

PUBLIC HEARING ITEMS

8. LAFCo 13-04 City of Santa Paula Reorganization – East Area 2 (Parcels A-C)
Annexation of three parcels (A-C) totaling approximately 103.2 acres to the City of Santa Paula and detach from the Ventura County Fire Protection District, the Ventura County Resource Conservation District and County Service Areas 32 and 33. The reason for annexing Parcels A and B is to comply with a condition imposed by LAFCo as part of its approval of the East Area 1 reorganization (LAFCo 10-12). The annexation of Parcel C is to allow for the development of the East Gateway Specific Plan, a commercial/light industrial development approved by the City.

RECOMMENDED ACTION: Continue to May 15, 2013

9. Review and Readopt the LAFCo Fee Schedule for Fiscal Year 2013-14
Review the LAFCo Fee Schedule, determine that no changes are necessary and approve the resolution readopting the fee schedule.

RECOMMENDED ACTION: Approval

10. LAFCo Proposed Budget Fiscal Year 2013-14
Approve the Proposed Budget for FY 2013-14.

RECOMMENDED ACTION: Approval

ACTION ITEMS

11. Changes of Organization Involving Lands Under Land Conservation Act (Williamson Act)
Receive report on issues concerning proposals for changes of organization involving lands under Land Conservation Act contract.

RECOMMENDED ACTION: Direct Staff as Appropriate

12. Proposed High Schools in the Cities of Camarillo and Oxnard
Receive progress report on efforts by Oxnard Union High School District to develop two new high schools in the Cities of Camarillo and Oxnard.

RECOMMENDED ACTION: Direct Staff as Appropriate

EXECUTIVE OFFICER'S REPORT

CALAFCO Staff Workshop (April 10-12 in Davis)
Next LAFCo meeting May 15, 2013

INFORMATIONAL ITEMS

Applications Received:

LAFCo 13-05 OASA City of San Buenaventura Out of Agency Service
Agreement – 3587 N. Ventura Avenue

COMMISSIONER COMMENTS

ADJOURNMENT

WEB ACCESS:
LAFCo Agendas, Staff Reports
and Adopted Minutes can be found at:
www.ventura.lafco.ca.gov

Written Materials - Written materials relating to items on this Agenda that are distributed to the Ventura Local Agency Formation Commission within 72 hours before they are scheduled to be considered will be made available for public inspection at the LAFCo office, 800 S. Victoria Avenue, Administration Building, 4th Floor, Ventura, CA 93009-1850, during normal business hours. Such written materials will also be made available on the Ventura LAFCo website at www.ventura.lafco.ca.gov, subject to staff's ability to post the documents before the meeting.

Public Presentations - Except for applicants, public presentations may not exceed five (5) minutes unless otherwise increased or decreased by the Chair, with the concurrence of the Commission. Any comments in excess of this limit should be submitted in writing at least ten days in advance of the meeting date to allow for distribution to, and full consideration by, the Commission. Members of the public who wish to make audio-visual presentations must provide and set up their own hardware and software. Set up of equipment must be complete before the meeting is called to order. All audio-visual presentations must comply with the applicable time limit for oral presentations and thus should be planned with flexibility to adjust to any changes to the time limit established by the Chair. For more information about these policies, please contact the LAFCo office.

Quorum and Voting – The bylaws for the Ventura LAFCo Commissioner's Handbook provide as follows:

1.1.6.1 Quorum: Four (4) members shall constitute a quorum for the transaction of business, but a lesser number may adjourn from time to time.

1.1.6.2 Voting: Unless otherwise provided by law or these By-Laws, four affirmative votes are required to approve any proposal or other action. A tie vote, or any failure to act by at least four affirmative votes, shall constitute a denial.

Americans with Disabilities Act - In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the LAFCo office (805) 654-2576. Notification 48 hours prior to the meeting will enable LAFCo to make reasonable arrangements to ensure accessibility to this meeting.

Disclosure of Campaign Contributions - LAFCo Commissioners are disqualified and are not able to participate in any proceeding involving an "entitlement for use" if, within the 12 months preceding the LAFCo decision, the Commissioner received more than \$250 in campaign contributions from the applicant, an agent of the applicant, or any financially interested person who actively supports or opposes the LAFCo decision on the matter. Applicants or agents of applicants who have made campaign contributions totaling more than \$250 to any LAFCo Commissioner in the past 12 months are required to disclose that fact for the official record of the proceeding.

Disclosures must include the amount of the contribution and the recipient Commissioner and may be made either in writing to the Clerk of the Commission prior to the hearing or by an oral declaration at the time of the hearing.

The foregoing requirements are set forth in the Political Reform Act of 1974, specifically Government Code, section 84308.



VENTURA LOCAL AGENCY FORMATION COMMISSION

MEETING MINUTES

Wednesday March 20, 2013

Agenda Item 6

Hall of Administration, Board of Supervisors Hearing Room
800 S. Victoria Avenue, Ventura

1. Call to Order

Chair Pringle called the meeting to order at 9:00 AM.

2. Pledge of Allegiance

Chair Pringle led the pledge of allegiance.

3. Roll Call

The clerk called the roll. The following Commissioners were present:

- | | |
|-----------------------------|-----------------------------------|
| Commissioner Dandy | Commissioner Parvin |
| Commissioner Ford-McCaffrey | Commissioner Pringle |
| Commissioner Long | Alternate Commissioner Cunningham |
| Commissioner Morehouse | Alternate Commissioner Freeman |
| Commissioner Parks | |

4. Commission Presentations and Announcements

There were no presentations or announcements.

PUBLIC COMMENTS

5. This is an opportunity for members of the public to speak on items not on the agenda.

There were no public comments.

CONSENT ITEMS

6. Minutes of the Ventura LAFCo January 16, 2013 Meeting

7. FY 2013-13 Budget to Actual Reports: December 2012, January and February 2013

MOTION: Approve Item 6 and Receive and File Item 7 as recommended:
Long

SECOND: Morehouse

AYES: Dandy, Ford-McCaffrey, Long, Morehouse, Parks, Parvin, Pringle

NOES: None

ABSTAINED: None

MOTION PASSES 7/0/0

COMMISSIONERS AND STAFF

<u>COUNTY</u>	<u>CITY</u>	<u>DISTRICT</u>	<u>PUBLIC</u>
Kathy Long	Carl Morehouse	Elaine Freeman	Lou Cunningham
Linda Parks, Vice Chair	Janice Parvin	Gail Pringle, Chair	
<i>Alternate:</i>	<i>Alternate:</i>	<i>Alternate:</i>	<i>Alternate:</i>
Steve Bennett	Carol Smith	Bruce Dandy	Linda Ford-McCaffrey
Executive Officer:	Dep. Exec. Officer	Office Mgr/Clerk	Legal Counsel
Kim Uhlich	Kai Luoma, AICP	Debbie Schubert	Michael Walker

ACTION ITEM

10. Audited Financial Statements for Fiscal Year Ended June 30, 2012

Roger Alfaro of Vavrinek, Trine, Day & Co., LLP presented the audited annual financial report for fiscal year ended June 30, 2012.

MOTION: Receive and File A and B as recommended: Morehouse

SECOND: Parvin

AYES: Dandy, Ford-McCaffrey, Long, Morehouse, Parks, Parvin, Pringle

NOS: None

ABSTAINED: None

MOTION PASSES 7/0/0

PUBLIC HEARING ITEM

8. LAFCo 13-02S City of Santa Paula Sphere of Influence Review and Update (continued from January 16, 2013)

Commissioner Morehouse announced that because his wife Janna Minsk is the Planning Director for the City of Santa Paula, he would recuse himself from this item. He then left the meeting. Chair Pringle opened the public hearing. Kai Luoma presented the staff report noting the three recommended options. Option 1: Review the sphere of influence for the City of Santa Paula and determine that no change is necessary. Option 2: Remove Adams Canyon Expansion Area from the sphere of influence for the City of Santa Paula. Option 3: Remove both Adams Canyon and Fagan Canyon Expansion Areas from the sphere of influence for the City of Santa Paula. The following persons gave public comments:

Ralph Fernandez, Mayor, City of Santa Paula; Bruce Dickenson; Michael Mobley; Simon Malk, Accretive Investments; Ann Moore, Accretive Investments; Fred Robinson; Ron Rakunas, Mackinac Partners; Joan Kelly, RE Loans; Tina Andersen, RE Loans; Christopher Garrett, RE Loans; Mike Piszker, Anderson project; Bob Braitman; Ron Bottorff, Friends of the Santa Clara River; Robert Borregu; Michael Dalo; Lynn Jensen, VC COLAB; Ron Tovias; John Wisda; Janna Minsk, City of Santa Paula, Planning Director.

Chair Parvin closed the public hearing.

1st MOTION: Approve Option 2: Long

SECOND: Parks

AYES: Ford-McCaffrey, Long, Parks

NOES: Dandy, Parvin, Pringle

ABSTAINED: None

MOTION FAILED 3/3/0

2nd MOTION: Approve Option 1: Parvin

SECOND: Dandy

AYES: Dandy, Parvin, Pringle

NOES: Ford-McCaffrey, Long, Parks

ABSTAINED: None

MOTION FAILED 3/3/0

The Commission completed the sphere of influence review for the City of Santa Paula and no action to update or otherwise amend the sphere was taken.

Chair Pringle called for a recess at 11:50 AM.

Chair Pringle reconvened the meeting at noon

9. Review the Sphere of Influence for the City of Simi Valley

Commissioner Morehouse returned to the dais. Chair Pringle opened the public hearing. Kim Uhlich presented the staff report. The following person gave public comments: Marie Mason, Santa Susana Knolls Home Owners Association. Chair Pringle closed the public hearing.

1st MOTION: Approve the recommendation No. 1 and 2 (A and B): Dandy

SECOND: Long

MOTION WITHDRAWN

2nd MOTION: Approve recommendation 1 (A): Dandy

SECOND: Parks

AYES: Dandy, Ford-McCaffrey, Long, Morehouse, Parks, Parvin, Pringle

NOES: None

ABSTAINED: None

MOTION PASSES 7/0/0

ACTION ITEMS (Continued)

11. Update on Oxnard Union High School District's Proposed High Schools in Camarillo and Oxnard (Oral Report)

MOTION: Continue to the April 17, 2013 meeting: Parks

SECOND: Parvin

AYES: Dandy, Ford-McCaffrey, Long, Morehouse, Parks, Parvin, Pringle

NOS: None

ABSTAINED: None

MOTION PASSES 7/0/0

12. "LAFCo 101" Informational Presentation for Local Agencies

Kim Uhlich asked the Commission for direction and input in preparation for hosting a forum to educate officials and public agency staff about LAFCo.

