



VENTURA LOCAL AGENCY FORMATION COMMISSION

AGENDA

Wednesday April 22, 2015

9:00 A.M.

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

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Agenda Review
Consider and approve, by majority vote, minor revisions to Commission items and/or attachments and any item added to, or removed/continued from, the LAFCo agenda and changes to the order of business to accommodate a special circumstance.
5. Commission Presentations and Announcements

PUBLIC COMMENTS

6. 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 Speaker 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: Linda Parks John Zaragoza <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse, Vice Chair Janice Parvin <i>Alternate:</i> Carmen Ramirez	DISTRICT: Bruce Dandy Elaine Freeman <i>Alternate:</i> Mary Anne Rooney	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Vacant
Executive Officer Kai Luoma, AICP	Analyst Andrea Ozdy	Office Manager/Clerk Richelle Beltran	Legal Counsel Michael Walker

CONSENT ITEMS

7. Minutes of the Ventura LAFCo March 18, 2015 Meeting
8. LAFCo 15-02 Ojai Valley Sanitary District Annexation – El Toro – Portal – Creek (Parcels A – C)
A proposal for the annexation of six residential properties to the Ojai Valley Sanitary District, for both new and continued public sewer service.
RECOMMENDED ACTION: Approval of Items 7 and 8

PUBLIC HEARING ITEMS

9. LAFCo 15-03 City of Thousand Oaks – Kelley Estates Reorganization (Parcels A – B)
A proposal for a reorganization to annex 10 residential properties within the Kelley Estates community (six of which are developed), as well as portions of La Cam Road and Whitegate Road, to the City of Thousand Oaks. The components of the proposal are as follows: Annexation to the City of Thousand Oaks; detachment from the Ventura County Resource Conservation District; detachment from Ventura County Service Area No. 32; and detachment from the Gold Coast Transit District.
RECOMMENDED ACTION: Approval
10. Sphere of Influence Review/Update
LAFCo 15-04S Conejo Recreation and Park District
Determine that the sphere of influence update for the Conejo Recreation and Park District (CRPD) is exempt from the California Environmental Quality Act (CEQA) pursuant to § 15061(b)(3) of the CEQA Guidelines, review and update the sphere of influence for the CRPD pursuant to Government Code § 56425(g), adopt resolution LAFCo 15-04S making determinations and updating the sphere of influence for the CRPD, and determine that no municipal service review is necessary for the CRPD pursuant to Government Code § 56430(a).
RECOMMENDED ACTION: Approval
11. Review and Adopt the Fee Schedule for Fiscal Year 2015-16
Determine that updates to the current LAFCo Fee Schedule are necessary, and adopt a resolution adopting the LAFCo Fee Schedule for the 2015-2016 fiscal year.
RECOMMENDED ACTION: Approval

PUBLIC HEARING ITEMS, CONTINUED

12. LAFCo Proposed Budget Fiscal Year (FY) 2015-16
Adopt a resolution approving the Proposed Budget for FY 2015-16 and directing staff to transmit the Proposed Budget to the County, each city, and each independent special district.
RECOMMENDED ACTION: Approval

ACTION ITEMS

13. Audited Financial Statements for Fiscal Year Ended June 30, 2014.
Receive and file the audited Annual Financial Report for Fiscal Year ended June 30, 2014.
RECOMMENDED ACTION: Receive and File
14. Agricultural Mitigation Workshop
Provide direction regarding a Ventura LAFCo-sponsored informational workshop concerning agricultural mitigation.
RECOMMENDED ACTION: Approval

EXECUTIVE OFFICER'S REPORT

Next LAFCo meeting May 20, 2015

INFORMATIONAL ITEMS

Application Received:

LAFCo 15-05 Hidden Valley Municipal Water District Latent Power Activation

COMMISSIONERS' COMMENTS

ADJOURNMENT

WEB ACCESS:

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

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

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

Quorum and Voting – The bylaws for the Ventura LAFCo Commissioner's Handbook provide as follows:
1.1.6.1 Quorum: Four (4) members shall constitute a quorum for the transaction of business, but a lesser number may adjourn from time to time.
1.1.6.2 Voting: Unless otherwise provided by law or these By-Laws, four affirmative votes are required to approve any proposal or other action. A tie vote, or any failure to act by at least four affirmative votes, shall constitute a denial.

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

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

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

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



VENTURA LOCAL AGENCY FORMATION COMMISSION
MEETING MINUTES

Wednesday March 18, 2015

Agenda Item 7

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

OPENING

1. **Call to Order**

Chair Parks called the meeting to order at 9:00 A.M.

2. **Pledge of Allegiance**

Commissioner Freeman led the Pledge of Allegiance.

3. **Roll Call**

The following Commissioners were present:

- Commissioner Dandy
- Commissioner Freeman
- Commissioner Morehouse
- Commissioner Parvin
- Chair Parks
- Alt. Commissioner Cunningham
- Alt. Commissioner Ramirez
- Alt. Commissioner Rooney

4. **Agenda Review**

The Commission considered, and approved by unanimous vote, moving Agenda Item 10 (LAFCo Public Member Vacancy) to be heard before Consent Agenda Items 8 and 9.

COMMISSIONERS AND STAFF

COUNTY: Linda Parks, Chair John Zaragoza <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse Janice Parvin <i>Alternate:</i> Vacant	DISTRICT: Bruce Dandy Elaine Freeman <i>Alternate:</i> Mary Anne Rooney	PUBLIC: Vacant <i>Alternate:</i> Lou Cunningham
Executive Officer Kai Luoma, AICP	Analyst Andrea Ozdy	Office Manager/Clerk Richelle Beltran	Legal Counsel Michael Walker

OPENING, CONTINUED

5. Election of Officers for 2015 (Continued from January 21, 2015)

Motion: Elect Public Member, Lou Cunningham, as Chair
Moved by Elaine Freeman, seconded by Carl Morehouse

Vote: Motion carried 5-0

Yes: Bruce Dandy, Elaine Freeman, Carl Morehouse, Janice Parvin, and Linda Parks

Abstain: Lou Cunningham

Motion: Elect City Member, Carl Morehouse, as Vice-Chair
Moved by Janice Parvin, seconded by Linda Parks

Vote: Motion carried 5-0

Yes: Lou Cunningham, Bruce Dandy, Elaine Freeman, Janice Parvin, and Linda Parks

Abstain: Carl Morehouse

6. Commission Presentations and Announcements

Chair Cunningham welcomed newly-appointed City Alternate Member, Carmen Ramirez, to the Commission.

7. Public Comments

There were no public comments.

CONSENT ITEMS

8. Minutes of the Ventura LAFCo January 21, 2015 Meeting

9. Budget to Actual Reports: January and February 2015

Motion: Approve Item 8 and Receive and File Item 9 as recommended
Moved by Linda Parks, seconded by Janice Parvin

Vote: Motion carried 6-0

Yes: Bruce Dandy, Elaine Freeman, Carl Morehouse, Linda Parks, Janice Parvin, and Lou Cunningham

ACTION ITEMS

10. **LAFCo Public Member Vacancy**

Kai Luoma presented the staff report and the following persons gave public comment:
Robert Babbitt and Don Jensen.

Motion: a. Appoint the current alternate public member to fill the current vacant public member seat for the remainder of unexpired term; and
b. Direct staff to initiate a process to recruit and select a new alternate public member to fill the vacant alternate public member seat that would be created by the appointment of the alternate public member as the public member.

Moved by Carl Morehouse, seconded by Elaine Freeman

Vote: Motion carried 5-0

Yes: Bruce Dandy, Elaine Freeman, Carl Morehouse, Linda Parks, and Janice Parvin

Abstain: Lou Cunningham

Motion: Return to the Commission with a revised Commission policy to include language defining the qualifications for the Public Member seat as well as measures to attract geographical, gender, and cultural diversity to the Public Member seat on the Commission.
Moved by Linda Parks, seconded by Bruce Dandy

Vote: Motion carried 6-0

Yes: Bruce Dandy, Elaine Freeman, Carl Morehouse, Linda Parks, Janice Parvin, and Lou Cunningham

PUBLIC HEARING ITEMS

11. **Sphere of Influence Reviews/Updates**

Bell Canyon Community Services District (BCCSD)
Pleasant Valley Recreation and Park District (PVRPD)
Rancho Simi Recreation and Park District (RSRPD)
Fox Canyon Groundwater Management Agency (FCGMA)
Ventura County Services Area No. 4 (CSA 4)
Ventura County Services Area No. 14 (CSA 14)
Ventura County Services Area No. 34 (CSA 34)
Ventura Regional Sanitation District (VRSD)

Chair Cunningham opened the public hearing. Andrea Ozdy presented the staff report.
With no public speakers, Chair Cunningham closed the public hearing.

Motion: Approve staff recommendations

Moved by Carl Morehouse, seconded by Bruce Dandy

Vote: Motion carried 6-0

Yes: Bruce Dandy, Elaine Freeman, Carl Morehouse, Linda Parks, Janice Parvin, and Lou Cunningham

PUBLIC HEARING ITEMS, CONTINUED

12. Sphere of Influence Reviews/Updates

LAFCo 15-01S Waterworks District No. 8 Sphere of Influence Review and Update

Chair Cunningham opened the public hearing. Andrea Ozdy presented the staff report. With no public speakers, Chair Cunningham closed the public hearing.

Motion: Approve staff recommendations

Moved by Linda Parks, seconded by Janice Parvin

Vote: Motion carried 6-0

Yes: Bruce Dandy, Elaine Freeman, Carl Morehouse, Linda Parks, Janice Parvin, and Lou Cunningham

ACTION ITEMS, CONTINUED

13. Agricultural Mitigation Workshop

Kai Luoma made the presentation. The Commission directed staff to schedule the workshop in Camarillo with a broad range of invitees; and amend the draft workshop agenda to include: (1) that one of the reasons for the workshop shall be to provide a legal analysis of agricultural easements to be evaluated in environmental documents; and (2) a discussion of case law regarding agricultural mitigation requirements.

No Action Taken

14. Reschedule the April 15 Regular LAFCo Meeting

Kai Luoma presented the staff report.

Motion: Approve staff recommendation

Moved by Janice Parvin, seconded by Elaine Freeman

Vote: Motion carried 6-0

Yes: Bruce Dandy, Elaine Freeman, Carl Morehouse, Linda Parks, Janice Parvin, and Lou Cunningham

EXECUTIVE OFFICER'S REPORT

The next LAFCo meeting is scheduled for April 22, 2015.

COMMISSIONERS' COMMENTS

Commissioner Dandy announced that he will not be attending the April 22, 2015 meeting. He requested the Sphere of Influence Review/Update for the City of Santa Paula be revisited at the May 20, 2015 meeting.

COMMISSIONERS' COMMENTS, CONTINUED

Commissioner Morehouse commented that this is the 50th Anniversary of Southern California Association of Governments (SCAG) of which he is President, and encourages participation in SCAG.

Commissioner Cunningham thanked the Commission for its confidence in electing him as Chair and announced that this will be his last term serving on the Commission.

ADJOURNMENT

Chair Cunningham adjourned the meeting at 10:12 A.M.

These Minutes were approved on April 22, 2015.

- Motion: _____
- Second: _____
- Yes: _____
- No: _____
- Abstain: _____

Date **Lou Cunningham, Chair, Ventura Local Agency Formation Commission**



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: April 22, 2015

(Consent)

Agenda Item 8

LAFCo Case: LAFCo 15-02 Ojai Valley Sanitary District Annexation – El Toro - Portal - Creek (Parcels A - C).

Proposal: The proposal is the request for the annexation of six residential properties to the Ojai Valley Sanitary District (OVSD), for both new and continued public sewer service.

Size: Approximately 10.07 acres

- Parcel A = 7.93 acres
- Parcel B = 1.1 acres
- Parcel C = 1.04 acres

Location: The proposal area consists of six Assessor's Parcel Numbers (APNs) in three separate locations within the unincorporated Ojai area (as well as a portion of Portal Street) (see Attachment 1):

Parcel A:

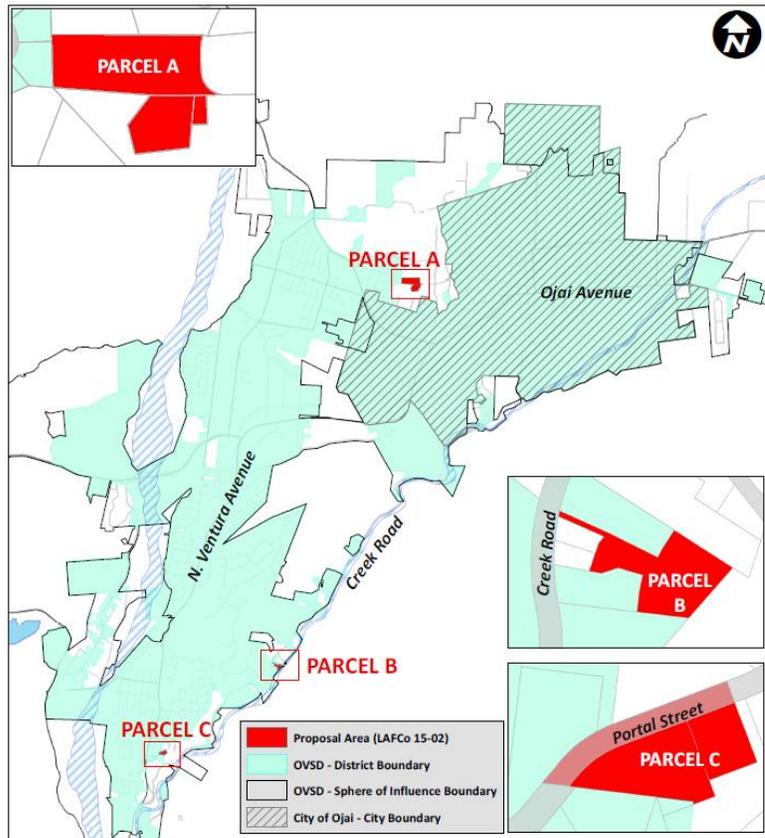
- APN 019-0-062-190
1190 El Toro Road
- APN 019-0-082-200
1190 El Toro Road
- APN 019-0-082-220
1190 El Toro Road

Parcel B:

- APN 034-0-050-265
10676 Creek Road

Parcel C:

- APN 034-0-142-405 (portion)
190 Portal Street
- APN 034-0-142-320
192 Portal Street



COMMISSIONERS AND STAFF

COUNTY:
Linda Parks
John Zaragoza
Alternate:
Steve Bennett

CITY:
Carl Morehouse, Vice Chair
Janice Parvin
Alternate:
Carmen Ramirez

DISTRICT:
Bruce Dandy
Elaine Freeman
Alternate:
Mary Anne Rooney

PUBLIC:
Lou Cunningham, Chair

Alternate:
Vacant

Executive Officer:
Kai Luoma, AICP

Analyst
Andrea Ozdy

Office Manager/Clerk
Richelle Beltran

Legal Counsel
Michael Walker

The site is within the sphere of influence of the OVSD, and Parcel A is within the sphere of influence of the City of Ojai. No sphere of influence amendments are requested or required in order to accomplish the change of organization (i.e., annexation).

Proponent: OVSD, by resolution.

Notice: This matter has been noticed as prescribed by law.

Recommendations:

1. Determine that the action to approve the change of organization request is exempt under California Environmental Quality Act (CEQA) Guidelines § 15302; and
2. Adopt the attached resolution LAFCo 15-02 making determinations and approving the Ojai Valley Sanitary District Annexation – El Toro - Portal - Creek (Parcels A - C).

Description of Proposal:

Request:

In February 2015, the OVSD Board of Directors adopted a resolution of application to LAFCo for the annexation of various properties to the OVSD, consisting of three separate areas:

Parcel A:

Parcel A is developed with two single-family residences and contains failing septic systems. Annexation to the OVSD will allow the property owners to abandon the existing septic systems in favor of public sewer service. APNs 019-0-062-190, 019-0-082-200 and 019-0-082-220 comprise Parcel A.

Parcel B:

Parcel B consists of a single vacant lot that has been approved for development for a new single-family residence. APN 034-0-050-265 comprises Parcel B.

Parcel C:

Parcel C consists of two separate properties that are each developed with a single-family residence and have been served by the public sewer since 1977, initially by the Oak View Sanitary District. (OVSD was created as a result of the consolidation of the Oak View Sanitary District and several other agencies that provided public sewer service.) As a result of the proposed annexation, the OVSD's boundary would accurately reflect its service area and include territory that is being served by the OVSD. Parcel B includes the portion of Portal Street that is contiguous to the two properties proposed to be annexed to the OVSD. Parcel C is composed APN 034-0-142-320, a portion of APN 034-0-142-405, and the contiguous portion of Portal Street.

LAFCo 15-02 Ojai Valley Sanitary District Annexation – El Toro - Portal - Creek (Parcels A - C)

April 22, 2015

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On February 26, 2015, the OVSD submitted the subject application to LAFCo, requesting that LAFCo approve an annexation to include the subject territory in the OVSD’s boundary. The proposal does not include or require any other LAFCo actions (i.e., annexations or detachments) to accomplish the proposed annexation.

General Analysis:

Government Code § 56668 identifies several factors that the Commission must consider as part of its review of a proposal. These factors are discussed below.

