

**SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
APRIL 4, 2011**

There being a quorum present, the meeting was convened at 9:00 a.m. by Chairman Carl Hilliard. Also present were: Regular Commissioners –Supervisor Dianne Jacob, Vice Chairwoman, Supervisor Bill Horn, Mayor Mark Lewis, Special District Members John Ingalls and Bud Pocklington, and Public Member Andy Vanderlaan. Alternate Commissioners –Special District Member Jo MacKenzie. LAFCO Staff – Executive Officer Michael Ott, Assistant Executive Officer Shirley Anderson, and Local Governmental Analyst Claire Riley, and Special Legal Counsel Holly O. Whatley. Absent were: Regular Commissioner - Councilmember Lorie Zapf. Alternate Commissioners – Supervisor Greg Cox, Public Member Harry Mathis, Mayor Jim Janney and Councilmember Sherri Lightner and LAFCO Legal Counsel - Thomas Bosworth.

Item 1
Roll Call

The Commission Secretary performed the roll call for the April 4, 2011 LAFCO meeting. All regular commissioners were present with the exception of Commissioner Zapf and Alternate Commissioners Cox, Janney, Mathis and Lightner.

Item 2
Approval of Minutes of Meeting Held March 7, 2011

On motion of Commissioner Bud Pocklington, seconded by Commissioner Bill Horn, and carried unanimously by the commissioners present; the Commission dispensed with reading the minutes of March 7, 2011 and approved said minutes.

Item 3
Executive Officer's Recommended Agenda Revisions

Chairman Carl Hilliard asked the Executive Officer if there are any agenda revisions.

Michael Ott indicated that there were no agenda revisions.

Item 4
Commissioner / Executive Officer Announcements

Chairman Carl Hilliard asked the Commission and Executive Officer if there were any announcements. Michael Ott indicated that there were no announcements.

Item 5
Public Comments

Chairman Hilliard addressed the public asking if anyone requested to speak on an item that is not related to the agenda. Chairman Hilliard stated that there were no speaker slips received from the members of the public requesting to speak.

Item 6
Proposed Recommended Final FY 2011-12 LAFCO Budget

Chairman Hilliard provided an update to the Commission regarding the office relocation and said that the Committee selected the County Operations Center for the LAFCO office.

Michael Ott provided a brief presentation to the Commission regarding the FY 2011-12 Budget. Mr. Ott also provided updated information regarding litigation. He said that the decision made by the court not to allow the collection of the attorney fees for the Home Depot lawsuit has been appealed. He said the issue of litigation costs will return to the Commission for direction, if the Appellate Court requires payment of attorney fees. Mr. Ott also discussed the County Employees Retirement System and said that LAFCO contributes approximately 39% of LAFCO's salaries to the retirement system.

Mr. Ott indicated that there is also a recommendation for the Commission to appoint a rules review committee to assist with an examination of LAFCO's personnel rules.

Chairman Hilliard opened the public hearing.

Since no speaker slips were submitted in opposition to this item, and there was no discussion from the Commission, on motion of Commissioner Andy Vanderlaan, seconded by Commissioner Bill Horn, and carried unanimously by the commissioners present, the Commission closed the public hearing, and took the following actions:

- (1) Opened the budget hearing on the Recommended Final FY 2011-12 LAFCO Budget and closed the hearing after receiving public comments.
- (2) Adopted the Recommended Final FY 2011-12 Budget and directed the Executive Officer to implement all related budget recommendations in the Executive Officer's report, including but not limited to:
 - (a) Direct the County Auditor/Chief Financial Officer to request payment from the Board of Supervisors and each city and independent district no later than July 1 for the amount owed and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity (Government Code Section 56381).

