

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

MEETING MINUTES
MARCH 8, 2017

Members Present: Commissioners Robert Silva, Daniel Parra, Mario Santoyo, and Sal Quintero

Members Absent: Commissioner Brian Pacheco

Staff Present: David E. Fey, AICP, LAFCo Executive Officer
Ken Price, LAFCo Counsel
George Uc, Senior LAFCo Analyst
Juan Lara, LAFCo Analyst
Amanda Graham, Office Assistant

1. Call to Order and Roll Call

Vice Chair Silva called the meeting to order at 1:30 p.m.

2. Pledge of Allegiance

Vice Chair Silva led the Pledge of Allegiance.

3. Comments from the Public

Ed Dunkel commented that he has come before the Commission asking for another one-year extension of a 2006 annexation approval. State Legislature has extended the life of maps in financially distressed counties, of which Fresno County is one. Observed that the tract map has been extended another two years; his firm is working with the City of Fresno on a development agreement, therefore, it would help tremendously if the subject annexation could be extended to give him more time to get that development agreement completed.

Commissioner Silva replied that this item is not an agenda item, therefore no action is needed and this is just an informational piece. However, he would like to know more about the State's two-year extension.

LAFCo Executive Officer David Fey thanked Ed Dunkel for spending the time briefing him on this project. At this point if the Commission is interested in more details staff is prepared to provide a brief report on the number of extensions and the effect of the last extension, which was done under the Commission's new policy.

Commissioner Silva opened up discussion to the Commission.

Commissioner Parra commented that he would like to see this come back as an action item at the next meeting.

Fey handed the floor over to LAFCo Analyst Juan Lara, who answered that the Commission's extension of time policy was revised February 2015.

Fey added that there is a time sensitivity here, the Commission's approval will expire on April 14 and its next meeting is April 12. So if the Commission is going to provide any direction on this matter be advised that the margin is very thin in terms of a timeline.

Commissioner Santoyo added that we set up a policy that dealt with this because it was becoming problematic but maybe we should discuss the policy so Commissioner Quintero is aware of what was done in the past.

Fey replied for the record it would be helpful to understand the context of the time involved here. If the Commission were supportive of Mr. Dunkel's request then it would have to take action at the next meeting. The Commission approved an extension under its 2015 policy, in which no more than one extension may be authorized. Fey understands Mr. Dunkel's argument in terms of the softness in the market in the southwest Fresno area but the Commission did adopt the policy that states no more than one extension will be granted however, that is up to the Commission to now decide what to do with this request.

Commissioner Parra asked if we would be meeting before his extension expires. It sounds like he is also working with the City of Fresno and there are some things holding that back as well.

Fey replied that in this case staff would appreciate clear direction from the Commission to move forward with this because essentially an exception for Mr. Dunkel is going to be an exception to the entire industry.

Commissioner Quintero, Silva, and Santoyo requested either a letter or a representative from the City of Fresno when Mr. Dunkel comes back for April's hearing.

4. Potential Conflicts of Interest

There were no potential conflicts of interest announced.

CONSENT AGENDA

5-A. Minutes from the regular LAFCo meeting of February 8, 2017

Commissioner Parra made a motion to approve consent agenda item 5-A, seconded by Commissioner Santoya.

The Commission approved the consent agenda by a vote of 4-0-1-0.

REGULAR AGENDA ITEMS

6. Preliminary Budget and Work Plan for Fiscal Year 2017-2018.

Fey presented the preliminary budget; staff brings a preliminary in March, a proposed in April, and then a final in May. The preliminary budget is based on best estimates and will continue to undergo change as cost and expenses are finalized. This is a snapshot but is close to what the Commission can expect in May and staff is looking for some direction on both the budget and the work plan. Personal expenses are about 60% of our budget with office operations and consulting services being roughly equal to each other at 15%. The Commission was presented with a single page preliminary budget summary and Fey wants to engage the Commission on the work plan and its effects on the budget with more detailed information in the proposed budget next month. LAFCo has an approval budget of \$571K, which is consistent with about 38% of other LAFCos. Office expenditures are slightly down, personnel is slightly down as well, and we expect it to be slightly lower next year.

