



AGENDA

Hall of Administration, Board of Supervisors' Hearing Room
800 S. Victoria Avenue, Ventura
9:00 A.M. Wednesday, February 17, 2010

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Election of Officers for 2010
 - A. Chair
 - B. Vice Chair
5. Commission Presentations and Announcements
Presentation of a resolution to the family of Bill Lotts in appreciation for his service and expressing condolences upon his passing.

COMMENTS FROM THE PUBLIC

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

(The Ventura Local Agency Formation Commission encourages all interested parties to speak on any issue on this agenda in which they have an interest, or on any matter subject to LAFCo jurisdiction. It is the desire of LAFCo that its business be conducted in an orderly and efficient manner. All speakers are requested to fill out a Speakers Card and submit it to the Clerk before the item is taken up for consideration. All speakers are requested to present their information to LAFCo as succinctly as possible. Members of the public making presentations, including oral and visual presentations, may not exceed five minutes unless otherwise increased or decreased by the Chair, with the concurrence of the Commission, based on the complexity of the item and/or the number of persons wishing to speak. Speakers are encouraged to refrain from restating previous testimony).

COMMISSIONERS AND STAFF

COUNTY: Kathy Long, Vice Chair Linda Parks <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse Janice Parvin <i>Alternate:</i> Thomas Holden	SPECIAL DISTRICT: George Lange, Chair Gail Pringle <i>Alternate:</i> Vacant	PUBLIC: Lou Cunningham <i>Alternate:</i> Kenneth M. Hess
Executive Officer: Kim Uhlich	Dep. Exec. Officer Kai Luoma	Office Mgr/Clerk: Debbie Schubert	Office Assistant Martha Escandon
			Legal Counsel: Leroy Smith

INFORMATIONAL ONLY

LAFCo 09-09 Camarillo Sanitary District Annexation – Navy Housing

EXECUTIVE OFFICER’S REPORT

Update on changes to Cortese-Knox-Hertzberg Local Government Reorganization Act regarding the reporting of political expenditures pertaining to LAFCo proceedings.
Process to fill vacant regular district member seat and election of a new alternate district member
Next Regular LAFCo Meeting March 17, 2010

COMMISSIONER COMMENTS

ADJOURNMENT

Adjourn in memory of Bill Lotts

WEB ACCESS:
LAFCo Agendas, Staff Reports
and 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.

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.



STAFF REPORT

Meeting Date: February 17, 2010

Agenda Item 4

TO: LAFCo Commissioners
FROM: Kim Uhlich, Executive Officer *KU*
SUBJECT: Election of Officers for 2010

RECOMMENDATION:

- A. Elect a Chair
- B. Elect a Vice Chair

DISCUSSION:

The Commission's By-laws (attached) provide for both the Chair and Vice Chair to serve one-year terms of office commencing on the third Wednesday of January.

The By-laws provide for the officers to be rotated, "so that a member of each of the four represented groups of LAFCo serves one full year in every four-year period." For 2010 a County Member should serve as Chair and a Public Member should serve as Vice Chair.

Attachment: Chapter 1, Section 1.1.4 of the Commissioner's Handbook

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Chapter 1, Section 1.1.4 of the Commissioner's Handbook

(A portion of the Ventura LAFCo By-laws relating to Officers of the Commission)

SECTION 1.1.4 OFFICERS

1.1.4.1 Chair: The Chair shall be selected by the members. The Chair shall serve as Chair for one year or until his/her successor is selected. The Chair's term of office shall begin the third Wednesday in January.

The office of Chair shall be rotated so that a member of each of the four represented groups of LAFCo serves one full year in every four-year period. Commencing January of 2002, the rotation of the chair shall be in the following sequence: County, Public, City, and Special District member.

1.1.4.2 Vice-Chair: The Vice-Chair shall be selected by the members. The Vice Chair shall serve as Vice-Chair for one year or until his/her successor is selected. The Vice-Chair's term of office shall begin the third Wednesday in January. In the absence of the Chair, the Vice-Chair shall serve in place of the Chair.

The office of Vice-Chair shall be rotated so that a member of each of the four represented groups of LAFCo serves one full year in every four-year period. In January 2002, the rotation of the vice-chair shall be in the following sequence: Public, City, Special District, and County member.



MINUTES

Agenda Item 6

REGULAR MEETING

Wednesday, November 18, 2009, 9:00 A.M.
Hall of Administration, Board of Supervisors' Hearing Room
800 S. Victoria Avenue, Ventura

1. CALL TO ORDER

Chair Lange called the November 18, 2009 meeting to order at 9 00 A.M.

2. PLEDGE OF ALLEGIANCE

Clerk Debbie Schubert led the Pledge of Allegiance.

3. ROLL CALL

The Clerk called the roll The following Commissioners and Alternates were present:

- Commissioner Cunningham
- Commissioner Lange
- Commissioner Lotts
- Commissioner Morehouse
- Commissioner Parvin
- Alternate Commissioner Bennett
- Alternate Commissioner Hess
- Alternate Commissioner Holden
- Alternate Commissioner Pringle

Alternate Commissioner Bennett sat as a voting County member in the absence of County members Commissioner Long and Commissioner Parks.

4. ANNOUNCEMENTS

There were no announcements.

5. COMMENTS FROM THE PUBLIC

Public Comment

There were no public comments

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Executive Officer: Kim Uhlich	Dep. Exec Officer Kai Luoma	Office Mgr/Clerk: Debbie Schubert	Office Assistant Martha Escandon
			Legal Counsel: Leroy Smith

CONSENT ITEMS

6. **Minutes of the Ventura LAFCo October 21, 2009 regular meeting**
7. **Budget to Actual Report for October 2009**

MOTION: Approval: Cunningham
SECOND: Morehouse
FOR: Cunningham, Lange, Lotts, Morehouse, and Parvin
AGAINST: None
ABSTAIN: Bennett
MOTION PASSED 5/1/0

PUBLIC HEARING ITEMS

8. **LAFCo 09-08 City of Simi Valley Reorganization – Reagan Library**
Chair Lange opened the public hearing. Kim Uhlich presented the staff report.

MOTION: Certify that the Commission has reviewed and considered the Negative Declaration prepared by the City of Simi Valley and Adopt Resolution LAFCo 09-08B: Cunningham
SECOND Morehouse
FOR: Bennett, Cunningham, Lange, Lotts, Morehouse, and Parvin
AGAINST None
ABSTAIN None
MOTION PASSED 6/0/0

EXECUTIVE OFFICER'S REPORT

Kim Uhlich mentioned that there may be a need to cancel the January 20, 2010 scheduled meeting and that she would be in touch with the Chair and keep the Commission informed.

COMMISSIONER'S COMMENTS

Chair Lange shared that the CALAFCO conference was a positive experience and because of the location many spouses were in attendance. He thought the mobile workshop and the roundtable discussion topics that Carl Morehouse suggested were very interesting and informative. He also announced some positive personal news and stated that he was pleased to have been reelected to the CALAFCO Executive Board for a new two year term. At the subsequent Board meeting, he agreed to serve as the program Chair for the 2010 Annual Conference in Palm Springs and is working on securing permission from the Santa Monica Mountains Conservancy to host the August 13 CALAFCO Board meeting at the Temescal Gateway Park near Santa Monica.

ADJOURNMENT

Chair Lange adjourned the meeting 10:09 A.M.



STAFF REPORT

Meeting Date: February 17, 2010
(Consent)

Agenda Item 7

TO: LAFCo Commissioners
FROM: Kim Uhlich, Executive Officer *KU*
SUBJECT: Budget to Actual Report FY 2009-10: November and December 2009

RECOMMENDATION:

Receive and file the Budget to Actual reports for November and December, 2009

DISCUSSION:

The attached reports reflect revenue and expenditures for November and December 2009. No adjustments or transfers between expenditure objects or from contingencies are necessary or recommended.

As shown on the attached Budget to Actual report for the fiscal year to date ending December 31, 2009, actual miscellaneous (application fee) revenue continues to fall well short of the budgeted fee revenue. This is a direct reflection of the fewer than anticipated number of applications that have been received. Should the total year-end fee revenue be less than anticipated, staff would most likely recommend that the Commission make up the shortfall by designating a transfer of revenue from the contingency account. Staff will continue to keep the Commission updated regarding revenue and expenditure information through the remainder of the fiscal year.

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PUBLIC:
Lou Cunningham

Alternate:
Kenneth M. Hess

Executive Officer:
Kim Uhlich

Dep. Exec. Officer
Kai Luoma

Office Mgr/Clerk:
Debbie Schubert

Office Assistant
Martha Escandon

Legal Counsel:
Leroy Smith



STAFF REPORT

Meeting Date: February 17, 2010

Agenda Item 8

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer *KU*

SUBJECT: Sphere of Influence Reviews – No Update Necessary

RECOMMENDATION:

For each of the following special districts review the sphere of influence, determine that no sphere of influence update or municipal service review is necessary, and receive and file this report:

- Bell Canyon Community Services District
- Fox Canyon Groundwater Management Agency

DISCUSSION:

For each city and special district, LAFCo must determine and adopt a sphere of influence “on or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.”(Cal. Gov’t Code §56425(g)). The Ventura LAFCo has previously reviewed and updated the spheres of all local agencies within its jurisdiction prior to January 1, 2008. Based on the first phase of the second five-year round of reviews of the Bell Canyon Community Services District and the Fox Canyon Groundwater Management Agency, LAFCo and District staff did not identify any sphere of influence issues.

