

**DRAFT - ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF JANUARY 16, 2019**

REGULAR MEETING

9:00 A.M.

JANUARY 16, 2019

PRESENT:

COMMISSIONERS:

Regular Member	Alternate Member
Jim Bagley	Louisa Amis
Kimberly Cox	Steven Farrell
James Curatalo, Vice Chair	Janice Rutherford
Robert Lovingood, Chair	
Larry McCallon	
Acquanetta Warren	

STAFF:

**Samuel Martinez, Executive Officer
Paula de Sousa Mills, LAFCO Legal Counsel
Michael Tuerpe, Project Manager
Jeffrey Lum, LAFCO Analyst
La Trici Jones, Clerk to the Commission
Angerose Schell, Administrative Assistant**

ABSENT:

COMMISSIONERS: None

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION COMMISSION
– CALL TO ORDER – 9:11 A.M. – NORTON REGIONAL EVENT CENTER**

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

ANNOUNCEMENT OF CONTRIBUTIONS

Vice-Chair Curatalo requests those present who are involved with any of the changes of organization to be considered today by the Commission and have made a contribution of more than \$250 within the past 12 months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution was made, and the matter of consideration with which they are involved.

There were none.

ITEM 1. Swear in Regular City Commissioner – Acquanetta Warren, City of Fontana

Ms. La Trici Jones, Clerk to the Commission, administers the Oath of Office to City of Fontana Mayor Acquanetta Warren, Regular City Member. Ms. Warren will serve the unexpired Term of Office for Ms. Dianne Williams, expiring in May 2020.

ITEM 2. Selection of Chair to Complete the Term Ending May 2019

Executive Officer Samuel Martinez states that selection is to complete the term that Mr. Ramos vacated since he was elected to the State Assembly. Mr. Martinez opens the nominations for LAFCO Chair.

Commissioner Cox nominates Supervisor Lovingood. She states that it only seems fitting that since the position was vacated by a Supervisor that the Commission appoint another Supervisor to take the Chairmanship.

Commissioner Rutherford seconds the motion.

Vice-Chair Curatalo requests to close the nominations and for the question to be called on Supervisor Lovingood's nomination as LAFCO Chair.

Commissioner Cox moves the selection of Supervisor Lovingood as LAFCO Chair, Second by Commissioner Rutherford. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Rutherford and Warren. Noes: None. Abstain: None. Absent: None

CONSENT ITEMS – STAFF RECOMMENDATION APPROVED

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 3. Approval of Minutes for Regular Meeting of December 5, 2018

ITEM 4. Approval of Executive Officer's Expense Report

ITEM 5. Ratify Payments as Reconciled and Note Cash Receipts for Month of November 2018

ITEM 6. Consent Items Deferred for Discussion

Chair Lovingood made an amendment to item #3. He states that the December 5, 2018 minutes reflect that he abstained on item #8, and the current notation has been marked as a yes instead of an abstention. He has requested that the minutes be corrected.

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

PUBLIC HEARING ITEMS:

ITEM 7. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3228; AND (2) LAFCO 3228 – REORGANIZATION TO INCLUDE ANNEXATION TO THE RUNNING SPRINGS WATER DISTRICT AND DETACHMENT FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS MOUNTAIN SERVICE ZONE (CONTINUED FROM OCTOBER 17, 2018 HEARING – CONTINUED TO HEARING ON MARCH 20, 2019)

LAFCO conducts a continued public hearing to consider LAFCO 3228. Executive Officer Samuel Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and made a part of the record by its reference here.

Executive Officer Martinez states that at the October hearing the item was continued primarily due to opposition presented by County Fire. He states that at that hearing, the Commission discussed options including County Fire continuing to overlay the area. He states that ultimately the Commission continued the item so staff could fully evaluate fire and emergency medical service delivery within the Pali-Mountain Camp and the hope that both agencies, County Fire and the Running Springs Water District, come to some sort of solution or an agreement.

