

**DRAFT - ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF APRIL 17, 2019**

REGULAR MEETING

9:00 A.M.

APRIL 17, 2019

PRESENT:

COMMISSIONERS:

Regular Member	Alternate Member
Jim Bagley	Louisa Amis
Kimberly Cox	Rick Denison
James Curatalo, Vice Chair	Steven Farrell
Robert Lovingood, Chair	
Larry McCallon	
Dawn Rowe	
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: Janice Rutherford

9:04 A.M. – CALL TO ORDER – FLAG SALUTE

Chair Robert Lovingood calls the meeting to order and leads the flag salute.

ITEM 1. Presentation of Resolution of Appreciation to Assemblyman James Ramos for his LAFCO Service

The Commission presents a Resolution of Appreciation to Assemblyman James Ramos for his previous LAFCO service.

ANNOUNCEMENT OF CONTRIBUTIONS

LAFCO Legal Counsel Paula de Sousa Mills announces 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.

ITEM 2. PUBLIC COMMENTS ON CLOSED SESSION

There are no comments.

LAFCO Legal Counsel Paula de Sousa Mills, states that the closed session items were placed on the agenda as a placeholder in the event there was a need to meet. She states there is no need for the Commission to meet in closed session at this time since there is nothing to report.

ITEM 3. CONVENE CLOSED SESSION – Conference Room Adjacent to Event Center Auditorium:

- Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9(d)(1)) -- San Antonio Heights Association v. County of San Bernardino et al, San Bernardino County Superior Court Case No CIVDS1715504
- Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9(d)(1)) -- San Antonio Heights Association v. County of San Bernardino et al, San Bernardino County Superior Court Case No CIVDS1712771
- Conference with Legal Counsel – Existing Litigation – (Government Code Section 54956.9(d)(1) – C.O.M.E.T. (Citizens of Mentone Empowered Together) v. City of Redlands et al, San Bernardino County Superior Court Case No CIVDS1906437

ITEM 4. RECONVENE PUBLIC SESSION [NOT NEEDED]

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 5. Approval of Minutes for Regular Meeting of March 20, 2019

ITEM 6. Approval of Executive Officer’s Expense Report

ITEM 7. Ratify Payments as Reconciled and Note Cash Receipts for Month of February 2019

ITEM 8. Consent Items Deferred for Discussion

Commissioner McCallon 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, Farrell, Lovingood, McCallon, Rowe, and Warren. Noes: None. Abstain: None. Absent: Curatalo (Farrell voting in his stead)

PUBLIC HEARING ITEMS:

ITEM 9. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO SC#438 – CITY OF SAN BERNARDINO EXTRATERRITORIAL WASTEWATER SERVICE FOR ASSESSOR PARCEL NUMBERS (APNs 0164-202-49, 0265-272-04, 0268-031-11, AND 0268-211-22) – STAFF RECOMMENDATION APPROVED

Executive officer Samuel Martinez presents the staff report and states this is a follow up to the wastewater service review, which identified some agencies that provided wastewater service outside their jurisdiction without LAFCO authorization. One of the agencies, the City of San Bernardino, has submitted this request in order to fulfill the Commission's recommendation, to submit an out-of-agency service application for wastewater service it provided to certain parcels outside its boundary commencing after January 1, 2001. He states that the purpose of this service agreement is to recognize and authorize, after the fact, the wastewater service provision that the City provided to these parcels. He states that wastewater service to APN 0164-202-49 is within the City of Colton and complies with the exemption provisions outlined in Government Code Section 56133 and, therefore, is exempt from LAFCO review. He states that APN 0265-272-04 has an existing residential structure built in the 1940s that underwent some type of construction or renovations in the mid-2000s. He states that APN 0268-211-22 has two residential structures that was constructed in 2005. He noted that APN 0268-031-11 was one of four parcels that was previously authorized wastewater service by the Commission and indicated that staff is modifying LAFCO SC#438 to exclude said parcel from the City's request for approval, since it did not require further authorization from LAFCO. He states that staff recommends that the Commission approve wastewater service to 0164-202-49, 0265-272-04 and 0268-211-22 since the City's request complies with the provisions of Government Section Code 56133 and Commission policy. He recommends that the Commission approve LAFCO SC#438 by taking the actions on page 1 of the staff report.

