

**APPROVED
SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
APRIL 4, 2016**

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There being a quorum present, the meeting was convened at 9:02 a.m. by Chairman Supervisor Bill Horn. Also present were: Regular Commissioners – Vice Chairman Mayor Sam Abed; Supervisor Dianne Jacob; City Councilmember Lorie Zapf; City Councilmember Lorraine Wood; Special District Member Jo MacKenzie and Public Member Andy Vanderlaan. Alternate Commissioners – Special District Member Ed Sprague and Public Member Harry Mathis. LAFCO Staff – Executive Officer Michael Ott; Local Governmental Analyst Robert Barry; Local Governmental Analyst Joe Serrano; LAFCO Consultant Harry Ehrlich and Legal Counsel Michael Colantuono. Absent were: Alternate Commissioners – Supervisor Greg Cox; City Councilmember Chris Cate and City Councilmember Racquel Vasquez.

Item 1

Pledge of Allegiance

Commissioner Lorraine Wood led the Pledge of Allegiance at the meeting.

Item 2

Roll Call

The Commission Secretary performed the roll call for the April 4, 2016, LAFCO meeting. With the exception of Alternate Commissioners Supervisor Greg Cox; City Councilmember Chris Cate and City Councilmember Racquel Vasquez, all other Commissioners were present.

Item 3

Approval of Minutes of Meeting Held March 7, 2016

On motion of Commissioner MacKenzie, seconded by Commissioner Abed, and carried unanimously by the Commissioners present; the Commission dispensed with reading the minutes of March 7, 2016 and approved said minutes.

Item 4

Executive Officer's Recommended Agenda Revisions

Chairman Bill Horn asked the Executive Officer if there were any agenda revisions. Executive Officer Michael Ott said that there were no agenda revisions.

Item 5

Installation of LAFCO Regular Special District Members for New Terms

Andrew Potter, Assistant Clerk of the Board, performed the installation of the following LAFCO Regular Special District Members: Commissioner Jo MacKenzie for her term extension to 2020 and Commissioner Ed Sprague for his election to the regular position with a term expiring in 2019.

Item 6

Commissioner / Executive Officer Announcements

Chairman Bill Horn asked the Executive Officer if there were any announcements. Executive Officer Michael Ott indicated that there were no Executive Officer Announcements.

Item 7

Proposed “Stonemark Estates Annexation” to the Buena Sanitation District (DA15-12)

Michael Ott indicated that the proposal involves annexation of two parcels totaling 28.05 acres to the Buena Sanitation District and that the property owner wants to obtain sewer service. Mr. Ott requested that the staff report be waived by the Commission.

On motion of Commissioner Abed, seconded by Commissioner MacKenzie, and carried unanimously by the Commissioners present; the Commission took the following actions:

- (1) Concur in the determination by the County of San Diego that the project site (APN: 169-200-20) is exempt from CEQA review pursuant to State CEQA Guidelines (“G”) Section 15183 – Projects Consistent with a Community Plan, General Plan, or Zoning; and,
- (2) Find in accordance with the Executive Officer’s determination, that pursuant to Section 15319(b) of the State CEQA Guidelines, the secondary parcel (APN: 169-200-11) is not subject to the environmental impact evaluation process because the annexation area consists of individual small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures; and,
- (3) Adopt the form of resolution approving the annexation for the reasons set forth in the Executive Officer’s Report, waiving the Conducting Authority proceedings according to Government Code Section 56663(c), and ordering the annexation subject to the following terms and conditions:
 - a. Payment by the property owner of District annexation and sewer capacity fees and State Board of Equalization charges.
 - b. Completion of Requirements, Terms, Fees, and Conditions of Approval are listed in the staff report.

Item 8**Proposed “Ivy Lane Annexation” to the San Diego County Sanitation District (DA15-13)**

Michael Ott indicated that the proposal involves annexation of one parcel totaling 2.4 acres to the San Diego County Sanitation District and that the property owner wants to obtain sewer service. Mr. Ott requested that the staff report be waived by the Commission.