Though this recommendation may seem simple and straightforward, it has important policy, budget and work load implications. The Commission is aware the law requires that municipal service reviews (MSRs) be conducted prior to, or in conjunction with, sphere of influence updates (Cal. Gov’t Code §56430(a)). Thus, sphere of influence updates and

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MSRs are linked. Unless a sphere of influence update is deemed necessary, there is no separate requirement for the Commission to conduct MSRs.

While not mandated, the Commission does have the authority to conduct MSRs or other special studies of any agency with a sphere of influence at any time. However, the recommendation is based on staff's determination that such work is not necessary at this time. LAFCo pays for MSR's. To the extent that sphere of influence updates are not deemed necessary for these agencies, at least at this time, there will be some cost savings and work efforts can be focused on other districts and the cities. Should circumstances change in the future, the commission retains the authority to determine that a sphere of influence update is necessary, thereby necessitating municipal service reviews for these agencies in the future. Plus, if the Commission accepts the recommendation, under the law, it must again review the sphere of influence for these agencies by 2015.

Given this background, it is recommended that the Commission review the spheres of influence for each special district noted and determine that no update is necessary. The effect of this recommendation is that the existing sphere of influence for each of the subject special districts will remain the same as previously approved. Because there would be no changes, the review action by the Commission to receive and file this report is not considered a project subject to CEQA.

This matter has been noticed as a public hearing and each of the subject special districts has been notified. As of the preparation of this report, no objections to the recommendations have been received. A copy of this report and a full-sized map depicting that there are no changes being proposed to the existing sphere of influence will also be provided to each of the subject districts.

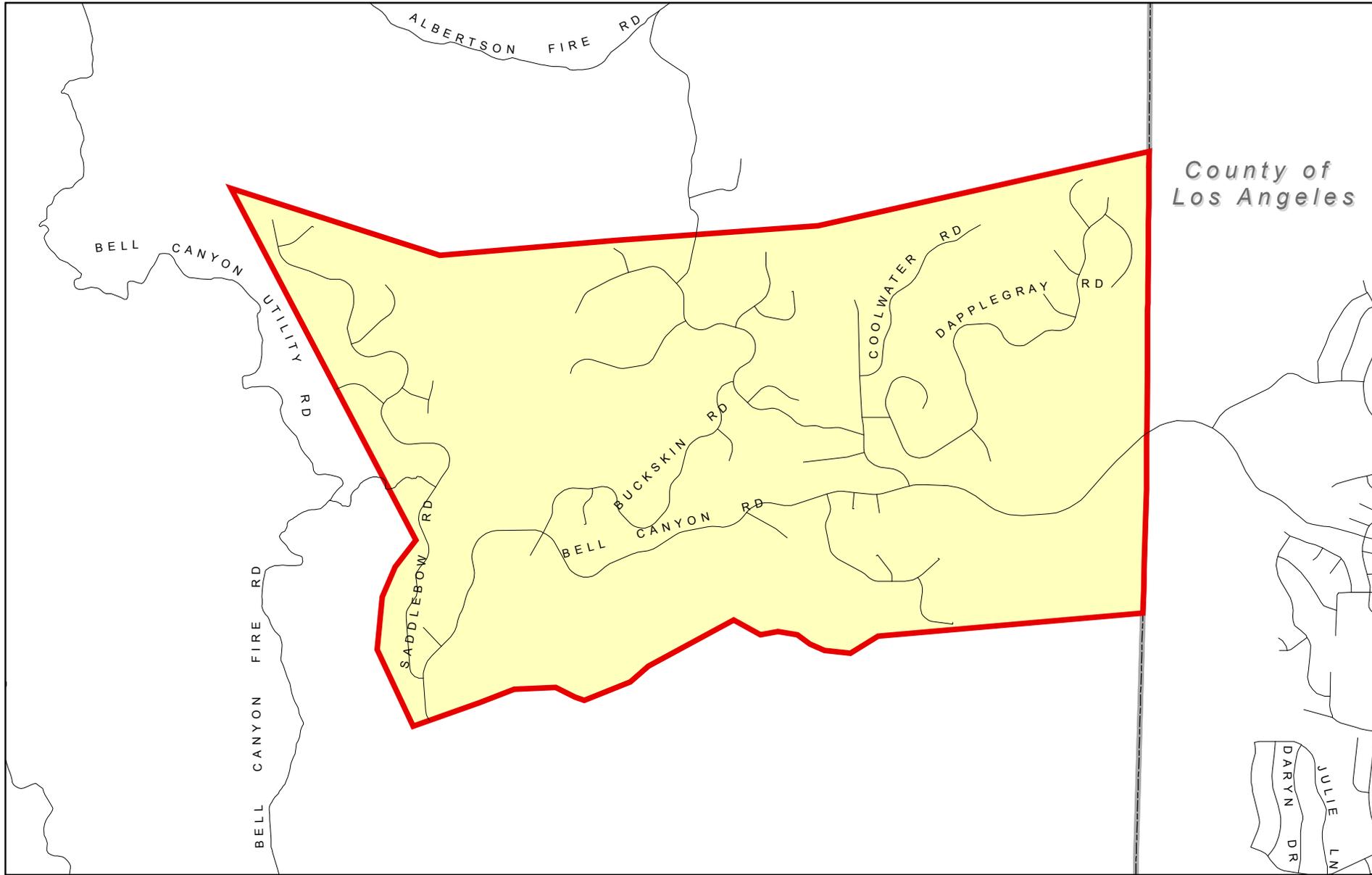
Bell Canyon Community Services District

The Bell Canyon Community Services District is an independent, multi-service district formed in 1984 which provides enhanced traffic patrol, recreation, solid waste collection, and paramedic services for the Bell Canyon community. Bell Canyon is an unincorporated residential subdivision that encompasses an area of approximately 1,700 acres with an estimated 2,700 residents. The community is geographically isolated from other areas in Ventura County. The only public road access is from Los Angeles County. Due to its location and the services performed, the District is unique among the other special districts in the County. The District's boundary and sphere of influence are co-terminus. No sphere of influence issues were identified as a part of the MSR approved in 2005 and no changes are being recommended.

Fox Canyon Groundwater Management Agency

The Fox Canyon Groundwater Management Agency (GMA) is an independent special district formed by special legislation in 1983. The GMA is responsible for monitoring the quality and quantity of groundwater in the Fox Canyon aquifer as well as controlling extraction of groundwater from the aquifer. The last MSR for the GMA, which was approved in 2004, recognized an “expansion zone” of approximately 13,747 acres within which the GMA has regulatory authority. At that time, the Commission updated the sphere of influence to include the expansion zone. Since then, no changes to the sphere of influence boundary have been made and no changes are being recommended.

Attachments: Bell Canyon CSD Sphere of Influence map
 Fox Canyon GMA Sphere of Influence map



County of Los Angeles

Legend



- Bell Canyon Community Services District
1676.93 acres
- Bell Canyon Community Services District
Existing and Proposed Sphere - 1676.93 acres

Bell Canyon Community Services District

Ventura LAFCO Proposed Sphere of Influence Review

February, 2010



Prepared by County of Ventura - IT Services Department - GIS Services
State Plane Coordinate System California Zone V - NAD 27

This map was compiled from records and computations

Published: February, 2010

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WARNING: The information contained hereon was created by the Ventura County Geographic Information System (GIS), which is designed and operated solely for the convenience of the County and related contract entities. The County does not warrant the accuracy of this information, and no decision involving a risk of economic loss or physical injury should be made in reliance thereon.



Legend

-  Fox Canyon Groundwater Management Agency
117270.43 acres
-  Fox Canyon Groundwater Management Agency
Existing and Proposed Sphere - 130979.71 acres

Fox Canyon Groundwater Management Agency

Ventura LAFCO Proposed Sphere of Influence Review

February, 2010

Prepared by County of Ventura - IT Services Department - GIS Services
State Plane Coordinate System California Zone V - NAD 27

This map was compiled from records and computations

Published: February, 2010



STAFF REPORT

Meeting Date: February 17, 2010

Agenda Item 9

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer

SUBJECT: Audited Financial Statements for Fiscal Years Ended June 30, 2008 and 2009

RECOMMENDATION:

Receive and file the material submitted by Macias, Gini & O’Connell LLC in conjunction with their audit of LAFCo’s financial statements for fiscal years ended June 30, 2008 and 2009.

DISCUSSION:

As the Ventura LAFCo’s responsibilities and staffing levels have evolved over time in response to the Legislature’s major updates to LAFCo law in 2000, the budget has increased commensurately both in terms of revenues and expenditures. Although LAFCos are not required by law to prepare audits or comprehensive annual financial reports as are counties, cities and special districts, the Commissioner’s Handbook policies provide that LAFCo will arrange for a single independent audit of its financial statements for the two year period between July 1, 2007 and June 30, 2009 (Attachment 1). Accordingly, the Commission approved a contract with Macias, Gini & O’Connell LLC on July 15, 2009.

The work has since been completed and Macias, Gini & O’Connell LLC has issued the following documents:

- Transmittal Letter – a cover letter from Macias, Gini & O’Connell LLC outlining their professional responsibilities and accounting practices (Attachment 2).
- Ventura LAFCO Annual Financial Report for June 30, 2009 and 2008 – (Attachment 3).
- Report on Internal Control over Financial Reporting and Compliance – (Attachment 4).