1. Land Use and Population [Government Code §§ 56668(a), 56668(g), and 56668(n)]

Land Area, Land Use, and Consistency with Plans

The proposal area and surrounding properties consist of the specified uses, and are designated and zoned as follows:

	Current Use	General Plan	Ojai Area Plan	Zoning
Proposal Area (Parcel A)	Single-Family Residential	Rural – Urban Reserve	Rural Residential, 2-5 acre minimum parcel size	RO-2 ac (Single-Family Estate, 2 acre minimum parcel size)
North	Single-Family Residential	Rural – Urban Reserve	Rural Residential, 2-5 acre minimum parcel size	RO-2 ac (Single-Family Estate, 2 acre minimum parcel size)
South	Single-Family Residential	Rural – Urban Reserve	Rural Residential, 2-5 acre minimum parcel size	RO-2 ac (Single-Family Estate, 2 acre minimum parcel size)
East	Single-Family Residential	Rural – Urban Reserve	Rural Residential, 2-5 acre minimum parcel size	RO-2 ac (Single-Family Estate, 2 acre minimum parcel size)
West	Single-Family Residential	Rural – Urban Reserve	Rural Residential, 2-5 acre minimum parcel size	RO-2 ac (Single-Family Estate, 2 acre minimum parcel size)

	Current Use	General Plan	Ojai Area Plan	Zoning
Proposal Area (Parcel B)	Single-Family Residential (Approved, Unbuilt)	Rural	Rural Residential, 2-5 acre minimum parcel size	RE-2 ac (Rural Exclusive, 2 acre minimum parcel size)
North	Single-Family Residential	Rural	Rural Residential, 2-5 acre minimum parcel size	RE-2 ac (Rural Exclusive, 2 acre minimum parcel size)
South	Single-Family Residential	Rural	Rural Residential, 2-5 acre minimum parcel size	RE-2 ac (Rural Exclusive, 2 acre minimum parcel size)
East	Single-Family Residential	Rural	Rural Residential, 2-5 acre minimum parcel size	RE-2 ac (Rural Exclusive, 2 acre minimum parcel size)
West	Vacant	Rural	Rural Residential, 5-10 acre minimum parcel size	RE-5 ac (Rural Exclusive, 5 acre minimum parcel size)

	Current Use	General Plan	Ojai Area Plan	Zoning
Proposal Area (Parcel C)	Single-Family Residential	Existing Community	Urban Residential, 1-2 dwelling units per acre	RE-1 ac (Rural Exclusive, 2 acre minimum parcel size)
North	Single-Family Residential	Existing Community	Urban Residential, 2-4 dwelling units per acre	RE-10,000 sq.ft. (Rural Exclusive, 10,000 sq.ft. minimum parcel size)
South	Single-Family Residential	Existing Community	Urban Residential, 1-2 dwelling units per acre	RE-1 ac (Rural Exclusive, 2 acre minimum parcel size)
East	Single-Family Residential	Existing Community	Urban Residential, 1-2 dwelling units per acre	RE-1 ac (Rural Exclusive, 2 acre minimum parcel size)
West	Single-Family Residential	Existing Community	Urban Residential, 2-4 dwelling units per acre	R1-15,000 sq.ft. (Single-Family Residential, 15,000 sq.ft. minimum parcel size)

The subject proposal will not affect surrounding zoning or General Plan designations. The County of Ventura establishes the allowable land uses for territory within its jurisdiction. Based on application materials submitted, it appears that the proposed development is consistent with the County's General Plan.

Likelihood of Growth in the Area

The proposal area is in the unincorporated County area in the vicinity of the City of Ojai. Parcel A has been designated by the County General Plan for rural residential use. It is within the City of Ojai's sphere of influence (the probable physical boundary and service area, as defined in Government Code § 56076); however, the City's General Plan has not designated any land uses for this area. It contains single-family residential development, and is surrounded by other similarly developed territory within the City's sphere of influence. Parcels B and C have been designated for residential development by the County's General Plan, contain existing and approved single-family residential development, and are surrounded by other similarly developed territory within the County.

Topography, Natural Features and Drainage

The proposal area contains existing and proposed residential development, is generally level, and each of the subject properties contains several mature trees. Parcel A includes an approximately 3-acre orchard, and Parcel B abuts San Antonio Creek to the southeast.

Population

According to the County Registrar of Voters, there are fewer than 12 registered voters in the proposal area. As such, the annexation proposal area is considered to be uninhabited, pursuant to Government Code § 56046.

Regional Transportation Plan

As noted above, Parcels A and C are developed with existing single-family residences. Parcel B is currently undeveloped but is approved for development of a new residence. LAFCo staff did not identify any conflicts of the proposal (specifically, the addition of one new residence on land planned for residential use) related to the contents of the Regional Transportation Plan (adopted by the Southern California Association of Governments in 2012).

2. Services and Controls – Need, Cost, Adequacy and Availability [Government Code §§ 56668(b), 56668(j), and 56668(k)]

As discussed above, the OVSD provides sanitary sewer collection and treatment service in the Ojai Valley and Ventura River Valley, north of the City of Ventura. The proposal area involves the annexation of land to the OVSD that is in the unincorporated County area. Within the proposal area, the following public services are provided:

- Fire Protection (Ventura County Fire Protection District)
- Law Enforcement (Ventura County Sheriff)

- Water (Casitas Municipal Water District)
- Wastewater (OVSD)
- Flood Control (Ventura County Watershed Protection District)
- Street Maintenance (Ventura County Transportation Department)
- Recreation and Parks (Ventura County Parks Department)
- Library (Ventura County Library)
- Schools (Ojai Unified School District and Ventura Unified School District)

The County of Ventura established the allowable land uses for the proposal area. It appears that the proposed development is consistent with the County's General Plan. Other than the increase in demand for sewer service, no increase in demand for or impacts to these services would result from the proposed annexation to the OVSD.

With approval of the subject proposal, the OVSD would continue to provide wastewater collection and treatment service to Parcel C, and would provide new public sewer service to Parcels A and B. No sewer trunkline or mainline extensions are necessary in order to accommodate the proposed annexation.

Sewer system maintenance would continue to be provided by the OVSD, funded through regular sewer service fees. All hook-up fees for connection to the OVSD have been collected. The OVSD has a treatment capacity of 3 million gallons per day (mgd), with average daily flows of approximately 1.7 mgd. The proposal will generate approximately 1,000 gallons per day (gpd), and existing capacity can accommodate all existing and approved but as-of-yet unbuilt development projects within the OVSD. Therefore, it appears that the OVSD's treatment plant has adequate capacity to serve development within the proposal area.

3. Effect of Proposed Action and Alternative Actions [Government Code § 56668(c)]

Staff has not identified any effects of the proposal on adjacent areas, mutual social and economic interests, or the local government structure of the County.

4. Conformity with Adopted Commission Policies [Government Code § 56668(d)]

The proposal is consistent with all the Commission policies for changes of organization that are contained in the LAFCo Commissioner's Handbook (Handbook).

5. Impact on Prime Agricultural Land and Agriculture and Open Space [Government Code §§ 56668(d), 56668(e), and 56377]

Prime Agricultural Land and Agriculture

In evaluating impacts to agricultural resources, LAFCo must apply the definition of prime agricultural land found in LAFCo law (Government Code § 56064), which includes standards relating to the value of agricultural products and the soils classification determined by the Natural Resources Conservation Service (NRCS). Approximately three acres of Parcel A, ½ acre of Parcel B, and none of Parcel C are considered to be prime farmland. The approximately 3.5 acres of prime agricultural land associated with the subject proposal is divided between two separate areas and does not constitute a single agricultural area. The County's Land Conservation Act program establishes nine acres or prime farmland as the minimum for a property to be considered to be a viable commercial agricultural operation.

Open Space

In evaluating impacts to open space land, LAFCo must utilize the definition of open space found in LAFCo law (Government Code § 56059). The proposal area is not designated by either the County or the City as open space, and therefore does not meet the definition of open space provided in LAFCo law.

6. Boundaries and Lines of Assessment [Government Code § 56668(f)]

Map Review by County Surveyor

County Surveyor review and certification of the map and legal description are required in order to record the Certificate of Completion (pursuant to Government Code § 57201) and to file the statement of boundary change with the State Board of Equalization (pursuant to Government Code § 57204). As such, the draft resolution (Attachment 3) includes a condition that predicates recordation of a Certificate of Completion upon the approval of a map and legal description by the County Surveyor. As of the date of this staff report, review of the map and legal description is in progress but has not yet been completed.

Legal Lot and Lines of Assessment

Handbook Sections 3.1.4.2 and 3.1.4.3 provide that the boundaries of a proposal shall follow lines of assessment or ownership, and that a proposal shall involve only legal lots. The proposal boundaries follow lines of assessment and ownership, and staff has no information to indicate that the lots were not legally created. These provisions do not apply to roads.

7. Applicable Spheres of Influence [Government Code § 56668(h)]

Parcel A is located within the sphere of influence of the City of Ojai. Neither Parcels B nor C are located within the City’s sphere of influence. No sphere amendments are required in order to accomplish the proposed annexation, as the entire proposal area is within the OVSD sphere of influence. The proposal area is also within the spheres of influence of Casitas Municipal Water District, Ventura County Resource Conservation District, Ventura County Fire Protection District, Ventura County Watershed Protection District, Ventura Regional Sanitation District, Gold Coast Transit District, and Ventura County Service Area Nos. 14, 32, and 33. No spheres of influence would be affected by the proposal.

8. Regional Housing Needs [Government Code § 56668(l)]

The proposal does not involve the creation of any parcels for residential use. Additionally, pursuant to the application materials submitted, the County’s General Plan Housing Element does not identify the proposal area as being necessary in order for the County to meet its regional housing needs obligation.

9. Environmental Justice [Government Code § 56668(o)]

Approval of the proposal would not result in the unfair treatment of any person based on race, culture or income with respect to the provision of municipal services to the proposal area. Staff did not identify any issues regarding environmental justice.

10. Comments and Additional Information [Government Code §§ 56668(i) and 56668(m)]

As of the date of this report, no information or comments have been submitted by any affected local agency or other public agency, landowners, voters, or residents of the affected territory.

California Environmental Quality Act (CEQA):

Staff recommends that the Commission find that the requested annexation to allow for sewer service to the proposal area is exempt from CEQA pursuant to CEQA Guidelines §§ 15303 and 15319, as the proposal area is located within an area planned for urban residential use. The draft resolution contains a finding that the proposed action is exempt from CEQA, as described above.

Commission Proceedings – Process Considerations:

Pursuant to Government Code § 56662(a), the Commission may make determinations on the proposal without notice and a hearing and can waive protest proceedings entirely if the following criteria are met:

- (1) The territory is uninhabited.
- (2) An affected local agency has not submitted a written demand for notice and hearing during the 10-day period following the issuance of the notice of Receipt of Application.
- (3) The proposal is accompanied by proof, satisfactory to the Commission, that all the owners of land within the affected territory have given their written consent to the proposal.

According to the County Registrar of Voters, there is one registered voter who resides within the proposal area. As such, the proposal area is considered to be uninhabited (Government Code § 56046). No affected agency has submitted a written demand for notice and hearing. The property owners of the land within the proposal area are the proponents of the requested annexation. Staff recommends that the Commission consider the proposal without notice and a hearing, and waive protest proceedings entirely. The draft resolution approving the annexation contains the appropriate language to waive protest proceedings.

Alternative Actions Available:

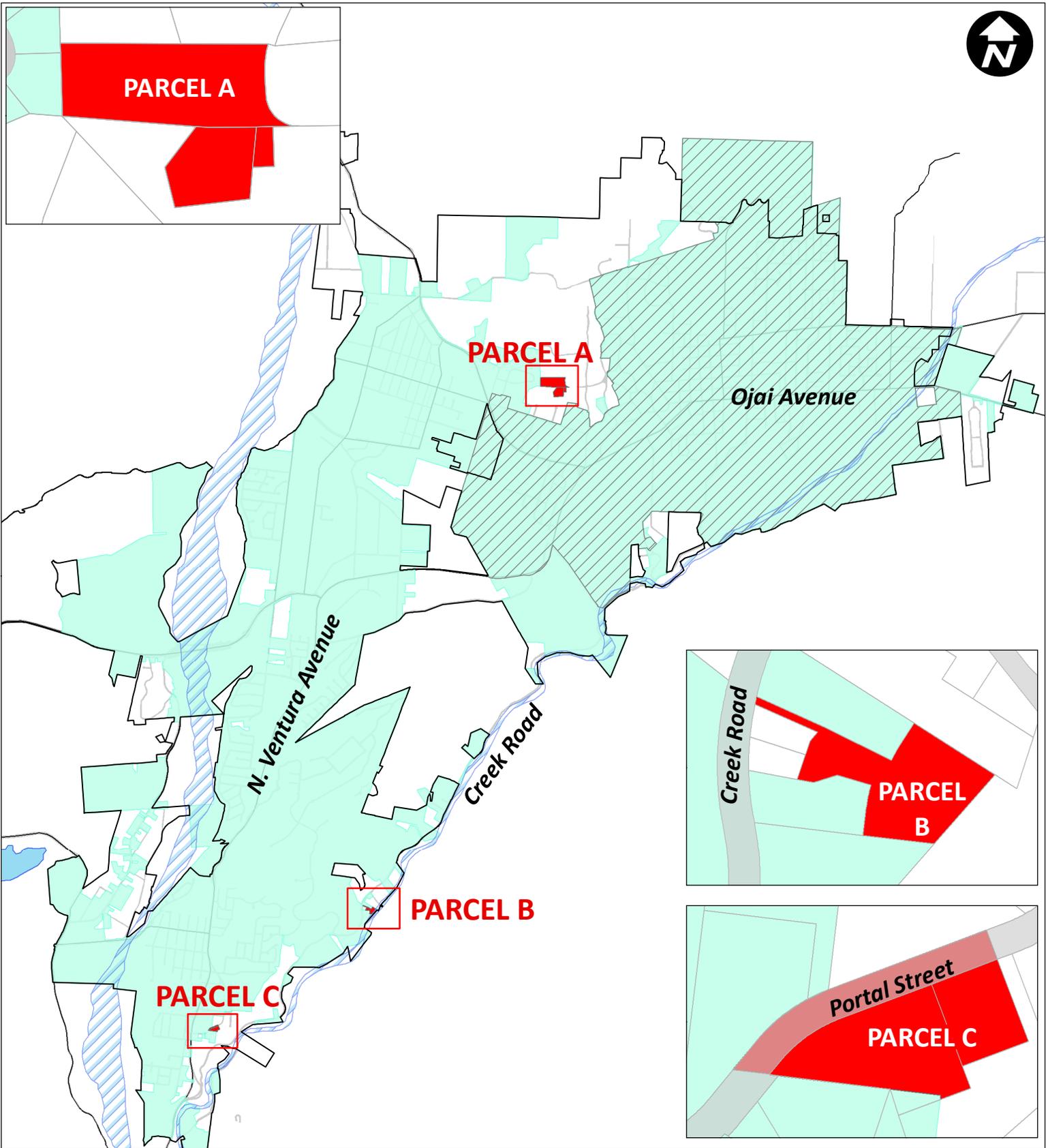
- A. If the Commission, following public testimony and review of the materials submitted, determines that further information is necessary, an action to continue the hearing should include the specific information desired and specify a date certain for further consideration.
- B. If the Commission, following public testimony and review of the materials submitted, determines that the proposal should be approved subject to any changes or additions to the terms and conditions recommended, an action to approve should clearly specify any changes or additions to the terms and conditions of approval.
- C. If the Commission, following public testimony and review of materials submitted, wishes to deny or modify the change of organization proposal, the action should include direction that the matter be continued to the next meeting and that staff prepare a new report consistent with the evidence submitted and the anticipated decision.

BY: Andrea Ozdy
Andrea Ozdy
Analyst

Attachments:

1. Proposal Area Map/Location Map
2. Aerial Photos of Proposal Area
3. LAFCo 15-02 Resolution

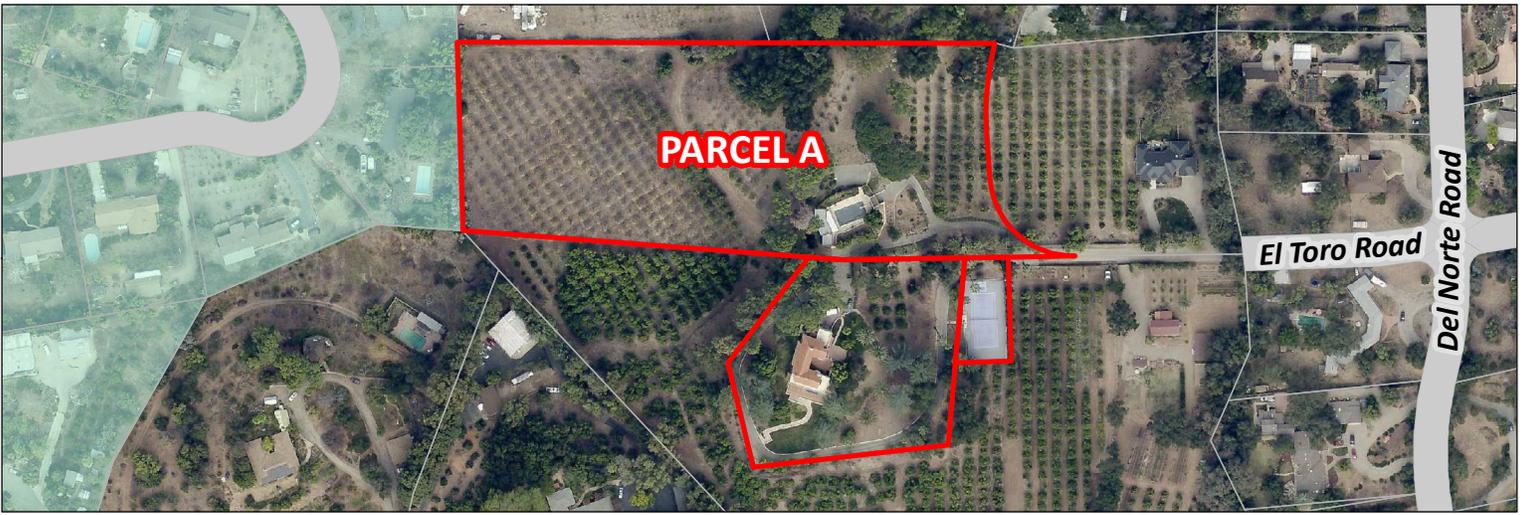
LAFCo makes every effort to offer legible map files with the online and printed versions of our reports; however, sometimes the need to reduce oversize original maps and/or other technological/software factors can compromise readability. Original maps are available for viewing at the LAFCo office by request.



