

**LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY**

215 North D Street, Suite 204, San Bernardino, CA 92415-0490
(909) 383-9900 • Fax (909) 383-9901
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: JULY 7, 2014



FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #13 – Consideration of Request from the County’s Second District Supervisor for LAFCO to Prepare a Preliminary Feasibility Study for Incorporation of the Communities within the Rim of the World School District Boundary

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Authorize the Executive Officer to contract with the Second District to prepare a preliminary Feasibility Study for the incorporation of the communities within the boundaries of the Rim of the World School District; and,
2. Direct the Executive Officer to accept the funds from the Second District, to conduct the Preliminary Feasibility Study in accordance with the Commission’s adopted policies related to incorporation, and to contract with a consultant to prepare the financial projections.

BACKGROUND:

Over the past several months, staff has met on several occasions with the Second District Supervisor and her staff to discuss questions related to a potential incorporation in the mountain communities of Crest Forest, Lake Arrowhead and Hilltop (the names assigned by the Commission during its service reviews). The issues are of interest to many of the residents in the mountain communities so that they may have a deeper understanding of the potentials for reduction in the duplication of services, increased local control over questions of zoning and development, as well as a determination of the service levels to be provided within their communities. As is

always the case, these discussions turned to the question of costs: who would fund the study, who would contract to provide the document, and who would provide the oversight necessary to assure that the information was accurate. Supervisor Rutherford requested that LAFCO staff provide an estimate of what it would cost for LAFCO to have the preliminary feasibility study prepared in accordance with Commission policies.

The needs of such a study for mapping and discussion of alternatives in service providers could be easily determined and provided by staff. However, staff reviewed the question of the preparation of the financial projections with Jim Simon of the Rosenow Spevacek Group Inc. (RSG) as we have no experience with the issues of revenue neutrality and state subvention calculation in the new era. Many of the Commissioners may recall that this was the firm it hired to prepare the financial reports related to the proposed consolidation of the San Bernardino Valley Municipal Water District and the San Bernardino Valley Water Conservation District. Based upon these discussions, a cost estimate was provided to the Supervisor of approximately \$24,723 (staff and consultant time plus 10% contingency). On June 11, Supervisor Rutherford requested that an item be placed on the Commission's agenda to contract with LAFCO to prepare the study as outlined which will be funded by the Supervisor's office.

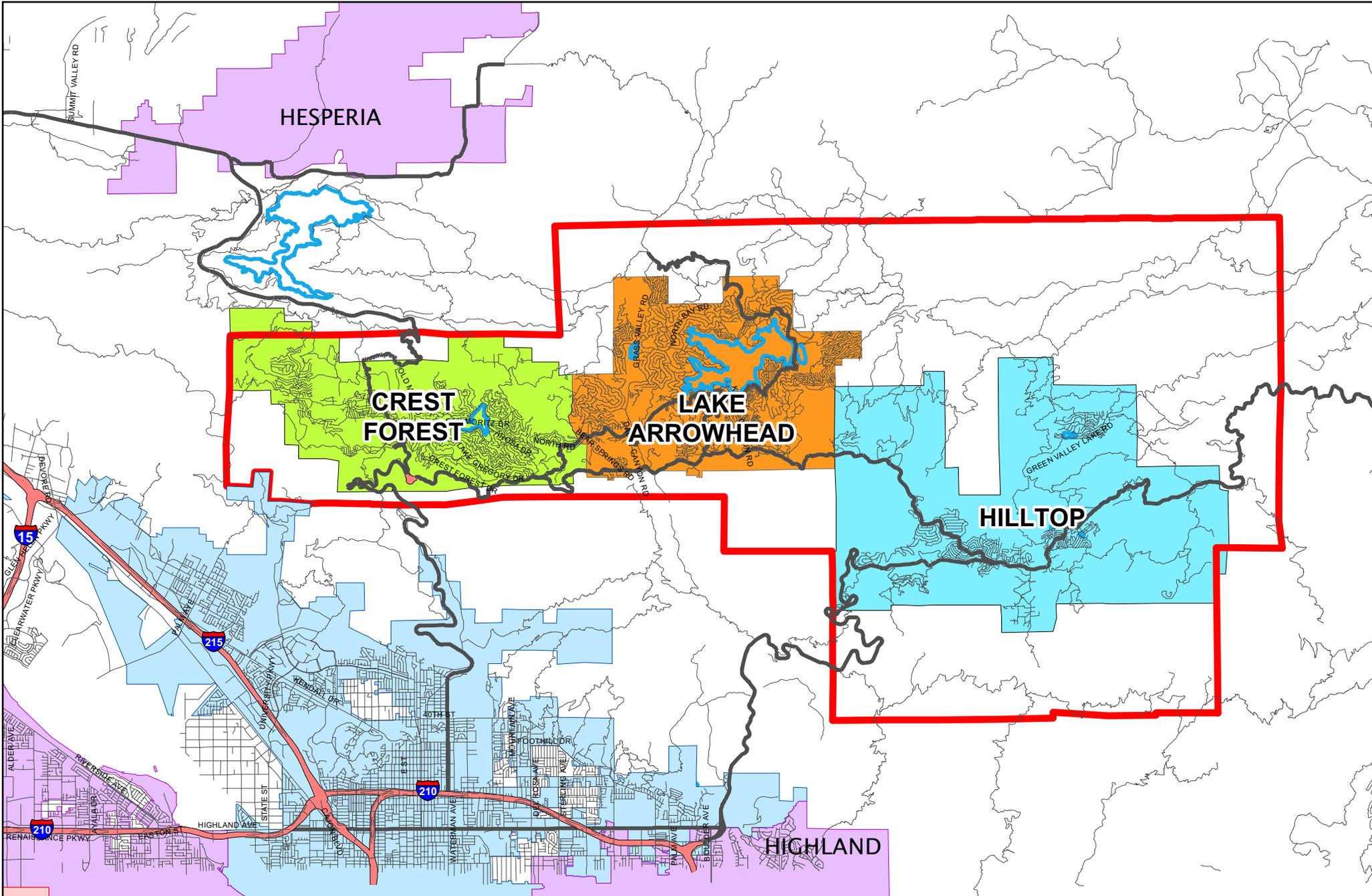
The staff's recommendation is that the Commission authorizes staff to commence the study and accept the funding from the Supervisor's office. In addition, LAFCO staff will move forward to prepare a contract with Jim Simon of RSG to prepare the financial projections and will return to the Commission for approval of that contract as soon as possible. It is anticipated that the study will be completed for presentation by January 2015.

The staff will be happy to answer any questions from the Commission prior to or at the hearing regarding this item.

/krm

Attachment:

Map of the Rim of the World Communities



LAFCO DEFINED COMMUNITIES WITHIN THE RIM OF THE WORLD UNIFIED SCHOOL DISTRICT

-  Rim of the World USD
-  Crest Forest Community
-  Lakes
-  Lake Arrowhead Community
-  Hilltop Community (Running Springs, Arrowbear & Green Valley Lake)