Chair Lovingood asks the Commissioners if they have questions for staff.

There are none.

Chair Lovingood asks if the City of San Bernardino would like to make a presentation or provide comments.

There are none.

Chair Lovingood asks if there are any public requests to speak.

There are none.

Commissioner McCallon moves the staff recommendation, Second by Commissioner Bagley. The motion passes with the following roll call vote: Ayes: Bagley, Cox, Farrell, Lovingood, McCallon, Rowe and Warren. Noes: None. Abstain: None. Absent: Curatalo (Farrell voting in his stead)

Vice-Chair Curatalo approaches the dais at 9:34 A.M.

ITEM 10. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3232, AND (2) LAFCO 3232 – SPHERE OF INFLUENCE AMENDMENT FOR THE CITY OF ADELANTO – STAFF RECOMMENDATION APPROVED

Project Manager Michael Tuerpe presents the staff report. He states that this is a follow up not only to the wastewater service review, but also to the water service review. He states that the water service review in 2017 included Commission determinations on the City of Adelanto and its public utility authority (APUA). He states the staff report on the 2017 water service review designated it as a hot spot and that was an area of concern. Additionally, the Commission reinforced the hot spot designation by expressing its concerns regarding the City's history and status of not completing audits of itself and its component units. He states that in August last year, the Commission considered the wastewater service review with the same hot spot designation and similar Commission reinforcement for the City of Adelanto. He states that as an outgrowth of the 2018 wastewater service review, the Commission initiated a sphere of influence amendment for the City of Adelanto to determine the appropriate sphere of influence of the City.

He states that the Commission requested that the City and the County meet to confer regarding the sphere of influence of the City to determine the appropriate sphere amongst themselves. He states that the City and the County met in October, but there was no resolution from the meeting. He states there is significant movement in completing audits, but the lack of audits still exists. He states that the Commission is required to make five determinations for a sphere of influence amendment, and the staff report lists those determinations. He states that staff used the five determinations, as provided by law, to guide staff in determining the appropriate sphere of influence.

He states that there are three sphere areas identified as Areas A, B, and C. He states that for Area A, the County's land use designations for the area are half resource conservation and half rural living, and the City has it designated as open space. He states that Area A has no significant development anticipated for the foreseeable future, and no extension of City services appears to be necessary. He states the water and sewer lines are at least a mile away. He states that there is a poultry farm within Area A, but nothing else pursuant to a review of the aerial images or land use records. He states that staff is recommending that Area A be removed from the City's sphere of influence.

He states that Area B may provide for an incentive for development opportunities and it may materialize due to Highway 395. If this were to occur, the City would be the logical provider of services. He states that Area B is surrounded by the City on three sides and does meet the definition of the island provisions, which would require the Commission to approve an annexation if one were proposed; however, it is too large to qualify for an expedited annexation process; thus, protests provision would apply if an annexation were proposed. He states that staff's and Commission's concern is the lack of completion of audits, although there is some movement. He states there is also a backlog of bank reconciliations. He states that LAFCO staff is asking that staff return to the Commission in September 2019

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with an update on the City's sustainability. He states that if the Commission does not see continued movement on completing its audits, staff would come back and analyze Area B.

He states that as for area C, it is logical to be a part of the City as it is surrounded on three sides by City territory and has current service activity - both water and wastewater. He states that staff is recommending that Area C remain in and not be removed from the City's sphere of influence.

He states the Commission is the lead agency for environmental review, and a recommendation from the Commission's environmental consultant indicates that this action, as a sphere of influence amendment, is exempt from the requirements of CEQA.

