alsop replied that LAFCO is protected because the Commission does not directly deal with or make decisions that affect a local agency's financial condition although LAFCO may

review the agencies' finances. Mr. Alsop concluded that the Commission is indemnified as long as the Commissioners are acting in their official capacity.

SB 272 (Hertzberg) - The California Public Records Act: Local Agencies: Inventory

Commissioner Spitzer stated that he is an advocate for transparency, but added that the bill could have potential and significant financial impacts on an agency's budget and resources. He added that it is important to determine when a bill is an unfunded mandate. **Commissioner Spitzer** suggested that staff arrange a meet-and-greet with Orange County's Director of Legislative Affairs, Peter DeMarco.

Commissioner Freshley asked about the potential impacts to staff time and costs associated with SB 272. **Chair McGregor** replied that there are a lot of unknowns in regards to the implementation of this bill and the potential associated costs, and directed staff to continue to monitor SB 272.

AB 851 (Mayes) - Local Government: Organizational: Disincorporation

Commissioner Spitzer asked staff to clarify the agency that would assume the responsibility of the debt associated with a disincorporation through the legislative changes proposed in AB 851. Ms. Emery responded that AB 851 would help to ensure that the County, as the default successor, would not be unduly burdened by the disincorporation and that the debts would stay within the boundaries post-disincorporation and be repaid by the former city residents rather than all county residents.

AB 402 (Dodd) - Local Agency Services: Contracts

Commissioner Brothers provided an update on amendments to AB 402 that had been presented during the May 8, 2015 CALAFCO Board Meeting. **Commissioner Brothers** also discussed the new legislative position on AB 402 that was adopted by the Board during the meeting. CALAFCO added the ability of the Board to adopt a "no position" on legislation. In the past "neutral" was the only other option, which meant the bill had no impact on LAFCO. Adoption of the "no position" indicates that there is no consensus on a position at the CALAFCO Board and allows each LAFCO to advocate as necessary.

SB 239 (Hertzberg) Local Services Contracts: Fire Protection Services

Commissioner Spitzer asked if there had to be an affirmative agreement from the employee association prior to going with a new service agency and inquired about the bill's sponsors. Ms. Jones confirmed that the legislation would require agreement from the employee association and listed the bill sponsors and supporters on record which included California Professional Fire Fighters, CAL-Fire Local 2881, and California Labor Federation. **Commissioner Spitzer** recommended that future legislative quarterly reports include a list of supporters and opponents for each bill that OC LAFCO is monitoring.

Commissioner Bernstein arrived at 8:35 a.m.

After careful discussion and consideration, the Commission took the following action recommended by staff.

MOTION: Receive and file the May 13, 2015 Legislative Quarterly Report; adopt recommended positions on the 2015 proposed legislation discussed and direct staff to submit letters of support on AB 448, AB 851, AB 1532, SB 25, and SB 181,182,183; and direct staff to distribute the Legislative Quarterly Report to the County and each city and special district. (Charley Wilson)

SECOND: Allan Bernstein
FOR: Derek J. McGregor, John Withers, Allan Bernstein, Cheryl Brothers, Andrew Do, Todd Spitzer, Charley Wilson

AGAINST: None

ABSTAIN: None

MOTION PASSED

MOTION: Direct staff to submit a letter of opposition on SB 239 (Charley Wilson)

SECOND: Allan Bernstein
FOR: Derek J. McGregor, John Withers, Allan Bernstein, Cheryl Brothers, Andrew Do, Charley Wilson

AGAINST: None

ABSTAIN: Todd Spitzer

MOTION PASSED

9b. - Comprehensive Quarterly Report

Project Manager Benjamin Legbandt provided a presentation to the Commission on projects currently underway, an update to the LAFCO budget, and an investment report for the third quarter.

MOTION: Receive and file the May 13, 2015 Comprehensive Quarterly Report. (John Withers)

SECOND: Allan Bernstein
FOR: Derek J. McGregor, John Withers, Allan Bernstein, Cheryl Brothers, Andrew Do, Todd Spitzer, Charley Wilson

AGAINST: None
ABSTAIN: None

MOTION PASSED

6. PUBLIC COMMENT (Reopened)

Chair McGregor reopened the request for public comments on any non-agenda items.

John Perry, City Councilmember for the City of San Juan Capistrano informed the Commission that the City is evaluating its water system and developing a request for proposal process to consider a successor agency. He added that the City would like to keep LAFCO informed of the process and potential transfer of the City's water system and service responsibilities to a nearby water agency.

