

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

175 West Fifth Street, Second Floor, San Bernardino, CA 92415-0490
• (909) 387-5866 • FAX (909) 387-5871
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: SEPTEMBER 9, 2005
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9: Consideration of Request for Reduction in Filing Fees and Waiver of Individual Notice Requested by the County of San Bernardino for LAFCO 3000/3001 – County Fire Districts Reorganization

RECOMMENDATION:

That the Commission:

1. Approve a reduction in filing fees for LAFCO 3000/3001 as follows:
 - a. LAFCO 3001 – Sphere of Influence Review (Expansions) for the Yucca Valley Fire Protection District (all County Fire Protection Districts and CSAs) and (Reductions) for the Central Valley Fire Protection District, Forest Falls Fire Protection District, Lake Arrowhead Fire Protection District and County Service Area 38
 - 1) Sphere Adjustments
 - a) Expansions for Yucca Valley FPD (estimated at 22 areas) one charge applied \$ 4,250
 - b) Reductions (4) one charge applied \$ 4,250
 - 2) Environmental Review Deposit \$ 750
 - 3) Registrar of Voters Deposit (included in Reorganization) \$ 0
 - 4) Newspaper Notice \$ 1,000

TOTAL FEE TO BE CHARGED LAFCO 3001 \$10,250
 - b. LAFCO 3000 – County Fire Districts Reorganization (see full title below)
 - 1) Reorganization -- Annexations to Yucca Valley FPD (22 areas) – \$ 93,500
 - 2) Dissolutions 19 included – no charge \$ 0

3)	Removal of Fire, Ambulance or Disaster Preparedness Powers (20) 6 charged for consideration	\$ 22,500
4)	Formation of Improvement Districts for agency (11) – LAFCO has no fee assigned for these types of changes	\$ 0
5)	Environmental Review Deposit	\$ 750
6)	Registrar of Voters Deposit	\$ 450
7)	Newspaper Notice Deposit	\$ 4,000
	TOTAL FEE TO BE CHARGED LAFCO 3000	\$121,200

2. Waive the requirement for individual notice for LAFCO 3000/3001 with the requirement that the matter be broadly publicized with display ads placed in newspapers of general circulation (1/8th page ads) and local newspapers throughout the territory of the reorganization proposals.

BACKGROUND:

On August 8, 2005, the County submitted what may turn out to be the most monumental application submitted in this Commission's history – the reorganization of the 27 fire protection districts and county service areas providing fire services into a single fire protection district. Included in the application were two requests from the County related to the processing of these applications: (a) a request for reduction of the fees charged for the necessary applications to achieve this goal and (b) the waiver of the individual notice requirement for a sphere of influence review and reorganization application.

In order to review these requests, and to understand the full gamut of changes necessary to achieve this reorganization, the full title for each of the proposals is outlined below:

LAFCO 3001 – Sphere of Influence Review (Expansions) for the Yucca Valley Fire Protection District (all County Fire Protection Districts and CSAs) and (Reductions) for the Central Valley Fire Protection District, County Service Area 38, Forest Falls Fire Protection District and the Lake Arrowhead Fire Protection District

LAFCO 3000 – County Fire Districts Reorganization to Include:

1. Yucca Valley Fire Protection District Annexations and renaming to San Bernardino County Fire Protection District;
2. Dissolution of the Central Valley Fire Protection District, Forest Falls Fire Protection District, Lake Arrowhead Fire Protection District, County Service Area 38 and its Improvement Zones B – Angelus Oaks, D – Victorville, E – Summit Valley, H – Colton, I – Needles, J – Big River, K – Spring Valley Lake,

L – Highland Paramedic, M – Yucaipa Paramedic, N – El Mirage, O – Baldwin Lake and Q – Helendale and CSA 70 Improvement Zone FP-1 (Windy Acres), and PM-1 (Lake Arrowhead Paramedic);