Executive Officer Martinez states that in 2013, the property owners for Pali-Mountain requested sewer service from the Running Springs Water District and at the time, it was contemplated that the camp facility would annex into the District at some point in the future. He states that in early 2018, the property owner approached the District and asked to be annexed into the District, primarily because there would be a savings in their sewer bill of about six thousand dollars per year as a result of having a higher sewer rate when outside of the District. He states that the District shortly after adopted a resolution of application requesting that the area be annexed into the District. Mr. Martinez indicated that during the processing of the application, two additional parcels owned by the Crestline-Lake Arrowhead Water Agency were added to the overall reorganization area. He states that the Crestline-Lake Arrowhead Water District has since submitted its consent to the inclusion of the two parcels as part of the overall reorganization area.

Executive Officer Martinez states that after the October hearing, LAFCO staff organized a meeting with County Fire, Running Springs and property owner (who sent a representative). He states that meeting did not resolve any of the issues; however, both agencies agreed to leave the decision to the property owner and agreed to adhere to whatever decision the property owner would make, whether he wants to continue with County Fire or annex to Running Springs Water District. He also asked both agencies to provide information related to their service to the Pali-Mountain Camp site with regards to staffing and equipment as well as a listing of incident data for the last ten years,

Executive Officer Martinez also identified that during the previous County Fire reorganization in 2006, the County, on behalf of County Fire, did indicate its intent not to

oppose any annexations proposed within the respective spheres of existing independent districts as long as the normal property tax transfer takes place. He states that this area has been within the sphere of influence of the Running Springs Water District since, at least, the 1970s and is adjacent to the District's boundaries.

Executive Officer Martinez provides some additional background regarding the property tax exchange process, indicating that during the Departmental Review Committee Meeting for the proposal, the County Fire representative indicated, when asked by staff, that it would not be opposing the property tax transfer process, and that that County Fire would just identify its opposition to the proposal during the consideration of the item. This occurred at the October hearing. Mr. Martinez states that the proposal did go through the normal property tax transfer process, which was approved by the Board of Supervisors in August 2018. He states that the staff report includes an analysis of the fire service in the mountain region as well as a discussion of the mutual aid system that is currently in place. He states that LAFCO staff discusses the drive times from existing fire stations in the mountain region to the Pali-Mountain campsite.

Executive Officer Martinez discusses County Fire's response on its stations that would respond to the Pali-Mountain campsite including apparatus and staffing level information. He states that no incident data was provided by County Fire, however, it did acknowledge that all calls related to the Pali-Mountain campsite have been medical in nature. He then discusses Running Springs Water District's response. He states that the District provided a list of all its calls since 2008. He states that out of all 65 calls, 96% were medical related, and no calls were fire related.

Executive Officer Martinez outlines the fact that all mountain region fire agencies adhere to the State's Master Mutual Aid system and that all mutual aid requests go to the dispatch agency, ConFire, which is also the dispatch for County Fire, as well as the contract dispatch for Running Springs Water District.

He states that, for fire protection, while County Fire is the responsible agency, Running Springs Water District is always first on scene with County Fire providing back-up when necessary. He states that following annexation it will be the responsibility of Running Springs Water District which will continue to be first on scene and if additional help is needed, through mutual aid, County Fire will respond. He states that if County Fire cannot respond, CalFire, the US Forest Service and any other fire service agencies will respond. He states it will be the same exact response for emergency medical service. For ambulance service, he states that the reorganization area is already within the Exclusive Operating Area assigned to Running Springs Water District which will not change as a result of the reorganization. He also states that for dispatch, as identified earlier, both County Fire and Running Springs Water District uses ConFire, which will also not change as a result of the reorganization.

Executive Officer Martinez wrapped up his presentation by indicating that the property owner requested to be annexed to the Running Springs Water District and that LAFCO staff supports the reorganization request since the annexation is a logical boundary and is contiguous to the District. He states that County on behalf of County Fire indicated 12 years ago that it would not oppose the annexations within existing service providers as long as

said annexations were within existing spheres of influence for said agencies and that it would go through the normal property tax transfer process. He states that this is in the sphere of influence for the Running Springs Water District and has been since the 1970s and that the proposal went through the normal property tax transfer process. He states that in regard to the fire and emergency medical response services, there will be no change in service as a result of the reorganization since the District will continue to be the first on scene. He states that LAFCO staff is recommending that the Commission approve LAFCO staff's original recommendation for LAFCO 3228 as outlined in the staff report from October 2018 and outlined on page one of the staff report:

Chair Lovingood calls for Commissioner comment.

