

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

(Fresno County, California)

“MINUTES”

REGULAR LAFCo MEETING – July 9, 2008

Call to Order: Chairman Victor Lopez called the meeting to order at 1:35 p.m.

Members Present: Commissioners Susan Anderson, Larry Fortune, Victor Lopez, Henry Perea, and Alternate Commissioner Joe Chaidez

Members Absent: Commissioner Trinidad Rodriguez

Staff Present: Rick Ballantyne, LAFCo Executive Officer
Darrel Schmidt, LAFCo Deputy Executive Officer
Kenneth J. Price, LAFCo Counsel
Mike Noland, LAFCo Special Counsel
Candie Fleming, Clerk to the Commission
Susan Pool, LAFCo Office Assistant II
Samantha Hendricks, LAFCo Technician II

1. Call to Order and Roll Call

Chairman Lopez requested a moment of silence in remembrance of Orange Cove City Manager, Bill Little, who passed away July 4th.

2. Pledge of Allegiance.

3. Minutes from the regular LAFCo Meeting of June 4, 2008.

The minutes were unanimously approved as presented.

4. Potential Conflicts of Interest: Any Commission Member who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.

Kenneth Price, LAFCo Counsel, noted a conflict with Agenda Item # 10.

CONSENT AGENDA

5. Consider Approval: City of Fresno “Central-Orange No. 4 Reorganization” (LAFCo File No. RO-08-8).

The consent agenda was unanimously approved.

PUBLIC HEARINGS

6. Consider Approval: Request for a One-Year Extension to Complete Proceedings for the City of Sanger “California-Bethel No. 1 Reorganization” (LAFCo File No. RO-06-18).

Darrel Schmidt, Deputy Executive Officer, reported that land use circumstances within the affected territory had changed in that Tentative Tract Map 5621 covering the northerly portion of the territory had expired. He also reported that the City of Sanger had granted extensions to 2009 for Tract No's.5559 & 5422 located within the southerly portion to the territory. Staff recommended denial of the extension since it was not evident that substantial progress had been made during the last one year period. Chairman Lopez opened the public hearing.

Jeff O'Neal of Provost and Pritchard, representing the developer RZR, made himself available for questions.

Chairman Lopez then closed the public hearing where a motion to deny the extension request was made, seconded and passed unanimously.

7. Conducting Authority Proceedings: City of Fresno “Chestnut-Copper No. 1 Reorganization” (LAFCo File No. RO-08-1).

Rick Ballantyne, Executive Officer, presented staff's report stating that not all property owners had consented in writing to the annexation. He reported that only one official protest had been received representing just 0.15% of the total assessed value. Chairman Lopez opened the public hearing.

No testimony or additional protests were offered. The public hearing was then closed. A motion to reaffirm the Commission's prior approval was made, seconded, and passed unanimously.

8. Conducting Authority Proceedings: City of Kingsburg “Kamm-Academy Northeast No. 1 Reorganization” (LAFCo File No. RO-08-4).

Executive Officer Ballantyne presented staff's report stating that not all property owners had consented in writing to the annexation. It was also reported that no official protests had been received. Chairman Lopez then opened the public hearing.

With no public testimony or protests offered, the public hearing was then closed. A motion to reaffirm the Commission's prior approval was made, seconded, and passed unanimously.

9. Consider Approval: Washington Colony Cemetery District “Sphere of Influence Revision” (LAFCo File No. RSOI-151).

Deputy Executive Officer Schmidt presented staff's report. He reported that the Sphere of Influence Revision had been recommended during consideration of the Municipal Service Review prepared for the Washington Colony Cemetery District. The District had stated in its application that they believed that the area being detached could better

be served by either existing or a future cemetery district(s) to be formed within the northwest portion of the County. Chairman Lopez then opened the public hearing.

With no public testimony offered, the public hearing was then closed where a motion to approve the SOI Revision was made, seconded, and passed unanimously.

10. Consider Approval: City of Fresno “McKinley-Hayes No. 3 Reorganization” (LAFCo File No. RO-08-10).

Due to a potential conflict of interest, Mike Noland, LAFCo Special Counsel, replaced Ken Price as LAFCo’s Counsel. Executive Officer Ballantyne presented staff’s report. He concluded that the proposal would add to an existing peninsula and create an irregular boundary that would be inconsistent with adopted LAFCo Policies. Staff, therefore, recommended denial of the request. Chairman Lopez then opened the public hearing.

Ms. Madelane Gartin, who owns property within the affected territory, spoke in opposition to the proposal. She stated that the proposal would result in one of her properties being located within the City of Fresno and the other within the County and asked that her property be left in the County.

Ms. Marie Ihde also spoke in opposition to the proposal stating that the change in zoning from commercial to residential would result in the depreciation of her property and possibly impact her home beauty salon business. In addition, she stated that widening the roads would cause her to lose frontage and parking area necessary to support her commercial establishment.