On motion of Commissioner Abed, seconded by Commissioner MacKenzie, and carried unanimously by the Commissioners present; the Commission took the following actions:

- (1) Concur in the determination by the County of San Diego that the project site is exempt from CEQA review pursuant to Section 15183 because the project is consistent with the development density established by existing zoning, community plan or general plan policies for which an Environmental Impact Report (EIR) was certified; and,
- (2) Adopt the form of resolution approving the annexation for the reasons set forth in the Executive Officer’s Report, waiving the Conducting Authority proceedings according to Government Code Section 56663(c), and ordering the annexation subject to the following term and condition:

Payment by the property owner of District annexation and sewer capacity fees.

Item 9**Proposed/Final FY 2016-17 LAFCO Budget**

Chairman Horn opened the public hearing for Item 9.

Executive Officer Michael Ott provided a PowerPoint presentation to the Commission. Mr. Ott discussed FY 2016-17 Budget Summary and indicated that there was a gross budget increase of \$87,255 from the previous FY 2015-16 due to costs attributed to litigation, a new proposed IT project with the County of San Diego (SharePoint), multiple fire agency reorganizations and island elimination projects. Mr. Ott also discussed the workload programs, special priority projects and apportionment requirements.

Chairman Horn indicated that there was one speaker slip in support for Item 9 submitted by the Alpine Fire Protection District. Bill Paskle, Fire Chief, Alpine Fire Protection District did not wish to speak to the Commission. He indicated that he was available if there were any questions regarding Alpine FPD.

Commissioner Abed asked if the pension liability needed to be reported in the FY 2016-17 budget. In response to the question, Mr. Ott said that the pension liability matter pertains to an audit matter and that the information regarding the pension liability was based on the new requirements for GASB Nos. 67 & 68 which was disclosed in the audit findings at the March 7, 2016 LAFCO meeting.

Commissioner Abed also asked about the litigation expenses for FY 2016-17. In response to the question, Mr. Ott indicated that the estimate is a reasonable amount for the current budget/FY 2015-16 and FY 2016-17.

Commissioner Vanderlaan commended LAFCO staff on the budget report.

Commissioner Zapf asked about the Catalog Items (SharePoint Dev.) budget expenses. In response to the question, Mr. Ott said that the amount is an estimate that was provided by the County of San Diego and that this expense is related to the IT services and website development for SharePoint.

Commissioner MacKenzie asked about the LAFCO apportionment list being available for the public for review. In response to the question, Mr. Ott said that LAFCO's responsibility is to develop the gross numbers and details of the budget and the County Auditor develops the apportionment. He said that he would provide an information copy to the commissioners in the future. Commissioner MacKenzie also said that she would like to see the public component of the SharePoint project implemented as soon as possible. In response to the comment, Legal Counsel Michael Colantuono, said that the investment in SharePoint is a way to reduce costs with complying with the Public Records Act.

With no further discussion from the public or commissioners, Chairman Horn closed the public hearing.

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

- (1) Open the hearing on the Proposed/Final Budget FY 2016-17 LAFCO Budget and close the hearing after receiving public comments; and,
- (2) Adopt the Proposed/Final FY 2016-17 Budget and direct the Executive Officer to implement all related budget recommendations in the staff 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, 2016 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) Approve the “commitment” of trust fund 46725 monies as follows: \$75,000 for litigation and \$175,000 for payment of process fees for fire agency and jurisdictional island reorganization projects. The fire agency and island elimination projects include, but are not limited to the Julian-Cuyamaca FPD and CSA No. 135; CSA No. 115 (Pepper Drive) Reorganization with the San Miguel Consolidated FPD and/or Lakeside FPD; Elimination of CSA No. 135 Islands 2-4; Alpine FPD Reorganization; CSA No. 17 (San Dieguito Ambulance) Annexation; and the Greenwood Memorial Park Cemetery Island Reorganization.
- (d) Ratify the continuation of the fund balance designations and amount of funds contained within each designation for application in FY 2016-17 LAFCO Budget.
- (e) Direct the Executive Officer to make conforming changes to LAFCO’s fund balance designations based on amounts added to or removed from associated fund balance accounts, and to advise the Commission upon making such changes.
- (f) Authorize the transfer of unspent funds from LAFCO’s FY 2015-16 and FY 2016-17 Budgets to Accounts 46725, 46726, or 46727 and direct the Executive Officer to inform the Commission of the amount of the fund transfer during the quarterly budget update.
- (g) Direct the Executive Officer to make appropriations adjustments and fund transfers (additions or deletions, services and supplies adjustments, and staffing level changes) to contain at or below LAFCO’s FY 2016-17 gross cost of \$1,984,064 and net cost of \$1,578,564.
- (h) Approve the FY 2016-17 Proposed Staffing Schedule per Figure 3; establish a maximum cap for performance-based (merit) increase and associated salary schedule increase for staff not to exceed 2.0% of annualized salary subject to above-standard overall performance ratings for LAFCO.
- (i) Direct the Executive Officer to return to the Commission with a report and recommendations after the County of San Diego adopts new wage and benefit plan for its employees for FY 2017-18.
- (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 1-3 of the Proposed/Final FY 2016-17 LAFCO Budget.