Commissioner Rutherford states that the 2006 letter was mentioned several times and would suggest that the County's position has changed since then as well as the entire model of fire service and emergency medical response. She states that the regional service model is perhaps inconsistent with the letter that was sent in 2006 and she believes that if the County had to rewrite the letter today, it would be worded differently, so she urges the Commission not to put all its eggs in that basket.

Vice-Chair Curatalo asks Executive Officer Martinez to explain in more detail the revenue that will move, and when it comes to certain services, like sewer services, can those rates be adjusted as needed or are they fixed?

Executive Officer Samuel Martinez states that because the camp is currently outside the District, the reason for the reduction in rates will be a result of the camp being annexed and therefore will now be charged the in-district rates. He states that usually rates already includes maintenance and the operation of the district. He states that the reduction in the sewer rates has nothing to do with the property tax transfer Running Springs Water District will receive through the property tax transfer.

Chair Lovingood states that he will open the hearing and hear from the agency representatives. He calls for Chief Hartwig's public comment.

Chief Hartwig states that this is a tough situation and issue because he feels as if the property owner is in a tough spot. He states he has realized, in conversation with the property owner, that this is not a fire and rescue or EMS issue. He states that this a sewer issue and there was never any concern from the property owner about fire, rescue and EMS. He states it was a desire to solidify better rates for sewer service. He states that this is completely understandable and he understands why the property owner would pursue this. He states that without taking the fire, rescue and EMS dollars that are dedicated for that regional service, the camp will not achieve the savings or have better rates for sewer service. He states that what it sets up is a conundrum for the fire district since this regional service model works well until you start moving revenue dedicated to that service to another pot or another service. He states that there is no current mutual aid agreement with the Running Springs Water District. He states that it was something that came up as County Fire was reviewing what it was doing. He states that mutual aid and dispatch is not a shared resource. He states that every agency is held to entering into agreements that provide mutual benefit to its neighbors and mutual aid agreements vary throughout the County of

San Bernardino and typically, it's based on a reciprocal offer of service. He states that one thing County Fire has found itself in the middle of is resources of County Fire being used inter-changeably without adherence to a mutual aid agreement, which puts him in a tough spot, to go back to the tax payers that are providing funding for that service, and explaining to them that it is the right thing to do. He states that the statement you can remove \$17,000 from the County Fire and expect the same service isn't a logical argument. He states that he is not going to tell the Commission that if children are injured or at risk, or lost; that County Fire wouldn't answer a call for help, but states there is a distinct difference between a responsibility to provide that service and being available for a request for service based on the availability of those services and, indicates that would be a change in service. He states that he does not believe that anyone disagreed in this process and in his conversations with his organization, his board and the property owner that there would be a significant change in the capability provided to the community and the camp at Pali-Mountain. He states that he understands the Commission is tasked with reorganizing to provide effective, efficient and capable public safety services. He states that this item does not appear, based on the fact that everything is good today the way it is, until you start shifting money and responsibility and it doesn't appear as if this proposal would do that.

Chair Lovingood calls for Chief Corley to address the Commission.

Chief Corley states that Running Springs Water District has been a full time fire department for over 50 years. He states that he feels as if the community is very happy with the service it provides. He states that Chief Hartwig talked about mutual aid and noted that the Running Springs Water District probably provides as much mutual aid to County Fire as County Fires does to the District. He states that the District has access to 3 snow cats and it has an MOU with CalFire, and explains that the engine that is not going to Pali-Mountain would now be going over there and this is the one at station #51, which is about 2 minutes away. He states that he does have the Chief of CalFire present with him today and he can speak about the MOU and the relationship that the District has with CalFire. He states that CalFire helps the District, and vice versa, and that CalFire goes to all responses within the District. He states that a typical response would include an engine, an ambulance and a squad for all incidents. He states that in the last 10 years, of the 65 incidents at Pali-Mountain; 63 of them were EMS/ambulance calls and the other 2 were investigations. He states that the District is able to respond to Pali Mountain, which is within its sphere of influence and he believes that nothing is going to change. He states that the District will still continue to provide the necessary emergency service in that area.

Chair Lovingood asks if there is additional public comment.