He states that based on the previous determinations of the City—the lack of completion of audits etc. and the hot spot designations, staff is recommending that the City's sphere be reduced by removal of Area A. He states that the City provided a letter dated August 2 respectfully requesting that Area A remain as part of its sphere stating the insufficient power supply in for the area, particularly the cannabis industry, and the potential that Area A has to offer for it. Mr. Tuerpe states that staff did its due diligence on a variety of matters and that staff's position remain that Area A be removed for a number of reasons, including the fact that the City's facilities are nowhere near Area A, that the City's sustainable plan designates Area A as having the least priority in terms of growth, and that the City's current land use designation for the entire Area A is open space. He states that after the staff report was published LAFCO received five letters, four requesting that the Commission not remove Area A and one in support of removal of Area A. He states that staff recommends that the Commission take the actions listed on page 1 of the staff report. He states there are City representatives in attendance today and staff will be happy to answer any questions from the Commission.

Chair Lovingood states he will hold questions from the Commission until after public comment.

Chair Lovingood opens public comment and calls for the City of Adelanto for a presentation.

Charles Rangel, Development Services Director for the City of Adelanto states that the general plan was updated six years ago and at that time, the city was not contemplating cannabis use. He states that Edison has told the City that it cannot provide the City with electricity needed to power the businesses. He states that the City has been working with a variety of solar power companies who are negotiating with thousands of acres for solar fields. He states that on the speaker card, there are boxes to check; in support of or in opposition of staff recommendation. He states he is both - he supports letting the two other areas remain in the City and he states that it is Area A he wishes the Commission to take a fresh look at based on the activity the City has.

Commissioner McCallon states that he begs to differ with Mr. Rangel in regards to updating the general plan. He states the city can do it at any time; the City does not need a project.

Mr. Rangel states they do not want to be speculative. He states they want to show with certainty to both the Commission and the City, that when they have a project that comes in,

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it's going to be at that time that the City will update the general plan. He states it's always best when you have a project that comes in, and you can approve that project based on the merits of the project, and make it consistent with the general plan. He states the zoning is consistent as it stands right now.

Commissioner Farrell states he has heard two things that he thinks conflicts; one is the open-space designation and your current general plan would permit solar and yet Mr. Rangel is saying that there would have to be the need to change its general plan if the City got a solar application. He states that he is trying to understand why that is the case.

Mr. Rangel states that there will be areas along the corridor they may want to change to be manufacturing, but as it stands not there is no real inconsistency with the zoning.

Commissioner Bagley asks Mr. Rangel about his statement that Edison cannot provide adequate electric power for the City. He states that when you do a solar project, the electricity generated is not dedicated to any particular place. Commissioner Bagley asks if Mr. Rangel is proposing a dedicated electric source for the City of Adelanto, or whether it is going into the grid.

Mr. Rangel states that those are the discussions the City is having with the solar power companies, that there are enough end-users in the City to provide power. He states that the companies want to give the City beneficial rate reductions that would go straight to the end-user.

Commissioner Bagley states that as a Planner, this sphere of influence area is a long-term vision of municipal services in the future. He states that Area A makes logical sense to him looking at how historically it has been created. He stated 10 years ago no one could have envisioned cannabis or solar being what it is today. He states that open-space zoning for the City is different from resource conservation from the County. He states that they both allow broad uses. He states he is also going to take a moment because he is the representative of the City; it is reprehensible that the City doesn't have its audits done. He states that an audit is not record size and that he recognizes Mr. Rangel is not personally responsible for it, but this Commission has to make decisions on the best interest of public. He states the fact that there are not completed audits for the City of Adelanto reeks of maleficence.

Mr. Rangel states that he respectfully request the Commission defer action on Area A and let the City submit the next series of audits, which are under preparation.

Chair Lovingood states that he appreciates the request, but the Commission is moving forward with public comments.

Tanya Martinez states she works for S Power out of Long Beach. She states that her company is one of the developers proposing a large-scale solar project that Mr. Rangel was talking about in the City of Adelanto. She states that she opposes the staff recommendation.