- (b) Authorize the Executive Officer and the County Auditor/Chief Financial Officer to determine an appropriate method of collecting the required payment if payment is not remitted within 60 days. Per State Law, the Executive Officer may request the Auditor to collect an equivalent amount from the property tax or any fee or eligible revenue owed to the County, city, or district. Any expenses incurred by the Commission or Auditor in collecting late payments shall be added to the payment owed the Commission (Government Code Section 56381(c)). Request the Auditor to use the budget adoption date as the basis for selecting the most recent editions of the accounting publications that must be used under State Law to prepare the cost apportionment allocation.
- (c) Authorize the Executive Officer to transfer funds from LAFCO's Contingency Reserve Fund to pay for office lease and relocation expenses in FY 2011-12, and direct the Executive Officer to notify the Commission of such transfer(s) at the earliest possible LAFCO meeting.
- (d) Direct the Executive Officer to make applicable appropriations adjustments and fund transfers to contain LAFCO's net cost at the budgeted amount for FY 2011-12 (\$1,197,211).
- (e) Upon approval of the County contract extension proposal, authorize the application of the provisions of the contract to comparable LAFCO positions including a one-time monetary payment equivalent to 2% of base pay for regular staff; part time employees shall receive a pro-rated amount according to their standard hours; increase LAFCO's contribution towards the Flexible Benefit Plan (5% approximate increase effective on January 1, 2012 and 2013); and reduce retirement offsets (reduction in employer paid retirement offsets ranging from 1% on July 1, 2011 and 1.5% on July 1, 2012 (Tier A/Tier I); New employees that enter LAFCO service shall be subject to reduced employer paid retirement offsets ranging from 1.5% on July 1, 2011 and 2% on July 1, 2012. Amend LAFCO's Benefits and Compensation Summary after the ratification/approval of the county employee contract extension by the San Diego County Board of Supervisors.
- (f) Implement necessary services and supplies and staffing level adjustments to maintain an appropriate staff-to-workload ratio for FY 2011-12.
- (g) Direct the Executive Officer to freeze consultant labor rates for FY 2011-12.
- (h) Ratify the long-term and short-term strategic objectives and the workload and miscellaneous activity programs contained in the Final FY 2011-12 budget.

- (i) Authorize the Executive Officer to direct the County Auditor to establish LAFCO's budget and appropriations at the gross and net levels contained in Figures 2 and 3 of the Final FY 2011-12 LAFCO Budget.
- (j) Appoint up to four commissioners to serve on a LAFCO rules review committee.

Chairman Hilliard indicated that the following Commissioners will be appointed to serve on LAFCO's rules review committee: Councilmember Carl Hilliard, Supervisor Dianne Jacob, Councilmember Lorie Zapf and Public Member Andy Vanderlaan.

Item 7

Administrative Approval of a Contractual Service Agreement: City of La Mesa / Thomas Giacinto (OAS11-01)

Michael Ott explained to the Commission that Item 7 involves a contractual sewer service arrangement between the City of La Mesa and the property owner Thomas Giacinto. Mr. Ott indicated that Claire Riley will provide a brief presentation.

Claire Riley provided a staff presentation to the Commission and indicated that the property owner has a failing septic system and requests a connection to the City of La Mesa sewer system. She indicated that a letter was submitted from the Department of Environmental Health indicating that the septic system is failing and difficult to repair.

This was an information item and no action was required by the Commission.

Item 8

Legislative Update

LAFCO Consultant Harry Ehrlich provided a staff presentation to the Commission regarding several legislative bills that LAFCO is reviewing. He also said that there have been some changes in four of the bills that are identified in the staff report and that he would provide a brief description of each bill.

AB 54 (Solorio) is related to mutual water companies, which are corporations that provide water to five or more properties. He said that the bill was amended and being reviewed by ACWA, CSDA and CALAFCO. This bill will be subject to a "watch" position.

AB 912 (Gordon) is related to consolidations but the author will be changing this bill to another subject. This bill will be "watched".

ACA 17 (Logue) is related to an unfunded mandate – if this bill is adopted it would eliminate reimbursement and allow any agency the ability to charge a fee or service charge. This bill will be placed in a "watch" position.

SB 244 (Wolk) is related to a similar bill (AB 853) that the Commission opposed in 2010. Mr. Ehrlich indicated that the bill was amended to include LAFCO oversight of disadvantaged communities. He said that the bill is being opposed by several other agencies such as the League of Cities and CSAC because it requires substantial review of the housing element and general plan for the disadvantaged communities. He also said that the language would affect LAFCO's MSR's that involve water, wastewater or fire.

He said that SB 244 is an unfunded mandate and the bill was delayed by the author by the request of CALAFCO, ACWA, CSAC and the League of Cities until April 27, 2011 or early May for further review. Mr. Ehrlich suggested that the Commission watch or oppose this bill.

Commissioner Dianne Jacob suggested that LAFCO oppose SB 244, if the bill is an unfunded mandate. She suggested that if the language is amended and the issues are worked out then it could be brought back to the Commission. In response to the question, Michael Ott commented about the bill and said that the SB 244 will be costly to implement. He suggested that the Commission oppose this bill.

AB 307 would include and allow Indian tribes to act as a public agency and to participate in any Joint Powers Authority with state or local government agencies. This bill will be subject to a "watch" position. He also indicated that there are 11 more bills to watch.

Commissioner Jacob placed a motion on the floor to oppose SB 244, seconded by Commissioner Pocklington, and carried unanimously by the commissioners present.

There being no further business to come before the Commission, the meeting adjourned at 9:30 a.m. to the May 2, 2011 meeting, in Room 302, County Administration Center.

**Tamaron Lockett
Administrative Assistant
San Diego Local Agency Formation Commission**