Commissioner Farrell states that in reading the staff report, there is a phrase on page 2 where the agencies met with a representative of the property owner, and the actual text says they agreed they would leave the decision to the property owner on whether fire protection and emergency medical response should stay with County Fire or transfer to Running Springs Water District. He states that he is wondering if that's an accurate representation of the meeting and the results of that because it that's the case the Commission is looking at a letter that says the property owner does want to move forward with the transfer.

Jason Balcome, property owner representative states that he has had the opportunity to talk with Chief Hartwig and Chief Corley. He states that the discussion is always safety because there are a lot of kids there and indicates that the camp wants to make sure it is taking care of the children. He states that the one thing it all came down to is response time versus response. He discusses the scenario of a lot of fire trucks come in 10 minutes or 1 fire truck getting there in 1 minute and is able to provide care. He states that ultimately it is their recommendation, being part of the community, to go ahead with the annexation to Running Springs Fire District. He states that they have been happy with the service from the County, but noted that when the Camp make that call; it is Running Springs Water District that is right there. He states that in discussion with the two agencies, they are confident in what Running Springs Water District will be able to provide.

Chair Lovingood asks if there is more public comment.

There is none.

Commissioner Rutherford states that it's a tough issue because she represents Running Springs and she loves the camp as she has a kid going to science camp in a couple weeks. She states that she wants him and his school mates to be safe. She states that this has been an issue of great contention in the community for many years and is primarily based around the water and sewer. She states that is how this application started and that's what this application is about. She states that fire has gotten lumped into it as an afterthought and this is not the primary interest of the property owner. She states that County Fire provides a regional fire service that provides emergency and rescue services across the entire mountain and needs to continue to be there and funded for that purpose for the safety of the kids at that camp. She states that she supports moving the water and the sewer services but leaving fire with County Fire and she is asking her colleagues for support of this.

Commissioner Cox states that she would like an understanding and explanation from staff or the chiefs for when Running Springs responds to these 65 calls at the camp, does County Fire compensate you for time and manpower?

Chief Corley states that the answer is no...He states that it's all based on mutual aid now; we help them and they help us.

Commissioner Cox asks Chief Corley would he estimate that they spend more than \$17,000 a year on their efforts to support the camp. She states that she understands that Chief Corley is in the fire department and not the sewer department, but asks what the district's sewer reserves are currently?

Ryan Gross, General Manager for Running Springs Water District comes to the podium and responds that the reserve fund balance for the sewer enterprise varies, but currently it's around \$450,000. He states that the \$17,000 property tax transfer that was already approved by the Board of Supervisors; will go to the fire service. He states that the District would have never applied for this proposal without fire service included. He states it was included from the beginning and if the Board decides to leave fire service out, he will need

to go back to his board, as he is sure they will want to withdraw the application all together and request a refund of the application fees that the property owner has already paid for.

Commissioner Cox asks how many sewer connections Running Springs has.

Mr. Gross states that it has just under 3,000.

Commissioner Cox asks what the annual revenue for sewer operations is.

Mr. Gross states for sewer operations is \$2.25 million for the sewer enterprise.

Commissioner Bagley asks if the \$17,000 property tax transfer is a general fund transfer or a dedicated transfer to fire service.

Executive Officer Samuel Martinez states that anytime taxes are transferred over, its general fund because it's an ad valorem tax.

LAFCO Legal Counsel Paula de Sousa Mills states that by policy the District can segregate and dedicate it if it so chooses.

Commissioner Bagley states that from the budgeting process, this just goes to the general fund, there's no specific allocation dedicated to fire services in perpetuity.

Executive Officer Martinez states that it is correct, but they also have their rates for their sewer for the enterprise funds. He states that the one thing he should emphasis in the reduction of fees, for the Pali-Mountain site is not as a result of them receiving the property tax transfer. He states that the property tax transfer is a result of the detachment, the reduction in fees is based on now, upon annexation, the camp will be charged the in-district fees. He states that it just so happens that they are getting additional monies based on the property tax transfer process.

Commissioner Cox states could there be a detachment from County Fire and the District forego the transfer of fees, therefore, County Fire's revenue stream would be kept whole, but Running Springs Water District would get the power to do what it is already doing.

