

**APPROVED
SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
APRIL 6, 2015**

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There being a quorum present, the meeting was convened at 9:00 a.m. by Chairman Supervisor Bill Horn. Also present were: Regular Commissioners – Vice Chairman Sam Abed; Supervisor Dianne Jacob; Special District Member Jo Mackenzie; City Councilmember Lorraine Wood; City Councilmember Lori Zapf; and Public Member Andy Vanderlaan. Alternate Commissioners – City Councilmember Racquel Vasquez (arrived 9:15 a.m.) and Public Member Harry Mathis. LAFCO Staff – Executive Officer Michael Ott; Local Government Analyst Robert Barry; LAFCO Consultant Harry Ehrlich and Legal Counsel Michael Colantuono. Absent were: Alternate Commissioners: Special District Member Ed Sprague; Supervisor Greg Cox; and City Councilmember Chris Cate and Special Legal Counsel Rachel Witt.

Item 1
Roll Call

The Commission Secretary performed the roll call for the April 6, 2015, LAFCO meeting. With the exception of Alternate Commissioners Greg Cox, Ed Sprague and Chris Cate, all other Commissioners were present.

Item 2
Approval of Minutes of Meeting Held March 2, 2015

On motion of Commissioner Abed, seconded by Commissioner MacKenzie, and carried unanimously by the Commissioners present; the Commission dispensed with reading the minutes of March 2, 2015 and approved said minutes.

Item 3
Commissioner / Executive Officer Announcements

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

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 indicated that there were no agenda revisions.

Item 5
Public Comments

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

Item 6
Proposed/Final FY 2015–16 LAFCO Budget

Chairman Horn opened the public hearing.

Michael Ott presented the Proposed/Final FY 2015–16 LAFCO Budget to the Commission. He said that there will be a budget reduction of about \$24,426 based on the gross appropriations for FY 2015–16. Mr. Ott said that the net cost reduction for FY 2015–16 Budget would still provide sufficient funding for LAFCO's core responsibilities, special projects, consolidation proposals, and implementation of the document management program. Mr. Ott indicated that the Commission should approve the salary schedule changes in Figure 3 of the budget report for all non–executive classifications.

Commissioner Lorraine Wood asked about the status of the Document Management project and when will it be available for public review. In response to the question, Michael Ott indicated that the project is about 80%–90% complete, and is in a testing mode. Mr. Ott said that Consultant Casey McGhee would provide additional information.

Casey McGhee, LAFCO Consultant provided an update to the Commission regarding the Document Management Program. He indicated that the testing and production should be complete by the end of summer or as early as Fall and will be brought to the Commission for a demonstration.

Chairman Horn closed the public hearing.

Commissioner Jo MacKenzie asked if there was a policy that would allow all documents to be made available for the public. In response to the question, Michael Ott indicated that LAFCO will return to the Commission for guidance on that subject, but cautioned the Commission that some data contains personal information (e.g., Social Security, Bank Account information) and certain protections should be followed.

Vice Chairman Sam Abed commented about the budget decrease and Salary and Benefits being increased. In response to the question, Michael Ott said that the Services and Supplies will be reduced and the savings would be reallocated to fill needed staff positions.

Commissioner Abed also indicated he would like to see how LAFCO staff compare to other agencies in terms of salary.

A motion to approve the budget was made by Commissioner Abed and seconded by Commissioner Jacob.

Commissioner Lorie Zapf asked if Figure 3 was current for the quarter. In response to the question, Michael Ott indicated that the figures are current through this Third Quarter with projections through the Fourth Quarter.

Supervisor Dianne Jacob commended Michael Ott for the outstanding presentation and detail in the Budget.

Alternate Commissioner Harry Mathis asked if there was a statute of limitation regarding the time limit of retaining documentation. In response to the question, Legal Counsel Michael Colantuono said that LAFCOs have to keep records in perpetuity.

With no speakers from the public and no further discussion from the Commission, on motion of Commissioner Abed, seconded by Jacob, and carried unanimously by the commissioners present (Abed, Horn, Jacob, MacKenzie, Vanderlaan, Wood, and Zapf), the Commission took the following actions:

- (1) Opened the hearing on the Proposed/Final Budget FY 2015–16 LAFCO Budget and closed the hearing after receiving public comments; and
- (2) Adopted the Proposed/Final FY 2015–16 Budget and directed the Executive Officer to implement all related budget recommendations in the staff report, including but not limited to:
 - (a) Directed 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, 2015 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) Authorized 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) Ratified the continuation of an approved “committed” fund balance designation in the amount of \$50,000 and the designation of another \$100,000 of “committed” funds with respect to account 46726 to support the waiver of LAFCO processing fees for the possible reorganization of the Julian–Cuyamaca FPD and CSA No. 135; CSA No. 115 (Pepper Drive) Reorganization with San Miguel Consolidated FPD and/or Lakeside FPD; elimination of CSA No. 135 Islands 2–4; Rancho Santa Fe FPD Reorganization; and the Greenwood Memorial Park Cemetery Island Reorganization.
- (d) Ratified the continuation of the fund balance designations and amount of funds contained within each designation for application in FY 2015–16 per the Proposed/Final 2015–16 LAFCO Budget.
- (e) Directed 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) Authorized the transfer of unspent funds from LAFCO’s FY 2014–15 and FY 2015–16 Budgets to Account 46726 (Special Projects Trust Fund) and directed the Executive Officer to inform the Commission of the amount of the fund transfer during the quarterly budget update.
- (g) Directed the Executive Officer to make appropriations adjustments and fund transfers (additions or deletions, services and supplies adjustments, and staffing level changes) to contain LAFCO’s FY 2015–16 gross cost of \$1,820,810.74 and net cost of \$1,394,945.74.
- (h) Approve the FY 2015–16 Proposed Staffing Schedule per Figure 3; established a maximum cap for performance–based (merit) increase and associated salary increase for staff not to exceed 2% of annualized salary subject to above–standard overall performance ratings for LAFCO.
- (i) Directed the Executive Officer to implement the salary schedule changes recommended in the Proposed/Final Budget for all non–executive classifications by amending the maximum rate of the salary ranges to accommodate salary adjustments previously approved by the Commission since 2013. The following salary increases accordingly apply: 1.24% (effective August 5, 2013); 5% (effective April

8, 2013); 1% (effective June 27, 2014); 2% (effective June 26, 2015); and 2% (effective June 24, 2016).

- (j) Authorized 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 2015–16 LAFCO Budget.

Item 7

Proposed “Rancho Canada Mobile Home Park Annexation” to the San Diego County Sanitation District (DA15-01)

Robert Barry provided information to the Commission regarding an annexation to the San Diego County Sanitation District. He indicated that proposal involves a 70–unit mobile home park that the landowner will be adding nine additional mobile home units and requested an extension of public sewer services to the undeveloped parcel.

This item is for information purposes only and no action is required.

Item 8

LAFCO participation in the County of San Diego Deferred Compensation Plan

Michael Ott provided a report to the Commission regarding LAFCO's participation in the County of San Diego Deferred Compensation Plan. He indicated that the County's Treasurer–Tax Collection Office suggested that LAFCO adopt a resolution retroactive to 1976 to continue participation in the program.

On motion of Commissioner Wood, seconded by Commissioner Zapf, and carried unanimously by the commissioners present.

The Commission adopted the resolution per Government Code Section 56380 ratifying, approving, and adopting the LAFCO participation in The County of San Diego Deferred Compensation Plan.

Item 9

Legislative Status Report

Harry Ehrlich, Director of Legislative provided an update to the Commission regarding the current state legislation activities. Mr. Ehrlich indicated that the Commission supported bill SB 25 (Roth) and that LAFCO has taken a position on these six bills:

AB 402 (Dobb): This bill allows LAFCO's to authorize a City or District to provide new or extended services outside its jurisdictional boundaries. Recommended position: Watch.

AB 448 (Brown): This bill would reinstate the Vehicle License Fee payment and change the way that the growth of assessed property taxes. Recommended position: Watch.

AB 851 (Mayes): This bill addresses the re-writing of outdated statutes related to disincorporations in the Cortese–Knox–Hertzberg Local Governmental Reorganization Act 2000. Recommended position: Watch.

SB 239 (Hertzberg): This bill allows the Executive Officer of LAFCO within 30 days to request approval by a City or District for a contract to extend services outside its jurisdictional boundaries. Recommended position: Oppose.

AB 948 (Patterson): This bill authorizes the establishment of a community service district to provide various services to a geographic area within each district and enforce covenants, conditions, and restrictions within that district. Recommended position: Watch.

SB 184 (Committee on Governance and Finance): This bill requires the legislative body of a local entity to annually file with the auditor a list of lots or parcels of land subject to specified fees or charges for water, sanitation, storm drainage, ore sewerage system services and facilities. Recommended position: Watch.

He indicated that two new bills AB 1532 and SB 272 were introduced and recommended that the Commission oppose these bills.

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

Approved positions recommended by LAFCO Staff on the 2015 Legislative Status Report.

There being no further business to come before the Commission, the meeting adjourned at 9:53 a.m. to the May 4, 2015 meeting, in Room 302, County Administration Center.

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