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Martin Chao states he is landowner in the Adelanto area and was recently approached by Clean USA Power about the possibility of leasing the property for the development of a solar facility. He states that he came to speak and reiterate the points in his letter. He states he opposes the staff recommendation.

Steveonna Evans, Councilperson and Mayor Pro Tem for the City of Adelanto states she agrees with Commissioner Bagley's politically correct analysis of the City's audits and bank reconciliations not being up to date. She states that she is disgusted that representatives from her City allowed them to get so far behind. She states she opposes the staff recommendation.

Blanca Gomez states Mr. Martinez and his staff has made recommendations and stayed with those recommendations of narrowing Area A; the current sphere of influence for the City of Adelanto. She states she submits her support without prejudice to maintain Area A without reducing the City of Adelanto's area of influence.

Beau Cooper states he is the Entitlement Manager of United Engineering Group. He states they are currently working with S Power, which is one of several developers looking to work with Adelanto in this area. He states he opposes the staff recommendation.

Dilip Sheth states he is a landowner in the sphere of influence, in Area A. He states he does not want the sphere of influence reduced for Area A.

Chair Lovingood closes public comment and asks the Commission for comment and discussion.

Commissioner Bagley asks staff, if the Commission reduces this sphere of influence, and someone who request services in the future or a project, is there a separate fee for annexation if they are outside of the sphere or would a fee for annexation to the City of Adelanto be one in the same.

Executive Officer Martinez states the Commission has the sole authority over the sphere boundary. He states that if you reduce it right now, and someone came in with an application for annexation, you could do a concurrent sphere expansion as well as an annexation and since they would be concurrent, it would be one fee.

Chair Lovingood states that if the Commission takes action today, that action could be reversed at a future date.

Mr. Martinez reiterates that if the Commission removes it now and at some point someone came in with an annexation to the City of Adelanto, then you could do a sphere expansion as well as a concurrent annexation.

Chair Lovingood asks whether the Commission can reverse its action upon provision of the financial information that has been requested for the past seven years.

Mr. Martinez states, correct.

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Commissioner Rowe states that it has been awhile since she sat on this Commission. She questions how long it has been since the Commission has been requesting this information.

Mr. Martinez states since 2009 during the first round of service reviews.

Commissioner Warren states that it is unfair to weigh what happened 7 to 9 years ago. She states that she does not know a city in this county that is excellent and perfect. She states the Commission should be looking at this situation for what it is today, as there is a new council that is working hard to clean up the act of the previous administrations. She states she would hope that her colleagues would think about this. She states the Commission has been asking for these financials and they are making headway to get those financials. She states not put the burdens of the past on top of the heads of the people that are presently there.

Commissioner Farrell states the Commission is not aware of the County's opinion on this. He states has the County also recognized this sphere of influence would be a future reduction. He states this is a presumed annexation for future development currently for the City, right. He states this is how he understands the City's sphere of influence.

Executive Officer Martinez states that they are in the County's jurisdiction and the developers are anticipating at some point to develop either, through the City or the County. He states if they are doing it through the City, at some point, this area will have to annex to the City of Adelanto in order for the development to be entitled.

Commissioner Farrell states that the Commission has currently identified this area which is a very logical boundary as the current sphere of influence. He states that as near as he can tell, the motivation for this, is our continued long-term concern for the City and yet the Commission is taking an action now based on the evidence it is hearing today, that this is a likely development, which may in fact benefit the City. He states the Commission is also asking to return in September to make further reports on the status on sustainability of the City. He states that he sees no reason for us to take this action now, rather than postponing it to the September hearing where the Commission will hear it again. He states to give the City the opportunity to demonstrate the kind of maturity that the Commission would not take this reduction. He states that he has not heard a reason for the Commission to take this action today.

Chair Lovingood states he believes staff has done an exceptional job and there are previous key individuals with the City, and if you go back and remember for the previous two years, the Commission was promised by December to have that, and you can say the Council has changed, but the Management hasn't changed. He states they have contracted new services but the key drivers are still the individuals there.

