

**DRAFT – ACTION MINUTES OF THE – DRAFT
LOCAL AGENCY FORMATION COMMISSION
HEARING OF AUGUST 16, 2017**

REGULAR MEETING

9:00 A.M.

August 16, 2017

PRESENT:

COMMISSIONERS:

Jim Bagley	Larry McCallon
Kimberly Cox, Chair	Ryan McEachron, Alternate
Jim Curatalo	James Ramos, Vice-Chair
Steve Farrell, Alternate	Aquanetta Warren, Alternate
Robert Lovingood	Diane Williams

STAFF:

Kathleen Rollings-McDonald, Executive Officer
Clark Alsop, LAFCO Legal Counsel
Samuel Martinez, Assistant Executive Officer
Michael Tuerpe, Project Manager
Jeffrey Lum, LAFCO Analyst
La Trici Jones, Commission Clerk
Bob Aldrich, LAFCO Consultant

ABSENT:

Janice Rutherford, Alternate

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION COMMISSION
– CALL TO ORDER – 9:05 A.M. – NORTON REGIONAL EVENT CENTER**

Chair Cox calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

ITEM 1. Swear in Regular (Supervisor James Ramos) and Alternate (Supervisor Janice Rutherford) Supervisorial Commissioners (Continued from May 17, 2017 Hearing).

Supervisor James Ramos is sworn in for his term ending in May 2021. Supervisor Janice Rutherford is absent so her swearing in will be deferred to the next hearing.

CONSENT ITEMS:

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter.

ITEM 2. Approval of Minutes for Regular Meeting of July 19, 2017

- ITEM 3.** Approval of Executive Officer's Expense Report
- ITEM 4.** Ratify Payments as Reconciled for Month of July 2017 and Note Cash Receipts (Continued to the September 20, 2017 Hearing)
- ITEM 5.** Approval of Contract for Janitorial Services at 1170 West Third Street for the period of August 24, 2017 through June 30, 2018 (Continued to the September 20, 2017 Hearing)

Commissioner Lovingood moves approval of the Consent Calendar, Second by Commissioner Ramos. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Ramos, and Williams. Noes: None. Abstain: None. Absent: None

DISCUSSION ITEMS:

ITEM 6. CONSENT ITEMS DEFERRED FOR DISCUSSION:

None

ITEM 7. STATUS REPORT ON LAFCO 3189 – SPECIAL STUDY FOR MORONGO VALLEY COMMUNITY SERVICES DISTRICT

Project Manager, Michael Tuerpe introduces the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Mr. Tuerpe states that staff is recommending that this be the last monitoring report for Morongo Valley Community Services District. Mr. Tuerpe provides background on the status report stating that at the July 2015 Hearing, the Commission's direction to staff in preparing the special study was narrow in focus – determining the financial sustainability of the district to perform its authorized range of services, most specifically fire protection and emergency medical response. Mr. Tuerpe states that at the conclusion of the special study, the Commission directed staff to continue to monitor the CSD for a period of three years. Mr. Tuerpe states that staff has conducted two years' worth of reviews and is recommending that this be the final review. Mr. Tuerpe states that in response to the financing concerns the District conducted a Special Tax Election; however, the election failed. Mr. Tuerpe states that recently there was meeting that included the Community Services District, LAFCO staff and County Fire. He states that nothing tangible came from that meeting, but it was noted that discussions between the CSD and County Fire will continue.

Mr. Tuerpe states that further involvement from LAFCO is not warranted because there is no available LAFCO initiated solution. He states that the Commission cannot initiate an annexation to County Fire. He states that we cannot tell the District what to do, but we have provided them with options.

He states that staff is recommending the conclusion of monitoring of the CSD.

Executive Officer Rollings-McDonald states that she wants to reiterate that there is no LAFCO solution available for the Commission to consider. She states that it is clear that the District is moving in a direction to live within its means. She states that the purpose of the continued monitoring is resolved and that is why staff is recommending that the Commission accept the report and discontinue further monitoring.

Commissioner Ramos asks if the paramedic service is tied to the CSD assessment, to which Mr. Tuerpe responds that the assessment is for Paramedic and Fire Protection services and requires that the District maintain a full-time paramedic on staff.

