



of Merced County California

Local Agency Formation Commission

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**MINUTES OF REGULAR MEETING
OF THE
LOCAL AGENCY FORMATION COMMISSION
MERCED COUNTY, CALIFORNIA**

MAY 24, 2001

Chairman O'Banion called the meeting to order at 2:01 p.m. in the Board Chambers on the third floor of the Merced County Administration Building.

I. ROLL CALL

Commissioners Present: Commissioner O'Banion, Chairman
Commissioner Kelsey (Alternate)
Commissioner Bertao

Staff Present: Bill Nicholson, Acting Executive Officer
Patricia Lippmeier, LAFCO Staff Planner
Mary Schmid, Recording Secretary

Counsel Present: Dennis Floyd, Deputy County Counsel

II. APPROVAL OF MINUTES

NONE

III. CITIZEN COMMUNICATION

NONE

IV. PUBLIC HEARINGS

- A. Sphere Of Influence Revision No. 2 to the City of Atwater (*Continued to June 28, 2001 meeting*)
LAFCO File No. 1054B**

This item has been continued to the June 28, 2001 meeting at the request of the City of Atwater.

- B. Merced College/Meadowlands Annexation II
LAFCO File No. 0568**

LAFCO Staff Planner Lippmeier, presented the Executive Officer's Report dated May 24, 2001.

The public hearing was opened at 2:15 p.m.

The following person(s) spoke in favor:

- Lynn Azevedo, City of Los Banos Planning Director, said she is in support of the annexation for the City. Ms. Azevedo said when the City was preparing the water master plan last year, they had to anticipate growth within the next 5 years based on their best guess (so there is flexibility). This is a flexible water master plan so they can adjust where improvement need to go based on where development occurs.

Commissioner Bertao asked if and when the highway bypass happens, where will it be. Ms. Azevedo said east of the Santa Fe drain, just outside of this project. Commissioner Kelsey asked how far down is the Los Banos Creek watershed. Ms. Azevedo said about ½ mile or less.

- Paul Alderete, Superintendent with City of Los Banos Union High School District, is in favor of the application and is currently looking for the next location for a new high school. He said he thinks this will bring many benefits to Los Banos and the High School District. He said he has spent much time with landowners this past year and this is the preferred site. The next school meeting is scheduled for June, where they will discuss this site encompassing the area they are looking for.
- Gene Vierra, Trustee for Merced College said he is in support of approving this annexation. It will be used by Merced College. There is rapid growth on the west side. It appears the Silicon Valley industrial area is looking at Los Banos for some of their relocation of businesses. This area is needed for the growth of the area.
- Ann Newans, Merced College Campus Centers said she is excited about expanding the Merced /Los Banos campuses and hopes the Commission will support it. She said they need new permanent buildings, as there are too many portables.

No one spoke in opposition of the annexation.

The public hearing was closed at 2:22 p.m.

Chairman O'Banion said this has been a long time in coming and he fully supports this, and thanked the developers for providing the land for this. Commissioner Bertao said he thinks this is an appropriate place to put a school and college.

MOTION: M/S KELSEY – BERTAO, AND CARRIED BY A 3-0, THE COMMISSION CERTIFIED IT HAS REVIEWD AND CONSIDERED THE EIR PREPARED BY THE CITY AND ADOPTS THOSE MITIGATION MEASURES/OVERRIDING CONSIDERATIONS IDENTIFIED IN THE EXECUTIVE OFFICER'S REPORT DATED MAY 24, 2001, AND THAT THE COMMISSION MAKES THE 8 FINDINGS SET FORTH IN THE EXECUTIVE OFFICER'S REPORT DATED MAY 24, 2001, AND BASED ON THOSE FINDINGS APPROVES THE MERCED COLLEGE/MEADOWLANDS II ANNEXATIONTO THE CITY OF LOS BANOS.

C. Adoption of Final Budget for Fiscal Year 2001/2002

Acting Executive Officer Nicholson presented the Executive Officer's Report (EOR)

dated May 24, 2001 and briefly gave a history of what was discussed last LAFCO meeting. He indicated that the auditor's office provided a separate funding unit, separate from the County's general fund. It is not up to the Commission to decide how the money is allocated/split between the County and Cities. He said starting July 1st, the County is responsible to fund all LAFCO operations until the revenue is received from the Cities.

Commissioner Kelsey questioned the reason for the big jump in the LAFCO budget, because last year it was only \$15,000.00. She asked what the process is after the first year. Mr. Nicholson said the costs are based on developing new policies and procedures and updating spheres of influence as mandated by AB2838. He added it would be up to the Commission to approved staff and budget arrangements for next year. Commissioner Kelsey asked if the fees that are collected would be from the applicant/city. Mr. Nicholson said yes. He explained the past processing of LAFCO applications and now the current processing of applications. There are two meetings a month, not including the Sphere of Influence and LAFCO is supposed to adopt a set of local policies and procedures by the end of this year. All district and City spheres are to be reviewed every five years. Chairman O'Banion said they will have to certify the policies and the new spheres of influence. Commissioner Kelsey asked if the costs will be split between everyone. Mr. Nicholson said yes. Commissioner Bertao said this is coming down to the smaller counties from the big counties, and maybe the legislature can exempt Counties like Merced in the future.