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A representative from Macias, Gini & O'Connell will attend the meeting to present their findings and answer any questions that the Commission may have.

Attachments:

(1) Commissioner's Handbook Policy Regarding Audits

Under a separate cover:

(2) Macias, Gini & O'Connell Transmittal Letter

(3) Ventura LAFCO Annual Financial Report for June 30, 2009 and 2008

(4) Report on Internal Control over Financial Reporting and Compliance

COVER FOR ATTACHMENTS

Agenda Item 9

TO: LAFCo Commissioners
FROM: Kim Uhlich, Executive Officer
SUBJECT: Attachments 2, 3, and 4 for February 17, 2010, Agenda Item 9
Audited Financial Statements for Fiscal Years Ended June 30, 2008 and 2009

Attachments 2, 3 and 4 of the above mentioned staff report are being sent to you under a separate cover. They were printed and bound by the Auditor.

Attachments:

- (2) Macias, Gini & O'Connell Transmittal Letter
- (3) Ventura LAFCO Annual Financial Report for June 30, 2009 and 2008
- (4) Report on Internal Control over Financial Reporting and Compliance

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY**

Annual Financial Report

June 30, 2009 and 2008

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
Annual Financial Report
June 30, 2009 and 2008**

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MACIAS GINI & O'CONNELL LLP
Certified Public Accountants & Management Consultants

NEWPORT BEACH
1201 Dove Street, Suite 680
Newport Beach, CA 92660
949.221.0025

SACRAMENTO

OAKLAND

WALNUT CREEK

LOS ANGELES

SAN MARCOS

SAN DIEGO

The Commissioners of the Local Agency
Formation Commission for Ventura County

Independent Auditor's Report

We have audited the accompanying basic financial statements of the governmental activities and the major fund of the Local Agency Formation Commission for Ventura County (Commission), California, as of and for the years ended June 30, 2009 and 2008 as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Local Agency Formation Commission for Ventura County, as of June 30, 2009 and 2008, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2010, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The management's discussion and analysis and budgetary comparison information identified in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Macias Fini & O'Connell LLP

Certified Public Accountants
Newport Beach, California

January 27, 2010

MANAGEMENT’S DISCUSSION AND ANALYSIS
(Unaudited)

The following discussion and analysis of the financial performance of the Local Agency Formation Commission for Ventura County (Commission) provides an overview of the Commission’s financial activities for the fiscal years ended June 30, 2008 and 2009. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This report consists of a series of financial statements. The statements of net assets and the statements of activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission’s finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Commission’s operations in more detail than the government-wide statements by providing information about the Commission’s General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

The report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Commission:

The first two statements are government-wide financial statements that provide both long-term and short-term information about the Commission’s overall financial status. These statements are also presented as the fund financial statements which focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The Commission’s fund financial statements are the same in comparison to the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that provided additional financial and budgetary information.

Reporting the Commission as a Whole

The accompanying government-wide financial statements include two statements that present financial data for the Commission as a whole. One of the most important questions asked about the Commission’s finances is, “Is the Commission as a whole better off or worse off as a result of the year’s activities?” The statements of net assets and the statements of activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission’s net assets and changes in them. You can think of the Commission’s net assets – the difference between assets and liabilities –as one way to measure the Commission’s financial health, or financial position. Over time, increases and decreases in the Commission’s net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, such as changes in the Commission’s revenues, to assess the overall health of the Commission.

Reporting the Commission's Fund Activity

The fund financial statements provide detailed information about the Commission's governmental fund as it operates under a single-program government fund. All of the Commission's basic services are reported in its General Fund. The fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. In fiscal years ended June 30, 2008 and 2009, the fund financial statements under modified accrual were the same as the government-wide financial statements under full accrual.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide statements of net assets follows:

Table 1
Net Assets – Governmental Activities

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assets:			
Cash and cash equivalents	\$ 338,011	\$ 373,872	\$ 240,057
Interest receivable	2,122	3,722	2,795
Due from County of Ventura	170	-	939
Total Assets	\$ 340,303	\$ 377,594	\$ 243,791
Liabilities:			
Accounts payable	\$ 21	\$ 298	\$ 1,254
Deposits payable	1,598	4,298	3,116
Due to County of Ventura	20,701	24,579	23,114
Total Liabilities	22,320	29,175	27,484
Net Assets:			
Unrestricted	317,983	348,419	216,307
Total Liabilities and Net Assets	\$ 340,303	\$ 377,594	\$ 243,791

As shown in Table 1, the Commission's total assets as of June 30, 2008 increased \$133,803, or 54.9 percent from 2007. This increase was primarily due to an increase in the amount of revenue (apportionment) received from other governmental agencies, which resulted in an increase in cash. Net assets as of June 30, 2008 increased \$132,112, indicating a 61.1 percent positive growth in the Commission's overall financial condition. The Commission's total assets as of June 30, 2009 decreased \$37,291 or 9.9 percent from 2008. This was due to a decrease in the amount of revenue (apportionment) received from other governmental agencies. Net assets as of June 30, 2009 decreased \$30,436, indicating an 8.7 percent negative growth in the Commission's overall financial condition. Between 2007 and 2009, the Commission's total net assets increased \$101,676, or 47 percent.

A summary of the government-wide statement of activities follows:

Table 2
Changes in Net Assets – Governmental Activities

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues:			
Program revenues:			
Apportionments from Other Governmental Units	\$ 488,685	\$ 715,956	\$ 621,618
Filing Fees	61,471	68,755	71,250
General revenues:			
Interest	17,166	25,957	21,775
Total Revenues	567,322	810,668	714,643
Expenses:			
General government:			
Contract services (salaries and benefits)	430,690	533,397	520,766
Services and supplies	167,068	145,159	167,090
Total Expenses	597,758	678,556	687,856
Net change in net assets	(30,436)	132,112	26,787
Net Assets, Beginning of Year	348,419	216,307	189,520
Net Assets, End of Year	\$ 317,983	\$ 348,419	\$ 216,307

As in all other years, the Commission's major source of revenue in fiscal years ended June 30, 2008 and 2009 was apportionments from other governmental agencies. Since apportionments comprise a significant proportion of the Commission's total revenue and since the annual apportionment amount is based directly on the Commission's projected operating expenditures, total revenue generally varies from any given year for the same reasons as do total expenditures.

As shown in Table 2, total expenses in fiscal year ended June 30, 2008 decreased by \$9,300 or 1.4 percent from 2007. This was comprised of a decrease of \$21,931 for services and supplies and an increase of \$12,631 for salaries and benefits. The overall decrease in services and supplies expenses was primarily due to a reduction of over \$25,000 in mapping-related services provided by the Ventura County Public Works Agency (Surveyor's Office) and the Information Technology Services Division (Geographic Information Systems Department) coupled with an increased expense for the preparation of the Commission's first-ever external audit. The increase in salaries and benefits was primarily due to the retirement of the former Executive Officer and the payment for accrued annual leave time. This cost was partially offset by decreases in the pension contribution costs for the former Executive Officer, who left mid-year and thus reduced the Commission's obligation by approximately 50 percent. In addition, the Commission's payments toward the County of Ventura's pension bond debt ceased mid-year (due to retirement of the bond), and total salary-related expenses decreased due to the mid-year hiring of a new Executive Officer at a lower salary than that of the previous Executive Officer.

Total expenses in fiscal year ended June 30, 2009 decreased by \$80,798 or 11.9 percent. This was comprised of a decrease of \$102,707 for salaries and benefits and an increase of \$21,909 for services and supplies. The decrease in salaries and benefits was primarily due to the following factors: 1) a significant reduction in the prior-year payment of accrued annual leave time to employees; 2) a reduction in the

Commission's retirement contribution costs reflecting the fact that all employees as of December, 2007 were all eligible for lower "Tier II" rather than "Tier I" rates (as was the former Executive Officer); and 3) the retirement of the County of Ventura's pension bond the previous year. The overall increase in services and supplies expenses for 2009 was primarily due to: 1) an increase in indirect costs charged by the County of Ventura for office space and administrative support services; 2) an increase in Ventura County Public Works Agency (Surveyor's Office) costs due to increased need for mapping-related services; 3) the purchase of new replacement desktop computers for all employees.

MAJOR FUND

As noted earlier, the Commission uses fund accounting to provide proper financial management of the Commission's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Fund. The General Fund is the chief operating fund of the Commission. At the end of the fiscal year ended June 30, 2009, total fund balance of the General Fund was \$317,983 compared to \$348,419 for fiscal year ended June 30, 2008. The total fund balance of the General Fund in the fiscal year ended June 30, 2007 was \$216,307.

GENERAL FUND BUDGET

There were no adjustments to the General Fund budget for the fiscal years ended June 30, 2008 and 2009. Major deviations between the budget of the General Fund and its actual operating results were as follows:

Fiscal Year 2007-08:

- *Interest revenue* was more than budgeted due to higher than anticipated interest rates.

Contract services (salaries and benefits):

- *Retirement contribution expenditure* was less than budgeted due to a computation error.
- *POB bond (County of Ventura) debt service expenditure* was less than budgeted because the Commission was not provided prior notice by County of Ventura of the pending retirement of the bond.
- *401k plan expenditure* was less than budgeted due to fewer than anticipated number of employees opting for the plan.