Commissioner Warren states that if the Commission takes this action today of removing Area A, then the City can come back and get its act together, then the Commission will have to go back through this process, and states whether it make sense if these developers start this development in the County or with the City. She questions how this works.

Executive Officer Martinez states that the Commission is speculating and that right now it does not know where the areas are that the City is negotiating. He states the negotiations can be within the area or in the City itself. He states the developers are probably negotiating with hundreds of property owners and if at some point the Commission sees an application for that area, then the Commission can expand its sphere again. He states that it does not have to be for the entire Area A, it can be just for the specific area being developed.

Commissioner McCallon states that he shares Commissioner Bagley's concerns about the audits and is glad to hear that the new council is working diligently on that. He states at this point the Commission ought to go ahead and support the recommendation of the staff. He states that if and when a project comes forward, the application can be made to annex this area and include the sphere of influence expansion. He states that he moves the staff recommendation.

Commissioner McCallon moves the staff recommendation, Second by Commissioner Cox. The motion passes with the following roll call vote: Ayes: Cox, Curatalo, Lovingood, McCallon and Rowe. Noes: Bagley and Warren. Abstain: None. Absent: None

ITEM 11. THIRD QUARTER FINANCIAL REVIEW FOR FY 2018-19 – STAFF RECOMMENDATION APPROVED

Project Manager Michael Tuerpe presents the staff report. He states that third quarter report is in two parts; 1, net pension liability and 2, the standard 3rd quarter report. He states that a few years ago, LAFCO staff inquired with SBCERA for the opportunity to reduce the net pension liability per GASB 68 and its other following pronouncements. He states that at that time, the mechanism was not there to pay off, so the Commission prudently saved money for that occurrence to come. He states that it is to the Commission's benefit that the opportunity is there to now contribute a credit against the net pension liability. He states that the current reserve amount is \$184,963. The measurement date is June 30. He states that it would be best in the staff's position to hold those funds until June to be then contributed. He states that staff will be meeting with the policy committee and come up with a mechanism to transfer the funds in the future. He recommends that the Commission do contribute these amounts to SBCERA, by authorizing the Executive Officer to issue the payment for the full amount that is in our net pension liability reserve by June 30, 2019. He states that Ms. Amy McNery, the Chief Financial Officer of SBCERA is here for any questions from the Commission.

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

Commissioner Bagley states that net pension liability information seems to be missing in the report. He asks, what is the total net pension liability for LAFCO?

Mr. Tuerpe states that as identified in the audit, the last measurement date which would have been June 30, 2017; its roughly \$863,000.

Commissioner Bagley states that this number is missing conspicuously in this report. He states that this concerns him and when he sees these reports in the future he expects this number to be included. He states this is germane to the discussion.

Executive Officer Samuel Martinez states that the net pension liability changes year after year. He states that in the year 2015, the liability was about \$500,000 and each year it has grown.

Commissioner Bagley states that this is a serious issue and it is not just LAFCO. He states that it is all municipal agencies that have huge net pension liabilities, he fears for California's future, and the Commission needs to have a genuine discussion about this.

Chair Lovingood asks if there are other Commissioners questions or comments.

There are none.

Chair Lovingood asks if there are members from the public wishing to speak.

There are none.

Commissioner Bagley states that he would like to move the recommendation because he thinks it is very good that the Commission is moving this money forward to cover this liability.

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

ITEM 12. PRELIMINARY BUDGET REVIEW FOR FISCAL YEAR 2019-20 – STAFF RECOMMENDATION MODIFIED

A. PROPOSED SCHEDULE OF FEES, DEPOSITS, AND CHARGES FOR FISCAL YEAR 2019-20

Executive Officer Samuel Martinez presents the staff report. He states that every year the Commission reviews the proposed fee schedule. He states that staff changed the format with the user in mind. He states that staff gets calls all the time about what the fees are and this time staff tried to make it user-friendly. He states that staff added in a table showing the processing fees, deposits and totals in one area and if the applicant wanted to look at the deposit breakdown, they can go to the next page and identify the different deposits.