Item 10**Legislative Update Report**

LAFCO Consultant Harry Ehrlich provided an update to the Commission regarding the current state legislation. He informed the Commission of two new bills, SB 1266 (McGuire D) and SB 817 (Roth D). Mr. Ehrlich provided details on the new bills that are impacting LAFCOs and recommended that the Commission support these bills. He said that a letter will be sent out for support.

On motion of Commissioner MacKenzie, seconded by Commissioner Sprague, and carried unanimously by the commissioners present, the Commission took the following action:

Received and concurred with the LAFCO Staff recommendations on the Legislative Update Report.

Item 11**Policy L-107 Revision**

Robert Barry, Local Governmental Analyst, provided a report on the revisions to Legislative Policy L-107 (Jurisdictional Conflicts Associated with Proposed Development). Mr. Barry said that Policy L-107 was adopted in May 2010 to establish a procedure for cities, special districts, and the County of San Diego to discuss and potentially resolve jurisdictional conflicts associated with development projects that require LAFCO discretionary approval(s) for annexation of territory to a city or special district.

Mr. Barry said the revision to Policy L-107 is intended to broaden the policy to apply to all jurisdictional issues.

Commissioner Sprague asked if this policy would have applied to Rainbow MWD/Fallbrook PUD reorganization and Lakeside Fire Protection District/San Miguel Fire Protection District. In response to the question, Mr. Ott indicated that the policy would be applicable to both reorganizations.

Supervisor Jacob commented on the importance of the policy. She said that this policy has helped resolve issues between local agencies and the public.

On motion of Supervisor Jacob, seconded by Commissioner MacKenzie, and carried unanimously by the Commissioners present; the Commission took the following actions:

- (1) Reviewed and discussed the revised Policy L-107; and
- (2) Approved the revised Policy L-107.

Item 12

Public Comment

Chairman Horn asked the public if anyone requested to speak on an item that is not related to the agenda. He indicated that there were no speaker slips received from members of the public for comments.

Item 13

**CLOSED SESSION: ADJOURNED TO CLOSED
SESSION (IF NECESSARY) TO CONFERENCE WITH
LEGAL COUNSEL PURSUANT TO SUBDIVISION (D)
OF GOVERNMENT CODE SECTION 54956.9 – REGARDING
LITIGATION WITHIN THE RESPONSIBILITY OF THE
SAN DIEGO LAFCO**

Legal Counsel Michael Colantuono informed the Commission that Item 13 will be considered in open session regarding litigation in the matter of *City of Coronado v. San Diego LAFCO and City of Imperial Beach*. Mr. Colantuono reported that a court hearing date will be set for August unless all parties can resolve the issues related to the case. Mr. Colantuono indicated that a Public Records Request from the City of Coronado was submitted and that a response to the request will be made.

There being no further business to come before the Commission, the meeting adjourned at 9:50 a.m. to the May 2, 2016 meeting, in Room 302, County Administration Center.

**ERICA BLOM
ADMINISTRATIVE AIDE
SAN DIEGO LOCAL AGENCY COMMISSION FORMATION**