Mr. Martinez states that as the County Fire Chief already stated, based on this analysis any reduction of fees, would be a reduction of service. Detachment would also mean that County Fire will not be the responsible agency. He states that this could happen anywhere and if this happens now, there would never be any annexation to any fire district since an annexation to a fire district will mean a detachment from County Fire and a detachment from County Fire will mean a reduction of service.

Commissioner Cox states, but there could be a transfer of service, without the tax revenue, correct?

Mr. Martinez states that because there is a detachment and Running Springs provides fire, it has to detach from the existing service provider.

Chair Lovingood asks if there are any other questions or statements from the Commission.

There is none.

Chair Lovingood states that he does not have any direct questions, but the way he looks at this is unique. He states that having been in this situation where he has seen first-hand and the requirement of really needing what County Fire has to provide to those in need that don't have the resources. He states that going through a couple real emergencies such as the incident on December 2nd, and County Fire took over the entire control scene. He states that if there is a true emergency, he appreciates everything that Running Springs does but it does not have the resources to manage it; not anything of such magnitude. He states that the staffing and personnel of County Fire is the closest and the biggest and the best services right next door. He states that these are his comments and he believes that Commissioner Rutherford had a motion.

Commissioner Rutherford states that she recommends that the Commission revise the staff recommendation and suggest that the Commission move forward with the annexation for sewer, but not the annexation of fire.

Executive Officer Martinez states that at the end of the staff report there is that option. He states that the Commission would modify LAFCO 3228, which would be the motion the Commission would have to make; removing the detachment from the San Bernardino County Fire Protection District and its Mountain Service Zone and continue the modified proposal to the Commission hearing on March 20, 2019 following the completion of the renegotiation of the property tax transfer process.

Commissioner Rutherford states then that would be her motion.

Commissioner Warren seconds the motion.

LAFCO Legal Counsel Paula de Sousa Mills states that this process is in Revenue and Taxation Code 99 (b)(7). She states that it provides that if the Commission modifies a proposal that any of the affected agencies may request the Executive Officer to grant 30 days to renegotiate the property tax transfer. If such a request is made the Executive Officer must grant the 30 days, and if the property tax transfer is renegotiated, the proposal would then come back to the Commission for it to make its final approval.

Commissioner Bagley states that this raises a bigger issue about the nature of spheres of influence and future annexations. He states whether the Commission is going to prohibit the transfer of fire service in the future. He states he looks at this and believes that if this was a smaller scale annexation to Running Springs Water District that he does not think the Commission would be having this discussion and it sets a bad precedent that the Commission now has an applicant that is willing to withdraw the application. He states that he is sensitive to the issue of fire becoming astronomically expensive to operate in California. He states that when there is the transfer of assets, he's aware that it has an impact, but he does not know if one can disproportionately burden a special district that wants to do an annexation by denying the agency the right to revenue for local control. He states that he does not want to obstruct the ability of the applicant from getting the sewer

service it wants. He states that if the property owner is in agreement and comfortable with the fire transferring to Running Springs Water District, he is okay with that, too. He states that he also understands what Chief Hartwig is saying that anytime you chip away at the ability to provide service, it has an impact. He states that is the nature of these annexations. He states that he is concerned that the Commission is setting a bad precedent.

Chair Lovingood asks if there are more comments.

Commissioner Farrell states that the alternative that the Commission is proposing is essentially asking Running Springs Water District, with no change in service to accept a loss because County Fire is not being detached. He states that basically Running Springs Water District is providing the same service and by approving this, the Commission is simply harming Running Springs Water District in the same way as the County might be harmed if the Commission did the detachment. He states that the Commission has a choice to either harm Running Springs Water District or harm County Fire. He states that he would echo Bagley's comments, "what are special districts for." He states that the Commission needs to recognize an agency's ability to move forward. He states that he would support the annexation as recommended by staff.

Chair Lovingood asks if there are more comments.

There is none.

Chair Lovingood calls for the reading of the roll.

Commissioner Bagley, No
Commissioner Cox, No
Commissioner Curatalo, Aye
Commissioner Lovingood, Yes
Commissioner McCallon, No
Commissioner Warren, Aye
Commissioner Rutherford, Aye

LAFCO Commission Clerk La Trici Jones states the vote as 4 – Aye, 3- No; the revised recommendations for LAFCO 3228 are approved.