EXECUTIVE OFFICER'S REPORT

Kim Uhlich reminded the Commission that their next meeting is scheduled for April 17, 2013.

COMMISSIONER COMMENTS

There were no Commissioner comments

ADJOURNMENT

Chair Pringle adjourned the meeting at 1:28 P.M.

These Minutes were approved on April 17, 2013.

Motion:

Second:

Ayes:

Nos:

Abstains:

Date: Chair, Ventura Local Agency Formation Commission

DRAFT



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: April 17, 2013

(Consent)

Agenda Item 7

TO: LAFCo Commissioners
FROM: Kim Uhlich, Executive Officer *KU*
SUBJECT: FY 2012-13 Budget to Actual Report – March 2013

RECOMMENDATION:

Receive and file Budget to Actual report for March 2013.

DISCUSSION:

Pursuant to the Commissioner’s Handbook policies, the Executive Officer is to provide monthly budget reports to the Commission as soon as they are available. The attached report, which was prepared with the assistance of the County Auditor-Controller staff, reflects revenue and expenditures through March of FY 2012-13.

Attachment: 1) Budget to Actual Report: March 2013

COMMISSIONERS AND STAFF

COUNTY: Kathy Long Linda Parks, Vice Chair <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse Janice Parvin <i>Alternate:</i> Carol Smith	DISTRICT: Bruce Dandy Gail Pringle, Chair <i>Alternate:</i> Elaine Freeman	PUBLIC: Linda Ford-McCaffrey <i>Alternate:</i> Lou Cunningham
Executive Officer: Kim Uhlich	Dep. Exec. Officer Kai Luoma, AICP	Office Mgr/Clerk Debbie Schubert	Legal Counsel Michael Walker



**BUDGET TO ACTUAL FY 2012-13
YEAR TO DATE ENDING March 31, 2013 (75.0% of year)
Fund 7920, Organization 8950**

Summary	Budget	Adj. Budget	To Date
Estimated Sources	659,706	659,706	655,024
Appropriations	659,706	659,706	426,690

Account Number	Title	BUDGET			ACTUAL YTD			Variance Favorable (Unfavorable)	
		Budget	Proposed Adjustments	Adjusted Budget	Actual	Encumbered	Total Revenue/Obligation		
FUND BALANCE									
	Beginning Balance	385,219		385,219	385,218.80		385,218.80	0.00	
5331	Committed	100,000		100,000	100,000.00		100,000.00	0.00	
5395	Unassigned	200,028		200,028	200,027.80		200,027.80	0.00	
5395	Unassigned - Appropriated	85,191		85,191	85,191.00		85,191.00	0.00	
REVENUE									
8911	Interest Earnings	4,000		4,000	1,468.01		1,468.01	2,531.99	37%
9372	Other Governmental Agencies	550,515		550,515	550,515.00		550,515.00	0.00	100%
9772	Other Revenue - Miscellaneous	20,000		20,000	17,849.85		17,849.85	2,150.15	89%
	Total Revenue	574,515	0	574,515	569,832.86		569,832.86	4,682.14	99%
	TOTAL SOURCES	659,706	0	659,706	655,023.86	0.00	655,023.86	4,682.14	99%
EXPENDITURES									
1101	Regular Salaries	323,550		323,550	226,609.98		226,609.98	96,940.02	70%
1106	Supplemental Payments	12,400		12,400	8,648.43		8,648.43	3,751.57	70%
1107	Term/Buydown	22,500		22,500	14,165.30		14,165.30	8,334.70	63%
1121	Retirement Contribution	72,000		72,000	49,547.83		49,547.83	22,452.17	69%
1122	OASDI Contribution	18,300		18,300	12,533.73		12,533.73	5,766.27	68%
1123	FICA - Medicare	5,000		5,000	3,606.42		3,606.42	1,393.58	72%
1124	Safe Harbor	0		0	(33.02)		(33.02)	33.02	0%
1141	Group Insurance	21,400		21,400	15,059.50		15,059.50	6,340.50	70%
1142	Life Ins/Dept. Heads & Mgmt.	150		150	95.13		95.13	54.87	63%
1143	State Unempl	700		700	343.50		343.50	356.50	49%
1144	Management Disability Ins.	820		820	555.20		555.20	264.80	68%
1165	Worker Compensation Ins	2,850		2,850	2,002.56		2,002.56	847.44	70%
1171	401K Plan	12,000		12,000	7,399.38		7,399.38	4,600.62	62%
	Salaries and Benefits	491,670	0	491,670	340,533.94	0.00	340,533.94	151,136.06	69%
2033	Voice/Data ISF	3,500		3,500	1,817.27		1,817.27	1,682.73	52%
2071	General Insurance Alloca - ISF	2,250		2,250	1,101.00		1,101.00	1,149.00	49%
2125	Facil/Matls Sq. Ft. Alloc. - ISF	15,500		15,500	11,124.00		11,124.00	4,376.00	72%
2128	Other Maint	500		500	0.00		0.00	500.00	0%
2141	Memberships & Dues	6,500		6,500	6,416.00		6,416.00	84.00	99%
2154	Education Allowance	1,350		1,350	1,320.00		1,320.00	30.00	98%
2158	Indirect Cost Recovery	3,000		3,000	1,484.00		1,484.00	1,516.00	49%
2172	Books & Publications	500		500	407.87		407.87	92.13	82%
2174	Mail Center - ISF	3,000		3,000	1,718.59		1,718.59	1,281.41	57%
2176	Purchasing Charges - ISF	500		500	91.10		91.10	408.90	18%
2177	Graphics Charges - ISF	4,000		4,000	181.25		181.25	3,818.75	5%
2178	Copy Machine Charges - ISF	1,000		1,000	375.57		375.57	624.43	38%
2179	Miscellaneous Office Expense	6,000		6,000	3,154.61		3,154.61	2,845.39	53%
2181	Stores ISF	50		50	34.08		34.08	15.92	68%
2191	Board Members Fees	5,000		5,000	1,900.00		1,900.00	3,100.00	38%
2192	Information Technology - ISF	3,000		3,000	1,357.05		1,357.05	1,642.95	45%
2195	Specialized Services/Software	1,500		1,500	737.50		737.50	762.50	49%
2197	Public Works - Charges	5,000		5,000	995.26		995.26	4,004.74	20%
2199	Other Prof & Spec Service	9,000		9,000	7,055.00	902.00	7,957.00	1,043.00	88%
2203	Accounting and Auditing Services	5,500		5,500	0.00		0.00	5,500.00	0%
2205	GSA Special Services ISF	100		100	64.00		64.00	36.00	64%
2214	County GIS Expenses	25,000		25,000	8,748.80		8,748.80	16,251.20	35%
2261	Public & Legal Notices	5,000		5,000	1,133.32		1,133.32	3,866.68	23%
2283	Records Storage Charges	350		350	178.17		178.17	171.83	51%
2293	Computer Equipment <5000	4,000		4,000	3,710.15		3,710.15	289.85	93%
2304	County Legal Counsel	22,500		22,500	16,561.50		16,561.50	5,938.50	74%
2522	Private Vehicle Mileage	7,000		7,000	4,852.29		4,852.29	2,147.71	69%
2523	Conf. & Seminars Expense	13,000		13,000	8,138.27		8,138.27	4,861.73	63%
2526	Conf. & Seminars Expense ISF	500		500	161.00		161.00	339.00	32%
2528	County Motor Pool	1,000		1,000	436.26		436.26	563.74	0%
	Services and Supplies	155,100	0	155,100	85,253.91	902.00	86,155.91	68,944.09	56%
6101	Contingency	12,936		12,936	0.00		0.00	12,936.00	0%
	TOTAL EXPENDITURES	659,706	0	659,706	425,787.85	902.00	426,689.85	233,016.15	65%

0.00

Note: Amounts with "()" in the ACTUAL column reflect FY12 accruals in excess of actual expenditures to date



VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: April 17, 2013

Agenda Item 8

TO: LAFCo Commissioners

FROM: Kai Luoma, Deputy Executive Officer

SUBJECT: LAFCo 13-04 City of Santa Paula Reorganization – East Area 2

RECOMMENDATION:

Continue the item to the meeting of May 15, 2013.

BACKGROUND:

As part of its approval of the annexation of the East Area 1 Specific Plan (EA1SP) in March 2011, the Commission imposed a condition providing that the City shall submit an application for the annexation of an unincorporated island that would be created as a result of the annexation of the EA1SP. The approximately 70-acre unincorporated island is known as East Area 2 (EA2). In October 2011, the City requested that LAFCo allow additional territory located to the east of the City to be included as part of the proposal to annex the EA2 island. The Commission granted the City’s request. In February 2013, the City submitted the subject application to LAFCo to annex the EA 2 island and an additional approximately 33 acres located east of the City.

This item was scheduled and publicly noticed for the Commission’s April 17 meeting. The City has requested that the Commission continue the item to the meeting of May 15, 2013 (see attached letter). LAFCo staff has no objections to the request.

COMMISSIONERS AND STAFF

COUNTY:
Kathy Long
Linda Parks, Vice Chair
Alternate:
Steve Bennett

CITY:
Carl Morehouse
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Carol Smith

DISTRICT:
Bruce Dandy
Gail Pringle, Chair
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Executive Officer:
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Dep. Exec. Officer
Kai Luoma

Office Mgr/Clerk
Debbie Schubert

Legal Counsel
Michael Walker



"Citrus Capital of the World"

City of Santa Paula

970 Ventura Street • Santa Paula, California • Mailing Address: P.O. Box 569 • 93061 • Phone: (805) 525-4478 • Fax: (805) 525-6278

April 4, 2013

Ms. Kim Uhlich, Executive Director
Ventura Local Agency Formation Commission
800 S. Victoria Avenue
Ventura, CA 93009-1850

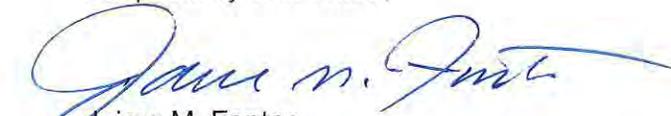
**Subject: Request to Continue LAFCO 13-04 Santa Paula Reorganization-East Area 2
Hearing to May 2013**

Dear Ms. Uhlich,

The City of Santa Paula's application to annex the East Area 2/East Gateway Specific Plan Project is scheduled for public hearing on April 17, 2013. By this letter, the City requests a continuance of the matter until your next meeting on May 15, 2013.