- Proposal Area (LAFco 15-02)
- OVSD - District Boundary
- OVSD - Sphere of Influence Boundary
- City of Ojai - City Boundary

Ojai Valley Sanitary District (OVSD)
LAFco 15-02
OVSD Annexation - El Toro - Portal - Creek (Parcels A - C)
April 22, 2015
Attachment 1





-  Proposal Area (LAFCo 15-02)
-  OVSD - District Boundary

Ojai Valley Sanitary District (OVSD)
 LAFCo 15-02
 OVSD Annexation - El Toro - Portal - Creek (Parcels A - C)
 April 22, 2015
 Attachment 2



LAFCO 15-02**RESOLUTION OF THE VENTURA LOCAL AGENCY FORMATION
COMMISSION MAKING DETERMINATIONS AND APPROVING THE
OJAI VALLEY SANITARY DISTRICT ANNEXATION – EL TORO -
PORTAL - CREEK (PARCELS A - C)**

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the Ventura Local Agency Formation Commission (LAFCo or Commission) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (§ 56000 et seq. of the California Government Code); and

WHEREAS, notice was provided at the times and in the manner required by law; and

WHEREAS, the proposal was duly considered on April 22, 2015; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the proposal including, but not limited to, the LAFCo Staff Report and recommendation, the environmental document, spheres of influence and applicable local plans and policies; and

WHEREAS, all landowners within the affected territory have consented to the proposal; and

WHEREAS, the affected territory has fewer than twelve registered voters and is considered uninhabited; and

WHEREAS, information satisfactory to the Commission has been presented that no subject or affected agencies have submitted written opposition to the proposal; and

WHEREAS, the Commission finds the proposal to be in the best interest of the landowners and present and future inhabitants within the County of Ventura and within the affected territory, and the organization of local governmental agencies within Ventura County; and

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

- (1) The LAFCo Staff Report dated April 22, 2015 and recommendation for approval of the proposal are adopted.
- (2) The reorganization is hereby approved, and the boundaries are established as generally set forth in the attached Exhibit A.

- (3) The boundaries of the proposal are found to be definite and certain as approved.
- (4) The subject proposal is assigned the following distinctive short form designation: **LAFCO 15-02 OJAI VALLEY SANITARY DISTRICT ANNEXATION – EL TORO - PORTAL - CREEK (PARCELS A - C).**
- (5) In accordance with staff's recommendation that the subject proposal is exempt from the California Environmental Quality Act (CEQA) pursuant to §§ 15303 and 15319 of the CEQA Guidelines, the Commission hereby finds the reorganization to be categorically exempt.
- (6) The Commission directs staff to file a Notice of Exemption under § 15062 of the CEQA Guidelines.
- (7) The affected territory is uninhabited as defined by Government Code § 56046.
- (8) Pursuant to Government Code § 56662(a), the territory is uninhabited, no affected local agency has submitted a written demand for notice and hearing, and all the owners of land within the affected territory have given their written consent to the proposal. The Commission hereby makes determinations upon the proposal without notice and hearing, and waives protest proceedings entirely.
- (9) The affected territory shall be liable for all taxes, charges, fees or assessments that are levied on similar properties within the Ojai Valley Sanitary District.
- (10) **This reorganization shall not be recorded until all LAFCo fees have been paid and until fees necessary for filing with the State Board of Equalization have been submitted to the LAFCo Executive Officer.**
- (11) **This reorganization shall not be recorded until a map and legal description consistent with this approval and suitable for filing with the State Board of Equalization have been submitted to the LAFCo Executive Officer.**

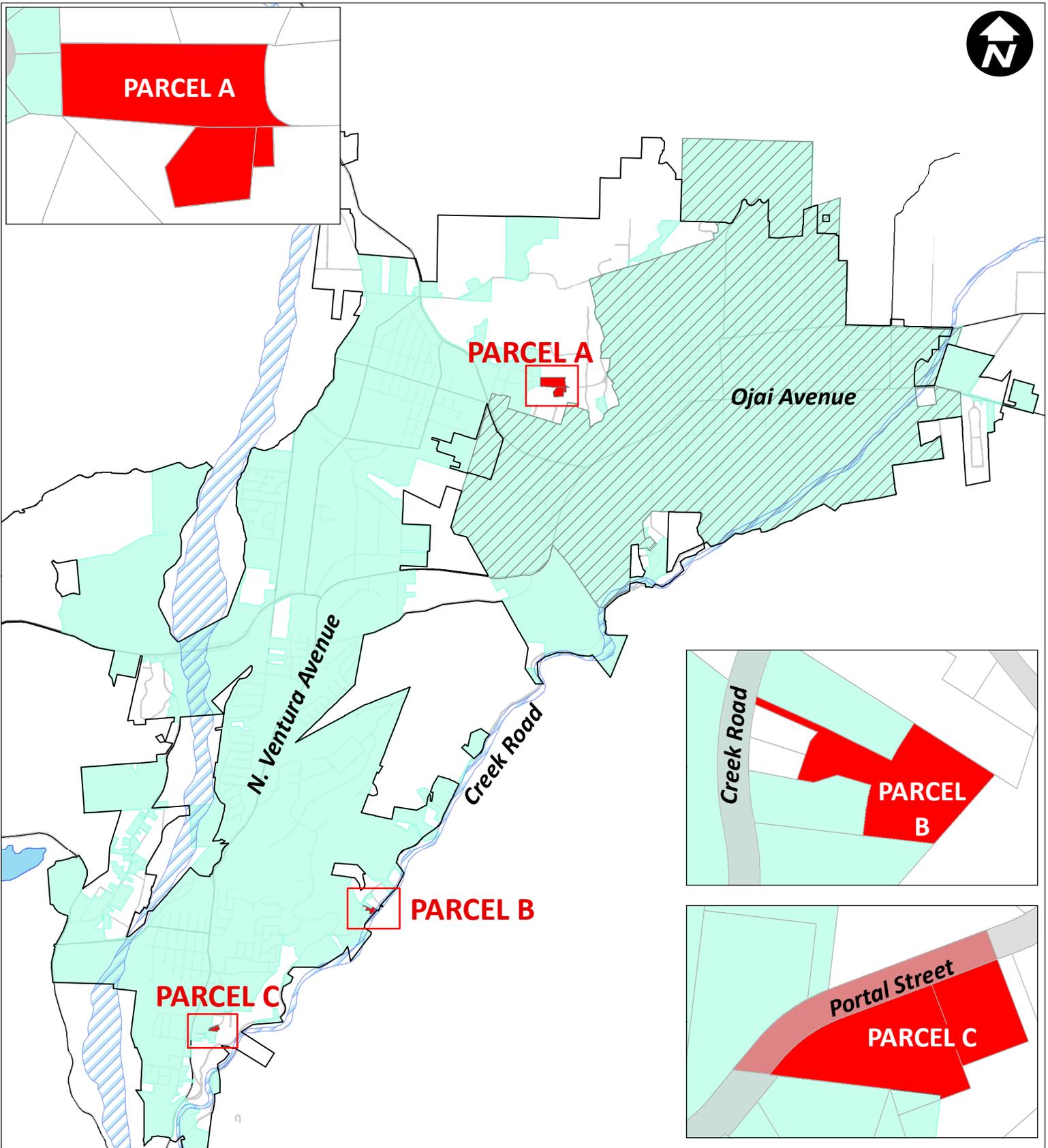
This resolution was adopted on April 22, 2015.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Zaragoza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ramirez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date **Lou Cunningham, Chair, Ventura Local Agency Formation Commission**

Attachment: Exhibit A

Copies: Ojai Valley Sanitary District
Ventura County Surveyor
Ventura County GIS Officer



- Proposal Area (LAFco 15-02)
- OVSD - District Boundary
- OVSD - Sphere of Influence Boundary
- City of Ojai - City Boundary

Ojai Valley Sanitary District (OVSD)
LAFco 15-02
OVSD Annexation - El Toro - Portal - Creek (Parcels A - C)
April 22, 2015
Exhibit A





VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

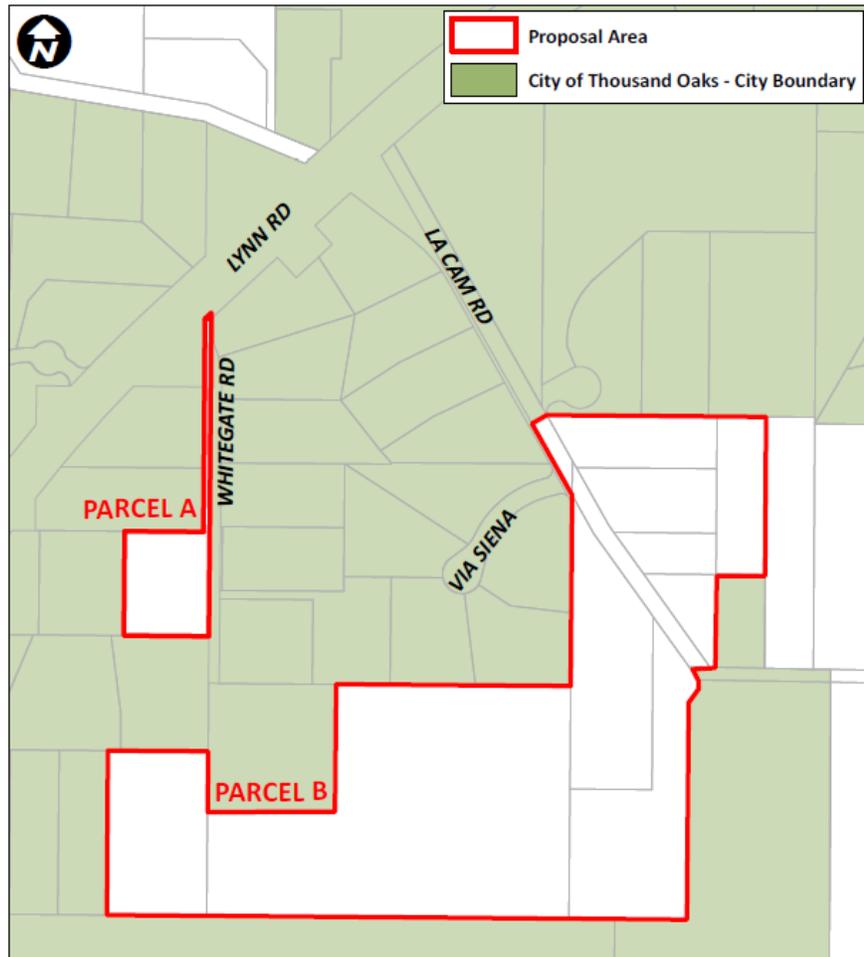
Meeting Date: April 22, 2015

Agenda Item 9

LAFCo Case: LAFCo 15-03 City of Thousand Oaks Reorganization – Kelley Estates (Parcels A - B)

Proposal: The proposal is for a reorganization to annex 10 residential properties within the Kelley Estates community (six of which are developed), as well as portions of La Cam Road and Whitegate Road, to the City of Thousand Oaks. The components of the proposal are as follows:

- Annexation to the City of Thousand Oaks
- Detachment from the Ventura County Resource Conservation District (VCRCD)
- Detachment from Ventura County Service Area No. 32 (CSA 32)
- Detachment from the Gold Coast Transit District (GCTD)



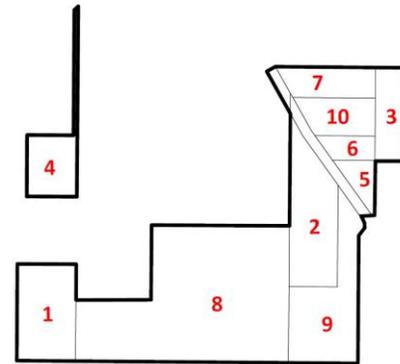
Size: Approximately 22 acres.

COMMISSIONERS AND STAFF

COUNTY: Linda Parks John Zaragoza <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse, Vice Chair Janice Parvin <i>Alternate:</i> Carmen Ramirez	DISTRICT: Bruce Dandy Elaine Freeman <i>Alternate:</i> Mary Anne Rooney	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Vacant
Executive Officer: Kai Luoma, AICP	Analyst Andrea Ozdy	Office Manager/Clerk Richelle Beltran	Legal Counsel Michael Walker

Location: The proposal area consists of 10 Assessor’s Parcel Numbers (APNs) in the Kelley Estates community (generally south of the City of Thousand Oaks), and includes portions of Whitegate Road and La Cam Road (see table immediately below, and Attachments 1 and 2):

Lot	APN	Address	Owner
1	658-0-052-225	2580 Lynnview Road	Helmets
2	658-0-040-340	19 La Cam Road	Zandt
3	658-0-040-325	2420 Alice Ann Road	Bar-Zion
4	658-0-052-305	445 Whitegate Road	Fine
5	658-0-040-265	16 La Cam Road	Hughes
6	658-0-040-255	No Assigned Address	Hughes
7	658-0-040-285	2430 Alice Ann Road	Hopkins
8	658-0-052-200	502 Whitegate Road	Moshiri
9	658-0-040-355	21 La Cam Road	Khodadadi
10	658-0-040-275	12 La Cam Road	Bar-Zion



The proposal area is located within the spheres of influence of the City and the three special districts that are involved in the reorganization (i.e., VCRCO, CSA 32 and GCTD). No sphere of influence amendments are requested or required in order to accomplish the reorganization.

Proponent: City of Thousand Oaks, by resolution.

Notice: This matter has been noticed as prescribed by law.

Recommendations:

1. Determine that the action to approve the reorganization request is exempt under California Environmental Quality Act (CEQA) Guidelines § 15319; and
2. Adopt the attached resolution LAFCo 15-03 making determinations and approving the City of Thousand Oaks Reorganization – Kelley Estates (Parcels A - B).

Description of Proposal:

Request:

On February 24, 2015, the City Council of the City of Thousand Oaks adopted a Resolution of Application requesting that LAFCo initiate proceedings for the subject reorganization, to allow for development of the proposal area within the City. The City requests that LAFCo process the subject proposal pursuant to the provisions of Government Code § 56375.3, which pertain to annexations of unincorporated islands.

The owners of Lots 8, 9, and 10 (see the table on Page 2) requested that their properties be annexed to the City of Thousand Oaks, in order to obtain water and sewer service from the City. Lot 10 is already developed with a single-family residence, however Lots 8 and 9 are vacant and are each proposed to be developed with a single-family residence within the City.

In order for the requested annexation to result in more a logical City boundary, the City expanded the original proposal area to include: (1) seven additional unincorporated properties (Lots 1-7), six of which are developed with single-family residences, and (2) unincorporated portions of La Cam Road and Whitegate Road that are contiguous to the properties.

The proposal also includes the detachment of the proposal area from the VCRCO (which provides soil and water conservation services in unincorporated County areas only), CSA 32 (which monitors and regulates individual sewage disposal systems in all areas outside cities and sanitation districts), and the GCTD (which provides fixed-route bus and paratransit services in the cities of Ojai, Oxnard, Port Hueneme, and Ventura, and in unincorporated Ventura County).

California Environmental Quality Act (CEQA):

Staff recommends that the Commission find that the requested reorganization to accommodate development of the proposal area in the City is exempt from CEQA pursuant to CEQA Guidelines § 15319 (Annexations of Existing Facilities and Lots for Exempt Facilities). Six of the properties within the proposal area are developed to the density allowed by the designation pre-zoned by the City, and extension of utility services will have the capacity to serve only the existing facilities [§ 15319(a)]. Development of a single-family residence would be allowed on each of the four remaining properties [§ 15319(b)]. The draft resolution contains a finding that the proposed action is exempt from CEQA pursuant to CEQA Guidelines § 15319.

Commission Proceedings – Process Considerations:

Government Code § 56375.3 provides that the Commission “shall approve, after notice and hearing, the change of organization or reorganization of a city, and waive protest proceedings ... entirely, if all of the following are true”. The provisions of Government Code § 56375.3 are provided below (in italics), each followed by a staff analysis:

- (1) *The change of organization or reorganization is initiated on or after January 1, 2000 [§ 56375.3(a)(1)].*

The City submitted the application for LAFCo consideration of the proposal on March 9, 2015.

- (2) *The change of organization or reorganization is proposed by resolution adopted by the affected city [§ 56375.3(a)(2)].*

The City adopted a resolution initiating reorganization proceedings on February 24, 2015.

(3) *The Commission finds that the territory contained in the change of organization or reorganization proposal meets all of the requirements set forth in § 56375.3(b) [§ 56375.3(a)(3)]:*

1. *The territory does not exceed 150 acres in area, and that area constitutes the entire island [§ 56375.3(b)(1)].*

The entirety of the proposal area is approximately 22 acres in size.

2. *The territory constitutes an entire unincorporated island located within the limits of a city, or constitutes a reorganization containing a number of individual unincorporated islands [§ 56375.3(b)(2)].*

Parcel A contains one entire unincorporated island and 94% of the territory within Parcel B is surrounded by the City.

3. *The territory is surrounded, or substantially surrounded, by the city to which annexation is proposed [§ 56375.3(b)(3)(A)].*

Parcel A is entirely surrounded by the City and Parcel B is substantially surrounded by the City (the City surrounds 94% of Parcel B).

4. *The territory is substantially developed or developing [§ 56375.3(b)(4)].*

Six of the 10 subject properties are developed with residences, and the remaining four parcels are eligible for single-family residential development.

5. *The territory is not prime agricultural land, as defined by Government Code § 56064 [§ 56375.3(b)(5)].*

Government Code § 56064 includes standards relating to the value of agricultural products and the soils classification determined by the Natural Resources Conservation Service (NRCS). The proposal area is not irrigated, does not support livestock or crops, and is not rated by the NRCS as prime agricultural land. Therefore, the proposal area does not consist of prime agricultural land.

6. *The territory will benefit from the reorganization or is receiving benefits from the annexing city [§ 56375.3(b)(6)].*

The territory will benefit from the increased level of services provided by the City, including public sewer service.

Pursuant to Government Code §§ 56660 and 56661, the Executive Officer gave notice of the Commission's consideration of the reorganization proposal. If the Commission finds that all of the requirements provided above have been met, the Commission shall approve the reorganization proposal and waive protest proceedings entirely.