Services and supplies:

- *Public works charges* were less than budgeted due to a decreased need for mapping-related services.
- *Other professional and specialized services expenditure* was less than budgeted due to a less than anticipated need for contracted services.
- *County GIS services expenditure* was less than budgeted due to lower than expected costs for a customized software application.
- *Conference and seminars expenditure* was less than budgeted due to lower than anticipated attendance by Commissioners and staff.

Fiscal Year 2008-09:

Contract services (salaries and benefits):

- *Worker's compensation insurance expenditure* was less than budgeted due to a computation error.

- *401k plan expenditure* was less than budgeted due to fewer than anticipated number of employees opting for the plan.

Services and supplies:

- *Other professional and specialized services expenditure* was less than budgeted due to a less than anticipated need for contracted services.
- *Conference and seminars expenditure* was less than budgeted due to lower than anticipated attendance by Commissioners and staff.

Contacting the Commission's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Officer at the Ventura County Government Center, Hall of Administration, 800 S. Victoria Avenue, Ventura, CA 93009-1850.

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
Statements of Net Assets and
Governmental Fund Balance Sheets - General Fund
June 30, 2009 and 2008**

	2009	2008
Assets:		
Cash and cash equivalents	\$ 338,011	\$ 373,872
Interest receivable	2,122	3,722
Due from County of Ventura	170	-
Total assets	\$ 340,303	\$ 377,594
Liabilities:		
Accounts payable	\$ 21	\$ 298
Deposits payable	1,598	4,298
Due to County of Ventura	20,701	24,579
Total liabilities	22,320	29,175
Fund balance/net assets:		
Unrestricted:		
Unreserved - designated for subsequent years financing	167,680	82,746
Unreserved - undesignated	150,303	265,673
Total fund balance/net assets	317,983	348,419
Total liabilities and fund balance/net assets	\$ 340,303	\$ 377,594

See Accompanying Notes to Financial Statements.

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
Statements of Activities and
Governmental Fund Revenues, Expenditures and
Change in Fund Balance - General Fund
For the Years Ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Expenditures/expenses:		
Governmental activities - General government:		
Contract services	\$ 430,690	\$ 533,397
Services and supplies	<u>167,068</u>	<u>145,159</u>
Total expenditures/expenses	<u>597,758</u>	<u>678,556</u>
 Program revenues:		
Charges for services:		
Apportionments	488,685	715,956
Filing fees	<u>61,471</u>	<u>68,755</u>
Total program revenues	<u>550,156</u>	<u>784,711</u>
Net governmental activities	<u>(47,602)</u>	<u>106,155</u>
 General revenues:		
Interest	<u>17,166</u>	<u>25,957</u>
Net change in fund balance/net assets	(30,436)	132,112
Fund balance/net assets, beginning of year	<u>348,419</u>	<u>216,307</u>
Fund balance/net assets, end of year	<u><u>\$ 317,983</u></u>	<u><u>\$ 348,419</u></u>

See Accompanying Notes to Financial Statements.

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**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
Notes to Financial Statements
June 30, 2009 and 2008**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Local Agency Formation Commission for Ventura County (Commission) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

(a) *Description of the Reporting Entity*

Following the end of World War II, California entered a new era of demographic growth and diversity, and economic development. With this growth came the need for housing, jobs and public services. To provide for these services, California experienced a wave of newly formed cities and special districts, but with little forethought as to how the new agencies should plan for services. The lack of coordination and adequate planning for future governance led to a multitude of overlapping, inefficient jurisdictional and service boundaries.

In 1963, the State Legislature created Local Agency Formation Commissions to help direct and coordinate California's growth in a logical, efficient, and orderly manner. Each county within California is required to have a Commission. The Commissions are charged with the responsibility of making difficult decisions on proposals for new cities and special districts, spheres of influence, consolidations, and annexations.

The Commission's governing board consists of eleven appointed Commissioners --- seven voting members with four alternate members, who vote only in the absence of a voting member. Two members and one alternate member are selected by the Board of Supervisors of the County of Ventura (County) from their own membership; two members and one alternate member are selected by the cities in the County; two members and one alternate member are selected from special districts by the independent special district selection committee; and one member and one alternate member are selected to represent the general public, who are appointed by the other Commissioners.

(b) *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Commission.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges for services that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest and other items not properly included among program revenues are reported instead as general revenues.

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
Notes to Financial Statements (Continued)
June 30, 2009 and 2008**

In the fiscal years ended June 30, 2009 and 2008, the fund financial statements under modified accrual were the same as the government-wide financial statements under full accrual.

(c) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and, expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal years. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Charges for services and interest associated with the current fiscal periods are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal periods. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include apportionments and filing fees. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, and then use unrestricted resources as needed.

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
Notes to Financial Statements (Continued)
June 30, 2009 and 2008**

(d) *Cash and Cash Equivalents*

The Commission considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The Commission's cash from operations is deposited in the County of Ventura Treasury. The County pools its funds with other government agencies in the County and invests them as prescribed by the California Government Code. The only authorized investment for the Commission is the County of Ventura Investment Pool. The Commission's deposits in the County pool may be accessed any time. The Commission is allocated interest income on monies deposited with the County based on its proportional share of the total pool. All pooled investments are carried at fair value. The fair value of a participant's position in the pool is not the same as the value of the pooled shares. The County of Ventura investment policy may be found in the notes to the County's basic financial statements.

(e) *Due to County of Ventura*

Due to County of Ventura is the payment due to the County for services and support provided by the County to the Commission.

(2) CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2009 and 2008 consist of the following:

	<u>2009</u>	<u>2008</u>
Statement of Net Assets:		
Equity in County of Ventura Investment Pool	\$ 338,011	\$ 373,872

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of the fair value to changes in market interest rates.

As of June 30, 2009 and 2008, the weighted average maturities of the County of Ventura Investment Pool are 349 days and 248 days, respectively.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Ventura Investment Pool is not rated by a statistical rating organization.

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
Notes to Financial Statements (Continued)
June 30, 2009 and 2008**

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2009 and 2008, the Commission had all of its cash pooled with the County of Ventura Treasury. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the money invested by the Commission in the County of Ventura Investment Pool).

(3) INSURANCE

The Commission is a member of the County of Ventura's Risk Management affiliated agencies. The schedule of insurance coverage is as follows:

Coverage	Limit of Insurance	
Public Employees Blank Bond Fraudulent Mortgage Rider Funds Transfer Fraud	\$10,000,000	Per occurrence/aggregate where applicable. \$25,000 deductible per occurrence
Public Entity Liability	\$16,000,000	Per accident. \$500,000 self insured retention per occurrence
Business Travel Accident	\$5,700,000	Aggregate, no deductible
Risk Property, Boiler & Machinery, Heavy Equipment, DIC, Library Book Floater	\$600,000,000	Varies

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
Notes to Financial Statements (Continued)
June 30, 2009 and 2008**

(4) RELATED PARTY TRANSACTIONS

The Commission and the County entered into a Memorandum of Agreement to provide office space, contract employees, accounting, information technology support, legal service, workers compensation and liability insurance, administrative support, and maintenance support. Benefits provided to the contract employees including compensated absences, health and pension benefits are charged to the Commission on a pay-as-you-go basis. The total expense incurred by the Commission to the County for the years ended June 30, 2009 and 2008 were \$547,552 and \$634,488, respectively. The totals due to the County as of June 30, 2009 and 2008 were \$20,701 and \$24,579, respectively.

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REQUIRED SUPPLEMENTARY INFORMATION

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009**

	Original/ Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Apportionments	\$ 488,684	\$ 488,685	\$ 1
Filing fees	50,000	61,471	11,471
Interest	16,000	17,166	1,166
Total revenues	<u>554,684</u>	<u>567,322</u>	<u>12,638</u>
Expenditures:			
Contract services	468,960	430,690	38,270
Services and supplies	199,605	167,068	32,537
Contingencies	66,857	-	66,857
Total expenditures	<u>735,422</u>	<u>597,758</u>	<u>137,664</u>
Net change in fund balance	(180,738)	(30,436)	150,302
Fund balance, beginning of year	<u>348,419</u>	<u>348,419</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 167,681</u></u>	<u><u>\$ 317,983</u></u>	<u><u>\$ 150,302</u></u>

See Accompanying Note to Required Supplementary Information.

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008**

	Original/ Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Apportionments	\$ 715,957	\$ 715,956	\$ (1)
Filing fees	87,750	68,755	(18,995)
Interest	12,000	25,957	13,957
 Total revenues	 815,707	 810,668	 (5,039)
Expenditures:			
Contract services	653,993	533,397	120,596
Services and supplies	208,979	145,159	63,820
Contingencies	86,297	-	86,297
 Total expenditures	 949,269	 678,556	 270,713
Net change in fund balance	(133,562)	132,112	265,674
Fund balance, beginning of year	216,307	216,307	-
Fund balance, end of year	<u>\$ 82,745</u>	<u>\$ 348,419</u>	<u>\$ 265,674</u>

See Accompanying Note to Required Supplementary Information.

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
Note to Required Supplementary Information
June 30, 2009 and 2008**

(1) BUDGET AND BUDGETARY ACCOUNTING

The Commission established accounting control through formal adoption of an annual budget for the General Fund. The budget is prepared on a basis consistent with generally accepted accounting principles. The adopted budget can be amended by the Commission to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations require approval by the Commissioners. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of the Commission's management to review the budget quarterly and, if necessary, recommend changes to the Commissioners.