Thank you for your consideration of the City's. Please do not hesitate to contact me, or Ms. Janna Minsk, Planning Director, at (805) 933-4214, should you have questions.

Respectfully Submitted,


Jaime M. Fontes
City Manager, City of Santa Paula



VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: April 17, 2013

Agenda Item 9

TO: LAFCo Commissioners
FROM: Kim Uhlich, Executive Officer *KU*
SUBJECT: LAFCo Fee Schedule for Fiscal Year 2013-14

RECOMMENDATION:

Determine that no changes to the LAFCo Fee Schedule are necessary and adopt the attached resolution readopting the existing LAFCo Fee Schedule.

BACKGROUND:

The current LAFCo Fee Schedule (Attachment 1) was adopted by the Commission on June 9, 2010 and became effective July 1, 2010. It was re-adopted in 2011 and 2012. Pursuant to Section 2.3.3.1 of the Commissioner’s Handbook, the Commission is to annually review the LAFCo Fee Schedule as a part of the budget process.

Application filing fees cover only the costs associated with processing applications. These fees do not apply to other types of LAFCo mandated functions, such as municipal service reviews and sphere of influence updates. Most of LAFCo staff time is spent on mandated work not subject to application fees. As such, fee revenue provides a relatively small portion of the total revenue. Depending on the number and complexity of the applications received in any year, revenue from applications has ranged from approximately 5.5% to 16.8% of total revenue over the past ten years.

DISCUSSION:

LAFCo staff recommends that no changes be made to the existing LAFCo Fee Schedule. Historically, the LAFCo staff composite rate component of the Fee Schedule has been tied the Planning Division contract rate charged by the County of Ventura Resource Management Agency for processing land use entitlement applications. The Planning Division contract rate currently includes a base rate of \$129.27 per hour plus various surcharges for a total of \$155.77 per hour. The LAFCo staff composite rate is currently

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\$150 per hour and is therefore less than the current Planning Division contract rate. However, staff is not recommending a corresponding increase in the LAFCo staff composite rate because the surcharge portions of the Planning Division contract rate are unique to that department and not generally applicable to LAFCo processing costs.

The recommendation to maintain existing fees is also based on overall economic conditions. Although staff is projecting to receive an equivalent number of applications next year compared to this year, we still expect to receive fewer applications than the prior five-year average due to the effects of the ongoing economic recession. As such, increasing LAFCo application fees at this time could further discourage application filings, particularly those for after-the-fact, "clean-up" changes of organization for territory already receiving services from the annexing agency. In real dollar terms, leaving the fees unchanged would represent a decrease in fees and a corresponding decrease in fee revenue. However, as indicated above, fee revenue comprises a relatively small percentage of LAFCo's total revenue, so the overall budgetary impact of maintaining existing fees would not be significant.

This item has been publicly noticed as prescribed by law.

Attachments: 1) Current Fee Schedule
 2) Resolution Readopting the LAFCo Fee Schedule



VENTURA LOCAL AGENCY FORMATION COMMISSION

COUNTY GOVERNMENT CENTER • HALL OF ADMINISTRATION

800 S. VICTORIA AVENUE • VENTURA, CA 93009-1850

TEL (805) 654-2576 • FAX (805) 477-7101

HTTP://WWW.VENTURA.LAFCO.CA.GOV

ATTACHMENT 1

FEE SCHEDULE Effective on July 1, 2010 (Re-adopted April 18, 2012)

Fees and deposits are charged and accounted for as described in the Ventura LAFCo Fee and Billing Policies. Each application or petition to LAFCo must be accompanied by payment of the Administrative Fee and the Initial Deposit set forth below. All LAFCo staff time and legal counsel time spent on the proposal shall be billed to the applicant or petitioner at the hourly rates set forth below, and shall be paid from the deposit, with the exception of deposits for incorporation proposals ***. If the hourly charges exceed the amount of the deposit, the applicant or petitioner shall pay the excess within 15 days of receipt of a statement from LAFCo. Failure to pay may be cause for denial of the application/petition, and no proceeding or proposal shall be completed until all fees due have been paid in full.

TYPE OF ACTION		Administrative Fee (Non Refundable)	Deposit Required (Initial)	Total Initial Payment	
Changes of Organization or Reorganization	Annexation to, or detachment from, a city or district	Does NOT require conducting authority protest proceedings*	\$1,750	\$1,800	\$3,550
		Requires, or may require, conducting authority protest proceedings**	\$1,750	\$3,600	\$5,350
	Special District - Consolidation, Merger, Dissolution, or Formation of a Subsidiary District		\$1,750	\$4,500	\$6,250
	Expansion of Special District Powers		\$1,750	\$1,800	\$3,550
	Special District Formation		\$1,750	\$5,400	\$7,150
	City Incorporation***		\$5,000	\$25,000	\$30,000
Changes to Spheres of Influence	Update (filed separately from a change of organization or reorganization)		\$1,750	\$3,600	\$5,350
	Amendment (filed in conjunction with a Change of Organization or Reorganization)		\$1,750	\$900	\$2,650
Out of Agency Service Agreements	Administrative Action	Determination	\$450		\$450
		Time Extension	\$450		\$450
	Commission Action	Determination	\$1,750	\$1,800	\$3,550
		Time Extension	\$450	\$600	\$1,050
Other Actions	Extension of Time Request to Complete Proceedings		\$1,750	\$900	\$2,650
	Reconsideration Request		\$1,750	\$900	\$2,650
	Amendment to, Waiver of, or Establishment of New LAFCo Policy		\$1,750	\$900	\$2,650
	Fee Waiver or Reduction of Fee Request		\$600		\$600
Other Requests for Commission Action – Administrative fee plus actual time			\$450		\$450
Pre-application Review and Meetings - 3 hour minimum plus additional actual time in excess of 3 hours - due at time of scheduling)			\$450		\$450

* Area is uninhabited and all owners and subject agencies consent to the proposal.

** Area is inhabited or uninhabited and all owners and/or subject agencies do not consent to the proposal.

*** For incorporations, the application deposit shall be held in trust until all outstanding charges are paid and LAFCo proceedings are completed. No LAFCo charges associated with the processing of an incorporation application may be paid from the deposit; the applicant shall be provided with a monthly invoice starting from the date of application submittal in accordance with the applicable LAFCo fee agreement.

LAFCo TIME BILLING RATES

LAFCo staff composite rate	\$150/hour
LAFCo legal counsel rate	Actual Costs

**NON-LAFCo FEES
Fees & Charges Related to LAFCo Actions**

FEES	APPLICANT/PETITIONER SHALL PAY:
Mapping fees	Payable to the County Surveyor's Section of the Ventura County Public Works Agency per the applicable County Surveyor's Fee Schedule
State Board of Equalization fees	For changes of organization and reorganization; payable to the State Board of Equalization in accordance with its latest fee schedule; collected by LAFCo prior to County and State filing of an action
Publication costs	Costs for publishing notices in the newspaper will be charged at actual costs
Consultant costs	Costs for any consultants hired by LAFCo (e.g. environmental consultants, fiscal review consultants, etc.) will be charged at actual costs
State Department of Fish and Game fees	Payable to the State Department of Fish and Game; collected, as necessary, by LAFCo prior to filing environmental notices of determination
Charges by County Assessor, County Clerk and Recorder or other County agencies for verifying ownership information, registered voter information, filing notices, recording documents, etc.	Actual costs
State Controller's costs	Costs by the State Controller's Office for fiscal reviews to be paid by the party making the request; payable to the State Controller in accordance with the Controller's latest fee schedule; collected by LAFCo prior to submittal to the State Controller.
Special legal counsel and any legal defense costs	Actual costs
Reproductions and Copies	Per County Ordinance No. 4339

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION READOPTING
THE LAFCo FEE SCHEDULE**

WHEREAS, California Government Code Section 56383 allows for a Local Agency Formation Commission to establish a schedule of fees for the costs of proceedings; and

WHEREAS, Section 2.3.3.1(a) of the Commissioner's Handbook provides that the Commission will review its fee schedule annually as a part of the annual budget process; and

WHEREAS, the Commission adopted the current fee schedule on June 9, 2010 and was readopted on April 20, 2011 and April 18, 2012;

WHEREAS, the Commission determines that fees should be based on actual processing costs plus indirect and administrative costs; and

WHEREAS, the Executive Officer gave notice of this matter in the manner required by law; and

WHEREAS, the Commission discussed and considered all oral and written testimony for and against this matter including, but not limited to, the LAFCo Staff Report and recommendation; and

WHEREAS, the Commission duly considered the matter on April 17, 2013;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Ventura Local Agency Formation Commission as follows:

- (1) The fee schedule set forth in Exhibit A attached hereto is hereby re-adopted.
- (2) The fees set forth in Exhibit A attached hereto do not exceed the estimated reasonable costs of providing the services for which the fees are charged, and are necessary to pay the costs of operation of the Ventura Local Agency Formation Commission.
- (3) The Executive Officer is directed to notify all cities and all special districts in Ventura County of this action.

This resolution was passed and adopted on April 17, 2013.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Ford-McCaffrey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Long	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Pringle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternate Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternate Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternate Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternate Commissioner Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated: _____

 Chair, Ventura Local Agency Formation Commission

Attachment: Exhibit A

Copies: Ventura County Cities
 Ventura County Special Districts
 County Executive Office



VENTURA LOCAL AGENCY FORMATION COMMISSION

COUNTY GOVERNMENT CENTER • HALL OF ADMINISTRATION

800 S. VICTORIA AVENUE • VENTURA, CA 93009-1850

TEL (805) 654-2576 • FAX (805) 477-7101

WWW.VENTURA.LAFCO.CA.GOV

FEE SCHEDULE

Effective July 1, 2010
(Re-adopted April 17, 2013)

Fees and deposits are charged and accounted for as described in the Ventura LAFCo Fee and Billing Policies. Each application or petition to LAFCo must be accompanied by payment of the Administrative Fee and the Initial Deposit set forth below. All LAFCo staff time and legal counsel time spent on the proposal shall be billed to the applicant or petitioner at the hourly rates set forth below, and shall be paid from the deposit, with the exception of deposits for incorporation proposals ***. If the hourly charges exceed the amount of the deposit, the applicant or petitioner shall pay the excess within 15 days of receipt of a statement from LAFCo. Failure to pay may be cause for denial of the application/petition, and no proceeding or proposal shall be completed until all fees due have been paid in full.