Ms. Rollings-McDonald states that one concern has been that a benefit assessment requires an annual engineering study to determine the cost applied to parcel based upon benefit. So there is an annual engineering study expense. She states that the assessment could be a transition as a function to the reorganization to another entity, but the more simplistic and equitable funding source is a special tax that is uniformly applied and does not require the cost of an annual benefit assessment through an engineering firm. It is simply a flat tax placed on the tax assessment roll.

Commissioner Ramos states that he has received the reports and has no problem moving the staff recommendation.

Chair Cox states that she has a question in regards to the accounting page that shows the revenues and expenditures. She states that as of 2015, the salaries have gone up; an approximate two hundred thousand dollar increase. She states that it is concerning and would like to know if staff has an explanation. Mr. Tuerpe states that the District is contracted with the California Office of Emergency Services (OES) and OES uses the District during certain seasons for fire service which corresponds to an increase in salary expense. He states that later a reimbursement to the District is provided. He states that this is one-time revenue and not a consistent revenue source. Chair Cox states that it is her hope that the Community finds a way to adequately fund their fire service so they won't have to be included in a special tax zone.

Chair Cox asks if there are any other questions or comments by the Commission.

Commissioner Bagley states that he had the same concern with the fiscal year projections for 2015/16 and it is a giant red flag to spend 100 percent of your revenue for salaries. He states that the challenge is really for the Special District to find long term solutions.

Commissioner Ramos expresses his position that the CSD has made great strides in trying to get a handle on the expenses. He states that on last night there was an approval of a long-term strategy.

Chair Cox states that there are some representatives from Morongo CSD in attendance and she asks if they would like to speak to the Commission.

Ms. Gayl Swarat requests to speak and states that she is the President of the Morongo Valley Community Services District Board of Directors. She states that they are working

very hard to keep their fire service local because in Morongo Valley there are a lot of elderly people and there are a lot of accidents and they need a quick response from paramedics. She states that if they were to annex to County, they would receive service from Yucca Valley. She states that this would up the time from 7 to 10 minutes to a minimum of 19 minutes. She states that the paramedic service is one of the most important services for the Morongo CSD to provide.

Chair Cox asks if there are any additional speakers. There are none.

Commissioner Ramos moves approval of the staff's recommendation, Second by Commissioner McCallon. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon Ramos, and Williams. Noes: None. Abstain: None. Absent: None

ITEM 8. REVIEW AND APPROVAL OF AMENDED LEASE FOR LAFCO OFFICE SPACE AT SAN BERNARDINO SANTA FE DEPOT 1170 WEST THIRD STREET, UNIT 150, SAN BERNARDINO

Executive Officer Kathleen Rollings-McDonald states that before the Commission is the amended lease agreement for the staff office at the Santa Fe Depot. She states that during the budget consideration it was identified that Staff would be returning to the Commission after the completion of the renovations.

Commissioner Lovingood moves approval of the amended lease, Second by Commissioner Ramos. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Ramos and Williams. Noes: None. Abstain: None. Absent: None

INFORMATION ITEMS

ITEM 9 LEGISLATIVE UPDATE ORAL REPORT

Executive Officer Rollings-McDonald states that AB 979 which is the Lackey Bill co-sponsored by CSDA and CALAFCO is moving forward. She states that AB 1725 was approved and is moving forward. She states that both of these bills are co-sponsored by CALAFCO and it is anticipated that the Governor will sign both bills.

ITEM 10 EXECUTIVE OFFICER'S ORAL REPORT

Executive Officer Rollings-McDonald states that there are no new proposals to identify at this time. She states that the September hearing will have a review and consideration of an exemption request from the Running Springs Water District on the extension of sewer service and a proposal for detachments from Cucamonga Valley Water District.

She states that in September we will review the recruitment process for the Executive Officer position.

ITEM 11 COMMISSIONER'S COMMENTS

Chair Cox asks if there are any Commissioner comments. There are none.

ITEM 12 COMMENTS FROM THE PUBLIC

Chair Cox asks if there are any comments from the public. There are none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS ADJOURNED AT 10:31 A.M.

ATTEST:

LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

KIMBERLY COX, Chair