Alternative Actions Available:

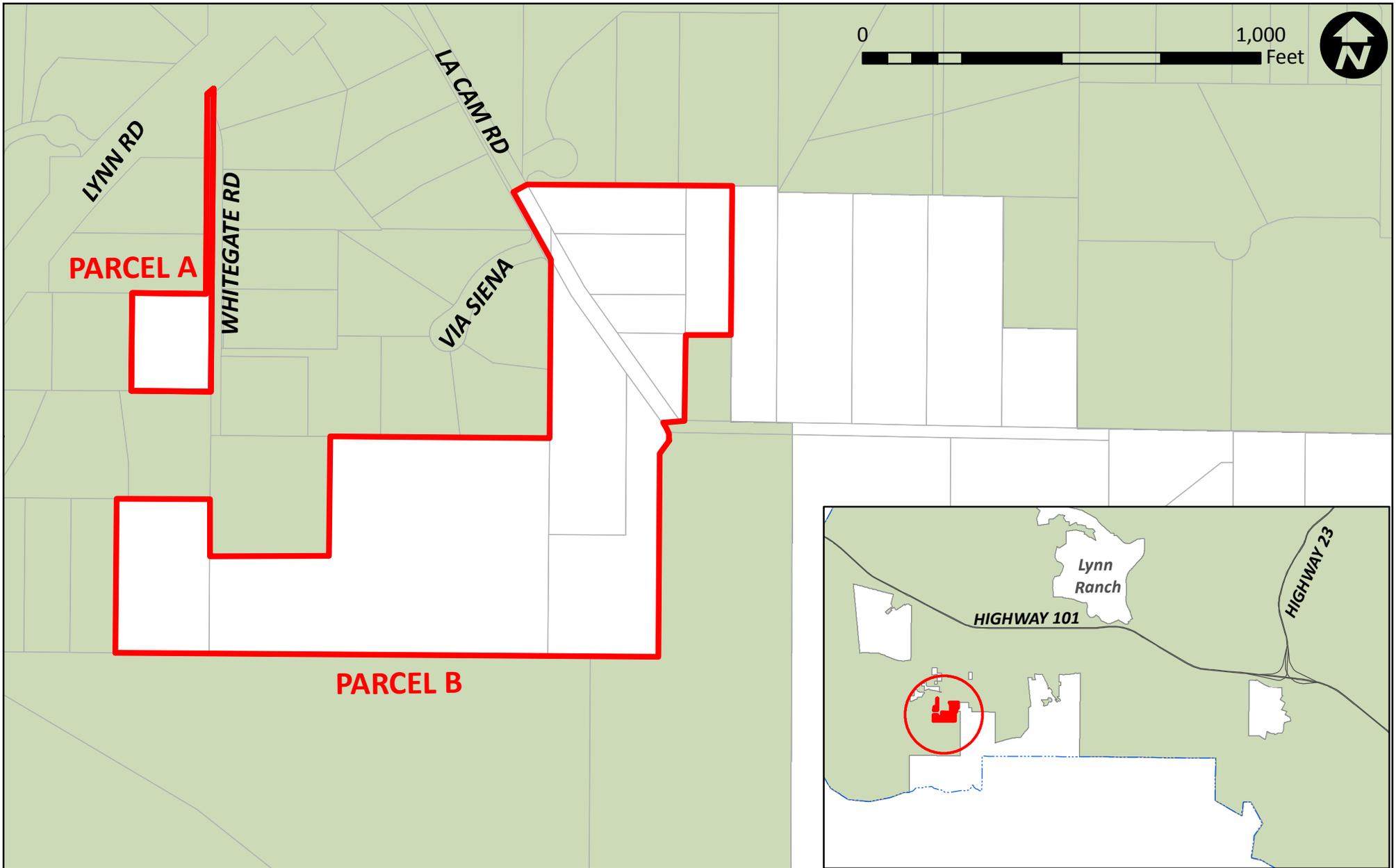
- A. If the Commission, following public testimony and review of the materials submitted, determines that further information is necessary, an action to continue the hearing should include the specific information desired and specify a date certain for further consideration.
- B. If the Commission, following public testimony and review of the materials submitted, determines that the proposal should be approved subject to any changes or additions to the terms and conditions recommended, an action to approve should clearly specify any changes or additions to the terms and conditions of approval.
- C. If the Commission, following public testimony and review of materials submitted, wishes to deny or modify the reorganization proposal, the action should include direction that the matter be continued to the next meeting and that staff prepare a new report consistent with the evidence submitted and the anticipated decision.

BY: Andrea Ozdy
Andrea Ozdy
Analyst

Attachments:

- 1. Proposal Area Map/Vicinity Map
- 2. Aerial Photo of Proposal Area
- 3. LAFCo 15-03 Resolution

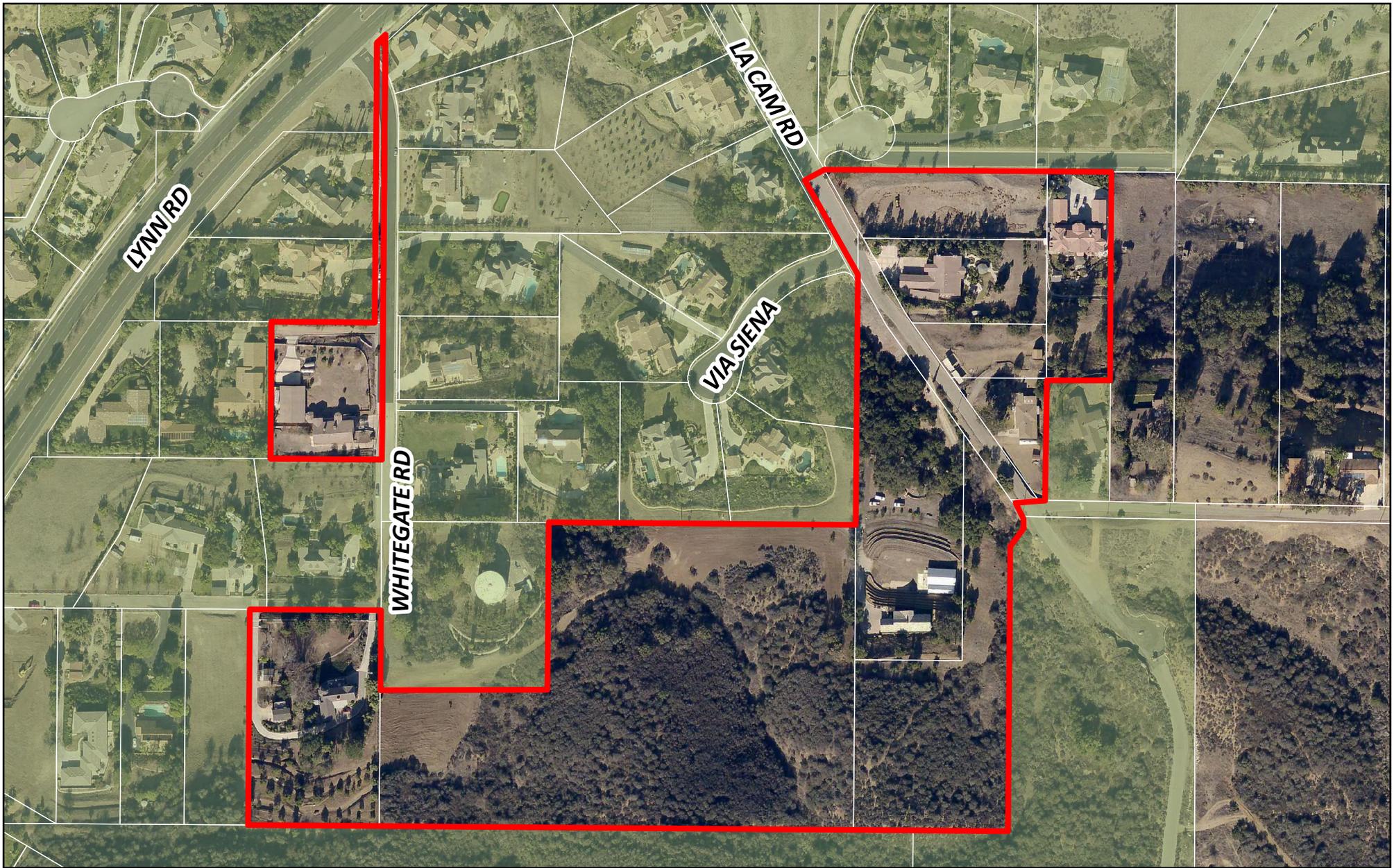
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-  Proposal Area
-  City of Thousand Oaks - City Boundary
-  City of Thousand Oaks - Sphere of Influence Boundary

LAFCo 15-03 City of Thousand Oaks Reorganization
 Kelley Estates (Parcels A - B)
 April 22, 2015
 Attachment 1





Proposal Area



City of Thousand Oaks - City Boundary

**LAFCo 15-03 City of Thousand Oaks Reorganization
Kelley Estates (Parcels A - B)**

**April 22, 2015
Attachment 2**



LAFCO 15-03

RESOLUTION OF THE VENTURA LOCAL AGENCY FORMATION COMMISSION MAKING DETERMINATIONS AND APPROVING THE CITY OF THOUSAND OAKS REORGANIZATION – KELLEY ESTATES (PARCELS A-B); ANNEXATION TO THE CITY OF THOUSAND OAKS AND DETACHMENT FROM THE VENTURA COUNTY RESOURCE CONSERVATION DISTRICT, VENTURA COUNTY SERVICE AREA NO. 32, AND GOLD COAST TRANSIT DISTRICT

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the Ventura Local Agency Formation Commission (LAFCo or Commission) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (§ 56000 et seq. of the California Government Code); and

WHEREAS, at the times and in the manner required by law, the Executive Officer gave notice of the public hearing on the matter; and

WHEREAS, the proposal was duly considered at a public hearing on April 22, 2015, as specified in the notice of public hearing; and

WHEREAS, evidence has been provided to the Commission that the affected territory contains more than 12 registered voters and is therefore inhabited as defined by Government Code § 56046; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the proposal including, but not limited to, the LAFCo Staff Report (which contains the staff recommendations, environmental evaluation, a discussion of applicable spheres of influence and local plans and policies, and determinations required pursuant to Government Code § 56375.3); and

WHEREAS, the Local Agency Formation Commission finds the proposal to be in the best interest of the landowners and present and future inhabitants within the City of Thousand Oaks (City) and within the affected territory, and the organization of local governmental agencies within Ventura County.

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

- (1) The LAFCo Staff Report and recommendation for approval dated April 22, 2015 are adopted.
- (2) The Commission has considered the criteria set forth in Government Code § 56375.3 and finds the following:
 - a. The City submitted the application for LAFCo consideration of the proposal on March 9, 2015;
 - b. The City adopted a resolution on February 24, 2015, requesting that LAFCo initiate reorganization proceedings;
 - c. The entirety of the proposal area is approximately 22 acres in size, and Parcels A and B each consist of an entire island – Parcel A is completely surrounded by the City, while Parcel B is substantially surrounded by the City (the City surrounds 94% of Parcel B);
 - d. The proposal area constitutes a reorganization of two individual unincorporated islands located within the limits of the City – Parcel A, which is completely surrounded by the City, and Parcel B, of which 94% is surrounded by the City;
 - e. Six of the 10 properties included in the proposal area are developed with residences, and the remaining four properties are eligible for single-family residential development;
 - f. The proposal area does not consist of prime agricultural land; and
 - g. The territory will benefit from the increased level of services provided by the City by receiving public water and sewer service.
- (3) The proposal is exempt from the California Environmental Quality Act (CEQA) pursuant to § 15319 of the CEQA Guidelines, and LAFCo staff is directed to file a Notice of Exemption under § 15062 of the CEQA Guidelines; and
- (4) The reorganization is hereby approved, and the boundaries are established as generally set forth in Exhibit A (attached).

- (5) The subject proposal is assigned the following distinctive short form designation:
**LAFCO 15-03 CITY OF THOUSAND OAKS REORGANIZATION – KELLEY ESTATES
(PARCELS A - B).**
- (6) The proposal is in compliance with Government Code § 56741 as the territory to be annexed to the City is located within one county and is contiguous with the boundaries of the City.
- (7) The landowners of the affected territory shall be liable for all taxes, charges, fees or assessments that are levied on similar properties within the City.
- (8) The change of organization is not subject to conducting authority proceedings, pursuant to Government Code § 56375.3; and
- (9) **This reorganization shall not be recorded until all LAFCo fees have been paid and until fees necessary for filing with the State Board of Equalization have been submitted to the LAFCo Executive Officer.**
- (10) **This annexation shall not be recorded until a map and legal description consistent with this approval and suitable for filing with the State Board of Equalization have been submitted to the LAFCo Executive Officer.**

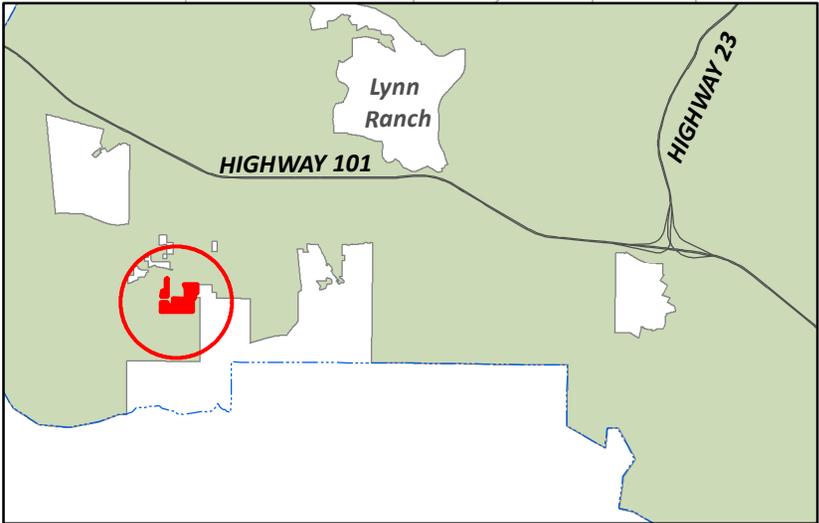
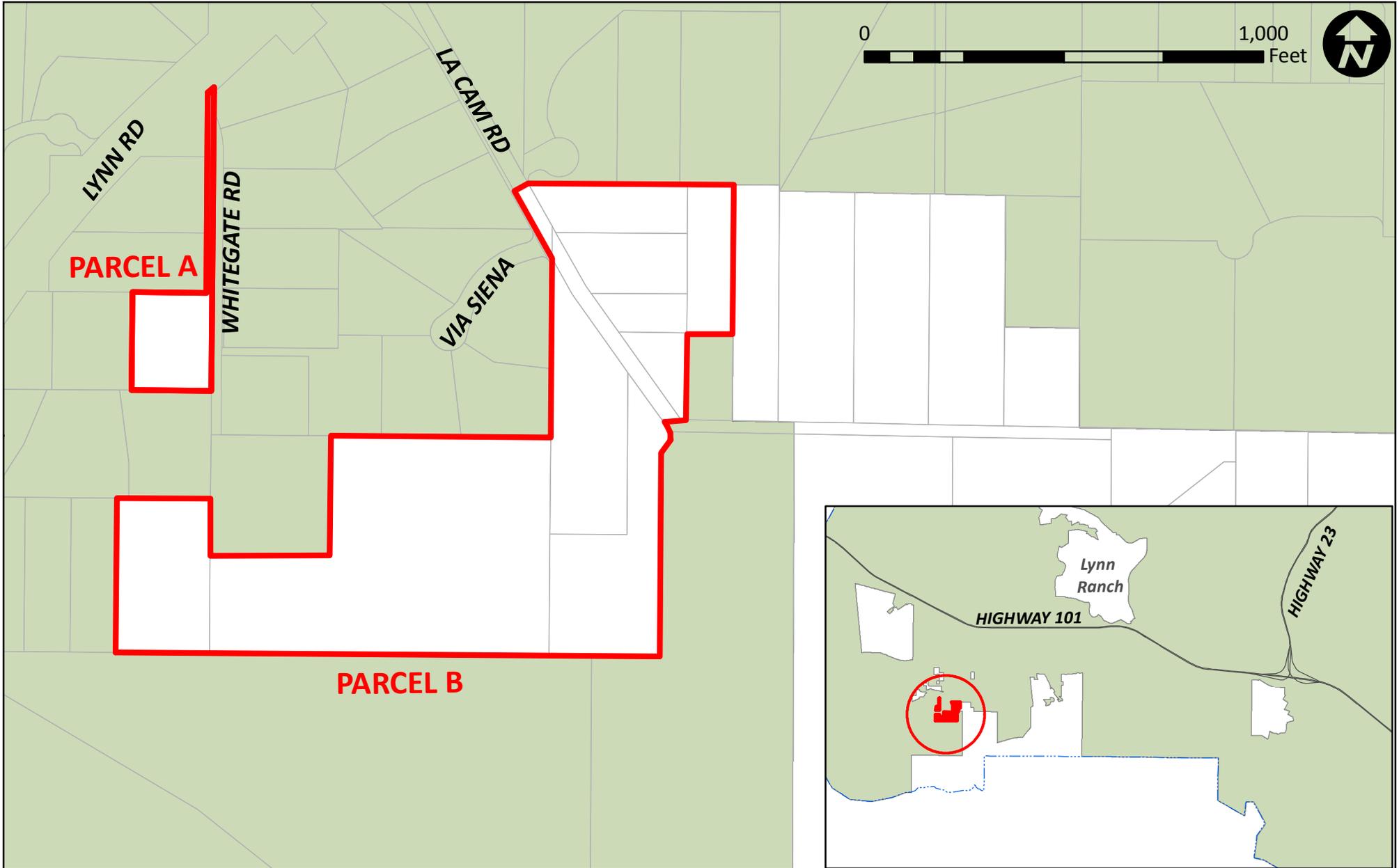
This resolution was adopted on April 22, 2015.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Zaragoza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ramirez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date **Lou Cunningham, Chair, Ventura Local Agency Formation Commission**

Attachment: Exhibit A

- Copies:
- City of Thousand Oaks
 - Gold Coast Transit District
 - Southern California Edison
 - Southern California Gas Company
 - Ventura County Assessor
 - Ventura County Auditor/Controller
 - Ventura County Elections-Registrar of Voters
 - Ventura County Fire Protection District
 - Ventura County Planning
 - Ventura County Environmental Health
 - Ventura County Resource Conservation District
 - Ventura County Sheriff – EOC
 - Ventura County Surveyor
 - Ventura County GIS Officer



-  Proposal Area
-  City of Thousand Oaks - City Boundary
-  City of Thousand Oaks - Sphere of Influence Boundary

LAFCo 15-03 City of Thousand Oaks Reorganization
 Kelley Estates (Parcels A - B)
 April 22, 2015
 Exhibit A





VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: April 22, 2015

Agenda Item 10

TO: LAFCo Commissioners

FROM: Andrea Ozdy, Analyst *Andrea Ozdy*

SUBJECT: Sphere of Influence Review/Update:
LAFCo 15-04S Conejo Recreation and Park District

Recommendation:

Determine that the sphere of influence update for the Conejo Recreation and Park District (CRPD) is exempt from the California Environmental Quality Act (CEQA) pursuant to § 15061(b)(3) of the CEQA Guidelines, review and update the sphere of influence for the CRPD pursuant to Government Code § 56425(g), adopt resolution LAFCo 15-04S (Attachment 4) making determinations and updating the sphere of influence for the CRPD, and determine that no municipal service review is necessary for the CRPD pursuant to Government Code § 56430(a).