Chair Lovingood states that he thanks staff for the presentation and states the Commission will move forward.

ITEM 8. CONSIDERATION OF: (1) REVIEW OF MITIGATED NEGATIVE DECLARATION PREPARED BY THE COUNTY OF SAN BERNARDINO FOR A CONDITIONAL USE PERMIT TO CONSTRUCT A 180,770 SQ. FT. CONCRETE TILT-UP WAREHOUSE CENTER WITH 10,000 SQ. FT. OF OFFICE/ADMINISTRATIVE USE AREA ON APPROXIMATELY 9.8 ACRES, AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#436; AND (2) LAFCO SC#436 – CITY OF RIALTO OUT-OF-AGENCY SERVICE CONTRACT FOR SEWER SERVICE (CEDAR AVENUE TECHNOLOGY PARK PROJECT – STAFF RECOMMENDATION APPROVED

Executive Officer Samuel Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and made a part of the record by its reference here. The item has been advertised through publication in a newspaper of general circulation within the county, *The Sun*, as required by law.

Executive Officer Martinez states that the City of Rialto on behalf of the property owner and developer has submitted an application for Commission review requesting authorization to provide sewer service outside its jurisdiction pursuant to Government Code Section 56133. He states that the agreement relates to a single parcel 0253-211-56, generally located at the northeast corner of Cedar Avenue and Orange Street within the City of Rialto's sphere of influence. He states that the County has processed and approved a Conditional Use Permit for a warehouse facility and the conditions of approval placed upon the project requires that the project connect to the City of Rialto's sewer facilities. He states that in regards to the service to be provided; sewer will be provided by extending an 8-inch sewer line along Orange and Vine Streets and connecting to the existing eight-inch sewer main in Larch Avenue. He states that the City has also indicated that a six-inch sewer lateral will be extended from the sewer extension in Vine that will serve the proposed development. He states that the city has identified an estimated cost of about \$135,000 in sewer fees and in addition, the property owner will bare all costs for the improvement needed to extend the service. He states that for environmental review, the County prepared an Initial Study and a Mitigated Negative Declaration for the Conditional Use permit to construct a 180,770 sq. ft. concrete tilt-up warehouse center with 10,000 sq. ft. office/administrative use area on approximately 9.8 acres. He states that the Commission's Environmental Consultant has indicated that the County's Initial Study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency. He states that staff has reviewed the request for provision of sewer service from the City of Rialto outside its boundaries and the criteria established by State Law and Commission Policy outlining the provisions. He states that staff recommends the Commission approve LAFCO SC#436 by taking the actions on pages 1 and 2 of the staff report.

Chair Lovingood asks if there are any questions from the Commission.

There is none.

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

DISCUSSION ITEMS:

9. MID-YEAR BUDGET REVIEW FOR FISCAL YEAR 2018-19

Executive Officer Samuel Martinez presents the Commission with an update on the financial status with the mid-year review for fiscal year 2018-19. He states that the mid-year salaries and benefits is at 2 percentage points over the 50% benchmark and this is primarily due to

the former Executive Officers contract extending through the first quarter. He states that services and supplies is at 57% of the approved budget authority at the first half, this is due to a fair amount of unanticipated legal activity. However, he states that since the Commission is indemnified, these charges are recoverable. He states that in regards to the status of the on-going Commission approved projects, the scanning project has been completed with a total cost of the project being \$10,431, which was done on time and under budget. He states that the countywide fire service review has made a lot of headway. He states that staff has met the County Fire Chiefs Association, which has formed an advisory committee to guide staff through the technical aspects of the service review and LAFCO staff will be sending out the survey/questionnaire to each of the fire agencies in February. He states that staff also met with ICEMA and the County Dispatch agencies. He states that the last governance training program will be on March 13, however staff was just informed that the facility at the Mojave Water Agency is retrofitting its facility. He states that staff will either be moving the training location or rescheduling it to another date. He states that with contingency and reserves, since the Assistant Executive Officer position has not been filled, the Commission increased the contingencies by \$34,852 and General/Litigation Reserve by \$64,392. He states that for revenues, the Commission has received 94% of approved budget revenues through the mid-year. He states that no proposal has been received to date but staff is anticipating three significant proposals for the second half of the fiscal year. He states that for the Commission's Fund Balance, \$970,221 is its cash in the County Treasury with a projected deficit of \$26,936 by year's end – after accounting for reserves. He states that staff is not recommending any budget adjustments at this time but will address the deficit again at the third quarter review.