STAFF REPORT

Meeting Date: February 17, 2010

Agenda Item 10

TO: LAFCo Commissioners

FROM: Kai Luoma, AICP
Deputy Executive Officer

SUBJECT: Amendments to Commissioner’s Handbook – Division 2, Chapters 2, 3, & 6

RECOMMENDATION:

Adopt the attached resolution making various amendments to Division 2, Chapters 2, 3, and 6 of the Commissioner’s Handbook.

BACKGROUND

The Commissioner’s Handbook is a compilation of the Commission’s By-laws and operational policies. The Handbook is designed to be reviewed and updated periodically as the Commission may want to add or alter policies to deal with new or changed circumstances.

Beginning late last year, staff initiated a comprehensive review of the Handbook in an effort to clarify, update and, in some cases, augment existing LAFCo policies. The review process is now complete and staff has compiled a number of recommended policy revisions to be presented to the Commission for further consideration. Rather than presenting all of the proposed policy revisions at one time, they will be divided into components and presented over a series of several LAFCo meetings. The recommendations that follow comprise the first in the series of recommended amendments.

DISCUSSION:

Each of the recommended policy amendments in the following report is identified and accompanied by a brief discussion. New language to be added is indicated in red underline and language to be removed is indicated with ~~strikeout~~.

COMMISSIONERS AND STAFF

<p>COUNTY: Kathy Long, Vice Chair Linda Parks <i>Alternate:</i> Steve Bennett</p>	<p>CITY: Janice Parvin Carl Morehouse <i>Alternate:</i> Thomas Holden</p>	<p>SPECIAL DISTRICT: George Lange, Chair Gail Pringle <i>Alternate:</i> Vacant</p>	<p>PUBLIC: Louis Cunningham <i>Alternate:</i> Kenneth M. Hess</p>	
<p>Executive Officer: Kim Uhlich</p>	<p>Dep. Exec. Officer: Kai Luoma</p>	<p>Office Mgr/Clerk: Debbie Schubert</p>	<p>Office Assistant Martha Escandon</p>	<p>Legal Counsel: Leroy Smith</p>

Amendments to Chapter 2

- **Proposed Amendment:** SECTION 2.2.3 LEGAL COUNSEL

As the appointed legal counsel for LAFCo, the Ventura County Counsel occasionally determines that his office is unable to provide representation due to potential conflicts of interest. Current LAFCo policy addresses the potential for conflict by identifying the Santa Barbara County Counsel as alternate legal counsel. However, according to the Ventura County Counsel's Office, there is no agreement or arrangement with Santa Barbara County Counsel to do so. Staff and LAFCo Counsel therefore recommend that the policy be amended accordingly:

2.2.3.2 Conflict of interest: In the event of any conflict of interest on a matter before the Commission by the County Counsel, or designee, the Commission may appoint an alternate legal counsel pursuant to state law. ~~Alternate counsel may be available through an exchange of services arrangement between the County Counsel for the counties of Ventura and Santa Barbara. If available, the County Counsel for the County of Santa Barbara will serve as alternate legal counsel.~~

Amendments to Chapter 3

- **Proposed Amendment:** SECTION 2.3.1 BUDGET POLICIES

Existing Commissioner's Handbook Policy 2.3.1.3 provides that the Executive Officer shall provide the Commission with a quarterly budget report comparing expenditures to the adopted budget. However, in an effort to keep the Commission better informed about the status of the LAFCo budget, staff has been providing budget reports on a monthly basis since July 2008. The following recommended policy changes reflect staff's current practice:

2.3.1.3 Preparation and administration:

(a) The Executive Officer or designee shall serve as budget administrator to prepare, present, transmit, review, execute and maintain the LAFCo budget consistent with state law.

(b) The Executive Officer shall provide the Commission with a ~~quarterly~~ **monthly** budget report comparing revenues and expenditures to the adopted budget as ~~soon as such information is available at a~~ **at the next** regular meeting of the Commission following **staff's receipt of the report from the County Auditor-Controller.** ~~the end of each quarter of the fiscal year.~~

- **Proposed Amendment:** SECTION 2.3.1 BUDGET POLICIES

Current Handbook Policy 2.3.1.4 provides for an allocation of a ten percent contingency as part of the annual budget as well as the designation of the excess year-end fund balance to a separate reserve account after the close of those fiscal years in which the actual fund balance is greater than the projected fund balance used in the budget estimates. As LAFCo's provider of fiscal and accounting services, the County Auditor-Controller's office is responsible for completing all financial transactions, such as transferring monies to the reserve account, referred to as the Designation for Subsequent Years Financing account. Although the existing language of Policy 2.3.1.4 provides the authority for the County Auditor-Controller to make allocations to the Designation for Subsequent Years Financing as appropriate, the Auditor-Controller's staff has asked that the policy be clarified.

In addition, Auditor-Controller staff has commented that Policy 2.3.1.4 does not currently address circumstances when LAFCo's year-end available financing (actual fund balance) is less than financing estimates (projected fund balance). Although this sort of deficit fund balance scenario has not occurred since this policy was adopted in 2006 and staff continues to perform ongoing budget monitoring to avoid such situations whenever possible, LAFCo staff agrees that the policy should be amended to address this issue. To address a financing deficiency, staff is recommending that the Executive Officer notify the Commission at the next regular LAFCo meeting and provide recommendations for making the necessary budget adjustments. All recommended language revisions to Policy 2.3.1.4 are as follows:

2.3.1.4 Contingency reserve:

- (a) The annual budget shall include a contingency ~~reserve~~ **appropriation** of 10% of total operating expenses, unless the Commission deems a different amount appropriate.
- (b) Funds budgeted for contingency reserve shall not be used or transferred to any other expense account code without the prior approval of the Commission.
- (c) ~~After the end of each fiscal year, any monies in excess of the projected fund balance amount in the budget shall be deposited in~~ **Whenever the actual year-end closing figures for the LAFCo general fund show that available financing exceeds financing requirements, the excess shall be transferred to** an account designated for subsequent years financing. The designated for subsequent years financing account will be considered as a reserve account. **The County of Ventura Auditor-Controller, with the concurrence of the Executive Officer, is authorized to transfer an amount equal to the amount of excess financing to this account, which shall** ~~This reserve account should be augmented, as funds may be available, until it contains an amount equal to at least 25% of the current year budget. Once the account equals at least 25% of the current budget any remaining funds in excess of the actual fund balance amount may be appropriated for any allowed expense at the Commission's discretion.~~

(d) Whenever actual year end closing figures for the LAFCo general fund show that financing requirements exceed available financing, the Executive Officer shall notify the Commission at its next regular meeting. Any associated reductions in appropriations may not be made without prior approval of the Commission.

(e) ~~(d)~~ Funds in the designated **designation** for subsequent years financing account that constitute the LAFCo reserve account shall not be used for any current year's expenses or considered as a financing source for on-going operations without the prior approval of the Commission. It is the intent of the Commission that any funds considered as reserves only be used in the case of extraordinary expenses that could not have been anticipated.

- **Proposed Amendment:** SECTION 2.3.1 BUDGET POLICIES

Pursuant to Handbook Section 2.3.1.3, the Executive Officer shall serve as the budget administrator to, among other things, "execute and maintain" the budget. In the past, staff has interpreted this policy to grant authority to the Executive Officer to make adjustments between accounts that are contained within a single budget object, i.e. "Salaries and Benefits" or "Services and Supplies". This interpretation appears to be consistent with County policy. However, LAFCo staff and the Auditor-Controller's staff believe that it would be preferable for LAFCo to adopt commensurate policies regarding to the control of transfers of expenditure authorizations (appropriations) which specifically apply to LAFCo.

The County of Ventura's policies pertaining to the control of appropriations adjustments are contained in the Chapter VII(A)-4 of their 2005 Administrative Policy Manual. Among these policies, those that are relevant to the LAFCo budget structure are as follows:

4. A. Transfers between expenditure objects within the same budget unit may be approved by the County Executive Office as delegated by the Board of Supervisors.
- E. Adjustments between accounts within the same State Controller object (or, as appropriate, sub-object) and budget unit do not require approval by the County Executive Officer or Board of Supervisors.

Since the County of Ventura provides LAFCo with fiscal and accounting services, LAFCo's budget is structured similarly to the County budget and much of the same terminology is used by both agencies. For example, both the County's and LAFCo's budget establishes expenditure authorizations (appropriations) by "State Controller objects". The LAFCo budget includes two such objects: "Salary and Employee Benefits" and "Services and Supplies". Within each object, expenditure authorizations are established for specific "accounts", such as "Regular Salaries" in the Salary and Employee Benefits object and "Indirect Cost Recovery" (for cost of County-provide support services) and "Office Supplies" in the Services and Supplies object.

To clearly provide the LAFCo Executive Officer with the authority to make adjustments between expenditure accounts within the same object, such as adjustments between budget appropriations for Office Supplies and Books/Publications expenditures, staff recommends that the Commission add subdivision (b) to Policy 2.3.1.5 as reflected below. As indicated above, this language is consistent with current LAFCo practice and County policy. Staff further recommends that the Commission add subdivision (c) to Policy 2.3.1.5 which would provide authority for the Executive Officer to make adjustments between expenditure objects, such as adjustments between appropriations for Regular Salaries within the Salary and Employee Benefits object and Other Professional (Consultant) Services within the Services and Supplies object. The primary basis for this recommendation stems from the fact that LAFCo meets only once each month and sometimes even less frequently. As a result, it is not always possible to make necessary adjustments to budget expenditure appropriations in a timely manner. In addition, staff believes that granting this new authority to the LAFCo Executive Officer would be consistent with existing County policy, which grants a commensurate level of authority to the County Executive Office. The recommended policy language regarding the control of transfers of budget appropriations is as follows:

2.3.1.5 Budget Adjustments:

(a) The Commission may make adjustments to its budget at any time during the fiscal year, as it deems necessary.