Chair McGregor informed Mr. Perry that LAFCO staff will reach out to City staff to learn more about the potential transfer of the City's water system and service responsibilities. The Chair closed the public comments.

10. COMMISSIONER COMMENTS

Commissioner Fisler inquired about the extent of LAFCO's involvement with approving the transfer of the City of San Juan Capistrano's water service to another agency. Ms. Emery replied that she would contact the San Juan Capistrano City Manager, Karen Brust, to learn more about what the City is considering.

Commissioner Spitzer informed the Commission and staff of the appointment of Frank Kim as the new County Chief Executive Officer and added that Mark Denny would remain as the County's Chief Operating Officer. **Commissioner Spitzer** encouraged LAFCO staff to contact the new CEO to discuss current and potential projects.

Commissioner Bernstein extended a Happy Mother's Day to all the mothers.

Chair McGregor informed the Commission that the staff would continue to provide updates on the Focused MSR for OCSA Service Area 7, which is scheduled for the July 8, 2015 regular LAFCO meeting.

11. EXECUTIVE OFFICER'S REPORT

Executive Officer updated the Commission on the following:

- **Association of California Cities - City Selection Committee.** Ms. Emery noted that on May 14, 2015, the City Selection Committee will conduct their appointment process for the LAFCO Alternate City Member.
- **LAFCO Regular Commission Meeting - June 17, 2015.** Ms. Emery informed the Commission that Pamela Miller, Executive Director of CALAFCO, will provide an update on the CALAFCO Board's efforts for the next fiscal year, ongoing legislative advocacy efforts, and member benefits. In addition, there was a reminder that due to the County budget hearings, the June LAFCO meeting will take place on the third Wednesday of the month at 8:00 a.m.
- **CALAFCO.** Ms. Emery noted that CALAFCO was accepting nominations for certain CALAFCO Board positions and that the election process would take place during the CALAFCO Annual Conference held on September 2-4, 2015 in Sacramento. Ms. Emery also noted that the two seats which will become vacant are the County and special district seats and that she will present the staff report in July as nominations are due August 3, 2015.
- **Orange County LAFCO Website.** There was an overview of the approved funding as part of the 2015-2016 Work Plan to renovate the LAFCO website. Ms. Emery noted that the Commission has the opportunity to save costs by participating in a joint RFP with some of the southern LAFCOs, who also expressed interest in improving their websites. Ms. Emery also noted interest from the some of the southern LAFCOs to continue the RFP process for auditing services.
- **Shared Services Program.** Ms. Emery noted a recent presentation of the Shared Services program during a CSAC workshop for newly elected County Supervisors that was done in collaboration with the Executive Director of the Institute of Local Government. Ms. Emery added that the Institute for Local Government has expressed interest in partnering for similar presentations to the League and CSDA.
- **Orange County LAFCOs Legal Counsel.** Ms. Emery welcomed Clark Alsop back after an extended period of medical leave.

12. INFORMATIONAL ITEMS AND ANNOUNCEMENTS

12a. - Coalition of California LAFCOs (CCL) and CALAFCO Board Update

Commissioner Brothers provided the update on the CCL quarterly meeting held on May 5, 2015 and the CALAFCO Board of Directors meeting held on May 8, 2015.

- There was a rotation in officers because of a current vacancy left by the resignation of Stephen Tomanelli. The rotation of CCL Officers moved **Commissioner Brothers** in to the position as CCL Secretary. The Board voted for Commissioner McCallum (LA LAFCO) to fill the vacancy left by Stephen Tomanelli and selected San Bernardino LAFCO Assistant Executive Officer Sam Martinez to replace Ben Legbandt as CCL's Executive Officer.

- During the CALAFCO Board meeting on May 8, 2015, the CALAFCO Board considered the FY 2015-2016 CALAFCO budget, legislative activities, and the appointment of two new board members.
- There was an update on active legislation of LAFCO interest and CALAFCO's current legislative advocacy efforts, which included a discussion of the bills listed in the Commission's May legislative quarterly report.

Executive Officer Carolyn Emery acknowledged and introduced LAFCOs intern, Shipra Rajesh, who is currently working on her Master's degree at UC Irvine.

13. CLOSED SESSION

None

14. ADJOURNMENT OF REGULAR COMMISSION MEETING

The meeting adjourned at 9:20 a.m.

Derek J. McGregor, Chair
Orange County Local Agency Formation Commission

By: _____
Cheryl Carter-Benjamin
Commission Clerk