

DRAFT - ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF MAY 15, 2019

REGULAR MEETING

9:00 A.M.

MAY 15, 2019

PRESENT:

COMMISSIONERS:

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

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 and Acquanetta Warren

9:05 A.M. – CALL TO ORDER – FLAG SALUTE

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

ANNOUNCEMENT OF CONTRIBUTIONS

Chair Lovingood 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. PUBLIC COMMENTS ON CLOSED SESSION

There are no comments.

ITEM 2. CONVENE CLOSED SESSION – Conference Room Adjacent to Event Center Auditorium:

LAFCO Legal Counsel Paula de Sousa Mills states there is no need for the Commission to meet in closed session at this time since there is no update to be reported.

- 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 3. RECONVENE PUBLIC SESSION [NOT NEEDED]

ITEM 4. Selection of Chair and Vice Chair

Executive Officer Samuel Martinez states that every year in the month of May, per Commission policy, the Commission selects its Chair and Vice Chair. He states that as of August 2015, there is no limitation as to the number of terms a member of this Commission can serve in these positions. Executive Officer Samuel Martinez opens the nominations for the selection of Chair.

Commissioner Rowe states she would like to nominate Larry McCallon for Chair.

Commissioner Cox seconds the motion.

There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Rowe, and Denison. Noes: None. Abstain: None. Absent: Warren (Denison voting in her stead)

Executive Officer Samuel Martinez opens the nominations for the selection of Vice Chair.

Commissioner Lovingood states he would like to nominate Jim Curatalo for Vice Chair.

Commissioner Cox seconds the motion.

There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Rowe, and Denison. Noes: None. Abstain: None. Absent: Warren (Denison voting in her stead)

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 April 17, 2019
- ITEM 6. Approval of Executive Officer’s Expense Report
- ITEM 7. Ratify Payments as Reconciled and Note Cash Receipts for Month of March 2019
- ITEM 8. Consent Items Deferred for Discussion

Commissioner Cox moves approval of the consent items, Second by Commissioner McCallon. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Rowe, and Denison. Noes: None. Abstain: None. Absent: Warren (Denison voting in her stead)

PUBLIC HEARING ITEMS:

- ITEM 9. **CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3230; AND (2) LAFCO 3230 – SPHERE OF INFLUENCE AMENDMENT FOR COUNTY SERVICE AREA 120 (ZERO SPHERE OF INFLUENCE) - STAFF RECOMMENDATION APPROVED**

Project Manager Michael Tuerpe presents the staff report. He states that this is the sphere of influence amendment for CSA 120, which was initiated by the Commission. He states CSA 120 is located in the northern valley region. He states that the agency was formed in 2009 to consolidate the management operations of two open space zones to the County. He states the reason for going from two zones to a standalone CSA was to have a single purpose entity that could provide for the mitigation and open space purposes for the County in this particular area. He states a year after formation, the Commission is required to initiate a sphere of influence establishment for an agency. He states that at that time (one year later) financial and operational challenges were evident and it took another four years before the County and LAFCO and other groups were able to assemble the proper information in order to provide the Commission with the basis on which to establish a proper sphere of influence. He states those financial challenges and operational challenges and constraints lingered on that the Commission placed conditions on the sphere establishment. He states that the Commission has been presented with a few status reports on CSA 120. He states that, to date, CSA 120 has not been able to satisfy three of the four conditions— all are related to operational and financial aspects of the District. He states that at the June

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2017 hearing the Commission initiated a sphere of influence amendment for CSA 120, with a recommendation that it be adopted as a zero sphere.

He directs the Commission's attention to the slides. He states that the sphere of influence reduction would be to a zero sphere sending a signal that the Commission anticipates that a future change of organization will take place. He states to date, no formal opposition to the designation of a zero sphere for CSA 120 has been received by LAFCO. He states that staff did receive a response by the City of Rancho Cucamonga, which supports the zero sphere designation. He states that he wants to make it clear, that no change in boundary and no change in services will take place, should the Commission go forward with the recommendations in the staff report. He states that this is just sending the Commission's signal that a future change of organization may take place. He states that an application would have to be received by LAFCO, processed, vetted and then presented to the Commission for any change to take effect. He states that the Commission is required by law to make a number of determinations, which are outlined in the staff report. He states that staff looked at the land uses, agricultural and open-space, and the mapping is in the report. He states the capacity of the public facility, and adequacy of the service is in the report as well. He states that there are financial and operational constraints and challenges. He states the need for the public facilities are limited since the area is primarily is open space. He states the economic and social interest is the economic community, San Gabriel community, environmental community, and habitat lands. He states that staff is recommending no change today in the services that CSA 120 provides, which is open space and habitat conservation. He states that by law staff has to consider additional determinations. For environmental review, a statutory exemption is the recommendation from the environmental consultant which recommendation is set forth in an attachment to the staff report. He states that, by law, LAFCO provided the required legal notice and individual notice with declarations included in the administrative file.