(b) Adjustments between accounts within the same object may be approved by the Executive Officer.

(c) Transfers between expenditure objects may be approved by the Executive Officer.

• ***Proposed Amendment:*** SECTION 2.3.2 FEES

For most applications and other requests for LAFCo action, the current fee schedule requires the payment of an initial deposit from which the cost of actual staff and legal counsel time to process the specific request is deducted. Applicants who submit requests involving total staff/counsel processing charges that exceed the initial deposit are billed for the unpaid balance. Handbook Policy 2.3.2.2 provides as follows:

2.3.2.2 Payment of fees required:

(a) Payment of all fees pursuant to the most recent fee resolution is required for any application to be deemed complete and before a Certificate of Filing is issued.

(b) Whenever a deposit of fees is required pursuant to the fee schedule, the proposal shall not be recorded until all required fees are paid in full.

Failure to pay fees may be cause for denial by the Commission. The Executive Officer shall not issue a Certificate of Completion prior to receipt of any balance of fees due.

Subdivision (a) relates to the requirement to pay an initial deposit and Subdivision (b) requires the payment of charges that exceed the initial deposit amount prior to the issuance of a Certificate of Completion and recordation of that Certificate. As currently worded, both Subdivisions (a) and (b), apply solely to applications for changes of organization or reorganization and therefore do not apply to other requests that LAFCo receives such as out of agency service agreements, fee waivers/reductions, certain requests for reconsideration, and amendments to the Commissioner's Handbook. Staff believes that the intent of these Subdivisions is to require the payment of fees for *all* requests for LAFCo action and it is therefore being recommending that the Commission approve the following changes:

2.3.2.2 Payment of fees required:

- (a) ~~Payment of all fees pursuant to the most recent fee resolution is required for any application to be deemed complete and before a Certificate of Filing is issued. No application or any other request for Commission consideration will be accepted until payment of the entire "Total Initial Payment" pursuant to the most recent fee schedule is received.~~
- (b) ~~Whenever a deposit of fees is required pursuant to the fee schedule, the proposal shall not be recorded until all required fees are paid in full. Failure to pay fees may be cause for denial by the Commission. The Executive Officer shall not issue a Certificate of Completion prior to receipt of any balance of fees due. For a proposal for a change of organization or reorganization, the Executive Officer shall not record the Certificate of Completion until any balance due as reflected on the final invoice is paid in full.~~
- (c) ~~For any request for Commission consideration other than a proposal for a change of organization or reorganization, and except as otherwise required by law, the Executive Officer shall not schedule the matter for Commission consideration until any balance due as reflected on the final invoice is paid in full.~~

The current Fee Schedule identifies fees for each request for LAFCo action except for a request to waive or revise an existing Commissioner's Handbook policy or establish a new policy. Therefore, should the recommended revisions to Section 2.3.2.2 be approved, the Fee Schedule will need to be amended to establish a fee for a request to waive a Commissioner's Handbook policy or otherwise revise the Handbook. Since a public hearing is required to make any revisions to the Fee Schedule and a general review of the Fee Schedule is scheduled to take place this May as part of the budget adoption process, staff recommends that the Fee Schedule be revised at the May, 2010 LAFCo meeting.

- ***Proposed Amendment:*** **SECTION 2.3.4 PAYROLL REPORTING**

The Handbook currently contains no policies regarding employee payroll reporting procedures. Approximately two years ago, the County of Ventura implemented a web-based time reporting process for all employees. Each employee is responsible

for inputting his/her time record using a computer program. Supervisors must then review the employee's time record, also using the electronic reporting system. Upon confirmation of the supervisor's approval, the Payroll Division is authorized to pay the employee. In recognition of the new reporting process and in response to a recommendation by the individuals who conducted LAFCo's last audit, it is recommended that the Commission establish the following policy to reflect staff's current practices with regard to electronic payroll reporting:

2.3.4.1 Internal Processing:

- (a) The Executive Officer shall review, modify if necessary, and approve each employee's time record prior to it being forwarded to the County of Ventura for further processing. In the Executive Officer's absence, the Office Manager shall review, modify if necessary, and approve each employee's time record.
- (b) No employee shall process his/her own time record. The Executive Officer's time record shall be processed by the County of Ventura Auditor Controller Payroll Division. In the Executive Officer's absence, the Office Manager's time record shall be processed by the County of Ventura Auditor Controller Payroll Division.

Amendments to Chapter 6

- ***Proposed Amendment:*** SECTION 2.6.2 EMERGENCY OUT OF AGENCY SERVICE AGREEMENTS

The Government Code allows the Commission to delegate certain authorities to the Executive Officer, among them is the authority to review and act on out of agency service agreements (OASAs). An OASA allows a city or district to provide service outside of its boundaries in anticipation of annexation, or outside of its sphere of influence to address a threat to the health and safety of residents. Pursuant to Handbook Section 2.6.2, the Commission has delegated to the Executive Officer the authority to review and act on requests for OASAs if the requests are:

1. Necessary to address a health-related emergency;
2. Exempt from CEQA; or
3. Subject to CEQA, but for which a negative declaration has been prepared.

If an OASA request is based on a mitigated negative declaration or an EIR, the existing Handbook policy provides that the Commission shall make the final determination.

As noted, the Executive Officer is authorized to act on requests that meet three criteria, only one of which is for a health-related emergency. Thus the section title, "Emergency Out of Agency Service Agreements", is misleading in that it refers to only

emergency OASAs, thus staff is recommending that “Emergency” be removed from the section title.

Other recommended changes are intended to make the section more closely reflect Government Code Section 56133. For instance, regarding emergency OASAs, subsection (a) provides the authority for the Executive Officer to review and act on OASAs that involve the following situations:

Emergency proposals for the purpose of allowing health related emergency sewer and/or water connections.

Pursuant to Section 56133, emergency OASA requests to address health and safety issues apply to only OASAs that propose to extend services outside an agency’s sphere of influence. The extension of services outside an agency’s sphere of influence can be approved only if the service is needed to address a threat to the public health and safety of the residents within the territory to be served. Under no other circumstances can an OASA be approved for an extension of services outside of a sphere of influence. The current policy does not include reference to this provision of law. In addition, the current Handbook policy limits extensions to sewer and water service solely for health related emergencies, but makes no mention of safety-related emergencies, such as a water connection for fire flow. Thus, staff is recommending that the Commission amend Handbook Policy 2.6.2 to make it more closely reflect the provisions of Section 56133 of the Government Code.

Government Code Section 56133 also provides that a final action on an OASA is subject to reconsideration which would also apply to a final action made by the Executive Officer under his/her delegated authority. Currently, the Handbook policy regarding reconsideration (Section 2.1.5) references only Commission actions, not actions made by the Executive Officer under delegated authority. Thus, staff is recommending that Policy 2.6.2 be amended accordingly.

Staff is also recommending that the Commission add a policy to authorize the Executive Officer to defer to the Commission’s final action on an OASA that is otherwise delegated to the Executive Officer if the Executive Officer determines that the proposal involves significant public controversy or may be precedent setting. Currently, there are no such provisions in the Handbook policies that allow for this. This came to staff’s attention during discussions of a possible OASA request that could potentially set a precedent regarding the extension of urban services to accommodate rural uses in agricultural lands. Staff also foresees a potential for some OASAs to be publicly controversial. In such circumstances, it would be more appropriate for the Commission to make such determinations.

The recommended policy language regarding out of agency service agreements is as follows:

SECTION 2.6.2 ~~EMERGENCY~~ OUT OF AGENCY SERVICE AGREEMENTS

2.6.2.1 Delegation of Authority: LAFCo has delegated the authority to review and act on out of agency service agreement applications to the Executive Officer pursuant to Government Code Section 56133(d) for the following out of agency service applications:

- (a) Emergency proposals that authorize a city or district to provide new or extended services outside its sphere of influence in order to respond to an existing or impending threat to the public health or safety of the residents of the affected territory, pursuant to Government Code Section 56133(c). ~~for the purpose of allowing health-related emergency sewer and/or water connections.~~
- (b) Proposals that have been determined to be exempt from the California Environmental Quality Act.
- (c) Proposals that have been determined to be subject to the California Environmental Quality Act, and a Negative Declaration was prepared determining that the proposal would not have a significant effect on the environment and that no mitigation measures are required.

2.6.2.2 Deferral of Delegated Authority: The Executive Officer may defer any decision on an out of agency service agreement application delegated to him/her pursuant to Section 2.6.2.1 of this Handbook to the Commission if he/she determines that the request involves significant public controversy or may be precedent setting.

2.6.2.3 Reconsideration: Pursuant to Government Code §56133(d), the applicant may request reconsideration by the Commission of the Executive Officer's final determination.