Background:

Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code § 56000 et seq.), the Commission was required to determine and adopt a sphere of influence for each city and special District on or before January 1, 2008 (a sphere of influence is defined in Government Code § 56076 as the probable physical boundary and service area of a local agency). Every five years thereafter, the Commission must, as necessary, review and update each sphere of influence [Government Code § 56425(g)]. The CRPD sphere of influence was last reviewed by the Commission in 2010.

Discussion:

LAFCo law requires that a Municipal Service Review (MSR) be conducted prior to, or in conjunction with, any sphere of influence update [Government Code §56430(a)]. Ventura LAFCo Commissioner’s Handbook Section 4.1.2(b) defines a sphere of influence update to be a

COMMISSIONERS AND STAFF

COUNTY: Linda Parks John Zaragoza <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse, Vice Chair Janice Parvin <i>Alternate:</i> Carmen Ramirez	DISTRICT: Bruce Dandy Elaine Freeman <i>Alternate:</i> Mary Anne Rooney	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Vacant
Executive Officer: Kai Luoma, AICP	Analyst Andrea Ozdy	Office Manager/Clerk Richelle Beltran	Legal Counsel Michael Walker

“comprehensive review and modification of a sphere of influence that is not associated with a concurrent proposal...” Although staff recommends that the Commission update the subject sphere of influence, the recommended update is limited to removal of territory from the sphere. Commissioner’s Handbook Section 4.1.4(c) provides that the preparation of a MSR is not required for updates that only remove territory from a sphere.

CEQA

A project is defined in Public Resources Code § 21065, in part, as “an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment”. The subject sphere of influence update is not considered to be a project subject to CEQA because it involves a reduction to an existing sphere boundary, which if approved would reduce the area available for the expansion of recreation and park services. It is recommended that the Commission find that the reduction of the District’s sphere of influence is exempt from CEQA pursuant to § 15061(b)(3) of the CEQA Guidelines, because “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment”. No change in regulation, land use, or development will occur as a result of the recommended sphere of influence update.

Notice of Public Hearing

This matter has been noticed as a public hearing pursuant to Government Code § 56427. Additionally, all affected agencies have been notified of the public hearing.

District Information

The CRPD, governed by a five-person Board of Directors, is an independent special district formed in 1963 that provides recreation and park services throughout the City of Thousand Oaks and its vicinity. According to the MSR accepted by the Commission on March 16, 2005, the CRPD is funded primarily through property tax revenue, special assessments, grants, and user fees. The CRPD’s sphere of influence covers approximately 40,084 acres (about 63 square miles) (see Attachment 1).

In 2005, the Commission updated the CRPD’s sphere, to include all areas served by the CRPD, areas within the City of Thousand Oaks City Urban Restriction Boundary (CURB), properties owned by either the CRPD or the City of Thousand Oaks, and properties contiguous to County-owned park property. In 2010, the Commission again reviewed, but did not update, the district’s sphere.

Recommended Sphere of Influence Update and Analysis

In February 2015, LAFCo staff met with CRPD staff in order to discuss whether the CRPD has experienced any changes to its service needs since LAFCo's 2010 sphere review, and to determine if the District anticipates any changes in service that would warrant modification of its sphere boundary. Based on the information provided by CRPD staff and LAFCo staff's comprehensive review of the existing boundary and sphere, one change to the sphere boundary is recommended. The proposed change would occur at the intersection of Moorpark Road and Read Road (and along both roads in the same vicinity), in the northernmost portion of the district (see Attachments 2 and 3).

The proposed sphere reduction would result in the removal of portions of Moorpark Road and Read Road from the CRPD's sphere, such that the updated sphere boundary in this area would match the City of Thousand Oaks sphere of influence boundary and City boundary (which are coterminous in this area). The only exception is that the updated sphere would continue to extend beyond the City sphere and City boundary where the CRPD service area extends beyond that boundary. The proposed sphere of influence represents the CRPD's current and probable service area, and would not result in changes to the CRPD's current service area. Instead, as discussed above, the recommended update would reconcile inconsistencies between the City sphere of influence, the City boundary, the CRPD sphere of influence, and the CRPD boundary.

Written Determinations

Government Code § 56425(e) requires that, in determining the sphere of influence of an agency, the Commission consider and prepare a written statement of its determinations with respect to each of the following:

- (1) *The present and planned land uses in the area, including agricultural and open-space lands.* [§ 56425(e)(1)]

The area recommended to be modified in the sphere update has County General Plan designations of Open Space, Rural, and Existing Community. As all portions of the area to be removed consist of existing public roadways, the General Plan designations do not reflect existing and anticipated uses within this area. This area is expected to remain as public roadways.

- (2) *The present and probable need for public facilities and services in the area.* [§ 56425(e)(2)]

The area recommended to be modified in the sphere update contains existing public roadways. There is no present need for recreation and park services in this area, and the

area is anticipated to remain in its current use for the foreseeable future. Therefore, there appears to be no need for recreation and park services in this area in the foreseeable future.

- (3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide. [§ 56425(e)(3)]*

The sphere of influence update will reduce the size of the CRPD's sphere of influence. Therefore, it will not result in new demands on the CRPD that would adversely impact the present capacity of public facilities and adequacy of public recreation and park services that the CRPD is authorized to provide.

- (4) *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency. [§ 56425(e)(4)]*

The recommended update to the CRPD's sphere does not involve territory that is known to be a community of interest. Therefore, the sphere of influence update would not result in a detrimental impact to any social or economic communities of interest.

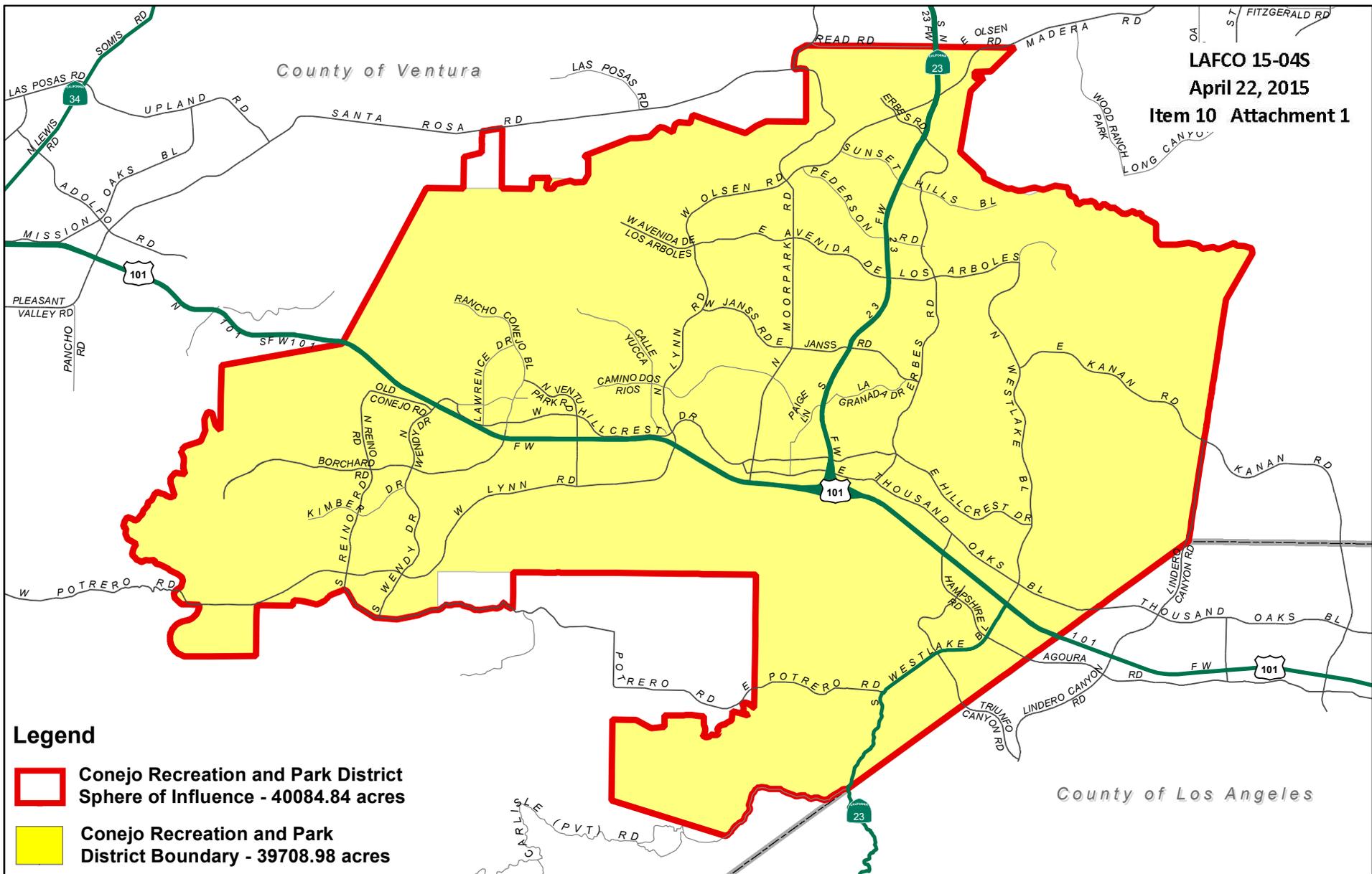
- (5) *For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection. . . the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence. [§ 56425(e)(5)]*

The CRPD provides recreation and park services only. It does not provide public facilities or services related to sewers, water, or fire protection. Therefore, Government Code § 56425(e)(5) does not apply to the proposed sphere update.

Attachments:

1. Sphere of Influence Map for CRPD
2. Proposed CRPD Sphere of Influence Update – Location Map
3. Proposed CRPD Sphere of Influence Update – Detail Map
4. LAFCo 15-04S Resolution

LAFCo makes every effort to offer legible map files with the online and printed versions of our reports; however, sometimes the need to reduce oversize original maps and/or other technological/software factors can compromise readability. Original maps are available for viewing at the LAFCo office by request.



Legend

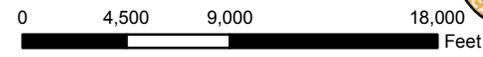
-  Conejo Recreation and Park District Sphere of Influence - 40084.84 acres
-  Conejo Recreation and Park District Boundary - 39708.98 acres

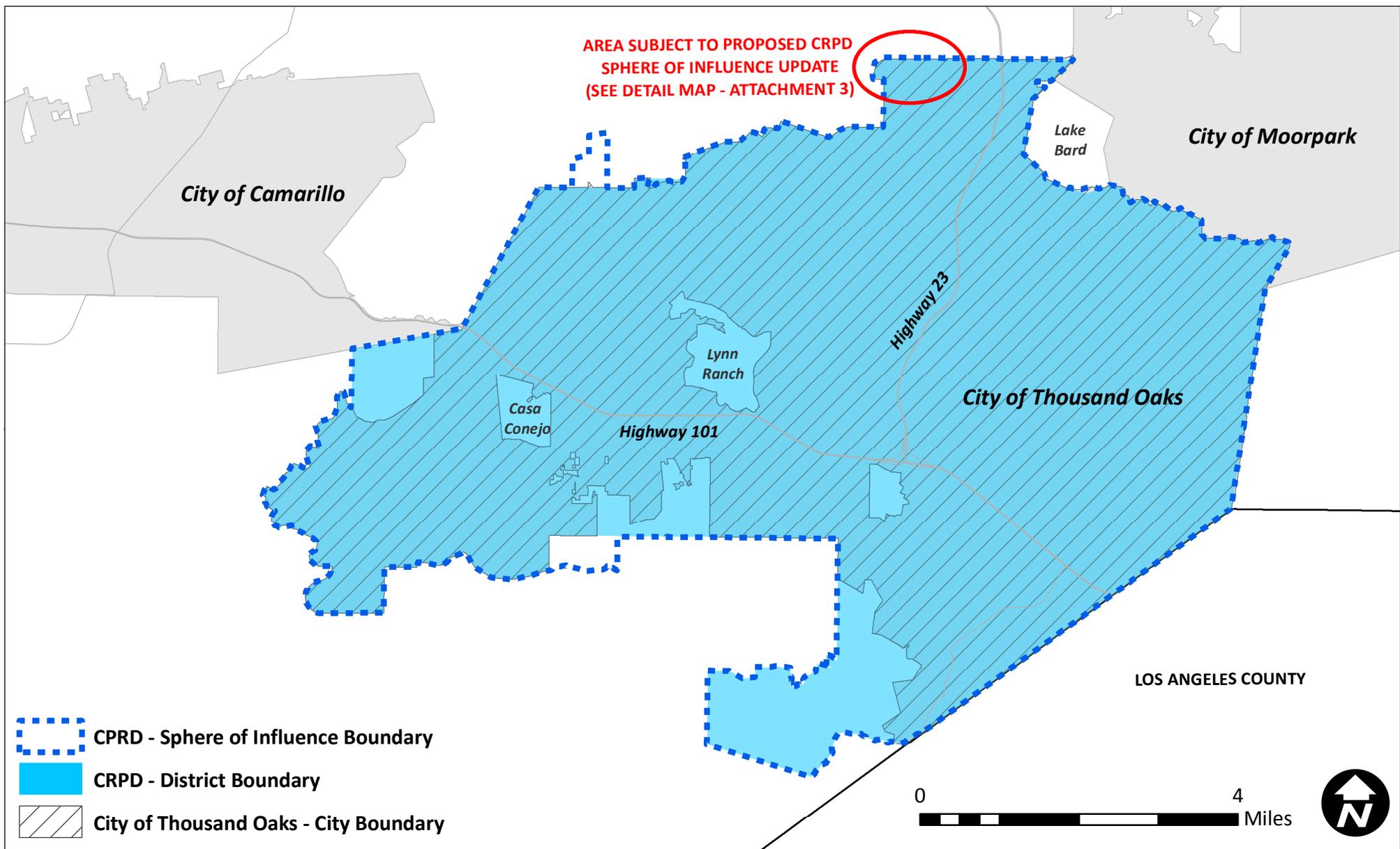
Conejo Recreation and Park District

Current as of:
 November 15, 2010

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

This map was compiled from records and computations

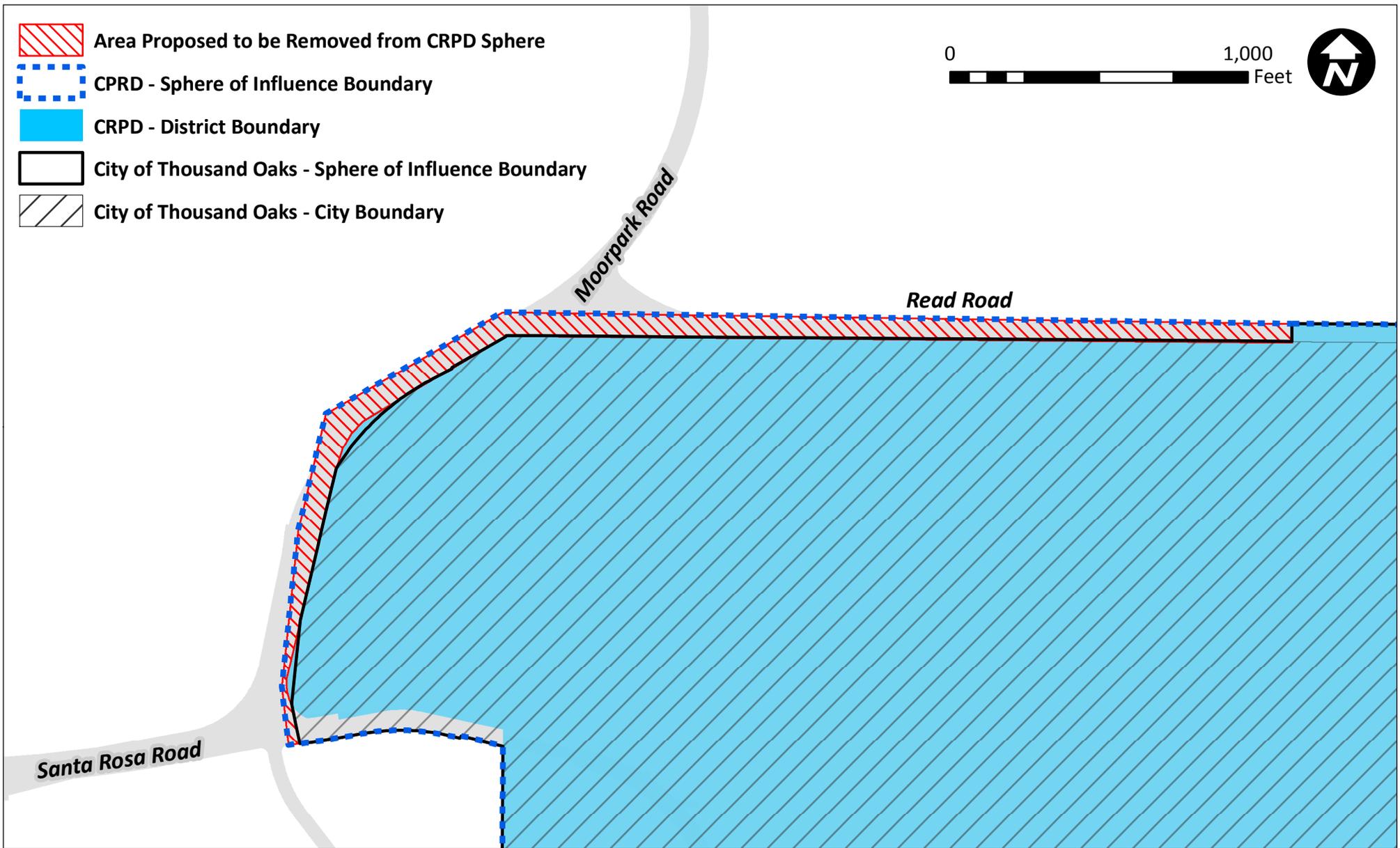




Conejo Recreation and Park District (CRPD)
LAFCo 15-04S
Proposed CRPD Sphere of Influence Update - Location Map
April 22, 2015
Attachment 2