TYPE OF ACTION			Administrative Fee (Non Refundable)	Deposit Required (Initial)	Total Initial Payment
Changes of Organization or Reorganization	Annexation to, or detachment from, a city or district	Does NOT require conducting authority protest proceedings*	\$1,750	\$1,800	\$3,550
		Requires, or may require, conducting authority protest proceedings**	\$1,750	\$3,600	\$5,350
	Special District - Consolidation, Merger, Dissolution, or Formation of a Subsidiary District		\$1,750	\$4,500	\$6,250
	Expansion of Special District Powers		\$1,750	\$1,800	\$3,550
	Special District Formation		\$1,750	\$5400	\$7,150
	City Incorporation***		\$5,000	\$25,000	\$30,000
Changes to Spheres of Influence	Update (filed separately from a change of organization or reorganization)		\$1,750	\$3,600	\$5,350
	Amendment (filed in conjunction with a Change of Organization or Reorganization)		\$1,750	\$900	\$2,650
Out of Agency Service Agreements	Administrative Action	Determination	\$450		\$450
		Time Extension	\$450		\$450
	Commission Action	Determination	\$1,750	\$1,800	\$3,550
		Time Extension	\$450	\$600	\$1,050
Other Actions	Extension of Time Request to Complete Proceedings		\$1,750	\$900	\$2,650
	Reconsideration Request		\$1,750	\$900	\$2,650
	Amendment to, Waiver of, or Establishment of New LAFCo Policy		\$1,750	\$900	\$2,650
	Fee Waiver or Reduction of Fee Request		\$600		\$600
Other Requests for Commission Action – Administrative fee plus actual time			\$450		\$450
Pre-application Review and Meetings - 3 hour minimum plus additional actual time in excess of 3 hours - due at time of scheduling)			\$450		\$450

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LAFCo TIME BILLING RATES

LAFCo staff composite rate	\$150/hour
LAFCo legal counsel rate	Actual Costs

**NON-LAFCo FEES
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State Board of Equalization fees	Applies to changes of organization and reorganizations; payable to the State Board of Equalization in accordance with its latest fee schedule; collected by LAFCo prior to completion of LAFCo proceedings and State filing
Publication costs	Costs for publishing notices in the newspaper will be charged at actual costs
Consultant costs	Costs for any consultants hired by LAFCo (e.g. environmental consultants, fiscal review consultants, etc.) will be charged at actual costs
State Department of Fish and Game fees	Payable to the State Department of Fish and Game; collected, as necessary, by LAFCo prior to filing environmental notices of determination
Charges by County Assessor, County Clerk and Recorder or other County agencies for verifying ownership information, registered voter information, filing notices, recording documents, etc.	Actual costs
State Controller's costs	Costs by the State Controller's Office for fiscal reviews to be paid by the party making the request; payable to the State Controller in accordance with the Controller's latest fee schedule; collected by LAFCo prior to submittal to the State Controller.
Special legal counsel and any legal defense costs	Actual costs
Reproductions and Copies	Per County Ordinance No. 4339



VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: April 17, 2013

Agenda Item 10

TO: LAFCo Commissioners
FROM: Kim Uhlich, Executive Officer *KU*
SUBJECT: Proposed Budget – Fiscal Year 2013 - 2014

RECOMMENDATION:

Adopt the Recommended Proposed Budget for the 2013-14 fiscal year.

BACKGROUND:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires each LAFCo to adopt a Proposed Budget by May 1 and a Final Budget by June 15. The enclosed Proposed Budget consists of a Budget Message and the line item budget of expenditures and revenue.

DISCUSSION:

The FY 2013-14 Recommended Proposed Budget reflects an overall expenditure increase of approximately 2.5% compared to the FY 2012-13 Adopted Final Budget. This is primarily due to increases in projects costs for Salaries and Employee Benefits as outlined in the attached Budget Message.

The Recommended Proposed Budget includes a recommended contingency appropriation of \$13,259 which is equivalent to 2% of total expenditures. The Commission's budget policies indicate that the budget should provide for contingencies equaling 10% of total expenditures, unless the Commission deems that a different amount is appropriate. Staff believes that a lower amount is appropriate for two reasons: 1) it will reduce the amount of revenue needed from other governmental agencies; and 2) Unassigned Fund Balance can be used as a financing source in the event it is needed. The current unassigned fund balance is \$285,219.

Included with the Recommended Proposed Budget are the estimated allocation percentages for the 10 cities and 29 independent special districts that together with the County are responsible for the majority of LAFCo's revenue. The estimated allocation percentages are based on the FY 2010-11 State Controller Reports, which will be used

COMMISSIONERS AND STAFF

COUNTY: Kathy Long Linda Parks, Vice Chair <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse Janice Parvin <i>Alternate:</i> Carol Smith	DISTRICT: Bruce Dandy Gail Pringle, Chair <i>Alternate:</i> Elaine Freeman	PUBLIC: Linda Ford-McCaffrey <i>Alternate:</i> Lou Cunningham
Executive Officer: Kim Uhlich	Dep. Exec. Officer Kai Luoma, AICP	Office Mgr/Clerk Debbie Schubert	Legal Counsel Michael Walker

by the County Auditor-Controller as the basis for collecting revenue from the cities and special districts for FY 2013-14. These are the most current Reports available at this time. Should the State issue updated Reports for FY 2011-12 before the end of June, the County Auditor-Controller will use those Reports as the basis for collecting revenue from the cities and special districts for FY 2013-14.

The Recommended Proposed Budget reflects an increase of approximately 8.9% in total revenue from other government agencies compared to the FY 2012-13 Adopted Final Budget. Although not being recommended by staff, a higher amount of unassigned Fund Balance could be appropriated should the Commission wish to further reduce the amount of revenue collected from other government agencies. Table 1 presents a comparison of total other governmental agency revenue allocations from the three agency categories (county, cities and independent special districts) for the current year and for FY 2013-14 based on an appropriated Fund Balance amount of \$43,002 (as reflected in the Recommended Proposed Budget) and an appropriated Fund Balance amount of \$91,764. As shown in the Table, an increase of \$48,762 in the appropriated Fund Balance amount would reduce the total allocations for each of the three agency categories to be equivalent to those reflected in the current FY 2012-13 Adopted Final Budget.

TABLE 1

Other Government Agency Revenue	Current FY 2012-13 Adopted Budget	Proposed Budget (Based on \$43,002 Appropriation of Fund Balance)	Alternative Option (Based on \$91,764 Appropriation of Fund Balance)
County	\$183,505	\$ 199,759	\$ 183,505
Cities	183,505	199,759	183,505
Independent Special Districts	183,505	199,759	183,505
Total Other Gov. Agency Revenue	\$550,515	\$ 599,277	\$ 550,515

As indicated previously, the option to reduce the total amount of revenue collected from other government agencies would require the Commission to appropriate an additional \$48,762 from unassigned Fund Balance. Based on the current unassigned Fund Balance amount (\$285,219), this would represent a decrease of approximately 17.1% in unassigned Fund Balance.

Table 2 provides a breakdown of the allocation amounts and percentage change values for each individual agency for the same budget scenarios shown in Table 1.

TABLE 2

AGENCY	Current Budget FY 2012-13	Proposed Budget (Based on \$43,002 Appropriation of Fund Balance)		Alternative Option (Based on \$91,764 Appropriation of Fund Balance)	
		Allocation Amount	% Change	Allocation Amount	% Change
County of Ventura	\$183,505	\$199,759	8.86%	\$183,505	0.00%
City of Camarillo	12,479	18,078	44.87%	16,607	33.08%
City of Fillmore	2,771	4,315	55.72%	3,964	43.05%
City of Moorpark	5,028	5,034	0.12%	4,624	-8.04%
City of Ojai	2,037	3,116	52.97%	2,863	40.55%
City of Oxnard	60,923	74,850	22.86%	68,759	12.86%
City of Port Hueneme	7,744	7,771	0.35%	7,138	-7.83%
City of San Buenaventura	29,379	31,842	8.38%	29,251	-0.44%
City of Santa Paula	14,956	7,850	-47.51%	7,212	-51.78%
City of Simi Valley	18,240	17,499	-4.06%	16,075	-11.87%
City of Thousand Oaks	29,948	29,404	-1.82%	27,012	-9.80%
TOTAL CITIES	\$183,505	\$199,759	8.86%	\$183,505	0.00%
Bardsdale Cemetery District	127	134	5.51%	123	-3.15%
Bell Canyon Comm. Svs. District	338	348	2.96%	319	-5.62%
Calleguas Municipal Water District	73,360	85,035	15.91%	78,116	6.48%
Camarillo Health Care District	2,773	2,727	-1.66%	2,505	-9.66%
Camrosa Water District	11,095	11,896	7.22%	10,928	-1.51%
Casitas Municipal Water District	11,524	11,684	1.39%	10,733	-6.86%
Channel Islands Beach CSD	2,716	2,842	4.64%	2,611	-3.87%
Conejo Recreation & Park District	13,267	13,969	5.29%	12,833	-3.27%
El Rancho Simi Pioneer Cemetery Dist.	59	90	52.54%	83	40.68%
Fillmore-Piru Memorial District	121	124	2.48%	114	-5.79%
Fox Canyon GMA	1,193	609	-48.95%	560	-53.06%
Hidden Valley Municipal Water District	7	18	157.14%	17	142.86%
Meiners Oaks Water District	738	837	13.41%	769	4.20%
Montalvo Community Svs. District	543	551	1.47%	506	-6.81%
Ojai Valley Sanitary District	6,410	6,608	3.09%	6,070	-5.30%
Ojai Water Conservation District	6	6	0.00%	6	0.00%
Oxnard Drainage District No. 1	35	38	8.57%	35	0.00%
Oxnard Drainage District No. 2	119	124	4.20%	114	-4.20%
Oxnard Harbor District	8,287	8,172	-1.39%	7,507	-9.41%
Piru Public Cemetery District	13	12	-7.69%	11	-15.38%
Pleasant Valley Co. Water District	2,088	2,103	0.72%	1,932	-7.47%
Pleasant Valley Rec. & Park District	5,687	6,364	11.90%	5,846	2.80%
Rancho Simi Rec. & Park District	13,592	14,037	3.27%	12,895	-5.13%
Saticoy Sanitary District	207	226	9.18%	207	0.00%
Triunfo Sanitation District	9,395	10,170	8.25%	9,342	-0.56%
United Water Conservation District	12,412	13,963	12.50%	12,827	3.34%
Ventura Co. Resource Conserv. Dist	53	48	-9.43%	44	-16.98%
Ventura Port District	6,314	6,017	-4.70%	5,527	-12.46%
Ventura River County Water District	1,026	1,007	-1.85%	925	-9.84%
TOTAL IND. SPECIAL DISTRICTS	\$183,505	\$199,759	8.86%	\$183,505	0.00%
TOTAL OTHER GOV. REVENUE	\$550,515	\$599,277	8.86%	\$550,515	0.00%

It should be noted in Table 2 that, despite the fact that the *total* allocation amounts for the combined city and special district categories for the current year budget and the estimated allocation amounts for the FY 2013-14 Recommended Proposed Budget based on an Appropriation of Fund Balance amount of \$91,764 are identical, the allocation amounts for the same individual city or district are not the same. This variability is due to the fact that each individual agency's allocation is based on total agency revenue as reported in the State Controller's Reports for Cities and Special Districts in two different years (2009-10 versus the 2010-11). Obviously, this aspect of the change in allocation amount is something over which LAFCo has no control.