He states that last year the Commission expressed its desire to have gradual fee increases tied to the CPI. He states that staff is proposing changes to the fees based on the CPI. He states that the one change staff has aside from the CPI is the increase in the non-development related service contract fee. He states this has increased to \$772. He states that staff felt this increase was warranted based on staff work in preparing the work. He states that the deposits are for primarily covering outside costs such as legal counsel and environmental review. He states that there are just two proposed changes. In the category of deposits for individual notice, he states that instead of two categories staff made it into one and took the higher amount. He states this is an increase of \$300. For legal counsel

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deposit, there is a reduction in the Commission's costs, so staff is reducing the deposit by \$300. He states that unless there are any questions on the format or the changes, staff recommends the Commission take the recommended actions on page 1 of the staff report.

Chair Lovingood asks if there are any questions from Commissioner.

Commissioner Bagley asks if the Consumer Price Index used for Los Angeles

Executive Officer Samuel Martinez states that it is for the Inland Empire.

Commissioner Bagley asks for the percentage.

Mr. Martinez states that it is in the footnote of the report on page 2. He states that it is 3.047%.

Commissioner Farrell asks for clarification on page 2 of the staff report; he states that he is a little confused as to the reduction to the legal counsel deposit. He asks if this is because the costs exceed the average.

Mr. Martinez states that this is an error, it should state, as costs are less than the deposits on average.

Commissioner Rowe states that she will need to leave shortly and will not be able to hear the budget presentation, but wanted to commend the Executive Officer on his cost saving efforts.

Vice-Chair Curatalo states that he would like to say that this is very commendable, responsible and refreshing to see recommendations like this.

Chair Lovingood states that his comments echoes Commissioner Curatalo. He states to Mr. Matinez, he has made some reductions and hard choices, and would like to commend him for stepping forward in leadership.

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

B. PROPOSED BUDGET FOR FISCAL YEAR 2019-20

Executive Officer Samuel Martinez presents the staff report. He states that the format is a little different. The chart on the second page includes the basic summary of the budget, expenditures, revenues, and reserves - both the incoming reserves and the budgeted reserves. He states that staff is proposing a few changes relative to compensation and benefits. He states that staff is recommending a change to the policy on step advancement by returning to the one-step increase per year. He states that he would like to thank staff for supporting this change. He states that staff is also proposing to reclassify an employee from project manager to senior analyst whom has assumed additional duties as the duties

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currently performed by the project manager are in-line with the duties of the senior analyst position. He states that as identified in the staff report; the Executive Officer will make the determination when to make the reclassification take effect subject to the financial position of the Commission; however, staff is requesting authorization to do so as part of the budget.

He states that in regards to benefits, staff is proposing a reduction in the Executive Officer's automobile and phone allowances. He states that some of the highlights for the 2019-20 budget, which the Commission approved in April 2019 includes a 3% COLA across the board, changes in the medical premium subsidy, and SBCERA benefit rate increases. He states that for fiscal year 2020-21, the things anticipated include retention of the staffing model recommended in the budget and a 3% across the board increase that the Commission approved in 2018. He states that the current Policy Manual does not include any salary increases beyond July 18, 2020 and for fiscal year 2020-21, there is an additional pay period that occurs every 10 years and staff will be recommending to the policy committee, the creation of a salary reserve fund for the additional pay period.

He states that for proposal processing, staff will be transitioning to digital media, which will reduce paper use and the annual savings of approximately \$2,700. He states that for our service reviews, staff is currently doing the fire service review and at the January workshop, staff identified the subsequent service reviews. He states that staff is working towards the completion of the fiscal indicators anticipated for July. He states that for programs and projects, staff anticipates two governance trainings, one in December and the other in January. He states that for the Commission's agency costs, the budget recommends that the minutes of the Commission meetings move from the narrative form to action minutes. He states that staff estimates the annual ongoing savings to be \$4,800 in staff time and \$1,250 in legal counsel charges. He states for the train depot, the amortization for improvement costs matures in 2022 and hopefully this will reduce the Commission's ongoing costs.