-  Area Proposed to be Removed from CRPD Sphere
-  CPRD - Sphere of Influence Boundary
-  CRPD - District Boundary
-  City of Thousand Oaks - Sphere of Influence Boundary
-  City of Thousand Oaks - City Boundary



Conejo Recreation and Park District (CRPD)
 LAFCo 15-04S
 Proposed Sphere of Influence Update
 April 22, 2015
 Attachment 3



LAFCO 15-04S

**RESOLUTION OF THE VENTURA LOCAL AGENCY FORMATION
COMMISSION MAKING DETERMINATIONS AND UPDATING THE
SPHERE OF INFLUENCE FOR THE CONEJO RECREATION AND PARK
DISTRICT**

WHEREAS, Government Code § 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

WHEREAS, Government Code § 56425(g) requires that LAFCo, as necessary, review and update the adopted sphere of influence boundaries on or before January 1, 2008, and every five years thereafter; and

WHEREAS, the Commission updated the Conejo Recreation and Park District (CRPD) sphere of influence in 2005; and

WHEREAS, the Commission reviewed, but did not update, the CRPD sphere of influence in 2010; and

WHEREAS, the Commission desires to update the sphere of influence for the CRPD by removing certain area; and

WHEREAS, no change in regulation, land use, or development will occur as a result of updating the CRPD's sphere of influence; and

WHEREAS, at the times and in the manner required by law, the LAFCo Executive Officer gave notice of the consideration of this item by the Commission; and

WHEREAS, the sphere of influence update item was duly considered at a public hearing on April 22, 2015, as specified in the notice of hearing; and

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony for and against the sphere of influence update including, but not limited to, the LAFCo Staff Report dated April 22, 2015 and recommendations.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Commission as follows:

- (1) The LAFCo Staff Report dated April 22, 2015, and recommended update of the sphere of influence are adopted; and
- (2) The subject update is assigned the following distinctive short form designation:
LAFCO 15-04S CONEJO RECREATION AND PARK DISTRICT SPHERE OF INFLUENCE UPDATE; and
- (3) The sphere of influence update for the CRPD is exempt from CEQA pursuant to § 15061(b)(3) of the CEQA Guidelines, and LAFCo staff is directed to file a Notice of Exemption as the lead agency pursuant to § 15062 of the CEQA Guidelines; and
- (4) The Commission has considered the criteria set forth in Government Code § 56425(e) and determines as follows:

a. *The present and planned land uses in the area, including agricultural and open-space lands. [§ 56425(e)(1)]*

The area recommended to be modified in the sphere update has County General Plan designations of Open Space, Rural, and Existing Community. As all portions of the area to be removed consist of existing public roadways, the General Plan designations do not reflect existing and anticipated uses within this area. This area is expected to remain as public roadways.

b. *The present and probable need for public facilities and services in the area. [§ 56425(e)(2)]*

The area recommended to be modified in the sphere update contains existing public roadways. There is no present need for recreation and park services in this area, and the area is anticipated to remain in its current use for the foreseeable future. Therefore, there appears to be no need for recreation and park services in this area in the foreseeable future.

c. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide. [§ 56425(e)(3)]*

The sphere of influence update will reduce the size of the CRPD's sphere of influence. Therefore, it will not result in new demands on the CRPD that would adversely impact the present capacity of public facilities and adequacy of public recreation and park services that the CRPD is authorized to provide.

d. *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency. [§ 56425(e)(4)]*

The recommended update to the CRPD's sphere does not involve territory that is known to be a community of interest. Therefore, the sphere of influence update would not result in a detrimental impact to any social or economic communities of interest.

e. *For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection. . . the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence. [§ 56425(e)(5)]*

The CRPD provides recreation and park services only. It does not provide public facilities or services related to sewers, water, or fire protection. Therefore, Government Code § 56425(e)(5) does not apply to the proposed sphere update.

- (5) The sphere of influence for the District is hereby updated as generally depicted in Exhibit A, "Proposed Sphere of Influence Update, April 22, 2015," attached hereto; and
- (6) No municipal service review is necessary pursuant to Government Code § 56430(a); and
- (7) LAFCo staff is directed to have the official Geographic Information System (GIS) sphere of influence data maintained for the Ventura LAFCo by the Ventura County Information Technology Services Department as the official sphere of influence record for the District updated consistent with this action.

This resolution was adopted on April 22, 2015.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Zaragoza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ramirez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

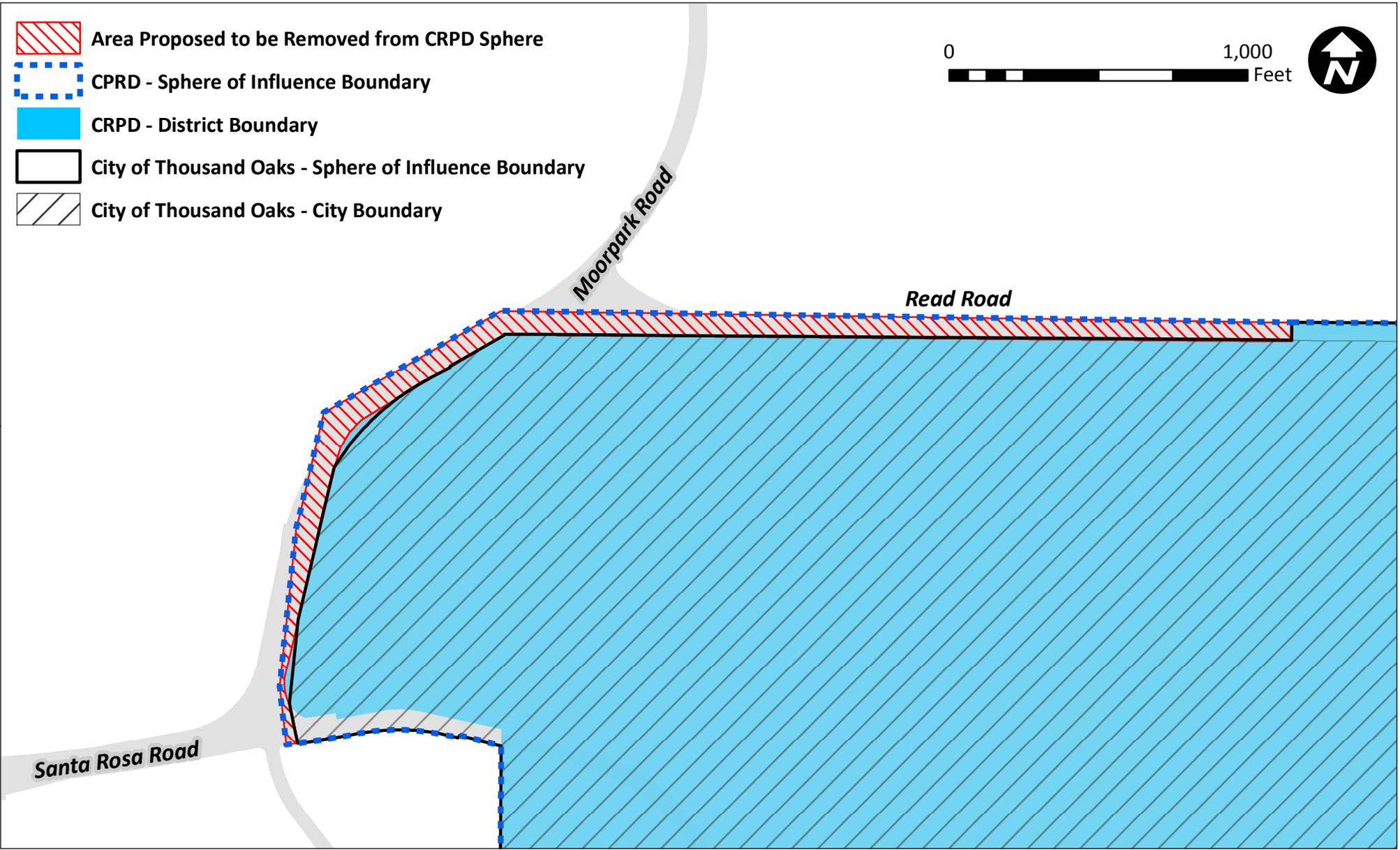
Date

Lou Cunningham, Chair, Ventura Local Agency Formation Commission

Attachment: Exhibit A

- c: Conejo Recreation and Park District
- Rancho Simi Recreation and Park District
- City of Thousand Oaks
- Ventura County GIS Officer

-  Area Proposed to be Removed from CRPD Sphere
-  CPRD - Sphere of Influence Boundary
-  CRPD - District Boundary
-  City of Thousand Oaks - Sphere of Influence Boundary
-  City of Thousand Oaks - City Boundary



Conejo Recreation and Park District (CRPD)
 LAFCo 15-04S
 Proposed Sphere of Influence Update
 April 22, 2015
 Exhibit A





VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: April 22, 2015

Agenda Item 11

TO: LAFCo Commissioners
FROM: Kai Luoma, Executive Officer 
SUBJECT: Review and Adopt the 2015-2016 LAFCo Fee Schedule

RECOMMENDATION:

Determine that updates to the current LAFCo Fee Schedule are necessary, and adopt the attached resolution to adopt the LAFCo Fee Schedule for the 2015-2016 fiscal year.

BACKGROUND:

The current LAFCo Fee Schedule was adopted by the Commission on June 9, 2010 and became effective July 1, 2010. It was re-adopted in 2011, 2012, 2013, and 2014. Pursuant to Section 2.3.3.1 of the Commissioner’s Handbook, the Commission is to annually review the LAFCo Fee Schedule as a part of the budget process.

Application fees cover only the costs associated with processing applications. Fees are based on actual processing costs plus the costs of necessary indirect and administrative functions, and do not exceed the estimated reasonable costs of providing services. They do not apply to other types of LAFCo-mandated functions (e.g., the preparation of municipal service reviews and sphere of influence updates). The majority of LAFCo staff time is spent on LAFCo-mandated work that is not defrayed by application fees. As such, application fee revenue provides a relatively small portion of LAFCo’s total revenue. Over the past twelve years, revenue from applications has ranged from approximately 4.6% to 16.8% of total revenue, depending on the number and complexity of the applications processed.

DISCUSSION:

LAFCo staff recommends that the Commission adopt an updated LAFCo Fee Schedule for the 2015-2016 fiscal year to:

- increase the staff composite rate by \$5, and
- increase the non-refundable administrative fee by \$100.

COMMISSIONERS AND STAFF

COUNTY: Linda Parks John Zaragoza <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse, Vice Chair Janice Parvin <i>Alternate:</i> Carmen Ramirez	DISTRICT: Bruce Dandy Elaine Freeman <i>Alternate:</i> Mary Anne Rooney	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Vacant
Executive Officer: Kai Luoma, AICP	Analyst Andrea Ozdy	Office Manager/Clerk Richelle Beltran	Legal Counsel Michael Walker

Both the staff composite rate and non-refundable administrative fee were last updated by the Commission when it adopted the 2007-2008 Fee Schedule.

Staff Composite Rate

Most LAFCo application fees consist of a non-refundable administrative fee and a deposit. Staff charges against the deposit based on actual time spent processing an application. If staff charges exceed the initial deposit amount, the necessary additional funds are collected prior to finalization of a LAFCo action. After a LAFCo action is completed, any unspent funds from the deposit fee are refunded to the applicant.

The LAFCo staff composite rate charged to applicants is currently \$150/hour. Historically, the LAFCo staff composite rate component of the Fee Schedule has been tied to the Planning Division contract hourly rate charged by the County of Ventura Resource Management Agency for case planners' time spent to process discretionary land use entitlement applications. The Planning Division's current contract rate is \$153.59/hour, and is tentatively proposed to increase to \$155.98/hour for the 2015-2016 fiscal year. The current LAFCo hourly rate is therefore \$5.98/hour less than the proposed Planning Division contract rate.

In response to increased overhead costs related to County services, and use and maintenance of office space and equipment, staff recommends that the LAFCo staff composite rate be increased by \$5. If adopted by the Commission, the new staff composite rate would be \$155 (see Attachment 1).

Non-Refundable Administrative Fee

LAFCo collects a non-refundable fee of \$1,750 as a part of the fees associated with processing requests for the most common types of LAFCo actions (e.g., changes of organization and sphere amendments).

A related item on the April 22, 2015 LAFCo meeting agenda is the Recommended Proposed Budget for fiscal year 2015-16 (Agenda Item 12). The proposed budget includes an overall 5.8% increase in expenditures. To partially offset the increased overhead costs (as discussed in more detail in the Budget Message for the Proposed Budget) staff recommends that the administrative fee be increased by \$100, which is approximately 5.8%. If adopted by the Commission, the new non-refundable administrative fee would be \$1,850 (see Attachment 1).

This item has been publicly noticed as prescribed by law.

Attachments:

1. Recommended LAFCo Fee Schedule for 2015-2016 Fiscal Year
2. Resolution Adopting the LAFCo Fee Schedule for 2015-2016 Fiscal Year



VENTURA LOCAL AGENCY FORMATION COMMISSION

COUNTY GOVERNMENT CENTER • HALL OF ADMINISTRATION
 800 S. VICTORIA AVENUE • VENTURA, CA 93009-1850
 TEL (805) 654-2576 • FAX (805) 477-7101
 WWW.VENTURA.LAFCO.CA.GOV

April 22, 2015
 Item 11
 Attachment 1

FEE SCHEDULE

Effective on July 1, 2010

Re-adopted April 16, 2014 **Adopted April 22, 2015**

Recommended revisions:
~~strikethrough~~ (existing)
 and **bold red** (proposed)

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

TYPE OF ACTION		Administrative Fee (Non Refundable)	Deposit Required (Initial)	Total Initial Payment	
Changes of Organization or Reorganizations	Annexation to, or detachment from, a city or district	Does NOT require conducting authority protest proceedings*	\$1,750 \$1,850	\$1,800	\$3,550 \$3,650
		Requires, or may require, conducting authority protest proceedings**	\$1,750 \$1,850	\$3,600	\$5,350 \$5,450
	Special District - Consolidation, Merger, Dissolution, or Formation of a Subsidiary District		\$1,750 \$1,850	\$4,500	\$6,250 \$6,350
	Expansion of Special District Powers		\$1,750 \$1,850	\$1,800	\$3,550 \$3,650
	Special District Formation		\$1,750 \$1,850	\$5400	\$7,150 \$7,250
City Incorporation***		\$5,000	\$25,000	\$30,000	
Changes to Spheres of Influence	Update (filed separately from a change of organization or reorganization)		\$1,750 \$1,850	\$3,600	\$5,350 \$5,450
	Amendment (filed in conjunction with a Change of Organization or Reorganization)		\$1,750 \$1,850	\$900	\$2,650 \$2,750
Out of Agency Service Agreements	Administrative Action	Determination	\$450		\$450
		Time Extension	\$450		\$450
	Commission Action	Determination	\$1,750 \$1,850	\$1,800	\$3,550 \$3,650
		Time Extension	\$450	\$600	\$1,050
Other Actions	Extension of Time Request to Complete Proceedings		\$1,750 \$1,850	\$900	\$2,650 \$2,750
	Reconsideration Request		\$1,750 \$1,850	\$900	\$2,650 \$2,750
	Amendment to, Waiver of, or Establishment of New LAFCo Policy		\$1,750 \$1,850	\$900	\$2,650 \$2,750
	Fee Waiver or Reduction of Fee Request		\$600		\$600
Other Requests for Commission Action – Administrative fee plus actual time		\$450		\$450	
Pre-application Review and Meetings - 3 hour minimum plus additional actual time in excess of 3 hours - due at time of scheduling)		\$450		\$450	

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

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

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

LAFCo TIME BILLING RATES

LAFCo staff composite rate	\$150/hour \$155/hour
LAFCo legal counsel rate	Actual Costs

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

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

**RESOLUTION OF THE VENTURA LOCAL AGENCY FORMATION
COMMISSION UPDATING AND REVISING THE LAFCO FEE
SCHEDULE**

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

WHEREAS, Section 2.3.3.1 of the Ventura LAFCo Commissioner's Handbook states that LAFCO will review its fee schedule annually as a part of the annual budget process; and

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

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

WHEREAS, the Commission complied with the requirements of Government Code § 66016 pertaining to public notice and process in order to increase an existing fee or service charge; and

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

WHEREAS, the Commission duly considered the matter on April 22, 2015.

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

- (1) The fee schedule set forth in Exhibit A attached hereto is hereby adopted, to become effective on July 1, 2015.
- (2) The fees set forth in Exhibit A attached hereto do not exceed the estimated reasonable costs of providing the services for which the fees are charged, and are necessary to pay the costs of operation of the Ventura Local Agency Formation Commission.
- (3) The Executive Officer is directed to notify all cities and special districts in Ventura County of this action by July 1, 2015.