Staff's recommendation is based on LAFCo's general budget parameters which seek to maintain existing operations at a high level of performance. Although alternatives for achieving expenditure reductions were considered, staff determined that any such options would necessitate personnel reductions which, in turn, would affect operational performance. Although the alternative option would both reduce the amount of allocation revenue needed from other agencies allocations and leave operations unaffected, it is obviously a practice that cannot be sustained over the long run. Moreover, as time goes on, staff and the Commission continue to develop more accurate budgets that more closely reflect actual expenditures and revenues. This means that the amount of excess fund balance will likely continue to decline over time. As such, staff anticipates that it will take longer to accrue unassigned Fund Balance in the future compared to previous years.

Should the Commission opt to appropriate a higher amount of unassigned Fund Balance, the motion should include direction to staff to work with County Auditor-Controller staff to make changes to the Final Budget Message and line item budget of expenditures and revenue as appropriate.

The Recommended Proposed Budget has been transmitted to the County and each city and independent special district for review and comment at any time prior to the adoption of a Proposed Budget. The Recommended Final Budget will also be transmitted to the affected local agencies for review and comment prior to adoption of a Final Budget, which is tentatively scheduled for May 15, 2013.

Attachment: (1) Recommended Proposed Budget – FY 2013-14



VENTURA LOCAL AGENCY FORMATION COMMISSION

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PROPOSED BUDGET

**Fiscal Year
2013-2014**

**Hearing Date: April 17, 2013 - 9:00 A.M.
Ventura County Government Center, Administration Building
Board of Supervisors' Hearing Room**



VENTURA LOCAL AGENCY FORMATION COMMISSION

BUDGET MESSAGE

Proposed Budget - Fiscal Year 2013-2014

Meeting Date: April 17, 2013

Introduction

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq.*) (CKH) requires each Local Agency Formation Commission (LAFCo) to adopt a Proposed Budget by May 1 of each year and a Final Budget by June 15 of each year. The Ventura LAFCo will have a hearing on April 17, 2013 to consider this Proposed Budget for Fiscal Year (FY) 2013-14. A public hearing to consider action on the Final Budget for FY 2013-14 is tentatively scheduled for May 15, 2013. Once adopted, the Final Budget will be used by the County Auditor-Controller to collect revenues as necessary from the County, cities and independent special districts.

The Ventura LAFCo Commissioner's Handbook, the compendium of the Ventura LAFCo's policies and procedures, contains budget policies in Section 2.3.1 *et seq.* The Proposed Budget for 2013-14 was prepared in accordance with these policies. Major goals continue to be minimizing expenditures while fulfilling basic functions, and providing for effective and efficient compliance with mandates.

LAFCo and the County of Ventura entered into a Memorandum of Agreement effective July 1, 2001. While LAFCo is an independent agency, the Memorandum of Agreement provides for the County to provide personnel, support services, offices and materials as requested by LAFCo. All of the personnel, support services, offices and materials to be requested of the County for FY 2013-14 are part of this Proposed Budget. Budget information is formatted using County of Ventura account descriptions and codes.

This Budget Message highlights LAFCo's major responsibilities, reviews the major work accomplishments and budget information for the first three quarters of FY 2012-13, sets forth a basic work plan for FY 2013-14, and provides background and explanatory information about the anticipated expenditures and revenues in this Proposed FY 2013-14 Budget.

Major LAFCo Responsibilities

- Act on proposals for incorporation of cities; formation, dissolution, consolidation and merger of special districts; and annexation and detachment of territory to and from cities and special districts.
- Establish spheres of influence for cities and special districts.
- Review and, as necessary, update spheres of influence for cities and special districts every five years.
- Conduct municipal service reviews prior to or in conjunction with the establishment or update of spheres of influence.
- Perform special studies relating to services and make recommendations about consolidation, mergers or other governmental changes to improve services and reduce operational costs.
- Serve as the conducting authority for the determination of protests relating to proposals for incorporation, formation, and subsequent boundary changes.
- Act on requests for out-of-agency contracts for extensions of services.
- Function as either a responsible or lead agency pursuant to the California Environmental Quality Act (CEQA).
- Review and comment on draft changes/updates to city and county general plans.
- Review and comment on draft environmental documents prepared pursuant to the California Environmental Quality Act.
- Provide public information about LAFCo and public noticing of pending LAFCo actions.
- Establish and maintain a website.
- Adopt and update, as necessary, written policies and procedures.
- Adopt an annual budget.

FY 2012-2013 in Review

Based on information through the end of March, 2013, total projected actual expenditures for FY 2012-13 should be approximately \$57,036 (8.6%) less than the Adopted Final Budget. Salaries and Employee Benefits are projected to be approximately \$7,500 (1.5%) less than the Adopted Final Budget. Actual Services and Supplies expenditures are projected to be approximately \$36,600 (23.6%) less than the Adopted Final Budget. In addition, we anticipate not using the Contingency appropriation of \$12,936. The anticipated savings in Salaries and Benefits and Services/Supplies and Contingency will contribute to a projected unappropriated Fund Balance for FY 2013-14 of \$56,636 which is \$28,555 (33.5%) less than the appropriated Fund Balance adopted as a part of the FY 2012-13 Final Budget (\$85,191).

Actual revenue for FY 2012-13 is projected to be approximately \$400 (0.07%) less than that reflected in the Adopted Final Budget. The County, the cities and the independent special districts all paid their respective shares of the net operating expenditures as apportioned by the County Auditor-Controller pursuant to the CKH (account code 9372).

Actual interest revenue (account code 8911) is projected to be approximately \$3,600, which is \$400 (10%) less than the Adopted Final Budget (\$4,000). Based on applications filed as of the end of March, projected actual revenues from application filing fees (account code 9772) are equal to the Adopted Final Budget amount.

The following work plan was adopted as a part of the FY 2012-13 Adopted Final Budget:

- Complete remaining municipal service reviews and sphere of influence reviews/updates in accordance with the approved 2008 – 2013 Service Review and Sphere of Influence Update Work Plan.
- Continue to review and comment on draft environmental documents and general plan updates as they may be prepared by the cities and the County.
- Maintain and enhance operations with a focus on communication with the Commission, the County, cities, districts and the public; budget monitoring and information; staff training and development; and enhanced records management.
- Update and revise the Commissioner's Handbook and consider policy additions consistent with the mission and purpose of LAFCo.
- Increase public awareness about the mission, purpose and function of LAFCo.

Substantial progress has been made on each of these work plan items. In May, 2008 LAFCo approved a Work Plan for the 2008-2013 sphere of influence review/update and municipal service review cycle. Between July 1, 2012 and the present time, sphere of influence (SOI) reviews/updates were completed for the Fillmore-Piru Memorial District, El Rancho Simi Cemetery District and the Piru Cemetery District. In addition, LAFCo completed municipal services reviews (MSRs) for nine of the ten Ventura County cities and SOI reviews/updates were completed for those cities. As of March 2013, LAFCo completed all of the SOI reviews included in the 2008-2013 Work Plan. Further, an external audit of LAFCo's financial statements for the year ended June 30, 2012 was performed. Over the course of the current fiscal year, LAFCo staff has thus far reviewed and commented on a total of 11 CEQA notices/documents, general plan updates, and development proposals.

Positive communications have been maintained with all cities and districts. Staff continues to attend and participate in meetings with staff and consultants representing cities, special districts and other local public agencies as well as individual members of the public and community groups. As time allows, staff continues to attend meetings of the Ventura Special Districts Association, the Association of Water Agencies, the City & County Planning Association and other local and regional associations.

Opportunities for ongoing training and professional development, including CALAFCO University courses, annual CALAFCo staff workshops and classes offered by the County of Ventura are pursued as time and budget permit.

Work Plan

The Ventura LAFCo Commissioner's Handbook provides that LAFCo will annually review and adopt a work plan as a part of the budget development process. For FY 2013-14, the recommended work plan maintains the focus on municipal service reviews and sphere of influence updates and is otherwise similar to the work plan for this year.

FY 2013- 14 Work Plan

- Establish a work plan for sphere review mandates for the 2013 – 2017 cycle and begin municipal service reviews and sphere of influence reviews/updates in accordance with the approved 2013-2017 work plan.
- Continue to review and comment on draft environmental documents and general plan updates as they may be prepared by the cities and the County.
- Maintain and enhance operations with a focus on communication with the Commission, the County, cities, districts and the public; budget monitoring and information; staff training and development; and enhanced records management.
- Update and revise the Commissioner's Handbook and consider policy additions consistent with the mission and purpose of LAFCo.
- Increase public awareness about the mission, purpose and function of LAFCo.

Staff believes that the items listed above are realistic provided the number and/or complexity of proposals filed do not increase significantly.

PROPOSED BUDGET

Expenditures

The expense portion of the budget is divided into three main sections, the Salary and Employee Benefits section (1000 series account codes), the Services and Supplies section (2000 series account codes), and Contingencies (account code 6101). Including a 2% contingency, the Proposed Budget reflects an overall expenditure increase of approximately 2.5% compared to the FY 2012-13 Adopted Final Budget.

Salary and Employee Benefits

Salaries and Employee Benefits continue to be the major expense, comprising approximately 75.7% of the total expenditures (more if contingencies are not included). Expenditures for Salaries and Benefits are proposed to increase by approximately 4.1% from \$491,670 to \$511,970 as compared to the FY2012-13 Adopted Final Budget. This increase is partly due to a prospective merit increase within the existing salary range of the Executive Officer as provided for under the terms of her employment contract and the County of Ventura Management, Confidential Clerical and Other Unrepresented Employees Resolution (account code 1101) and related increases in the various benefit accounts (e.g., account code 1122, OASDI Contribution; and account code 1123, FICA Medicare). The increase in expenditures for Salaries and Benefits is also partly due to an increase in the expenditures associated with the redemption of accrued annual leave by the Executive Officer, Deputy Executive Officer and Commission Clerk (account code 1107, Term/Buydown). The Term/Buydown account code includes costs for pay

in lieu of accrued annual leave up to a specified number of hours each year, which is a benefit LAFCo staff members are entitled to receive as employees of the County of Ventura.