He states that per the Commission policy, reserves have always been a part of the budget, and staff will be working with the policy committee to transition away from the budget adoption process and funding it when the monies become available. He states that for the Net Pension Liability, there is an increase this year of \$42,500 to keep up with the 20-year amortization schedule. He states that LAFCO staff recommends that the Commission take the actions outlined on page 1 of the staff report as modified.

Chair Lovingood asks the Commission for comments.

Commissioner Cox states to the Executive Officer that she is pleased with the way Mr. Martinez has approached this year's budget. She states that he has made some steps to put his fingerprints on this budget and reduce costs, even to reducing his own benefits is to be highly commended. She states that she is pleased with the budget and likes some of the things that show cost savings including limiting the length of the minutes as the Commission does have the recording. She states that one thing not mentioned is if the audio recording along with the video is going to be an option.

Executive Officer Martinez states that staff is going to make the audio part of the links and staff is trying to figure out how to do it.

Commissioner Cox states having both of these is going to be better than having the verbatim typed minutes that does not always capture the nuances of a conversation. She states she is pleased having participated in the Executive Committee that looked at the proposed budget with the recommendations Mr. Martinez has made with this budget.

Commissioner McCallon states that he would like to echo what Commissioner Cox is saying. He states it is refreshing when staff comes forward with cost cuts. Commissioner McCallon thanks Mr. Martinez and the staff for working with the Executive Officer for putting this together.

Commissioner Farrell states that he has a question about the videos. He states that he has brought this up before and there remains a problem with the videos being displayed with an older flash. He states that he has a concern that if this is going to represent the only detailed minutes, then the Commission really encourage alternatives or solutions to this.

Executive Officer Martinez states that staff is looking at alternatives with regard to the Commission's videos. He states that staff is looking at making the videos available the same way SBCTA has their videos and not having to go to another site to view the videos. He states there are costs involved and staff is going to try to determine when the Commission should pull the plug and move in that direction.

Chair Lovingood states that he would like to echo all that was shared today and at this time will entertain motion.

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

INFORMATION ITEMS:

ITEM 13. LEGISLATIVE ORAL REPORT

Executive Officer Samuel Martinez states that there is no report at this time. He states that he will have an oral report at next month's meeting.

ITEM 14. EXECUTIVE OFFICER'S ORAL REPORT

Executive Officer Martinez states the Commission will not have a June meeting/hearing. He states that two of our staff went to the CALAFCO staff workshop and staff will send out a request for a meeting with the policy committee in a few weeks. He states for the May agenda, the Commission will have the sphere of influence amendment for CSA 120 designating a zero sphere and the adoption of the final budget.

ITEM 15. COMMISSIONERS' COMMENTS

Commissioner Cox ask when is the cycle for the municipal service reviews for the cities.

Executive Officer Martinez states the service review for cities are not planned at this time, but the Commission can always identify if it wants a specific service review for a specific city.

Commissioner Cox states that in the strategic planning workshop, the Commission laid out the priorities for the next service reviews. She states that after staff completes those, will the cities be on the horizon.

Mr. Martinez states that staff can identify this in the next budget cycle and see what the Commission wants to do in the next go-around, which will be the third round of service reviews.

Commissioner Cox states that she has found the service reviews to be tremendous documents and gives the Commission the base line of where the organizations are, and it would be her hope the next time the Commission gets to the City of Adelanto, it will have a stellar service review.

Commissioner McCallon states that there is a new doctor on the Commission. He acknowledges Commissioner Cox and her recent accomplishment.

ITEM 16. COMMENTS FROM THE PUBLIC

There are none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING ADJOURNS AT 10:40 A.M.

ATTEST:

LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

Robert Lovingood, Chair