This resolution was passed and adopted on April 22, 2015.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Zaragoza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ramirez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date **Lou Cunningham, Chair, Ventura Local Agency Formation Commission**

Attachment: Exhibit A

Cc Ventura County Cities
 Ventura County Special Districts
 County Executive Office



VENTURA LOCAL AGENCY FORMATION COMMISSION

COUNTY GOVERNMENT CENTER • HALL OF ADMINISTRATION

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

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

WWW.VENTURA.LAFCO.CA.GOV

Exhibit A

FEE SCHEDULE

Effective on July 1, 2010

Adopted April 22, 2015

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

TYPE OF ACTION		Administrative Fee (Non Refundable)	Deposit Required (Initial)	Total Initial Payment	
Changes of Organization or Reorganizations	Annexation to, or detachment from, a city or district	Does NOT require conducting authority protest proceedings*	\$1,850	\$1,800	\$3,650
		Requires, or may require, conducting authority protest proceedings**	\$1,850	\$3,600	\$5,450
	Special District - Consolidation, Merger, Dissolution, or Formation of a Subsidiary District		\$1,850	\$4,500	\$6,350
	Expansion of Special District Powers		\$1,850	\$1,800	\$3,650
	Special District Formation		\$1,850	\$5400	\$7,250
	City Incorporation***		\$5,000	\$25,000	\$30,000
Changes to Spheres of Influence	Update (filed separately from a change of organization or reorganization)		\$1,850	\$3,600	\$5,450
	Amendment (filed in conjunction with a Change of Organization or Reorganization)		\$1,850	\$900	\$2,750
Out of Agency Service Agreements	Administrative Action	Determination	\$450		\$450
		Time Extension	\$450		\$450
	Commission Action	Determination	\$1,850	\$1,800	\$3,650
		Time Extension	\$450	\$600	\$1,050
Other Actions	Extension of Time Request to Complete Proceedings		\$1,850	\$900	\$2,750
	Reconsideration Request		\$1,850	\$900	\$2,750
	Amendment to, Waiver of, or Establishment of New LAFCo Policy		\$1,850	\$900	\$2,750
	Fee Waiver or Reduction of Fee Request		\$600		\$600
Other Requests for Commission Action – Administrative fee plus actual time		\$450		\$450	
Pre-application Review and Meetings - 3 hour minimum plus additional actual time in excess of 3 hours - due at time of scheduling)		\$450		\$450	

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

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

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

LAFCo TIME BILLING RATES

LAFCo staff composite rate	\$155/hour
LAFCo legal counsel rate	Actual Costs

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

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



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: April 22, 2015

Agenda Item 12

TO: LAFCo Commissioners
FROM: Kai Luoma, Executive Officer
SUBJECT: Proposed Budget – Fiscal Year 2015 - 16

RECOMMENDATION:

Adopt the attached resolution approving the Proposed Budget for fiscal year (FY) 2015-16 and directing staff to transmit the Proposed Budget to the County, each city, and each independent special district.

BACKGROUND:

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

DISCUSSION:

The FY 2015-16 Recommended Proposed Budget reflects an overall expenditure increase of approximately 5.8% compared to the FY 2014-15 Adopted Final Budget. This is due to increases in projected costs for both Salaries and Employee Benefits and Services and Supplies as outlined in the attached Budget Message (Exhibit A of Attachment 1).

The Recommended Proposed Budget includes a recommended contingency appropriation of \$19,776 which is equivalent to 3% of total expenditures. The Commission’s budget policies indicate that the budget should provide for contingencies equaling 10% of total expenditures, unless the Commission deems that a different amount is appropriate. Staff believes that a lower amount is appropriate for two reasons: 1) it will reduce the amount of revenue to be collected from other governmental agencies; and 2) Unassigned Fund Balance can be used as a financing source in the event it is needed. The projected unassigned fund balance at the end of this fiscal year is \$235,076.

COMMISSIONERS AND STAFF

Table with 4 columns: COUNTY, CITY, DISTRICT, PUBLIC. Rows list names and titles of commissioners and staff members such as Linda Parks, Carl Morehouse, Bruce Dandy, Lou Cunningham, Kai Luoma, and Michael Walker.

Included with the Recommended Proposed Budget are the estimated allocation percentages for the 10 cities and 29 independent special districts that together with the County are responsible for the majority of LAFCo’s revenue. The estimated allocation percentages are based on the FY 2011-12 State Controller Reports, which will be used by the County Auditor-Controller as the basis for collecting revenue from the cities and special districts for FY 2015-16. These are the most current Reports available at this time. Should the State issue updated Reports for FY 2012-13 before the end of June, the County Auditor-Controller will use those Reports as the basis for collecting revenue from the cities and special districts for FY 2015-16.

The Recommended Proposed Budget reflects an increase of approximately 11% in total revenue from other government agencies compared to the FY 2014-15 Adopted Final Budget. It represents an increase of less than 0.50% compared to the Adopted Final Budget for FY 2013-14, as indicated in the following table:

Other Government Agency Revenue	FY 2013-14 Adopted Budget	FY 2014-15 Adopted Budget	FY 2015-16 Proposed Budget
County	\$191,212	\$173,083	\$192,159
Cities	\$191,212	\$173,083	\$192,159
Independent Special Districts	\$191,212	\$173,083	\$192,159
Total Other Gov. Agency Revenue	\$573,636	\$519,249	\$576,477

Over time, the Commission and staff have continued to develop more accurate budgets that more closely reflect actual expenditures and revenues. This means that the amount of excess fund balance will likely continue to decline. As such, staff anticipates that it will take longer to accrue unassigned Fund Balance in the future compared to previous years.

The Recommended Proposed Budget has been transmitted to the County and each city and independent special district for review and comment at any time prior to the adoption of a Proposed Budget. The Recommended Final Budget will also be transmitted to the affected local agencies for review and comment prior to adoption of a Final Budget, which is tentatively scheduled for May 20, 2015.

Attachment: (1) Resolution Adopting a Proposed Budget for FY 2015-16

**RESOLUTION OF THE
VENTURA LOCAL AGENCY FORMATION COMMISSION ADOPTING A
PROPOSED BUDGET FOR FISCAL YEAR 2015-16**

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 an annual budget; and

WHEREAS, at a minimum, the proposed and final budget must be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or program costs will nevertheless allow the Commission to fulfill the purposes and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act; and

WHEREAS, the Commission desires to adopt a Proposed Budget for Fiscal Year 2015-16 that is higher than the adopted Fiscal Year 2014-15 Final Budget; and

WHEREAS, the public and other governmental agencies had an opportunity to comment and the Commission considered adoption of a Proposed Budget for Fiscal Year 2015-16 on April 22, 2015.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that pursuant to Government Code Section 56381, the Ventura Local Agency Formation Commission hereby:

- (1) Adopts the Proposed Budget for the 2015-16 Fiscal Year as set forth in Exhibit A attached hereto; and
- (2) Finds that the Proposed Budget as set forth in Exhibit A attached hereto will not result in reductions in staffing or program costs to such an extent that the Commission would be impeded from fulfilling the purpose and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act; and
- (3) Directs the Executive Officer to forward the Proposed Budget, as adopted, to all the independent special districts, cities and the County.

This resolution was passed and adopted on April 22, 2015.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Zaragoza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ramirez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated: _____
Lou Cunningham, Chair, Ventura Local Agency Formation Commission

Attachment: Exhibit A

c: County of Ventura
Ventura County Cities
Ventura County Independent Special Districts



BUDGET MESSAGE

Proposed Budget - Fiscal Year 2015-2016

Hearing Date: April 22, 2015

Introduction

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq.*) (CKH) requires each Local Agency Formation Commission (LAFCo) to adopt a Proposed Budget by May 1 of each year and a Final Budget by June 15 of each year. The Ventura LAFCo will have a hearing on April 22, 2015 to consider this Proposed Budget for Fiscal Year (FY) 2015-16. A public hearing to consider action on the Final Budget for FY 2015-16 is tentatively scheduled for May 20, 2015. Once adopted, the Final Budget will be used by the County Auditor-Controller's Office to collect revenues as necessary from the County, cities and independent special districts.

The Ventura LAFCo Commissioner's Handbook, the compendium of the Ventura LAFCo's policies and procedures, contains budget policies in Section 2.3.1 *et seq.* The Proposed Budget for FY 2015-16 was prepared in accordance with these policies. Budget goals continue to be minimizing expenditures while fulfilling basic functions, and providing for effective and efficient compliance with mandates.

LAFCo and the County of Ventura entered into a Memorandum of Agreement effective July 1, 2001. While LAFCo is an independent agency, the Memorandum of Agreement provides for the County to provide personnel, support services, offices and materials as requested by LAFCo. All of the personnel, support services, offices and materials to be requested of the County for FY 2015-16 are part of this Proposed Budget. Budget information is formatted using County of Ventura account descriptions and codes.

This Budget Message highlights LAFCo's key responsibilities, reviews the notable work accomplishments and budget information for the first three quarters of FY 2014-15, sets forth a basic work plan for FY 2015-16, and provides background and explanatory information about the anticipated expenditures and revenues in this Proposed FY 2015-16 Budget.

Major LAFCo Responsibilities

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

FY 2014-15 in Review

Based on information through the end of February 2015, total projected actual expenditures for FY 2014-15 should be approximately:

Description	FY 14-15 Adopted	FY 14-15 Projected	Estimated Savings
Total Salaries and Benefits	\$ 476,200	\$ 455,950	\$ 20,250
Total Services and Supplies	147,050	136,600	10,450
Contingencies	18,699	0	18,699
Total Expenditures	641,949	592,550	49,399

As shown above, staff does not anticipate needing to use the Contingency appropriation of \$18,699. The anticipated savings in Salaries and Benefits, Services/Supplies and Contingency is projected to be \$49,399 for FY 2014-15.

Actual revenue for FY 2014-15 is projected to be approximately:

Account Code	Description	FY 14-15 Adopted	FY 14-15 Projected	Estimated Savings/ (Deficit)	Percent Change
8911	Interest Earnings	\$ 2,700	\$ 1,500	\$ (1,200)	-44.4%
9772	Other Revenue (from Fees)	30,000	35,000	5,000	16.7%
9372	Other Govt. Agencies	519,249	519,249	0	0
	Total Revenue	551,949	555,749	3,800	0.7%

As noted in the table above, projected total revenue exceeds that adopted as part of the current budget by \$3,800.

The projected \$49,399 savings in Salaries/Benefits and Services/Supplies and Contingency along with the projected \$3,800 in excess revenue results in a total projected unappropriated Fund Balance of \$53,199, which is \$36,801 less than the appropriated Fund Balance adopted as a part of the FY 2014-15 Final Budget (\$90,000).

The following bullet points are the work plan that was adopted as a part of the FY 2014-15 Adopted Final Budget. Substantial progress has been made on each of these work plan items, as discussed below:

- *Continue municipal service reviews and sphere of influence reviews/updates in accordance with the approved 2013-2017 work plan.*

In May 2013 LAFCo approved a Work Plan for the 2013-2017 sphere of influence review/update and municipal service review cycle. The spheres of influence for 22 special districts were scheduled to be reviewed in 2014. LAFCo staff met with the staff of all 22 districts. By the end of 2014, the spheres for 17 special districts were reviewed with no changes and three were updated to remove territory. The review of the spheres of influence for the following two special districts were postponed due to unusual circumstances and will allow LAFCo to accurately evaluate the services provided by the two districts when it conducts its review:

1. The Lake Sherwood Community Services District (LSCSD) – This sphere review was postponed due to the pending divestiture of the District’s power to provide potable water service (LAFCo 13-16). The Commission approved the divestiture contingent on the formation of a new waterworks district which, if successfully formed, will assume water service from the LSCSD.
2. Hidden Valley Municipal Water District - This sphere review was postponed after staff learned that the District was providing unauthorized non-potable water service. The District has applied to LAFCo requesting authorization to exercise this latent power.

To date, nine of the spheres of influence scheduled for reviewed during 2015 have been reviewed and one updated. Staff anticipates completion of all scheduled sphere reviews by mid-year.

- *Continue to review and comment on draft environmental documents and general plan updates as they may be prepared by the cities and the County.*

Over the course of the current fiscal year, LAFCo staff has thus far reviewed and/or commented on a total of 12 CEQA notices/documents, general plan updates, and development proposals. These include development proposals within cities and the unincorporated county area.

- *Maintain and enhance operations with a focus on communication with the Commission, the County, cities, districts and the public; budget monitoring and information; staff training and development; and enhanced records management.*

Staff continues to keep the Commission informed of notable events/items through monthly update memos, email correspondence, and regularly scheduled meetings. Positive communications and working relationships have been maintained with all cities and districts. Staff continues to attend and participate in meetings with staff and consultants representing cities, special districts and other local public agencies as well as individual members of the public and community groups. As time allows, staff continues to attend meetings of the Ventura Special Districts Association, the Association of Water Agencies, the City and County Planning Association and other local and regional associations.

Staff routinely monitors the budget. An external audit of LAFCo's financial statements for the year ended June 30, 2014 was performed.

This fiscal year, staff attended the CALAFCO Annual Conference in October and will be attending the CALAFCO Staff Workshop in April. The LAFCo Executive Officer and Analyst attended a CALAFCO University course on agricultural preservation and LAFCo legal issues, respectively. LAFCo staff continues to participate in training sessions offered by the County and has attended sessions on management, budgeting, human resources, ethics, and the County's new financial management system.

- *Update and revise the Commissioner's Handbook and consider policy additions consistent with the mission and purpose of LAFCo.*

Policies pertaining to general plan consistency and impacts to existing open space lands as a result of changes of organization and sphere of influence amendments were added to the Commissioner's Handbook this fiscal year. Development of potential policies pertaining agricultural mitigation and public member qualifications are under consideration. On an ongoing basis, staff identifies potential policy updates/revisions for Commission consideration, as needed.

- *Increase public awareness about the mission, purpose and function of LAFCo.*

In August, staff made a presentation to the Civil Grand Jury regarding the purposes and functions of LAFCo. A similar presentation was made to the City Managers Association in March. Staff wrote an article on LAFCo's role in agricultural preservation that was published in a newsletter of a community organization. Staff is coordinating a "LAFCo 101" informational session for elected officials and staff of the County, cities, and special districts.

Work Plan

The Ventura LAFCo Commissioner's Handbook provides that LAFCo will annually review and adopt a work plan as a part of the budget development process. For FY 2015-16, the recommended work plan maintains the focus on municipal service reviews and sphere of influence updates and is otherwise similar to the work plan for this fiscal year.

FY 2015-16 Work Plan

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

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

PROPOSED BUDGET

Expenditures

The expense portion of the budget is divided into three main sections, the Salary and Employee Benefits section (1000 series account codes), the Services and Supplies section (2000 series account codes), and Contingencies (account code 6101). Including a 3% contingency, the Proposed Budget reflects an overall expenditure increase of approximately 5.8% compared to the FY 2014-15 Adopted Final Budget.

Salary and Employee Benefits (1000 series of account codes)

Salaries and Employee Benefits continue to be the greatest expense, comprising approximately 73.2% of the total expenditures (more if contingencies are not included). Expenditures for Salaries and Benefits are proposed to increase by approximately 4.4% as compared to FY 2014-15 as indicated in the following table:

Description	FY 14-15 Adopted	FY 15-16 Proposed	Increase / (Decrease)	Percent Change
Total Salaries and Benefits	\$ 476,200	\$ 496,950	\$ 20,750	4.4%

The increase comes primarily from two account codes:

- Anticipated increases to regular salaries (account code 1101) and related increases in the various benefit accounts (especially account code 1121, Retirement Contribution). The increase in salary reflects anticipated merit increases for LAFCo staff as provided for under the terms of the Executive Officer employment contract and the County of Ventura Management, Confidential Clerical and Other Unrepresented Employees Resolution. Also reflected is a 3% general salary increase approved by the County Board in Supervisors in 2014 that becomes effective in August.
- Increase to Management Retiree Health Benefit (account code 1128). The increase is due to the recent retirement of the previous Office Manager/Clerk to the Commission. Pursuant to the County Management Resolution, this benefit is provided to eligible retired staff and is based on the number of years of County service. The previous Executive Officer will continue to receive this benefit through December 2015 and the recently-retired Office Manager/Clerk to the Commission will receive this benefit through 2017.

These increases are reflected in the following table:

Description	Acct Code	FY 14-15 Adopted	FY 15-16 Proposed	Increase / (Decrease)	Percent Change
Regular Salaries	1101	\$ 310,000	\$ 320,000	\$ 10,000	3.2%
Management Retiree Health Benefit	1128	5,300	14,500	9,200	174%

It should also be noted that the overall increase is partially offset by a decrease in the amount budgeted for Term/Buydown (account code 1107). The Term/Buydown account code includes costs for pay in lieu of accrued annual leave up to a specified number of hours each year, which is a benefit LAFCo staff members are entitled to receive as employees of the County of Ventura. The proposed amount is based on a polling of LAFCo staff and represents a reduction of \$9,500 as indicated in the following table:

Description	Acct Code	FY 14-15 Adopted	FY 15-16 Proposed	Increase / (Decrease)	Percent Change
Term/Buydown	1107	\$ 24,500	\$ 15,000	\$ (9,500)	-38.8%

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

Title	FY 2014-15	FY 2015-16
Executive Officer	1	1
Analyst/Deputy Executive Officer	1	1

Office Manager/Clerk of the Commission	1	1
Total Authorized Positions	3	3

Services and Supplies (2000 series of account codes)

The Proposed Budget for Services and Supplies is approximately 10.3% more than the Adopted Final Budget for the current fiscal year, as indicated in the following table:

Description	FY 14-15 Adopted	FY 15-16 Proposed	Increase / (Decrease)	Percent Change
Total Services and Supplies	\$ 147,050	\$ 162,250	\$ 15,200	10.3%

For those Services and Supplies account codes that reflect discretionary expenditures, most of the proposed budget amounts are either unchanged or slightly higher as compared to the current fiscal year. The major Services and Supplies expenditures are proposed to change as follows:

- An increase in the amount budgeted for Other Maintenance ISF (account code 2116) from \$500 to \$1,000 and Furniture and Fixtures (account code 2262) from \$0.00 to \$2,000. This increase reflects costs associated with labor/furniture to replace old/broken/non-functioning furniture within the LAFCo office, particularly for the work area of the Office Manager/Clerk to the Commission.
- An increase in the amount budgeted for Education Training Conference and Seminars (account code 2273) from \$1,000 in the current year to \$2,000 for FY 2015-16. The increase will allow for the LAFCo Analyst to attend a GIS mapping class and the Office Manager/Clerk to the Commission to attend training classes regarding essential computer software.
- An increase in Cost Allocation Plan Charges (account code 2158). These charges are set by the County and pertain to costs for County services provided primarily by the General Services Agency, the Auditor-Controller’s Office and the County Executive Office, including Human Resources. The current fiscal year charge is \$12,200. For FY 2015-16 the total charges for this account will be approximately \$15,800.
- An increase in the Travel Expense (account code 2292) associated with conferences and seminars from \$12,000 in the current year to \$19,000 for FY 2015-16. This increase is primarily due to higher anticipated travel costs to attend the 2015 CALAFCO Annual Conference to be held in Sacramento (the 2014 conference was held in Ontario resulting in lower travel expenses). The increase is also based on a greater number of possible conference attendees due to new Commissioners. The amount budgeted is based on 10 attendees (including LAFCo staff, LAFCo Legal Counsel, and Commissioners/Alternate Commissioners).