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION MAKING VARIOUS
AMENDMENTS TO CHAPTERS 2, 3 AND 6 OF DIVISION
2 – OPERATIONAL POLICIES RELATING TO LEGAL
COUNSEL, BUDGET, EMPLOYEE PAYROLL
REPORTING, AND OUT OF AGENCY SERVICE
AGREEMENTS**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) requires each Local Agency Formation Commission (LAFCo) to adopt written policies and procedures; and

WHEREAS, the Ventura Local Agency Formation Commission (LAFCo) adopted a new and revised Commissioner's Handbook containing its written policies and procedures on January 1, 2002 and readopted it October 17, 2007, and

WHEREAS, the Commission desires to make various amendments to its operational policies relating to legal counsel, budget, employee payroll reporting, and delegation of authority for out of agency service agreements; and

WHEREAS, on February 17, 2010, the public had an opportunity to comment and the Commission considered amendments to the Commission's operational policies;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Ventura Local Agency Formation Commission hereby:

- (1) Amends Division 2 – Operational Policies, Chapter 2 – General Personnel Policies, by amending Section 2.2.3.2 of the Commissioner's Handbook relating to Legal Counsel conflicts of interest as shown on Exhibit A.
- (2) Amends Division 2 – Operational Policies, Chapter 3 – Financial, by amending or adding:
 - (a) Section 2.3.1.3 of the Commissioner's Handbook relating to the preparation and administration of the budget as shown on Exhibit B;
 - (b) Section 2.3.1.4 of the Commissioner's Handbook relating to the budget contingency reserve as shown on Exhibit B;
 - (c) Section 2.3.1.5 of Commissioner's Handbook relating to budget adjustments as shown on Exhibit B
 - (d) Section 2.3.2.2 of the Commissioner's Handbook relating to the submittal of fees shown on Exhibit B;
 - (e) Section 2.3.4 of Commissioner's Handbook relating to payroll reporting as shown on Exhibit B, and

- (3) Amends Division 2 – Operational Policies, Chapter 6 – Delegation of Authorities to Executive Officer, by amending or adding:
 - (a) Section 2.6.2.1 of the Commissioner’s Handbook regarding emergency out of agency service agreements to address health and safety issues as shown on Exhibit C
 - (b) Section 2.6.2.2 of the Commissioner’s Handbook regarding deferral of the Executive Officer’s delegated authority as shown on Exhibit C
 - (c) Section 2.6.2.3 of the Commissioner’s Handbook regarding reconsideration of the Executive Officer’s determination as shown on Exhibit C
- (4) Directs the Executive Officer to compile the amendments to the Commissioner’s Handbook in the form of replacement pages and distribute them to interested parties.

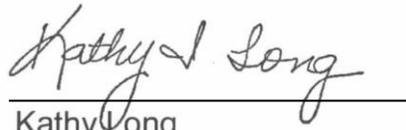
This resolution was adopted on February 17, 2010.

AYES: Commissioners Cunningham, Lange, Long, Morehouse, Parks, Parvin and Pringle

NOES: None

ABSTAINS: None

Dated: 2/17/10



Kathy Long
Vice Chair, Ventura LAFCo

Attachments: Exhibit A
Exhibit B
Exhibit C

c: Ventura County Cities
Ventura County Special Districts

EXHIBIT A

2.2.3.2 Conflict of interest: In the event of any conflict of interest on a matter before the Commission by the County Counsel, or designee, the Commission may appoint an alternate legal counsel pursuant to state law.

EXHIBIT B

2.3.1.3 Preparation and administration:

- (a) The Executive Officer or designee shall serve as budget administrator to prepare, present, transmit, review, execute and maintain the LAFCo budget consistent with state law.
- (b) The Executive Officer shall provide the Commission with a monthly budget report comparing revenues and expenditures to the adopted budget at the next regular meeting of the Commission following staff's receipt of the report from the County Auditor-Controller.

2.3.1.4 Contingency reserve:

- (a) The annual budget shall include a contingency appropriation of 10% of total operating expenses, unless the Commission deems a different amount appropriate.
- (b) Funds budgeted for contingency reserve shall not be used or transferred to any other expense account code without the prior approval of the Commission.
- (c) Whenever the actual year-end closing figures for the LAFCo general fund show that available financing exceeds financing requirements, the excess shall be transferred to an account designated for subsequent years financing. The designated for subsequent years financing account will be considered as a reserve account. The County of Ventura Auditor-Controller, with the concurrence of the Executive Officer, is authorized to transfer an amount equal to the amount of excess financing to this account, which shall be augmented, as funds may be available, until it contains an amount equal to at least 25% of the current year budget. Once the account equals at least 25% of the current budget any remaining funds in excess of the actual fund balance amount may be appropriated for any allowed expense at the Commission's discretion.
- (d) Whenever actual year end closing figures for the LAFCo general fund show that financing requirements exceed available financing, the Executive Officer shall notify the Commission at its next regular meeting. Any associated reductions in appropriations may not be made without prior approval of the Commission.
- (e) Funds in the designation for subsequent years financing account that constitute the LAFCo reserve account shall not be used for any current year's expenses or considered as a financing source for on-going operations without the prior approval of the Commission. It is the intent of the Commission that any funds considered as reserves only be used in the case of extraordinary expenses that could not have been anticipated.

2.3.1.5 Budget adjustments:

- (a) The Commission may make adjustments to its budget at any time during the fiscal year, as it deems necessary.
- (b) Adjustments between accounts within the same object may be approved by the Executive Officer.
- (c) Transfers between expenditure objects may be approved by the Executive Officer.

2.3.2.2 Payment of fees required:

(a) No application or any other request for Commission consideration will be accepted until payment of the entire "Total Initial Payment" pursuant to the most recent fee schedule is received.

(b) For a proposal for a change of organization or reorganization, the Executive Officer shall not record the Certificate of Completion until any balance due as reflected on the final invoice is paid in full.

(c) For any request for Commission consideration other than a proposal for a change of organization or reorganization, and except as otherwise required by law, the Executive Officer shall not schedule the matter for Commission consideration until any balance due as reflected on the final invoice is paid in full.

SECTION 2.3.4 PAYROLL REPORTING

2.3.4.1 Internal Processing:

(a) The Executive Officer shall review, modify if necessary, and approve each employee's time record prior to it being forwarded to the County of Ventura for further processing. In the Executive Officer's absence, the Office Manager shall review, modify if necessary, and approve each employee's time record.

(b) No employee shall process his/her own time record. The Executive Officer's time record shall be processed by the County of Ventura Auditor Controller Payroll Division. In the Executive Officer's absence, the Office Manager's time record shall be processed by the County of Ventura Auditor Controller Payroll Division.

EXHIBIT C

SECTION 2.6.2 OUT OF AGENCY SERVICE AGREEMENTS

2.6.2.1 Delegation of Authority: LAFCo has delegated the authority to review and act on out of agency service agreement applications to the Executive Officer pursuant to Government Code Section 56133(d) for the following out of agency service applications:

- (a) Emergency proposals that authorize a city or district to provide new or extended services outside its sphere of influence in order to respond to an existing or impending threat to the public health or safety of the residents of the affected territory, pursuant to Government Code Section 56133(c).
- (b) Proposals that have been determined to be exempt from the California Environmental Quality Act.
- (c) Proposals that have been determined to be subject to the California Environmental Quality Act, and a Negative Declaration was prepared determining that the proposal would not have a significant effect on the environment and that no mitigation measures are required.

2.6.2.2 Deferral of Delegated Authority: The Executive Officer may defer any decision on an out of agency service agreement application delegated to him/her pursuant to Section 2.6.2.1 of this Handbook to the Commission if he/she determines that the request involves significant public controversy or may be precedent setting.

2.6.2.3 Reconsideration: Pursuant to Government Code §56133(d), the applicant may request reconsideration by the Commission of the Executive Officer's final determination.

STAFF REPORT

Meeting Date: February 17, 2010

Agenda Item 11

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer *KU*

SUBJECT: LAFCo-Initiated Dissolution of County Service Area Number 33 and the Ahmanson Ranch Community Services District

RECOMMENDATION:

1. Determine if the Commission wishes to initiate proceedings for the dissolution of County Service Area Number 33 and/or the Ahmanson Ranch Community Services District.
2. If the Commission wishes to initiate dissolution of one or both districts, direct staff to take the appropriate actions.

BACKGROUND:

In accordance with the provision of state law which requires LAFCos to review and, as necessary, update each sphere of influence every five years, the time is drawing near to review the spheres for the Ahmanson Ranch Community Services District and County Service Area Number 33. Both of these districts were formed as dependent special districts with governance responsibility assigned to the Ventura County Board of Supervisors.

County Service Area Number 33

County Service Area Number 33 (CSA 33) was formed in 1991 for the purpose of providing enhanced funding for parks and recreation facilities within the unincorporated area and includes all of the unincorporated area in the County except for areas within the Conejo, Pleasant Valley and Rancho Simi Recreation and Park Districts (Attachment 1). The District's boundaries and sphere of influence are coterminous. In a 2005 report titled *Municipal Service Review of Recreation and Park Service Providers*, LAFCo noted that CSA 33 was non-functional and had not received any revenue or incurred any expenses

COMMISSIONERS AND STAFF

COUNTY: Kathy Long, Vice Chair Linda Parks <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse Janice Parvin <i>Alternate:</i> Thomas Holden	SPECIAL DISTRICT: George Lange, Chair Gail Pringle <i>Alternate:</i> Vacant	PUBLIC: Lou Cunningham <i>Alternate:</i> Kenneth M. Hess
Executive Officer: Kim Uhlich	Dep. Exec. Officer Kai Luoma	Office Mgr/Clerk: Debbie Schubert	Office Assistant Martha Escandon
			Legal Counsel: Leroy Smith

since 1995. For this reason, the report included a recommendation that the District be dissolved. Based on LAFCo staff's current understanding, nothing has changed with respect to the District's operational or funding status since that time.