Of the 58 LAFCos in the state, county employee's staff 18 and the rest are LAFCo employees. Under consulting services, because we are an independent LAFCo we still rely a great deal on Fresno County and many of the services it provides and this commission pays for the benefit of those services. This year commission approved \$30,000 for county GIS services and Fey expects to close the fiscal year with about half that used. Staff is paying for the services of County staff to work on maps however; he does this work after his regular work is done so we have had some scheduling issues with that. The maps are now more complete and detailed than the maps one might find on the website now. Therefore, they are improving and Fey gives credit to George and Juan for that as well.

Last, the preliminary budget revenue to close the current fiscal year is slightly less than the approved budget. The lack of revenue this year is in annexation applications. Staff picks up some revenue from requests for extension of services but the annexation activity has diminished and Fey does not see it coming back up next year. Staff expects to close with this year is about \$40,000 in applications.

Fey compares past budgets, a high in fiscal year 2007-2008 with a little over \$800,000, and as low as \$447,000 and last year's was \$571,000 due to the expense of adding additional staff and getting the necessary space and office equipment in the office. Preliminary budget estimates for County and city contributions will be about the same as they were last year.

Commissioner Silva questioned that they would stay the same or increase?

Fey replied according to the preliminary budget it will go down slightly, but advises there is additional data that is going to be coming in the next few months.

Commissioner Santoyo stated that for clarification there was a major change in the past three years. What made that happen?

Fey answered to some degree it was reflective due to the economy and LAFCo had at that time more staff, larger office, and there were county staff that were staffing LAFCo at the time they were not independent Employees of the Commission. When LAFCo had County employee the Commission was paying 60% premium on top of their regular salary. Counsel Price added that the number of applications that LAFCo was considering annexation applications around 2007-2008 were extraordinary, as many as 15 annexations a month depending. Another reason is that at least \$200,000 of that budget was because LAFCo

had commission consultants prepare municipal service reviews and that funding went through LAFCo budget to.

Commissioner Santoyo asked if staff had considered the services of a consultant with an engineering firm to provide the mapping products you need and would that be cost effective.

Fey answered that the cost with consulting service agreement with a consultant would probably be about the same and or higher. Staff is updating the maps along with each MSR so there may not actually be a need to get all the maps done at once. However, Fey has considered reaching out to Fresno State to get an intern to come in and work under LAFCo staff supervision. It may be more cost efficient and it could train someone who may be a valuable asset in the future, and provide support to the University. Staff will explore additional opinions related to the mapping and will present at the next meeting.

There were no other comments from the Commission.

There were no comments from the public.

OTHER MATTERS

7. Executive Officer Comments

Fey reported that Commissioner Mario Santoyo, Commissioner Robert Silva and himself met with the State Water Board. It was a very informative meeting; the State staff were engaged. They have new legislation requiring the State's evaluation of new public water systems that will require close coordination between County development review and the state, and it may involve LAFCo. This is something of interest to the commission as it related to the commissions' spheres of influence. Staff will be following up with additional meetings.

Commissioner Santoyo added he felt it was a very helpful meeting in terms of establishing some of the criteria and taking into account what the water policy will be. Fresno County has probably been the one county that water has been one of the biggest issues, particularly with the shortage of water. So if in our process of assessing sphere of influence increases we need to take into account if we have the resources to support that or not and given that there is a new law called groundwater substance valley law we needed to make sure we were interfaced with that and getting the possible information before making our decisions. Getting that discussion together got us aware that we need to talk with water resources and meet with the GSA's themselves to see how all of these pieces come together.

Fey added that due to the April 5-7 CALAFCO staff workshop staff would have limited office hours during that time and Senior LAFCo Analyst George Uc will be on paternity leave starting March 20 to welcome his new baby boy.

8. Commission Comments/ Reports

There were no comments or reports.

9. Closed Session

The Commission did not meet in closed session due to the absence of Chairman Pacheco.

The Commission will meet in April in closed session to consider the executive officer's annual evaluation.

ADJOURNMENT

Commissioner Parra motioned to adjourn the meeting, seconded by Commissioner Santoyo. The motion passed on a vote of 4-0-1-0. The meeting was adjourned at 2:00 p.m.

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