He states that staff recommends the Commission take the actions on page one of the staff report and adopt the resolution. He states that staff is available to answer any questions and in attendance there are representatives from County Special Districts Department.

Chair Lovingood asks the Commission if there are any questions.

Vice Chair Curatalo states that he would like to make a comment. He states that this is a very important area to the community of Rancho Cucamonga and surrounding communities. He states that the future of this area is important and the sphere is a planning tool. He states that the community and the different governmental entities and citizens that have an interest have been working together in discussions. He states that he is hopeful that a good conclusion will be arrived at for the ongoing management of this area. He states that he supports this recommendation.

Commissioner Bagley states that in the staff report, the purpose of the zero sphere is to implement an agency change, is that correct?

Mr. Tuerpe states that it is step one. It sends the Commission's signal that a future change of organization may take place.

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Commissioner Bagley states that LAFCOs responsibility is to guide. He asks whether there is a recommendation or is the Commission just sending a message.

Mr. Tuerpe states the Commission directed staff to move forward with a sphere of influence amendment over a year ago, to come back with this matter, and to form a working group. He states that this working group has met once and after this action today the group will continue to meet. Accordingly there is the hope that something will be brought to the Commission at a later date.

Executive Officer Samuel Martinez states to Commissioner Bagley, staff convened the working group and staff will be working with the group in the coming months. He states that staff will have another meeting in June and will probably have more meetings after that to see if there is a path towards a future change of organization.

Commissioner Bagley states that he does not detect there is a mismanagement of funds, but sometimes these conservation areas that are set aside are not really well managed and they become a disaster. He states they are well meaning but end up not really accomplishing anything and other than having land that have issues with it. He indicates that it sounds like this working group is moving towards a solution and states that he hopes the solution is not another special district without a clear purpose.

Executive Officer Samuel Martinez states that the working group is doing its due diligence to make sure that moving forward it will work.

Commissioner Farrell states that he does know if it could be part of this resolution, but asks if the Commission could expect a report about how the working group is progressing on beyond today's decision.

Executive Officer Martinez states that the Commission can add this on as part of the recommendation to come back every six months to report on the working group.

Chair Lovingood states that agrees with Mr. Bagley stating that the Commission will have to carefully watch this agency once it is formed; agencies are often created by someone who is very driven and once they leave the organization, that is where it becomes a challenge.

Chair Lovingood asks if there are any more questions or comments from Commissioners.

There none.

Chair Lovingood asks if there is any public comment.

There are none.

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

ITEM 10. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR SCHEDULE OF FEES, DEPOSITS AND CHARGES REVISIONS; AND (2) REVIEW AND ADOPTION OF SCHEDULE OF FEES, DEPOSITS AND CHARGES EFFECTIVE JULY 1, 2019 – STAFF RECOMMENDATION APPROVED

Executive Officer Samuel Martinez states that at the April hearing, staff presented the Commission with its recommended changes to the fee schedule. He states the Commission adopted the proposed schedule. He states the proposed schedule was circulated for review and comment to the County, Cities, Towns and all the Independent Special Districts and as of this date, no comments have been received. He states that staff recommends the Commission adopt the revised fee schedule with an effective date of July 1, 2019 and take the actions on page one of the staff report.

Chair Lovingood asks the Commission for questions and comments.

There is none.

Chair Lovingood asks if there is any public comment

There are none.

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

ITEM 11. REVIEW AND CONSIDERATION OF AMENDMENTS TO POLICY AND PROCEDURE MANUAL SECTION III – HUMAN RESOURCES - STAFF RECOMMENDATION APPROVED

Executive Officer Samuel Martinez states that as part of the 2019/20 fiscal year budget process in April, staff recommended amendments, related to compensation with a reclassification of the Project Manager to the Senior Analyst position, the reduction of the step advancement from two to one per year, as well as benefits associated with the Executive Officer's automobile and cell phone allowances. He states that all of these policy amendments are outlined in Attachment #1. He states that staff recommends the Commission take the actions on page one of the staff report, provide staff with any additional changes, corrections or amendments to the HR section of the Policy and Procedure Manual as presented.