Public Hearing was opened at 2:45 p.m.

- Mark Melville, City of Livingston, said he's here to represent the Mayor's Council who is opposed to the proposed budget and is concerned about the \$15,000 amount from last year to this years proposed \$109,000. He said the County has been providing the services for LAFCO, and due to convenience is continuing to utilize current LAFCO Planning Staff. He said he's concerned the City's and County's are asked to fund about 16 applications. He said most of these applicants should have to pay their own ways. Most of the cost is passed through the developers. The cities are not opposed to out of pocket costs. He said they are opposed to the personnel costs for planning staff which has always been paid by the County.

Chairman O'Banion said he is looking at increasing application fees. He asked if there is a \$47,000 cost for both the County's and City's, will they be reduced by higher application fees. Mr. Nicholson said yes, it will be to the discretion of the Commission. He said any unspent funds on deposit by the Cities and County would be rolled over to next year. Chairman O'Banion asked what happens if a city didn't pay. Mr. Nicholson replied, this is a statewide act and the Auditor's Office has the authority to collect the money. He gave an explanation on how it will work. He said it is really an independent process from LAFCO's budget approval.

Commissioner Kelsey said there should be a fee and that the applicant should pay more for the processing of the application. She doesn't know what can be done to make this happen. She said maybe we need to bid it out.

Chairman O'Banion said the budget needs to be done now because of the law, we have to fund this. Whether it is this year or next year, regardless, we have to do this. Mr. Melville said the correct process would be to exclude the personnel. Commissioner Kelsey asked for clarification on the personnel costs that they would be absorbed by the County. Mr. Nicholson gave an overview of how we got where we are and why. He also gave an explanation of this new law came about where the cities and special districts were given more influence on LAFCO in return for sharing in the costs of operation. Mr. Nicholson said staff has to show the hours worked and if we don't spend the money, it will roll over to next year. Mr. Melville said he fully understands how this

all came about. His concern is the cost is extremely high. He said \$109,000 is extensive considering Fresno County only has an \$80,000 budget for this year.

Commissioner Kelsey asked for background and why city representation of the Commission isn't here today. This decision to go to the County was made before. Very unreasonable for the County to fund \$80,000 and the City's \$20,000. She said it's too bad there isn't a full Commission today with City members. Mr. Melville said he is the messenger on behalf of the Mayor's Council.

The public hearing was closed at 3:16 p.m.

Chairman O'Banion said he doesn't have a problem with the Mayor's Council going to the Board of Supervisors and asking for the County to fund LAFCO for this year.

Commissioner Bertao said this is a new process and doesn't know what it will cost. He suggested the Commission receive a report on how the money was spent. Then, set a number and if the cost is too high, then adjust the budget next year. Mr. Nicholson said legislation included the County paying for July and August of this year.

Commissioner Kelsey said she is concerned with the fact that the City's Commissioners aren't here, but Mayor's Council is crying fowl. She is unhappy with the amount. It is a legitimate idea for them to go before the Board of Supervisors and request them to pick up the cost for the first year. Chairman O'Banion said there will still be adjustments.

MOTION: M/S KELSEY - BERTAO, AND CARRIED BY A VOTE OF 3-0, THE COMMISSION APPROVES THE 2001-2002 LAFCO BUDGET.

V. GENERAL BUSINESS

A. Update on Policy and Procedures

Acting Executive Officer Nicholson said there have been two meetings of the Policy and Procedures Committee. They discussed prime farmland and how it is defined. He summarized what was discussed in the policy and procedure meeting. He said the Cities suggested looking at what the "CAPS" Committee (County-wide Agricultural Preservation Strategy Committee) has done. We may want to propose the same level of mitigation.

Commissioner Kelsey asked for sphere of influence application policies, and noted a district can't provide for the community growth without a change to the sphere of influence. Mr. Nicholson questioned how many sphere of influence updates we can do in six months and what types of districts will have to be agreed to.

B. Approval of Memorandum of Understanding with Merced County for LAFCO Staff Support.

Acting Executive Officer Nicholson said this is still a draft and he needs to check with other county departments still. There is no decision today, because there still might be modifications. He said this will need to be continued to the next LAFCO meeting

MOTION: M/S KELSEY – BERTAO, AND BY A 3-0 VOTE, THE COMMISSION CONTINUED THE MEMORANDUM OF UNDERSTANDING WITH MERCED COUNTY FOR LAFCO STAFF SUPPORT TO JUNE 28, 2001.

VI. ADJOURNMENT

There being no further business, Chairman O'Banion adjourned the meeting at 3:38 p.m.