It should also be noted that the amount budgeted for regular salaries (account code 1101) does not include any general salary increases or cost of living adjustments because no information has been received to indicate that the Board of Supervisors is planning to grant such increases next year.

The currently authorized and proposed classifications are reflected in the following table:

Title	FY 2012 – 13	FY 2013 – 14
Executive Officer	1	1
Analyst/Deputy Executive Officer	1	1
Office Manager/Clerk of the Commission	1	1
Total Authorized Positions	3	3

Services and Supplies

The Proposed Budget for Services and Supplies is approximately 2.6% less than the Adopted Final Budget for the current fiscal year. For those Services and Supplies account codes that reflect discretionary expenditures, most of the proposed budget amounts are either unchanged or lower as compared to the current fiscal year. The major Services and Supplies expenditures are proposed to change as follows:

- A decrease in the amount budgeted for education allowance (account code 2154) from \$1,350 in the current year to zero for FY 2013-14. As of the current fiscal year, the balance of the total education allowance cost for the Deputy Executive Officer has been paid and no claims from other staff members are anticipated for FY 2013-14.
- An increase in Indirect Cost Recovery charges (account code 2158). These cost recovery charges are for County services provided primarily by the General Services Agency, Auditor-Controller and Chief Executive Officer, including Human Resources. The current fiscal year charge is \$3,000. For FY 2013-14 the total charges for this account will be approximately \$5,500.
- A decrease in internal service fund charges for Graphics charges (account code 2177) from \$4,000 in the current year to \$2,000 for FY 2013-14. All monthly meeting packets are currently being produced internally by LAFCo staff. As such, the decrease in charges for County Graphics charges reflects a reduction in the number of anticipated external printing jobs.
- An increase in the amount budgeted for Miscellaneous Office Expenses (account code 2179) from \$6,000 in the current year to \$7,000 for FY 2013-14 to include the replacement of outdated signage in the hallway outside of the LAFCo office.

- A decrease in the Public Works charges (account code 2197) from \$5,000 in the current year to \$3,000 for FY 2013-14. This amount is more consistent with actual current year charges by the Surveyor's Office staff for services not otherwise reimbursable through LAFCo applications fees.
- An increase in the amount budgeted for Other Professional and Special Services (account code 2199) from \$9,000 in the current year to \$10,000 for FY 2013-14 to account for potential cost increases for an external audit of the current year financial statements.
- A decrease in the County GIS charges (account code 2214) from \$25,000 in the current year to \$23,000 for FY 2013-14. This account code includes LAFCo's share of Countywide GIS charges as well as specialized costs including that for maintaining/updating digital sphere of influence maps and printing maps in conjunction with mandate to review and update spheres of influence for each city and special district. The budgeted amount reflects a decrease in the anticipated number of sphere reviews that are planned to be completed in FY 2013-14 as compared to the current year.

Contingencies

In accordance with the Commission's budget policies, the budget should provide for contingencies equaling 10% of total expenditures, unless the Commission deems that a different amount is appropriate. To reduce the amount of revenue necessary from other governmental agencies, it is recommended that the FY 2013-14 Proposed Budget include a contingency appropriation of \$13,259 which is equivalent to approximately 2.0% of total expenditures. Should there be a need for any unanticipated expenditures which might exceed the contingency amount, an appropriation could be made from the unassigned fund balance (which is currently \$285,219).

Financing Sources

Potential financing sources consist of Fund Balance and Miscellaneous Revenues, including interest earnings and application filing fees (e.g. account codes 8911 and 9772), and Other Governmental Agencies, the revenue to be collected from the County, cities and independent special districts (account code 9372).

Fund Balance

Section 56381(c) of the CKH provides, "If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget." As indicated in the 'FY 2012-13 in Review' section above, approximately \$56,636 is now projected to be available at the end of the current fiscal year to appropriate for the FY 2013-14 Budget. However, because this amount is a projection, it introduces some degree of uncertainty as a revenue source for next year. To avoid this uncertainty, the Proposed Budget instead reflects an appropriation of Fund Balance in the amount of \$43,002. This amount represents the difference between the projected and the actual ending Fund Balance amounts from FY 2011-12.

The Commission's budget policies provide for the maintenance of a Litigation Reserve Account balance in the amount of \$100,000 with the intent of limiting its use for unanticipated expenditures resulting from litigation against the Commission that does not occur routinely and would not be reimbursed by another party. This amount is classified as "committed" fund balance with respect to GASB requirements and the Commission's fund balance policies. The policies also provide that excess fund balance remaining over and above the committed and assigned fund balances should be classified as unassigned. Currently the LAFCo General Fund does not include any assigned fund balance. Further, the policies provide that an unassigned (and unappropriated) fund balance of approximately 60 days working capital must be maintained. Based on the Adopted Final Budget for the current fiscal year (\$659,706), 60 days working capital would be equate to approximately \$109,951. The total unassigned fund balance is currently \$285,219, which is equivalent to 156 days working capital.

Miscellaneous Revenue

Miscellaneous revenue includes interest earnings and Other Revenue, primarily application filing fees. The Proposed Budget for Miscellaneous Revenue is \$34,000, which is approximately 41.7% more than the Adopted Budget amount for the current fiscal year (\$24,000). This increase reflects a slight increase in fee revenue anticipated for FY 2013-14. The amount budgeted for Interest Earnings (account code 8911) is \$4,000, which is consistent with the current year projected actual interest amount as of March 2013.

The Commission has a policy to annually review the LAFCo fee schedule as a part of the budget process. The existing fee schedule has been in effect since July 2010. On the April 17, 2013 agenda is a separate action item recommending that no changes be made to the fee schedule for FY 2013-14. Should the Commission instead take action to revise the fee schedule, this may alter the projections in the Final Budget for Miscellaneous Revenues to the extent that revenue from application fees is altered.

Revenues from Other Governmental Agencies (the County, Cities and Independent Special Districts)

Pursuant to the CKH, the LAFCo net operating expenses are to be apportioned one-third to the County, one-third to the cities, and one-third to the independent special districts. The Ventura LAFCo determines net operating expenses as the cost for LAFCo operations net of those funds appropriated for budget purposes plus Other Revenue. The CKH describes how the County Auditor-Controller is to make this apportionment and collect revenues once LAFCo adopts a Final Budget.

The revenue projected to be collected from the County, cities and independent special districts is proposed to increase from \$550,515 to \$599,277 for the current year (8.9%). The table below shows how the amount of revenue from Other Governmental Agencies (the County, cities and independent special districts) has fluctuated since LAFCo first

adopted an independent budget in June, 2001. As shown in the table, the amount of projected total revenue from Other Governmental Agencies for FY 2013-14 relative to the total budget is the highest it has ever been. This is primarily due to the economic downturn and resulting decreases in LAFCo fee revenue over the last four years.

Year	Adopted Budget – Total Finance Sources	Amount of Revenue from Other Governmental Agencies	Percent of Total Revenue from Other Governmental Agencies
FY 2001-02	\$548,737	\$468,737	85%
FY 2002-03	\$719,131	\$568,503	79%
FY 2003-04	\$641,215	\$390,699	61%
FY 2004-05	\$702,503	\$472,997	67%
FY 2005-06	\$723,226	\$361,874	50%
FY 2006-07	\$830,154	\$621,617	75%
FY 2007-08	\$949,269	\$715,957	75%
FY 2008-09	\$735,422	\$488,684	66%
FY 2009-10	\$783,101	\$587,084	75%
FY 2010-11	\$772,892	\$590,055	76%
FY 2011-12	\$766,598	\$570,285	74%
FY 2012-13	\$659,706	\$550,515	83%
FY 2013-14 ¹	\$676,279	\$599,277	89%

Not formally a part of the budget, but included for general information are the percentage shares of the Other Governmental Agencies revenue for each of the cities (Attachment 1) and the independent special districts (Attachment 2) based on the FY 2010-11 State Controller Reports. These are the most current Reports available at this time. Should the State issue updated Reports for FY 2011-12 before the end of June, the County Auditor-Controller will use those Reports as the basis for collecting revenue from cities and special districts for FY 2013-14.

The CKH continues to provide the ability for the cities and independent special districts in each County to determine an alternate apportionment method. To date, however, neither the cities nor the special districts have agreed on any alternate apportionment methodology. This means that the City of Oxnard, as the city with the largest gross revenue, and Calleguas Municipal Water District, the largest special district in terms of gross revenue, will continue to pay the largest respective shares of the city and special district portion of LAFCo revenue.

Conclusion

The Ventura LAFCo is continuing to exercise fiscal prudence. The Commission and its staff understand the economic realities of the time and the constraints on local government revenues. The Commission's budgeting process has come a long way in the last twelve years. Systems and policies are now in place to ensure best practices

¹ Based on FY 2013-14 Proposed Budget

and proper oversight. Mandates are being met and basic services provided with a highly trained staff that seeks to limit discretionary expenditures. The Proposed Budget for FY 2013-14 was prepared and is being recommended consistent with the Commission's policies and the knowledge and experience gained from prior years.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kim Uhlich". The signature is fluid and cursive, with a large initial "K" and "U".

Kim Uhlich
Executive Officer

Appendix Glossary of Terms

ANNUAL (OPERATING) BUDGET: A financial plan that outlines proposed expenditures for the coming fiscal year and estimated revenues which will be used to finance them.

APPROPRIATED FUND BALANCE: Used to balance the budget, that portion of fund balance appropriated to bridge the gap between expenditure appropriations and estimated revenues. The portion of fund balance thus appropriated for the following year would properly be classified as assigned fund balance.

ASSET: Resources with present service capacity that the government presently controls; for example, money, investments and property.

ASSIGNED FUND BALANCE: Comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority to assign amounts to be used for specific purposes.

AUDIT: A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in its financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities.

BALANCE SHEET: Also known as a statement of net assets, a basic financial statement, and presentation of an entity's net assets and liabilities on a specified date. A balance sheet is usually accompanied by appropriate disclosures that describe the basis of accounting used in its preparation.

BUDGET: A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them.

BUDGET MESSAGE: A written overview of the budget from the LAFCo Executive Officer that discusses the major budget items and LAFCo's present and future financial condition.

COMMITTED FUND BALANCE: Includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Commitments may be changed or removed only by the same decision-making authority taking the same formal action that imposed the constraint originally.