Chair Lovingood asks the Commission for questions and comments.

Commissioner Cox states that she wants to commend Sam again for his leadership in this area. She states that he has done what many executive leaders loathe to do and that is actually reduce your own compensation. She states that she would like to congratulate Michael on his promotion as it is well deserved.

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Commissioner Bagley states that he would like to echo Commissioner Cox comments. He states to Sam that he appreciates his leadership on this issue reducing a compensation benefit to an actual cost is truly fiscally responsible and its missing in many civic organizations.

Executive Officer Martinez states that he would also like to thank staff.

Chair Lovingood asks if there is any public comment.

There is none.

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

ITEM 12. REVIEW AND ADOPTION OF FINAL BUDGET FOR FISCAL YEAR 2019-20 INCLUDING THE APPROPRIATION FOR INDEPENDENT SPECIAL DISTRICTS, CITIES AND THE COUNTY – STAFF RECOMMENDATION APPROVED

Executive Officer Samuel states that the Commission adopted the 2019/20 proposed budget at last month's hearing. He states that one thing that was changed was that during the April hearing the Commission directed staff to contribute the balance of the net pension liability reserve, so in turn there are no funds in the net pension liability carrying forward into 2019/20, however the 2019/20 budget does allocate the \$42,500 for the annual contribution. He states that the proposed budget was circulated for review to the County, Cities, Towns and all Independent Special Districts and as of this date, no comments have been received. He states that since the 2019/20 budget will be less than the budget for fiscal year 2018/19, Government Code section 56381, requires that the Commission determine that the approval of this budget for the upcoming fiscal year will allow the Commission to fulfill its obligations, therefore staff is recommending that the approval of the final budget include this finding. He states that staff is recommending the Commission adopt the final budget by taking the actions on page one of the staff report.

Chair Lovingood asks the Commission for questions and comments.

There is none.

Chair Lovingood asks if there is any public comment.

There is none.

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, Rowe and Denison. Noes: None. Abstain: None. Absent: Warren (Denison voting in her stead)

INFORMATION ITEMS:

ITEM 13. LEGISLATIVE ORAL REPORT

Executive Officer Martinez states that at the dais for each Commissioner is a legislative report that outlines the update of the bills that this Commission has supported. He states that AB 1253 is the CALAFCO grant funding that was vetoed last year and its now moving forward. He states this is now in the Assembly Appropriations to be heard on May 16, 2019. He states that AB 1822, the CALAFCO omnibus bill that was first introduced in March and amendments made in April to include the two items that were omitted in the March version, has passed the assembly floor and is now on the side of the Senate. He states that AB 213 and AB 818, the bills that would reinstate funding for inhabited annexations and incorporations, respectively are being heard today as well at the Assembly Appropriations Committee.

ITEM 14. EXECUTIVE OFFICER'S ORAL REPORT

Executive Officer Martinez states that the efforts to incorporate Lake Gregory has started. He states that they filed the notice of intent to file a petition. He states they have six months to get the minimum 25%. He states that once they get that and it has been verified, then they will submit their application to LAFCO. He states that he would also like to remind the Commission that it will not have a June hearing.

ITEM 15. COMMISSIONERS' COMMENTS

Commissioner Cox states that she would like for the special districts reps on the Commission to take a look at the apportionment for special districts. She asks Chairman Lovingood if it is appropriate to convene a working group with the special districts to reevaluate the apportionment for all the special district members in the County.

Executive Officer Martinez states that staff can go back a few years to see what those changes were.

Commissioner Cox states that the Commission has changed it a couple times and would be curious to see what other LAFCOs do in relation to their special districts apportionment. She states that she has not discussed this with the other special district colleagues on the Commission, but when she saw the apportionment this year, compared to the city apportionment, she felt like it would be appropriate to look at it.

Commissioner Curatalo states that he concurs.

Commissioner McCallon states that he wants to thank his colleagues for their confidence in his ability to be chair but wanted the Commission to know that he will not be available for the July meeting due to an overseas trip that was already planned.

Vice-Chair Curatalo thanks Chair Lovingood for his service to the Commission as chair, and congratulates Commissioner McCallon for being selected as the new chair of the LAFCO

Commission. Additionally, he thanks the Commission for allowing him to remain as the Vice-Chair.

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

Larry McCallon, Chair