Ahmanson Ranch Community Services District

As shown in the attached map (Attachment 2), the Ahmanson Ranch Community Services District (ARCSD) is located in southeastern Ventura County along the Los Angeles County boundary and encompasses an area of approximately 2,784 acres. The District's boundaries and sphere of influence are coterminous. The ARCSD was formed in 1993 for the purpose of providing urban services to an approved but not yet developed residential community. The area subsequently became the focus of intense public debate and litigation regarding its biological value which resulted in a decision by the property owners to abandon their development plans. As a result, the ARCSD was never funded or operated. In 2003, the Santa Monica Mountains Conservancy and the Mountains Recreation and Conservation Authority purchased the property and it was dedicated as permanent public parkland the following year. Now that the State has ownership of the area for the purpose of preserving it in permanent open space, there is clearly no need for the ARCSD to exist.

DISCUSSION:

Pursuant to LAFCo law, the process to dissolve special districts may be initiated by any of the following parties: 1) any local agency whose sphere of influence contains any of the territory proposed to be dissolved; 2) a minimum of ten percent of the property owners or voters living within the district boundaries (via petition); 3) the board of the subject district; or 4) LAFCo. Although there are many other districts whose sphere of influence contains all or part of the territory encompassed by CSA 33 and two districts whose sphere contains the territory encompassed by the ARCSD, it is highly unlikely that any of these agencies would choose to initiate dissolution since they would enjoy no benefit for doing so. Likewise, it is unlikely that a sufficient number of property owners or voters living within the boundaries of either district would be interested in pursuing dissolution.

As indicated in the previous sections of this report, the Ventura County Board of Supervisors (acting in its capacity as the governing board for both districts) could initiate dissolution proceedings. From LAFCo's perspective, staff believes that this option would offer several advantages over a LAFCo-initiated dissolution process. Most importantly, the costs associated with processing the request would be borne by the County rather than LAFCo. Moreover, the cost for LAFCo to initiate the dissolutions would be greater than for the County to do so because LAFCo-initiated dissolutions are subject to additional procedural requirements. To initiate each dissolution proceeding, the County would merely need to submit a resolution from the Board of Supervisors. In contrast, LAFCo would need to prepare a municipal service review before initiating each dissolution proceeding. While LAFCo's 2005 *Municipal Service Review of Recreation*

and Park Service Providers would likely provide sufficient basis to dissolve CSA 33, no such service review has ever been prepared for the ARCSD. Lastly, County-initiated dissolutions would be subject to less stringent protest thresholds. Once a dissolution proposal is filed with LAFCo and, assuming it is approved, LAFCo must conduct a protest hearing. If the number of protests submitted by the affected registered voters or landowners meets a specified threshold, LAFCo is required to conduct an election. For County-initiated dissolutions the protest threshold to trigger an election is 25 percent of the voters or landowners whereas it would be only 10 percent if LAFCo were to initiate. In the case of the ARCSD, protests would not likely be an issue but it is conceivable that a sufficient number of protests to terminate the dissolution of CSA 33 could be submitted. For all of these reasons, LAFCo staff has met with staff from the County Executive Office on at least two occasions over the last several years to encourage the County to initiate the dissolution proceedings. Attachment 3 is a copy of follow up letter sent by LAFCo staff to the County Executive Officer after the most recent meeting on the subject in June, 2009. At that meeting, the County Executive Officer indicated that the County would likely support the dissolutions but further consultation with her staff would be necessary.

Given that LAFCo staff has not heard back from the County Executive Office since June, 2009 and the next five-year deadline to review the spheres of influence for both districts is forthcoming, staff believes that it may be time to consider another option for initiating dissolution. As such, it is recommended that the Commission take the lead to initiate proceedings by directing staff to take the following steps:

1. Contact the County Executive Office to request more definitive feedback regarding the County's position on dissolving CSA 33 and the ARCSD and, if the County is supportive;
2. Work with the appropriate County staff to prepare a municipal service review for the ARCSD; and
3. Work with the appropriate County staff to update the 2005 *Municipal Service Review of Recreation and Park Service Providers* with regard to CSA 33; and
4. Schedule consideration of the dissolutions during a public hearing conducted by the Commission.

Since both districts do not provide any services, staff anticipates that the overall level of effort needed to prepare/update the municipal service reviews would be relatively minimal and would plan to perform the work on time-available basis with priority given to processing applications for changes of organization and any other more time-sensitive matters.

Attachments: (1) Boundary map of County Service Area Number 33
(2) Boundary map of the Ahmanson Ranch Community Services District
(3) Letter dated July 17, 2009 from Kim Uhlich to Marty Robinson



Legend

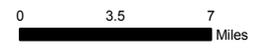
- Service Area Sphere of Influence
- Service Area Boundary
- City Boundary

Ventura LAFCO Ventura County Service Area No. 33

Prepared by County of Ventura - Information Systems Department - GIS Division
State Plane Coordinate System California Zone V - NAD 27

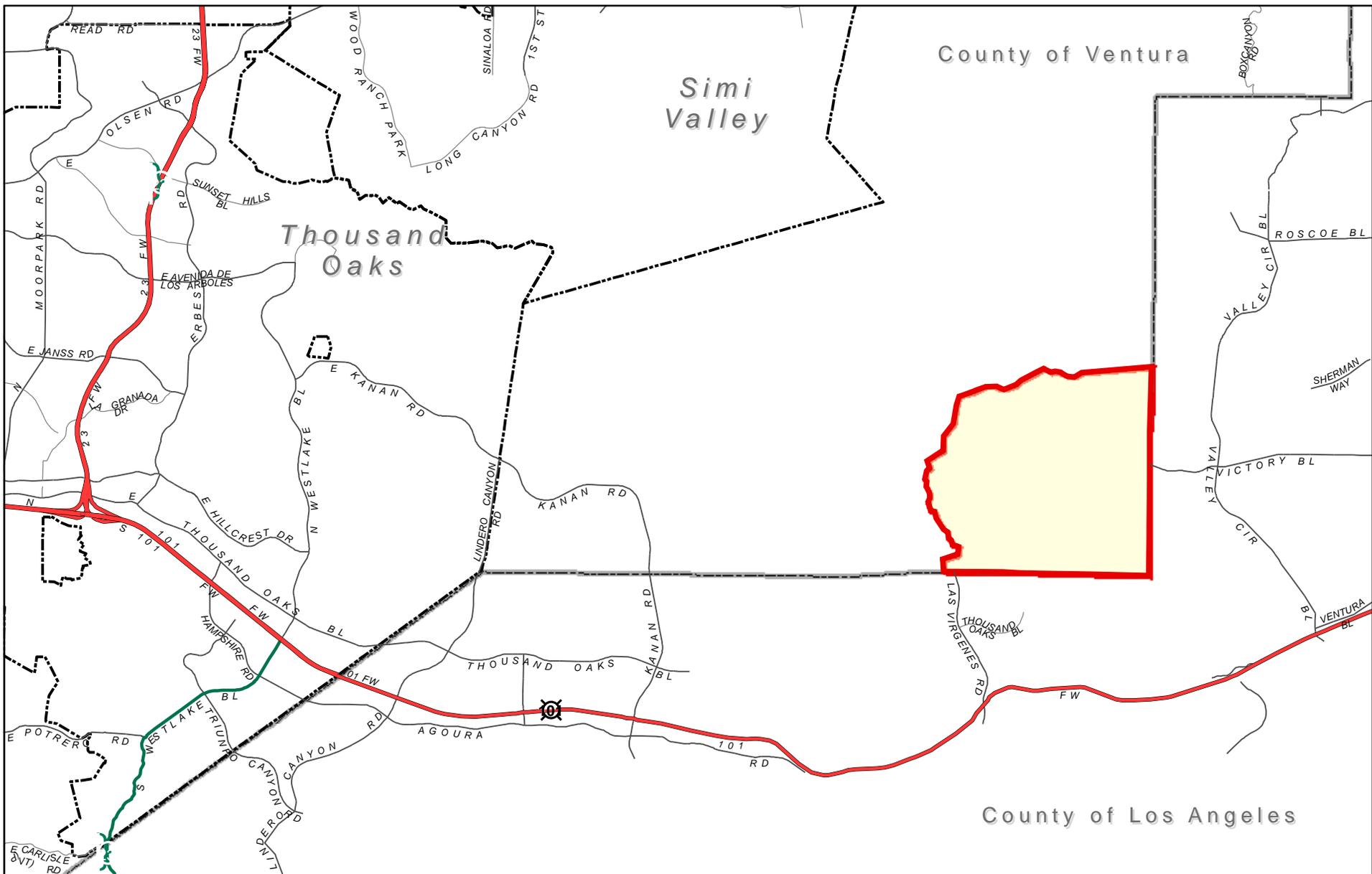
This map was compiled from records and computations

Published: October, 2007



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Legend

-  City Boundary
-  District Boundary
-  District Sphere

County of Ventura

Ahmanson Ranch Community Services District

Prepared by County of Ventura - Information Systems Department - GIS Division

State Plane Coordinate System California Zone V - NAD 27

This map was compiled from records and computations



Published on : February 2, 2006

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