Chair Lovingood asks if the Commission has questions.

Commissioner Bagley asks about the Comment "receiving no proposals" is a surprise.

Executive Officer Martinez states yes it is. He states there is a lot of talk of proposals that staff is aware of and staff is still anticipating some of these proposals that were to come earlier in the year, but have not been submitted.

Commissioner Bagley states can this affect our budget in the long run.

Executive Officer Martinez states that staff has already started looking at next year's budget that projects approximately \$230,000 in fees and deposits between now and the end of next fiscal year.

Chair Lovingood asks if there are additional questions.

There is none.

Chair Lovingood states this is an informational item, so no action is needed.

INFORMATION ITEMS:

ITEM 10. LEGISLATIVE UPDATE REPORT

Executive Officer Martinez states that the CALAFCO Legislative Committee for this year has been working on a number of items including the annual omnibus bill, which he is shepherding. He states he will provide an update in February. He states that the CALAFCO Board will again try to seek the grant funding that the Governor vetoed last year, AB 2258. He also indicated that CALAFCO will begin a 2-year project amending the protest provisions.

ITEM 11. EXECUTIVE OFFICER'S ORAL REPORT

Executive Officer Samuel Martinez provides the Commission a visual overview of the new interactive mapping pages on the LAFCO website. He states that these changes have been made in the last 6 months. He states this is a work in progress, but wanted the Commission to see that staff is making the Commission's mapping page more user friendly. He states that in March the City Selection Committee will be make a selection on the alternate City member seat that was vacated by Mayor Warren and next Tuesday, the Commission will have their Strategic Planning Workshop.

ITEM 12. COMMISSIONER COMMENTS

Commissioner Warren thanks Staff for swearing her in today. She states that she is very proud of this opportunity.

Chair Lovingood thanks the Commission for the nomination and approval to be the LAFCO Chair.

ITEM 13. COMMENTS FROM THE PUBLIC

There is none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING ADJOURNS AT 10:30 A.M.

ATTEST:

LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

ROBERT LOVINGOOD, Chair

**ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
STRATEGIC PLANNING WORKSHOP**

WORKSHOP

9:00 A.M.

JANUARY 22, 2019

PRESENT:

COMMISSIONERS:

Regular Member	Alternate Member
Jim Bagley	Louisa Amis
Kimberly Cox	Steven Farrell
James Curatalo, Vice Chair	
Acquanetta Warren	
Robert Lovingood, Chair	
Larry McCallon	
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STAFF:

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La Trici Jones, Clerk to the Commission
Angerose Schell, Administrative Assistant**

ABSENT:

COMMISSIONERS:

Regular Member	Alternate Member
	Janice Rutherford

**CONVENE SPECIAL SESSION OF THE LOCAL AGENCY FORMATION COMMISSION –
CALL TO ORDER – 9:11 A.M. – SBCTA BOARD ROOM**

LAFCO Commission Chair, Robert Lovingood calls the Strategic Workshop to order and leads the flag salute.

ITEM 1. COMMENTS FROM THE PUBLIC

No comments provided.

ITEM 2. INTRODUCTION TO THE WORKSHOP

Executive Samuel Martinez introduces the Strategic Planning Workshop providing a brief description and presents the Workshop Consultant Bill Chiat, President of the Alta Mesa Group, LLC.

ITEM 3. STRATEGIC PLANNING WORKSHOP

The workshop convenes with Mr. Chiat facilitating the discussion, which includes looking at the intent, role and responsibilities of the Commission, reflecting on its successes, changes and accomplishments over last few years, and a discussion of its vision and desired outcomes. The workshop also looked at identifying strategies to focus in next few years including key priorities and possible policy goals and objectives.

At the conclusion of the workshop, the Commission provided directives to staff and requested staff reports to be presented in the near future.

Other than the direction given to staff for consideration at future meetings, no action was taken.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE WORKSHOP IS ADJOURNED AT 2:43 P.M

ATTEST:

LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

ROBERT LOVINGOOD, Chair