CONTINGENCY: A budgetary expenditure allowance (appropriation) to cover unanticipated expenditures or revenue shortfalls during the fiscal year (LAFCo Budget Account Code 6101). The Ventura LAFCo Commissioner's policies provide that the annual budget include an allocation of 10% of total operating expenses for contingencies, unless the Commission deems a different amount appropriate. Transfers from the contingency account require prior approval of the Commission.

DEFICIT: An excess of expenditures or expenses over revenues.

EXPENDITURES: Under the current financial resources measurement focus, decreases in net financial resources not property classified as *other financing uses*; for example, disbursements of cash for the cost of salaries, benefits, services or supplies.

FINANCIAL STATEMENT: Presentation of financial data including balance sheets, income statements or any supporting statement that is intended to communicate an entity's financial position at a point in time and its results of operations for a period then ended.

FISCAL YEAR: The 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

FUND BALANCE: The difference between a fund's assets and its liabilities. With regard to a LAFCo budget, Government Code Section 56381(c) provides, "If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget."

FUND: A complete accounting entity reflecting financial transactions, both receipts and expenditures, of money that is set up to carry out a special function or attain objectives in accordance with established laws, policies, and regulations. The fund concept also applies to budget activities.

GASB: The Governmental Accounting Standards Board (GASB) is the ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the NCGA (National Council on Governmental Accounting).

GIS: Geographic Information System.

INCOME STATEMENT: Summary of the effect of revenues and expenses over a period of time.

INTEREST: Interest income earned as idle funds are invested with a goal of protecting each investment while achieving the highest rate of return.

INTERNAL CONTROL: Process designed to provide reasonable assurance regarding achievement of various management objectives such as the reliability of financial reports.

INTERNAL SERVICE FUND: A fund that accounts for the provision of services by various County departments on a cost reimbursement basis.

LIABILITIES: Present obligations to sacrifice resources that the government has little or no discretion to avoid; for example, amounts owed for items received, services rendered, expenses incurred and assets acquired.

LINE-ITEM BUDGET: A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each.

OBJECT: An individual expenditure account.

FINANCING SOURCES: Total amounts available during the fiscal year for appropriation including estimated revenues and appropriated fund balances.

UNAPPROPRIATED FUND BALANCE: The portion of fund balance remaining, following an approved budget appropriation of fund balance and any commitments.

UNASSIGNED FUND BALANCE: The difference between total fund balance in a governmental fund and its nonspendable, restricted, committed and assigned components.

UNRESTRICTED FUND BALANCE: Includes committed, assigned and unassigned fund balances.

VENTURA LOCAL AGENCY FORMATION COMMISSION							
	Acct Code	Final Adopted/Adjusted FY 12-13	Projected Actuals FY 12-13	Proposed Budget FY 13-14	Proposed Budget FY 13-14 Adopted MM/DD/YY	Recommended Final Budget FY 13-14 MM/DD/YY	Final Budget FY 13-14 Adopted MM/DD/YY
EXPENDITURES							
Salaries and Employee Benefits							
Regular Salaries	1101	323,550	323,550	328,000			
Overtime	1105	-	-				
Supplemental Payments	1106	12,400	12,400	12,600			
Term/Buydown	1107	22,500	15,000	31,500			
Retirement Contribution	1121	72,000	72,000	77,500			
OASDI Contribution	1122	18,300	18,300	19,000			
FICA-Medicare	1123	5,000	5,000	5,100			
Group Insurance	1141	21,400	21,400	21,400			
Life Ins/Dept Heads/Mgt	1142	150	150	150			
State Unemployment	1143	700	700	400			
Management Disability Ins	1144	820	820	820			
Workers Compensation	1165	2,850	2,850	3,000			
401k Plan	1171	12,000	12,000	12,500			
Total Salaries and Emp. Benefits		491,670	484,170	511,970	-	-	-

VENTURA LOCAL AGENCY FORMATION COMMISSION							
	Acct Code	Final Adopted/Adjusted FY 12-13	Projected Actuals FY 12-13	Proposed Budget FY 13-14	Proposed Budget FY 13-14 Adopted MM/DD/YY	Recommended Final Budget FY 13-14 MM/DD/YY	Final Budget FY 13-14 Adopted MM/DD/YY
EXPENDITURES							
Services and Supplies							
Voice/Data -ISF	2033	3,500	3,250	3,500			
General Insurance Allocation	2071	2,250	2,250	2,000			
Facilities/Materials Sq Ft Alloc-ISF	2125	15,500	15,500	15,500			
Other Maintenance	2128	500	250	500			
Memberships & Dues	2141	6,500	6,450	6,550			
Education Allowance	2154	1,350	1,350	-			
Indirect Cost Recovery (Co. Cost Allocation Plan Charges)	2158	3,000	3,000	5,500			
Books & Publications	2172	500	450	500			
Mail Center-ISF	2174	3,000	2,000	2,500			
Purchasing Charges-ISF	2176	500	100	500			
Graphics Charges-ISF	2177	4,000	400	2,000			
Copy Machine Charges-ISF	2178	1,000	700	1,000			
Misc Office Expenses	2179	6,000	6,000	7,000			
Stores-ISF	2181	50	50	50			
Board Member Fees	2191	5,000	3,500	4,500			
Info Tech-ISF Data Ctr/Service Contracts	2192	3,000	3,000	3,000			
Specialized Services/Software	2195	1,500	1,500	1,500			
Public Works Charges	2197	5,000	1,000	3,000			
Other Professional & Special	2199	9,000	8,000	10,000			
Accounting and Auditing Services	2203	5,500	-	5,500			
GSA Special Services ISF	2205	100	100	100			
County GIS Expense	2214	25,000	13,000	23,000			
Public And Legal Notices	2261	5,000	2,000	5,000			
Records Storage Charges	2283	350	350	350			
Computer Equip <\$5000	2293	4,000	3,800	4,000			
Spec Dept xo4 (Legal Counsel)	2304	22,500	22,500	22,500			
Transportation Charges -ISF	2521	-	-	-			
Private Vehicle Mileage	2522	7,000	7,000	7,000			
Conference & Seminars Exp.	2523	13,000	10,000	13,000			
Conference & Seminars ISF	2526	500	200	500			
County Motor Pool	2528	1,000	800	1,000			
Total Services and Supplies		155,100	118,500	151,050	-	-	-
Contingencies	6101	12,936	-	13,259			
Total Contingencies		12,936	-	13,259	-	-	-
TOTAL EXPENDITURES		659,706	602,670	676,279	-	-	-

VENTURA LOCAL AGENCY FORMATION COMMISSION							
	Acct Code	Final Adopted/Adjusted FY 12-13	Projected Actuals FY 12-13	Proposed Budget FY 13-14	Proposed Budget FY 13-14 Adopted MM/DD/YY	Recommended Final Budget FY 13-14 MM/DD/YY	Final Budget FY 13-14 Adopted MM/DD/YY
FINANCING SOURCES							
Appropriation of Fund Balance		85,191	85,191	43,002	-	-	
Interest Earnings	8911	4,000	3,600	4,000			
Other Revenue - Misc. (LAFCo application fees)	9772	20,000	20,000	30,000			
Cost Allocation Plan Reimbursement)	9411	-	-	-	-	-	-
Total Miscellaneous Revenue		24,000	23,600	34,000	-	-	-
Other Governmental Agencies							
Other Government Agencies (County of Ventura)	9372	183,505	183,505	199,759	0	0	0
Other Government Agencies (Cities)	9372	183,505	183,505	199,759	0	0	0
Other Government Agencies (Independent Special Districts)	9372	183,505	183,505	199,759	0	0	0
Total Other Government Agencies Revenue		550,515	550,515	599,277	0	0	0
TOTAL REVENUE		574,515	574,115	633,277	0	0	0
TOTAL FINANCING SOURCES		659,706	659,306	676,279	0	0	0
PROJECTED UNUSED APPROPRIATED FUND BALANCE			56,636				

Preliminary Fund Balance and Estimated Ending Fund Balance at June 30, 2014

Description	Fund Balance at FY 12-13 Adopted/Adjusted Budget	Projected Fund Balance at 6/30/13	Estimated Fund Balance at 6/30/14		
Committed:					
Litigation	100,000	100,000	100,000		
Assigned:					
Appropriated Fund Balance	-	43,002	-		
Unassigned	285,219	213,662	213,662		
Total	385,219	356,664	313,662		

LAFCO NET OPERATING EXPENSES
GOV'T CODE 56381 (b) (1) (A) & (B)¹

PROPOSED BUDGET FOR FISCAL YEAR 2013 - 2014

ALLOCATION - CITIES

SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, FY 10/11

CITY	TOTAL REVENUE PER REPORT	PERCENTAGE	ALLOCATION \$	199,759
1 Camarillo	\$ 89,182,991	9.05%	\$	18,078
2 Fillmore	21,305,403	2.16%	\$	4,315
3 Moorpark	24,818,023	2.52%	\$	5,034
4 Ojai	15,388,269	1.56%	\$	3,116
5 Oxnard	369,129,262	37.47%	\$	74,850
6 Port Hueneme	38,324,210	3.89%	\$	7,771
7 San Buenaventura	157,086,557	15.94%	\$	31,842
8 Santa Paula	38,701,563	3.93%	\$	7,850
9 Simi Valley	86,355,564	8.76%	\$	17,499
10 Thousand Oaks	145,021,824	14.72%	\$	29,404
TOTAL	\$ 985,313,666	100.00%	\$	199,759

- (1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations.

