

**APPROVED
SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
MARCH 1, 2010**

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There being a quorum present, the meeting was convened at 9:00 a.m. by Chairman Bud Pocklington. Also present were: Regular Commissioners – Supervisors Dianne Jacob and Bill Horn; Councilmembers Carl Hilliard and Donna Frye; Special District Member John Ingalls, Mayor Mark Lewis and Public Member Andy Vanderlaan. Alternate Commissioners – Public Member Harry Mathis and Mayor Jim Janney. LAFCO Staff – Executive Officer Michael Ott, Chief, Local Governmental Analyst Ingrid Hansen, Local Governmental Analyst Robert Barry, Consultant Harry Ehrlich and LAFCO Legal Counsel Karen Landers. Absent were: Alternate Commissioners – Supervisor Greg Cox, Councilmember Sherri Lightner and Special District Member Jo MacKenzie.

**Item 1
Roll Call**

The Commission Secretary performed the roll call for the March 1, 2010 LAFCO meeting. All regular commissioners were present with the exception of Alternate Commissioners Cox, Lightner and MacKenzie.

**Item 2
Approval of Minutes of Meeting Held February 1, 2010**

With Commissioner Carl Hilliard abstaining, ON MOTION of Commissioner Mark Lewis, seconded by Commissioner Andy Vanderlaan, and carried unanimously by the commissioners present; the Commission dispensed with reading the minutes of February 1, 2010 and approved said minutes.

**Item 3
Executive Officer's Recommended Agenda Revisions**

Michael Ott indicated that there were no revisions to the agenda.

**Item 4
Commissioner/Executive Officer Announcements**

Michael Ott, Executive Officer said there are several announcements. Mr. Ott announced to the Commission that a letter was mailed to each Commissioner and local agency regarding Contractual Service Agreements. Mr. Ott also indicated that a lawsuit has been filed between two healthcare districts (Tri-City and Palomar Pomerado) regarding the Contractual Service Agreement law.

Mr. Ott provided an update to the Commission about a proposed project that will be heard at the next meeting involving an activation of Latent Powers for the Rancho Santa Fe Community Services District for Utility Undergrounding services.

Mr. Ott provided an update to the Commission about LAFCO staff involvement with the County of San Diego regarding a sanitation district consolidation proposal initiated by the Board of Supervisors.

Commissioner John Ingalls commented about the County Service Area No. 17 Advisory Committee meeting he attended regarding emergency medical services in various areas of the City and County.

Chairman Bud Pocklington commented about statewide and local water issues.

Item 5

Public Comment

There were no public comments.

Item 6

Recommended Final FY 2010-11 LAFCO Budget

Michael Ott said that the Recommended Final FY 2010-11 LAFCO Budget has been reduced by \$3,000 in comparison to the prior fiscal year's budget. He said that a conservative 2% increase is factored into the wage and benefit projections for FY 2010-11. He said that if the Commission approved the budget, LAFCO's Benefits and Compensation summary would be concurrently amended, effective FY 2010-11. Mr. Ott also provided a detailed breakdown of costs for anticipated revenues and professional and special services. He said that the Commission approved the Proposed FY 2010-11 LAFCO Budget at its February 1, 2010 meeting. He said that the Recommended Final FY 2010-11 LAFCO Budget was circulated to all special districts, cities, and the County of San Diego on February 19, 2010.

Commissioner Pocklington asked if there are any comments or questions from the Commission.

Commissioner Bill Horn inquired about the LAFCO fee schedule appeal process. In response to the question, Michael Ott said if an applicant is not financially able to pay the LAFCO fees, the applicant must provide documentation of a financial hardship. He indicated that if the applicant is not satisfied with the Executive Officer's fee reduction decision they are able to appeal the determination to the Commission.

Commissioner Pocklington opened the public hearing.

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

- (1) Open the budget hearing on the Recommended Final FY 2010-11 LAFCO Budget and close the hearing after receiving public comments.
- (2) Adopt the Recommended Final FY 2010-11 Budget and direct 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 from 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 unspent funds from the FY 2009-10 and 2010-11 budgets to LAFCO's Contingency Reserve Fund, consistent with LAFCO's Reserve Fund Policy (F-100).
- (d) Authorize the Executive Officer to make applicable appropriations adjustments and fund transfers from the LAFCO Contingency Reserve Fund to LAFCO's operating revenue accounts, to contain LAFCO's net cost at the budgeted amount for FY 2009-10 (\$1,200,080) and FY 2010-11 (\$1,197,211).
- (e) Authorize the appropriations and transfer of an estimated \$145,000 from LAFCO's trust fund to professional and special services, special departmental and fixed assets to cover litigation costs (\$50,000, est.) and the initiation and completion of a capital improvement project (\$95,000, est.) in FY 2009-10 and 2010-11.
- (f) Authorize the use of a FY 2010-11 wage increase factor of 2% for LAFCO staff positions per page 3 of the Final 2010-11 LAFCO Budget and direct the Executive Officer to make related technical changes to LAFCO's Benefits and Compensation Summary to reflect the 2% Compensation increase, effective at the first pay period in FY 2010-11.
- (g) Authorize the Executive Officer to implement necessary services and supplies and staffing level additions and/or deletions to maintain an appropriate staff-to-workload ratio for FY 2009-10 and FY 2010-11.
- (h) Direct the Executive Officer to contain consultant labor rates by limiting any increases to the amount of the wage and benefit increase applicable to LAFCO staff.
- (i) Ratify the long-term and short-term strategic objectives and the workload and miscellaneous activity programs contained in the Final FY 2010-11 budget.
- (j) 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 2010-11 LAFCO Budget.

Item 7**Proposed “Church of the Good Shepherd Annexation”
to the Spring Valley Sanitation District (DA09-13)**

Michael Ott provided a brief presentation to the Commission about the proposed project annexation to the Spring Valley Sanitation District and request that the Commission take action on the information item.

On motion of Commissioner Horn, seconded by Commissioner Jacob, and carried unanimously by the commissioners present, the Commission took the following actions:

This was an information item and action was required by the Commission.

Item 8**March 2010 Legislative Status Report**

LAFCO Consultant Harry Ehrlich provided a staff presentation to the Commission and said that legislative activities were low due to budget discussions in Sacramento. He asked that the Commission take action on the AB 419 that CALAFCO has been working; this bill which allows an item to be placed on the ballot within 45 days of notification.

Commissioner Donna Frye inquired about which entity is responsible for the cost of placing an item on the ballot. In response to the question, Harry Ehrlich said that the entity is responsible for the cost. Michael Ott added that the agency’s jurisdictional boundaries which are included in the territory are responsible for the election cost.

Commissioner Frye asked if LAFCO has an example of an item that would be placed on the ballot. In response to the question, Mr. Ehrlich said that it would be an annexation into a City.

On motion of Commissioner Vanderlaan, seconded by Commissioner Pocklington, and carried unanimously by the commissioners present, the Commission took the following actions:

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

Commissioner Dianne Jacob asked for clarification about bill AB 300 and why LAFCO is only watching this bill. She suggested that the water districts should address the water supply terms of a proposed developed project. In response to the question, Harry Ehrlich said that several of the agencies are working with the author and the bill is still a “work in progress.”

Commissioner Jacob suggested that the bill AB 300 be brought back to the Commission for an updated report. Harry Ehrlich indicated he will continue to monitor the bill.

There being no further business to come before the Commission, the meeting adjourned at 9:30 a.m. to the April 5, 2010 meeting, in Room 302, County Administration Center.

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