

## MINUTES OF THE LAFCO MEETING

May 26, 2011

The County of Imperial Local Agency Formation Commission (LAFCO) convened a regular meeting on Thursday, May 26, 2011, at 8:30 a.m. in the City of Brawley Council Chambers, 383 Main Street, Brawley, California.

Commissioners present: Kelley, Snively, Ludwig, and Castillo.

Staff present: Executive Officer Heuberger, Legal Counsel Childers, Clerk Bruce, and Accountant Carter.

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3. Approval of Minutes of April 28, 2011.

Motion made by Commissioner Snively, by unanimous roll call vote approved the minutes.

4. Approval of Consent Items:

- A. Update of Project Status Report.
- B. Approve the credit card application with Rabobank.

Motion made by Commissioner Snively and passed by the unanimous vote of all commissioners present to approve consent items A & B.

5. Public Comments: None.

### ANNOUNCEMENTS

6. A. Update by CALAFCO Board representative, Commissioner Edney: None.

B. Announcements by Commissioners: None.

C. Announcements by the Executive Officer:

Mr. Heuberger announced the illness of Commissioner Edney's father and said a card will be sent to his family of LAFCO's behalf.

Mr. Heuberger announced that reservations for the annual CALAFCO conference for 2011 have been made for those who have confirmed their attendance. Travel arrangements will be made when the date draws nearer. He requested any other Commissioners who wish to attend to please let the LAFCO Office know as soon as possible so that arrangements may be made.

Mr. Heuberger announced that the CCL had no meeting last month and the next scheduled meeting is to be held on June 20, 2011. He asked if any Commissioners wished to attend to please inform the LAFCO Office.

Mr. Heuberger made the Commission aware of the lack of representation and LAFCO's inability of getting into contact with Alternate Commissioner, Trevor Green.

PUBLIC HEARING ITEM(S)

7. Public hearing to consider the approval of the proposed annexation BR 1-08, Rancho Porter, submitted by Development, Design & Engineering, Inc.

Mr. Heuberger reminded the Commission that the above referenced project was continued from last month's hearing due to the lack of a Tax Sharing Agreement. There is a maximum continuance of 70 days, 30 of which have been counted down. In a previous discussion Mr. Heuberger had with City Manager, Gary Burroughs, Mr. Burroughs confirmed that as of Monday, May 23, 2011, no Tax Sharing Agreement had been completed. A meeting has been scheduled for Tuesday, May 31, 2011 between the County of Imperial and the City of Brawley to discuss the Tax Sharing Agreement.

Brawley City Planning Director, Gordon Gaste, explained to the Commission that the City has, on several occasions, tried to meet with the County to come to an agreement. He said that the City of Brawley will agree to the same terms as the previous Tax Sharing Agreement between the City and the County.

Ralph Cordova, Imperial County CEO, said that County Counsel has prepared an agreement but was disagreed upon by the City of Brawley. Mr. Cordova questioned why this project was being so rushed now, when the application was submitted back in 2008.

Mr. Heuberger said a project may only be extended for up to 70 days. Any longer than that, the project must be denied and cannot be reapplied for one year. Mr. Heuberger could recommend to the applicants that they withdraw their application prior to the 70 days and reapply within a few months. During the reapplication, a deposit will be charged and time & material fees will be billed.

Mr. Childers clarified that if no agreement can be made between the parties, it shall have mediation to occur within 30 days. If that fails, arbitration is to be concluded within 30 days.

Mr. Gaste recalled a Master Tax Agreement between the County and all the Cities and questioned why the agreement was never renewed. Mr. Gaste continued by saying it would be a good idea to prepare another Master Tax Agreement, one with the same share for all the Cities, as to prevent projects from being denied because an agreement cannot be made.

Mr. Heuberger informed the Commission that they could not make a ruling on the project today. The project will remain in continuance from the last meeting.

8. Public hearing to consider the approval of the County Service Area Plan.

On the day prior to this hearing, Mr. Jerry Santillan, Assistant CEO, requested Mr. Heuberger to have the item continued once more to allow review/comments from the CEO's Office. Mr. Heuberger said he did not have a problem with the item being continued.

Motion made by Commissioner Castillo and passed by the unanimous vote of all commissioners present to continue the County Service Area Plan to the following LAFCO Meeting.

9. Discussion/Direction/Approval regarding the LAFCO Final 2011/2012 Budget for the upcoming fiscal year.

Commissioner Kelley asked for clarification regarding the 2.5% staff pay increase.

Mr. Heuberger clarified that it is an annual merit increase for the 2 full time staff members. Mr. Heuberger added that the projection for this year's revenue will be little, if any. Most applications going through LAFCO are either on hold or being closed out.

Commissioner Kelley asked about the increases in office expenses, out of county travel, and any potential carry-over.

Mr. Heuberger reminded the Commission that in a previous LAFCO Meeting, the Commission agreed to lower the rents of the LAFCO building tenants, therefore, there will be less income. Out of County travel has increased due to the location of CALAFCO Annual Conferences, CCL Conferences, and with the new representation of Commissioner Edney on the CALAFCO Board, his monthly trips add to the expenses.

Commissioner Kelley requested to review the expenditures from last year's budget to compare with this year's proposed budget.

Mr. Cordova urged the Commission to direct the Executive Officer, Mr. Heuberger to reimburse the County for staff time. Mr. Cordova also requested that the Commission lower the already lowered General Office Expense from \$42 thousand.

Commissioner Snively replied that LAFCO is getting a hold of our new independent financing and we will take care of our building. After all, it was the County who took its people out of the LAFCO Office in the first place.

Mr. Cordova said that since the County pays 50 percent of the LAFCO Budget, he is just trying to lower the County's budget.

Mr. Heuberger explained that LAFCO is more than just annexation projects. We handle workloads such as the "investigations" of Winterhaven Fire District and Niland Sanitary District, which cannot be billed for time & materials.

Mr. Cordova said that as a budget, project fees as well as time and material fees should be accounted for.

Commissioner Kelley requested that LAFCO add the fees and time and material to the budget list.

Commissioner Snively requested that we add \$20 thousand as estimated revenues and the County Counsel bill to the budget.

Mr. Heuberger clarified that County Counsel will be reimbursed for two and a half of the three years LAFCO was billed. He said since County Counsel left us at the beginning of 2011, it would not be right for us to pay them for the send half of the year.

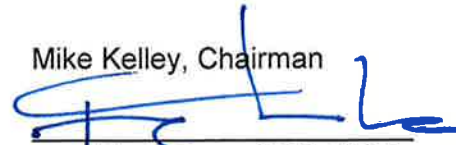
Mr. Cordova said he is trying to look at LAFCO's budget like he looks at the County's. He is trying to assure that what they are paying is reasonable. He requested to see documentation of LAFCO's office expenses, fees, t/m costs, loan payments, and remodel costs.

Motion made by Commissioner Snively and passed by the unanimous vote of all commissioners present to approve the LAFCO Final 2011/2012 Budget for the upcoming fiscal year, in the amount of \$369,462, less than that of the prior year's budget of \$389, 462.

13. Adjournment

The meeting adjourned at 9:38 a.m.

Mike Kelley, Chairman



Jurg Heuberger, CEP, AICP  
Executive Officer to LAFCO