LAFCO NET OPERATING EXPENSES
GOV'T CODE 56381 (b) (1) (A) & (C)¹, (F)²

PROPOSED BUDGET FOR FY 2013- 2014

ALLOCATION - SPECIAL DISTRICTS

SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY 10/11

NAME	TOTAL	PERCENTAGE	ALLOCATION
	REVENUE PER REPORT	(See Note 2)	\$ 199,759
1 Bardsdale Public Cemetery	\$ 174,618	0.067%	\$ 134
2 Bell Canyon Comm. Services District	452,629	0.174%	348
3 Calleguas Municipal Water District	111,030,165	42.569%	85,035
4 Camarillo Health Care District	3,559,701	1.365%	2,727
5 Camrosa Water District	15,530,939	5.955%	11,896
6 Casitas Municipal Water District	15,254,587	5.849%	11,684
7 Channel Islands Beach Comm. Serv. Dist.	3,710,812	1.423%	2,842
8 Conejo Recreation & Park District	18,239,903	6.993%	13,969
9 El Rancho Simi Pioneer Cemetery District	118,567	0.045%	90
10 Fillmore-Piru Memorial District	161,959	0.062%	124
11 Fox Canyon Groundwater Mgmt. Agency	795,831	0.305%	609
12 Hidden Valley Municipal Water District	22,745	0.009%	18
13 Meiners Oaks Water District	1,092,465	0.419%	837
14 Montalvo Comm. Services District	719,339	0.276%	551
15 Ojai Valley Sanitary District	8,628,486	3.308%	6,608
16 Ojai Water Conservation District	7,252	0.003%	6
17 Oxnard Drainage District No. 1	49,195	0.019%	38
18 Oxnard Drainage District No. 2	163,013	0.062%	124
19 Oxnard Harbor District	10,670,591	4.091%	8,172
20 Piru Public Cemetery District*	16,389	0.006%	12
21 Pleasant Valley Co. Water District	2,745,577	1.053%	2,103
22 Pleasant Valley Rec & Park District	8,310,697	3.186%	6,364
23 Rancho Simi Rec & Park District	18,327,523	7.027%	14,037
24 Saticoy Sanitary District	295,603	0.113%	226
25 Triunfo Sanitation District	13,278,459	5.091%	10,170
26 United Water Conservation District	18,232,230	6.990%	13,963
27 Ventura Co. Resource Conserv. District	62,291	0.024%	48
28 Ventura Port District	7,857,033	3.012%	6,017
29 Ventura River County Water District	1,313,857	0.504%	1,007
TOTAL	\$ 260,822,456	100.000%	\$ 199,759

- (1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. An independent special district's total revenue shall be calculated for nonenterprise activities as total revenues for general purpose transactions less aid from other governmental agencies and for enterprise activities as total operating and nonoperating revenues less revenue category other governmental agencies, as reported in the most recent edition of the "Special Districts Annual Report" published by the Controller, or by an alternative method approved by a majority of the agencies, representing a majority of their combined populations.
- (2) No independent special district shall be apportioned a share of more than 50 percent of the total independent special districts' share of the commission's operational costs, without the consent of the district. The share of the remaining districts shall be increased on a proportional basis so that the total amount for all districts equal the share apportioned by the auditor to independent special districts.

* Source: State of California, Special Districts Annual Report, FY 09/10

Ventura LAFCo Budget FY 2013-14
Apportionment of Net Operating Expenses Expressed As Percentage Of Each Agency's Total Revenue

NAME	TOTAL REVENUE PER REPORT*	ALLOCATION	PERCENTAGE OF TOTAL REVENUE
COUNTY OF VENTURA	\$ 990,657,859	\$ 199,759	0.02%
CITIES			
Camarillo	\$ 89,182,991	\$ 18,078	0.02%
Fillmore	21,305,403	4,315	0.02%
Moorpark	24,818,023	5,034	0.02%
Ojai	15,388,269	3,116	0.02%
Oxnard	369,129,262	74,850	0.02%
Port Hueneme	38,324,210	7,771	0.02%
San Buenaventura	157,086,557	31,842	0.02%
Santa Paula	38,701,563	7,850	0.02%
Simi Valley	86,355,564	17,499	0.02%
Thousand Oaks	145,021,824	29,404	0.02%
TOTAL	\$ 985,313,666	199,759	0.02%
SPECIAL DISTRICTS			
Bardsdale Public Cemetery	\$ 174,618	\$ 134	0.08%
Bell Canyon Comm. Services District	452,629	348	0.08%
Calleguas Municipal Water District	111,030,165	85,035	0.08%
Camarillo Health Care District*	3,559,701	2,727	0.08%
Camrosa Water District	15,530,939	11,896	0.08%
Casitas Municipal Water District	15,254,587	11,684	0.08%
Channel Islands Beach Comm. Serv. Dist.	3,710,812	2,842	0.08%
Conejo Recreation & Park District	18,239,903	13,969	0.08%
El Rancho Simi Pioneer Cemetery District	118,567	90	0.08%
Fillmore-Piru Memorial District	161,959	124	0.08%
Fox Canyon Groundwater Mgmt. Agency	795,831	609	0.08%
Hidden Valley Municipal Water District	22,745	18	0.08%
Meiners Oaks Water District	1,092,465	837	0.08%
Montalvo Comm. Services District	719,339	551	0.08%
Ojai Valley Sanitary District	8,628,486	6,608	0.08%
Ojai Water Conservation District	7,252	6	0.08%
Oxnard Drainage District No. 1	49,195	38	0.08%
Oxnard Drainage District No. 2	163,013	124	0.08%
Oxnard Harbor District	10,670,591	8,172	0.08%
Piru Public Cemetery District**	16,389	12	0.07%
Pleasant Valley Co. Water District	2,745,577	2,103	0.08%
Pleasant Valley Rec & Park District	8,310,697	6,364	0.08%
Rancho Simi Rec & Park District	18,327,523	14,037	0.08%
Saticoy Sanitary District	295,603	226	0.08%
Triunfo Sanitation District	13,278,459	10,170	0.08%
United Water Conservation District	18,232,230	13,963	0.08%
Ventura Co. Resource Conserv. District	62,291	48	0.08%
Ventura Port District	7,857,033	6,017	0.08%
Ventura River County Water District	1,313,857	1,007	0.08%
TOTAL	\$ 260,822,456	\$ 199,759	0.08%

* Source: State of California Annual Reports FY 10/11.

** Source: State of California Annual Reports FY 09/10.

For special districts, total revenue excludes aid from other governments.



VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: April 17, 2013

Agenda Item 11

TO: LAFCo Commissioners
FROM: Kai Luoma, Deputy Executive Officer 
SUBJECT: Land Conservation Act (Williamson Act) – Policy Direction

RECOMMENDATION:

Direct staff as appropriate.

BACKGROUND:

The California Land Conservation Act of 1965 (LCA) (also known as the Williamson Act) established a program to preserve and protect agricultural and open space lands. The intent of the LCA is consistent with one of the primary purposes of LAFCos, which is to preserve open-space and prime agricultural lands. Under the LCA program local government agencies may enter into a voluntary contract with landowners for the purpose of restricting land to agricultural or related open space uses. In return landowners receive property tax assessments which are lower than normal because they are based on farming and open space uses as opposed to full market value. The contracts are effective for a minimum of either 10 or 20 years and automatically renew each year for the subsequent 10 or 20 year period.

In order for a local government to participate in the LCA program, it must adopt policies consistent with the provisions of the LCA. The County of Ventura has adopted such policies as part of the County’s Land Conservation Act Guidelines. There are over 1,000 LCA contracts in unincorporated Ventura County covering approximately 127,000 acres. Over 90% of these contracts renew every ten years and the remainder are 20 year contracts.

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Should a landowner wish to terminate a LCA contract, the preferred method in most circumstances is to file a notice of non-renewal. Nonrenewal is a process whereby the property taxes are gradually increased starting the next contract anniversary date and continuing over the remaining term (usually nine years) until they are equivalent to the unrestricted tax rate. If the land is restricted by a 20 year contract, the contract winds down over the remaining 19 years, with the property taxes gradually increasing to the unrestricted tax rate at the end of the nonrenewal period. Under limited circumstances and conditions set forth in Government Code §51280 et seq. where the continued agricultural use of the land is neither necessary nor desirable and the public interest no longer requires that the contract be continued, a landowner may pay a cancellation fee of 12.5 percent (25 percent for a 20 year contract) of the current fair market value of the land and file a petition requesting cancellation of a contract prior to the expiration of the nonrenewal period. However LCA contracts are generally not intended to be cancelled except in extraordinary situations. In a 1981 case, the California Supreme Court concluded that land preservation contracts which forbid the development of agricultural land in exchange for reduced property taxes cannot be cancelled merely because development of the property will be more profitable than continued agricultural use (*Sierra Club v. City of Hayward* (1981) 28 Cal.3d 840, 852-853).

Because the LCA is intended to preserve agricultural and open space lands, there are multiple sections of state law that apply to the annexation and/or development of land under a LCA contract, including, but not limit to:

LAFCo law:

- Generally prohibits the inclusion of LCA-contracted land within the sphere of influence of a local agency that provides urban services, unless the services would benefit uses allowed under the contract. Other exceptions may also apply.
- Generally prohibits LAFCo from approving the annexation of LCA-contracted land to a city or district that provides urban services, unless the services would benefit uses allowed under the contract. Other exceptions may also apply.

LCA:

- Identifies the criteria to be used by LAFCo to determine whether a city shall not succeed to the rights, duties, and power of the county as a party to the contract.
- In order for land to be included in a LCA contract, it must first be within an agricultural preserve as established by the local agency. An agricultural preserve generally limits uses to those that are compatible with agriculture. Pursuant to the LCA, an agricultural preserve shall continue in full effect following annexation, detachment, incorporation, or disincorporation of land within an agricultural preserve.

Subdivision Map Act:

- Generally prohibits the approval of a subdivision of LCA-contracted land to parcels smaller than 10 acres on prime agricultural land and 40 acres on non-prime

agricultural land unless, among other criteria, a notice of nonrenewal has been filed and there are no more than three years remaining on the contract.

CEQA

- The establishment of an agricultural preserve and the making/renewing of LCA contracts are exempt from CEQA. However, the cancellation of an agricultural preserve or LCA contract is normally an action subject to the CEQA process.
- A project that results in the cancellation of a LCA contract on 100 acres or more is considered to be a “project of statewide, regional, or areawide significance”.

Various other statutes also apply to the annexation and/or development of LCA-contracted land.

DISCUSSION

On occasion, LAFCo staff receives inquiries about annexing land under a LCA contract to a city for purposes of development. If LCA-contracted land were to be annexed, the expectation would be that the City, which would become a party to the contract, would cancel it to allow for urban development. Thus, annexation of LCA-contracted land would likely result in the facilitation of contract cancellations and conversion of agricultural land, which the LCA was established to avoid or, at least, delay for 10 years. Examples such as this have raised a number of questions, including:

- Because LCA-contracted land cannot be developed for a minimum of 10 years, should such lands to be included within the sphere of influence of a city or district? If so, under what circumstances?
- Should the Commission consider the adoption of any standards or factors by which to evaluate proposals to annex LCA-contracted when the purpose of the annexation is to accommodate urban development? If so, what specific standards or factors would be appropriate?
- If a notice of non-renewal has been filed on land that is the subject of an annexation proposal, is there a point during the non-renewal period at which annexation of the land should/should not be considered?

Staff believes that the development of local policies to address these and other issues related to the annexation of LCA-contracted land would be helpful to LAFCo, the cities, landowners, and the public. Thus, staff would appreciate comments as to the Commission’s interest in establishing specific policy language through which to consider proposals for changes of organization involving LCA-contracted lands.