Vince DiMaggio, representing New Urban Strategies, LLC, spoke in support of the proposal. He noted that the City and County of Fresno have entered into a “stand-alone” tax sharing agreement that identified several irregular boundaries and islands that will be required to be annexed should his proposal be approved. He said such mitigating factors support the approval of the application.

Esther Christiansen, Madera resident and Century 21 realtor, indicated that she has been working with property owners within the affected territory and stated that seventy-five percent of the residents support the reorganization.

Dave Simonian and Kathy Burrows spoke in opposition to the request and for a desire to have the properties remain as rural residential and agricultural land uses within the County.

Residents who spoke in support of annexation included Jack Slevkoff, Wally Ihde, Jack Wagenleitner, Carl Richardson, Heather Smith, Robert Swanton, and Richard Gillespie. The public hearing was then closed

Bruce Barnes and Commissioner Perea discussed certain agreed points of the “stand-alone” tax sharing agreement. Mike Noland, Special LAFCo Counsel, noted that there is no recourse if the City of Fresno were to breach the stand-alone agreement.

After some discussion, Commissioner Perea stated that he understood the arguments from both sides and made a motion for approval subject to conditions and findings. The motion was seconded and passed by a vote of three to one with Commissioner Anderson opposing.

11. Consider Approval: Adopt LAFCo Policies for the Destruction of LAFCo Public Records.

LAFCo Counsel Kenneth Price, returned to the dais to replace Special Counsel Mike Noland. A motion to approve the proposed amendment to LAFCo's Policies, Standards, and Procedures to address standards for the destruction of LAFCo public records, was made, seconded, and passed unanimously.

12. Consider Approval: Adopt LAFCo Policies for Pre-Application Review Policies.

Executive Officer Ballantyne made a brief report. Bernard Jimenez of the Fresno County Development Services Division requested that the Commission continue this item. Executive Officer Ballantyne concurred with the County's request. A motion to continue this item to the August 13, 2008, meeting was made, seconded, and passed unanimously.

OTHER ITEMS:

13. Consider Request: To Waive, Reduce or Defer LAFCo Filing Fees for City of Fresno Reorganizations.

Executive Officer Ballantyne presented staff's report indicating that the City of Fresno had requested a waiver of LAFCo filing fees associated with the annexation for twelve substantially surrounded areas. He stated that LAFCo's budget did not provide funding for such waiver but sufficient funds were available that could be transferred from LAFCo's cash account to cover the costs of required mailing and newspaper notification.

A motion to approve the City's request for fee waiver and to set a cap of six thousand dollars for noticing was made, seconded, and passed unanimously.

14. LAFCO Counsel's Reports:

- A. LAFCo Facilitation: Update Regarding LAFCo Efforts to Facilitate a Resolution of Dispute Between Consolidated Irrigation District (CID) and the Cities of Fowler, Kingsburg, Parlier, Sanger, and Selma.**

Special Counsel Mike Noland reported that a draft agreement between the Consolidated Irrigation District and the Cities of Fowler, Parlier, Kingsburg, Sanger, and Selma were reviewed and that final comments on the draft were to be submitted soon. Sufficient funding was available to allow Nancy Miller, Special Counsel, to review any final agreements. Mr. Noland concluded by stating that the final agreements between the parties should be completed within the next 30-45 days.

- B. Legislative Update:** Report on Proposed Legislation Affecting Local Agency Formation Commissions.

This item was continued to the August 13, 2008, LAFCo Meeting.

- C. Grand Jury Report Regarding Del Rey CSD:** Discussion Regarding Grand Jury Report #9 Concerning Del Rey Community Services District.

LAFCo Counsel Kenneth Price, briefed the Commission on the Grand Jury's Report. Issues related to the District's management of District funds, LAFCo's Municipal Service Review (MSR) prepared for the Del Rey Community Services District, and whether the MSR provided an accurate view of overall District operations, were discussed. It was suggested that staff put together an addendum to last year's MSR. LAFCo has ninety days to respond to the report.

Mr. Juan Leija, present Chairman of the Del Rey Community Service District, requested the Commissions help. While the last audit report prepared for the District indicated that the District was operating efficiently, Mr. Leija reported that for fourteen of the past fifteen years, the District had been operating at a deficit.

Alternate Public Commissioner Joe Chaidez volunteered to work with LAFCo staff in reviewing the District's financial concerns and operating efficiencies and to meet with District officials in recommending remedial actions.

COMMENTS FROM THE PUBLIC

LAFCo Counsel Ken Price introduced Corbin Porter, a student attending George Washington University of Law, who is interning at Baker, Manock and Jensen for the summer.

Mr. Ken Crabtree informed the Commission that his company has been working with the Del Rey Community Service District on a project on the west side of the community. And said he hoped that connection and hook-up fees to the District will help with their revenue issues.

ADJOURNMENT

A motion for adjournment was made, seconded, and passed unanimously.

THE NEXT LAFCO MEETING will be held on August 13, 2008, at 1:30 p.m. in the Board of Supervisors' Chamber - Hall of Records, Room 301, Fresno, California.