3. Removal of:
 - a. Fire Power from County Service Areas 20 – Joshua Tree, 29 – Lucerne Valley, 30 – Red Mountain, 53 – Big Bear, 53B – Fawnskin, 56 – Wrightwood/Pinon Hills, 56F-1 – Pinon Hills, 70 – Unincorporated Countywide, 70HL – Havasu Lake, 70-M – Wonder Valley, 70W – Hinkley, 79 – Green Valley Lake, 82 – Searles Valley, 82 SV-1 – Searles Valley;
 - b. Ambulance Power from County Service Area 29 – Lucerne Valley, 56 – Wrightwood, 70 – Unincorporated Countywide, 82 – Searles Valley and 82 SV-1 – Searles Valley
 - c. Disaster Preparedness Power from County Service Area 63 – Yucaipa/Oak Glen; and,
4. Formation of Improvement Districts within renamed San Bernardino County Fire Protection District as follows: Valley Improvement District, Mountain Improvement District, North Desert Improvement District, South Desert Improvement District, Improvement District FP-1 (Red Mountain), FP-2 (Windy Acres), FP-3 (El Mirage), FP-4 (Wonder Valley), PM-1 (Lake Arrowhead Paramedics), PM-2 (Highland Paramedic), and PM-3 (Yucaipa Paramedic)

For simplicity, the reorganization action will be identified as LAFCO 3000 – County Fire Districts Reorganization.

The letter submitted by the Chairman of the Board of Supervisors, Bill Postmus, dated June 7, 2005, requests that the fees for these applications be reduced to a total of \$61,950, a reduction of \$46,500, from the estimated costs at that time. The letter indicates that the County believes that the dissolutions and removal of powers portions of the applications could be considered as a part of the overall reorganization not requiring separate actions for processing and consideration by the Commission. Therefore, the reductions in fees have been requested and the County has submitted payment of the \$61,950 with its application.

Staff concurs that some of these efforts will not require separate actions, such as departmental review, but a review of the actual materials shows that there are more actions involved than previously anticipated by LAFCO staff or than outlined in the County's request.

SPHERE OF INFLUENCE CHANGE – LAFCO 3001

Pursuant to the Commission's adopted fee schedule, the sphere of influence review to achieve the changes desired would be assessed fees as follows:

Sphere of Influence Review	
22 separate areas for expansion	
at \$4,250 per area	\$93,500
Reductions – four agencies at	
\$4,250 each	\$17,000
Environmental Review Deposit	750
Registrar of Voters Deposit	450
Newspaper Notice in Lieu of Individual Notice	500

The existing fee schedule identifies a fee for each area proposed for sphere of influence expansion – determined by staff to encompass 22 individual areas. In addition, there are four agencies to have their spheres of influence reduced to a zero sphere allowing for the reorganization to proceed.

The County has proposed that these fees be reduced to the following:

Sphere of Influence Review	\$ 4,250
Environmental Review Deposit	\$ 750
The Registrar of Voter Deposit and Newspaper Notice are not identified with the Sphere Proposal but are included with the subsequent Reorganization application	

Traditionally, the Commission has reduced the sphere of influence fees assessed when the applications presented reflect changes for the same areas. That is the case in this sphere of influence review/reorganization; therefore, staff is recommending a reduction in the fees. While not as low as those proposed by the County, they are a substantial decrease outlined as follows:

Sphere adjustments:	
Expansion for Yucca Valley FPD	
one area fee	\$ 4,250
Reductions – 4 individual Agencies	
reduced to one area fee	\$ 4,250
Environmental Review Deposit	\$ 750
Registrar of Voters Deposit (waived to the reorganization)	\$ 0
Newspaper Notice Deposit	\$ 1,000
 TOTAL FEE FOR SPHERE REVIEW	 \$ 10,250

REORGANIZATION PROPOSAL – LAFCO 3000

The County’s request for fee reduction proposes that the filing fee for the reorganization proposal be assessed as follows:

Reorganization (single area)	\$ 4,250
Dissolution Actions (9 at \$4,500 per action reduced by one-half)	\$ 20,250
Removal of Powers (14 at \$3,750 per removal reduced by one-half)	\$ 26,250
Environmental Review Deposit	\$ 750
Registrar of Voters Deposit	\$ 450
Newspaper Notice in Lieu of Individual notice deposit	\$ 5,000
 Proposed Fee for the Reorganization	 \$56,950

According to the Commission’s Fee Schedule adopted in June 2005, the charges for a reorganization are determined as follows: “For a reorganization that involves any combination of changes beyond simply annexations and detachments, the fee will be based upon the components of the reorganization”. As noted above, staff’s initial review of the application has identified more changes than those identified in the County’s request. Therefore, the full fees for this massive reorganization proposal would be computed as follows:

Reorganization – Annexations to the Yucca Valley Fire Protection District (22 areas)	\$ 93,500
Dissolutions of Districts – 19 are identified in the application	\$ 85,500
Removal of Fire, Ambulance or Disaster Preparedness Powers (20 are identified in the application)	\$ 75,000
Formation of Improvement Districts (11 – LAFCO has no fee assigned for these types of actions)	\$ 0
Environmental Review Deposit	\$ 750
Registrar of Voters Deposit	\$ 450
Newspaper Notice Deposit	\$ 500
 Full Fees for Reorganization	 \$255,700

Staff concurs with the County’s position in its letter that some of these actions can be accommodated through the overall reorganization considerations – such as the dissolution of the improvement zones of CSA 38, many of which receive no property tax revenues. However, the removal of fire and ambulance powers from the agencies which retain other functions will require the permanent transfer of property tax revenues. These agencies include County Service Area 20 (Joshua Tree), County Service Area 29 (Lucerne Valley), County Service Area 53 (Big Bear), etc. In these reviews, the Commission will be responsible for determining that the remaining agency is viable for its ongoing service obligations as well as determining that the annexing agency can provide the levels of service it has identified. In addition, the

Commission will be responsible for setting forth the conditions for the transfer of responsibility and funding to the proposed improvement districts for which there is no fee category in the Commission’s existing schedule. Therefore, staff is recommending a waiver of some of the required fee components in the reorganization but not to the level requested by the County.

The staff’s recommendation is that the Commission assesses the following fees for the Reorganization portion of the proposal:

Reorganization – Annexations to the Yucca Valley Fire Protection District (22 areas At \$4,250 per area)	\$ 93,500
Dissolutions (19)	\$ 0
Removal of Fire, Ambulance, or Disaster Preparedness (20 involved) – Six (6) charged fee (at \$3,750 each)	\$ 22,500
Formation of Improvement Districts (11) LAFCO has no Fee	\$ 0
Environmental Review Deposit	\$ 750
Registrar of Voters Deposit	\$ 450
Newspaper Notice Deposit	\$ 4,000
TOTAL FEE	\$121,200

The staff’s recommendation is to waive the fees associated with the dissolution portions of the application and for 14 of the 20 removal of power actions. It is recommended that the County be assessed the fees for all the annexation actions (22 individual areas), six of the removal of powers actions for the primary agencies – County Service Areas 20 – Joshua Tree, 29 – Lucerne Valley, 53 – Big Bear, 56 – Wrightwood/Pinon Hills/Phelan, 70 – multi-service, 82 – Searles Valley, and the deposits for environmental review, registrar of voter services, and newspaper ads.

REQUEST FOR WAIVER OF INDIVIDUAL NOTICE

In a letter dated June 7, 2005, the County has requested that the requirement for individual notice for its sphere of influence and reorganization proposal be waived while requiring display ads in local newspapers. Staff recommends that this request be granted with the direction to staff to broadly advertise the considerations through 1/8th page ads in general circulation newspapers and local newspapers throughout the territory proposed for reorganization.

KRM/
Attachments (2)