Contingencies

In accordance with the Commission’s budget policies, the budget should provide for contingencies equaling 10% of total expenditures, unless the Commission deems that a different amount is appropriate. To reduce the amount of revenue necessary from other governmental agencies, it is recommended that the FY 2015-16 Proposed Budget include a contingency appropriation of

\$19,776 which is equivalent to approximately 3.0% of total expenditures of \$659,200. Should there be a need for any unanticipated expenditures which might exceed the contingency amount, an appropriation could be made from the unassigned fund balance (which is estimated to be \$235,076 at the beginning of FY 2015-16 and includes \$98,758 to cover 60 days working capital and \$136,318 unassigned).

Financing Sources

Potential financing sources consist of Fund Balance and Miscellaneous Revenues, including interest earnings and application filing fees (e.g. account codes 8911 and 9790), and Other Governmental Agencies, the revenue to be collected from the County, cities and independent special districts (account code 9371).

Fund Balance

Section 56381(c) of the CKH provides, "If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget." As indicated in the "FY 2014-15 in Review" section above, approximately \$53,199 is projected to be available at the end of the current fiscal year to appropriate for the FY 2015-16 Budget. However, because this is only a projection, the proposed budget includes an appropriated fund balance of \$75,000.

The Commission's budget policies provide for the maintenance of a Litigation Reserve Account balance in the amount of \$100,000 with the intent of limiting its use for unanticipated expenditures resulting from litigation against the Commission that does not occur routinely and would not be reimbursed by another party. This amount is classified as "committed" fund balance with respect to the Governmental Accounting Standards Board (GASB) requirements and the Commission's fund balance policies.

The policies also provide that excess fund balance remaining over and above the committed and assigned fund balances should be classified as unassigned. Currently the LAFCo General Fund does not include any assigned fund balance. Further, the policies provide that an unassigned (and unappropriated) fund balance of approximately 60 days working capital must be maintained. Based on the Projected Actual Expenditures for FY 2014-15 (\$592,550), 60 days working capital would be approximately \$98,758. The total unassigned fund balance for the current year is \$235,076 which is equivalent to approximately 143 days working capital.

Miscellaneous Revenue

Miscellaneous revenue includes interest earnings and other revenue, primarily application filing fees. The Proposed Budget for Miscellaneous Revenue is \$27,500, which is approximately 15.9% less than the Adopted Budget amount for the current fiscal year (\$32,700). This decrease is reflected in the \$2,500 budgeted for Investment Income (account code 8911), which is slightly lower than the \$2,700 budgeted for the current year, and in the \$25,000 budgeted for Miscellaneous Revenue (account 9790), which is slightly lower than the \$30,000 budgeted for the current year.

The Commission has a policy to annually review the LAFCo fee schedule as a part of the budget process. The existing fee schedule has been in effect since July 2010. On the April 22, 2015 agenda is a separate action item recommending that changes be made to the fee schedule for FY 2015-16 to increase the administrative fee for most types of LAFCo applications and to increase the hourly staff composite rate. The projections in the Proposed and Recommended Final Budget for Miscellaneous Revenues include the recommended changes to the Fee Schedule.

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

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

The revenue projected to be collected from the County, cities and independent special districts is proposed to increase from \$519,249 to \$576,476 for the current year (11.0%). The table below shows how the amount of revenue from Other Governmental Agencies (the County, cities and independent special districts) has fluctuated since LAFCo first adopted an independent budget in June, 2001. As shown in the table, the amount of projected total revenue from Other Governmental Agencies for FY 2015-16 is higher than it has been in the previous four years. This is due to an overall anticipated increase of \$37,027 in expenditures and a \$15,000 decrease in the appropriated fund balance for FY 2015-16.

Year	Adopted Budget –Total Finance Sources	Amount of Revenue from Other Governmental Agencies	Percent of Total Revenue from Other Governmental Agencies
FY 2001-02	\$548,737	\$468,737	85%
FY 2002-03	\$719,131	\$568,503	79%
FY 2003-04	\$641,215	\$390,699	61%
FY 2004-05	\$702,503	\$472,997	67%
FY 2005-06	\$723,226	\$361,874	50%
FY 2006-07	\$830,154	\$621,617	75%
FY 2007-08	\$949,269	\$715,957	75%
FY 2008-09	\$735,422	\$488,684	66%
FY 2009-10	\$783,101	\$587,084	75%
FY 2010-11	\$772,892	\$590,055	76%
FY 2011-12	\$766,598	\$570,285	74%
FY 2012-13	\$659,706	\$550,515	83%
FY 2013-14	\$675,769	\$573,636	85%
FY 2014-15	\$641,949	\$519,249	81%

Year	Adopted Budget –Total Finance Sources	Amount of Revenue from Other Governmental Agencies	Percent of Total Revenue from Other Governmental Agencies
FY 2015-16 ¹	\$678,976	\$576,476	85%

Not formally part of the budget, but included for general information are the percentage shares of the Other Governmental Agencies revenue for each of the cities (Attachment 1) and the independent special districts (Attachment 2). City revenues and Special District revenues are based on the FY 2011-12 State Controller Reports. These are the most current Reports available at this time. Should the State issue updated Cities and Special District Reports for FY 2012-13 before the end of June, the County Auditor-Controller’s Office will use that Report as the basis for collecting revenue from the cities for FY 2015-16. As a further means of comparison, Attachment 3 shows individual agency revenue allocation amounts as a percentage of each agency’s total revenue.

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

Conclusion

The Ventura LAFCo is continuing to exercise fiscal prudence. The Commission and its staff understand the economic realities of the time and the constraints on local government revenues. The Commission’s budgeting process has improved in the last fourteen years. Systems and policies are in place to ensure best practices and proper oversight. Mandates are being met and basic services provided with a highly trained staff that seeks to limit discretionary expenditures. The Proposed Budget for FY 2015-16 was prepared and is being recommended consistent with the Commission’s policies and the knowledge and experience gained from prior years.

Respectfully submitted,

Kai Luoma
Executive Officer

- ATTACHMENTS:
- (1) Other Governmental Agencies-Cities Allocation Amounts
 - (2) Other Governmental Agencies-Independent Special District Allocation Amounts
 - (3) Agency Revenue Allocation Percentages

¹ Based on FY 2015-16 Proposed Budget

Appendix Glossary of Terms

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

APPROPRIATED FUND BALANCE: A portion of existing fund balance that is incorporated into the subsequent year's budget to "balance" expected expenditures in excess of expected revenues.

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

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

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

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

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

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

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

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

DEFICIT: An excess of expenditures or expenses over revenues.

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

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

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

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

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

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

GIS: Geographic Information System.

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

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

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

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

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

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

OBJECT: An individual expenditure account.

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

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

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

UNRESTRICTED FUND BALANCE: The difference between total fund balance in a governmental fund and its non-spendable and restricted components.

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
PROPOSED BUDGET
FY 2015 - 2016**

	New Acct Code	Old Acct Code	Final Adopted/ Adjusted FY 14-15	Projected Actuals FY 14-15	Recommended Proposed Budget FY 15-16 4/22/15	Recommended Final Budget FY 15-16 MM/DD/YY	Final Budget FY 15-16 Adopted MM/DD/YY
EXPENDITURES							
Salaries and Employee Benefits							
Regular Salaries	1101	1101	310,000	310,000	320,000		
Supplemental Payments	1106	1106	11,500	11,500	13,000		
Terminations (Buydowns)	1107	1107	24,500	7,000	15,000		
Retirement Contribution	1121	1121	63,000	63,000	66,500		
OASDI Contribution	1122	1122	18,500	18,500	20,500		
FICA Medicare	1123	1123	4,700	4,700	5,500		
Retiree Health Payment 1099 (Mgmt. Retiree Health)	1128	1128	5,300	5,300	14,500		
Group Insurance	1141	1141	23,000	23,000	23,500		
Life Insurance for Department Heads and Management	1142	1142	150	150	150		
State Unemployment Insurance	1143	1143	400	400	400		
Management Disability Insurance	1144	1144	750	1,500	2,500		
Workers Compensation Insurance	1165	1165	2,900	2,900	2,900		
401k Plan	1171	1171	11,500	8,000	12,500		
Total Salaries and Employee Benefits			476,200	455,950	496,950	-	-

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
PROPOSED BUDGET
FY 2015 - 2016**

	New Acct Code	Old Acct Code	Final Adopted/ Adjusted FY 14-15	Projected Actuals FY 14-15	Recommended Proposed Budget FY 15-16 4/22/15	Recommended Final Budget FY 15-16 MM/DD/YY	Final Budget FY 15-16 Adopted MM/DD/YY
EXPENDITURES							
Services and Supplies							
Voice Data ISF	2033	2032	2,500	2,500	2,500		
General Insurance Allocation ISF	2071	2071	2,000	2,000	2,000		
Facilities and Materials SQ FT Allocation ISF	2114	2125	15,000	15,000	15,000		
Other Maintenance ISF	2116	2128	500	0	1,000		
Memberships and Dues	2131	2141	7,100	6,750	7,100		
Cost Allocation Plan Charges	2158	2158	12,200	12,200	15,800		
Books and Publications	2163	2172	300	300	500		
Mail Center ISF	2164	2174	2,500	2,500	2,500		
Purchasing Charges ISF	2165	2176	100	100	100		
Graphics Charges ISF	2166	2177	500	500	500		
Copy Machine Chgs ISF	2167	2178	750	200	500		
Stores ISF	2168	2181	50	50	50		
Miscellaneous Office Expenses	2179	2179	4,000	4,000	4,000		
Miscellaneous Office Expense (Specialized / Shelf Software)	2179	2195	1,500	1,000	1,500		
Board and Commission Member Compensation 1099	2181	2191	4,500	3,700	5,000		
Attorney Services (County Counsel)	2185	2304	22,500	22,500	22,500		
Other Professional and Specialized Non ISF (VTD Auditor's)	2199	2199	10,000	8,250	10,000		
Other Professional and Specialized Non ISF (County Accounting Srvs)	2199	2203	4,500	4,500	5,000		
Information Tech ISF	2202	2192	2,500	2,500	2,500		
County Geographical Information Systems Expense ISF	2203	2214	21,500	21,500	21,500		
Public Works ISF Charges	2205	2197	3,000	1,000	3,000		
Special Services ISF	2206	2205	100	100	100		
Publications and Legal Notices	2221	2261	5,000	4,000	5,000		
Storage Charges ISF	2244	2283	350	350	500		
Computer Equipment < \$5,000	2261	2293	3,100	3,100	3,100		
Furniture and Fixtures < \$5,000	2262	2294			2,000		
Conferences/ Seminars ISF (Training ISF)	2272	2526	500	500	500		
Education Training Conference and Seminars	2273	2154	1,000	0	2,000		
Private Vehicle Mileage	2291	2522	7,000	7,000	7,000		
Travel Expense (Conferences / Seminars)	2292	2523	12,000	10,000	19,000		
Motorpool ISF	2303	2528	500	500	500		
Total Services and Supplies			147,050	136,600	162,250	-	-
Contingencies	6101		18,699	0	19,776		
Total Contingencies			18,699	0	19,776	-	-
TOTAL EXPENDITURES			641,949	592,550	678,976	-	-

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
PROPOSED BUDGET
FY 2015 - 2016**

	New Acct Code	Old Acct Code	Final Adopted/ Adjusted FY 14-15	Projected Actuals FY 14-15	Recommended Proposed Budget FY 15-16 4/22/15	Recommended Final Budget FY 15-16 MM/DD/YY	Final Budget FY 15-16 Adopted MM/DD/YY
FINANCING SOURCES							
Appropriation of Fund Balance			90,000	-	75,000		
Investment Income (Interest Earnings)	8911	8911	2,700	1,500	2,500		
Miscellaneous Revenue (LAFCo application fees)	9790	9772	30,000	35,000	25,000		
Total Miscellaneous Revenue			32,700	36,500	27,500	-	-
Other Governmental Agencies							
Other Government Agencies (County of Ventura)	9371	9372	173,083	173,083	192,159	-	-
Other Government Agencies (Cities)	9371	9372	173,083	173,083	192,159	-	-
Other Government Agencies (Ind. Special Districts)	9371	9372	173,083	173,083	192,159	-	-
Total Other Government Agencies Revenue Revenue			519,249	519,249	576,476	-	-
TOTAL REVENUE			551,949	555,749	603,976	-	-
TOTAL FINANCING SOURCES			641,949	555,749	678,976	-	-
NET INCOME / (LOSS) [PROJECTED USE OF APPROPRIATED FUND BALANCE]				(36,801)			

Preliminary Fund Balance and Estimated Ending Fund Balance at June 30, 2015

FUND BALANCES	Actual Fund Balance 6/30/14	Projected Fund Balance 6/30/15	Estimated Fund Balance 06/30/16
Assigned:			
Appropriated	90,000	75,000	0
Committed:			
Litigation	100,000	100,000	100,000
Unassigned:			
60 Days' Working Capital	94,244	98,758	113,163
Unassigned	162,633	136,318	121,913
TOTAL UNASSIGNED	256,877	235,076	235,076
TOTAL FUND BALANCE	446,877	410,076	335,076

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

Attachment 1

PROPOSED BUDGET FOR FISCAL YEAR 2015 - 2016

ALLOCATION - CITIES

SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, **FY 11/12**

CITY	TOTAL REVENUE PER REPORT	PERCENTAGE	ALLOCATION \$
1 Camarillo	\$ 73,361,211	8.28%	\$ 15,918
2 Fillmore	14,362,356	1.62%	3,117
3 Moorpark	24,908,774	2.81%	5,405
4 Ojai	10,447,576	1.18%	2,267
5 Oxnard	314,633,554	35.53%	68,274
6 Port Hueneme	38,646,518	4.36%	8,386
7 San Buenaventura	139,862,793	15.80%	30,352
8 Santa Paula	37,663,749	4.25%	8,173
9 Simi Valley	82,016,244	9.26%	17,798
10 Thousand Oaks	149,632,453	16.91%	32,469
TOTAL	\$ 885,535,228	100.00%	\$ 192,159

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

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

Attachment 2

PROPOSED BUDGET FOR FY 2015- 2016

ALLOCATION - SPECIAL DISTRICTS

SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY 11/12

	NAME	TOTAL		ALLOCATION
		REVENUE PER REPORT	PERCENTAGE (See Note 2)	
				\$ 192,159
1	Bardsdale Cemetery District	\$ 170,401	0.060%	\$ 115
2	Bell Canyon Comm. Services District	458,552	0.162%	311
3	Calleguas Municipal Water District	124,398,906	44.072%	84,689
4	Camarillo Health Care District	3,615,186	1.281%	2,462
5	Camrosa Water District	16,199,700	5.739%	11,028
6	Casitas Municipal Water District	15,660,766	5.549%	10,663
7	Channel Islands Beach Comm. Serv. Dist.	3,981,748	1.411%	2,711
8	Conejo Recreation & Park District	19,500,060	6.908%	13,274
9	El Rancho Simi Pioneer Cemetery District	130,078	0.046%	88
10	Fillmore-Piru Memorial District	172,027	0.061%	117
11	Fox Canyon Groundwater Mgmt. Agency	1,248,118	0.442%	849
12	Hidden Valley Municipal Water District	7,176	0.003%	6
13	Meiners Oaks Water District	1,191,831	0.422%	811
14	Montalvo Comm. Services District	719,452	0.255%	490
15	Ojai Valley Sanitary District	8,842,277	3.133%	6,020
16	Ojai Water Conservation District	7,328	0.003%	6
17	Oxnard Drainage District No. 1	47,614	0.017%	34
18	Oxnard Drainage District No. 2	165,095	0.058%	111
19	Oxnard Harbor District	12,208,234	4.325%	8,311
20	Piru Public Cemetery District	34,954	0.012%	23
21	Pleasant Valley Co. Water District	3,187,554	1.129%	2,169
22	Pleasant Valley Rec & Park District	7,753,621	2.747%	5,279
23	Rancho Simi Rec & Park District	18,560,158	6.575%	12,634
24	Saticoy Sanitary District	330,154	0.117%	225
25	Triunfo Sanitation District	14,095,113	4.994%	9,596
26	United Water Conservation District	19,860,339	7.036%	13,521
27	Ventura Co. Resource Conserv. District	63,447	0.022%	42
28	Ventura Port District	8,167,365	2.894%	5,561
29	Ventura River County Water District	1,486,915	0.527%	1,013
	TOTAL	\$ 282,264,169	100.000%	\$ 192,159

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

Apportionment of Net Operating Expenses Expressed As Percentage Of Each Agency's Total Revenue

NAME	TOTAL REVENUE PER REPORT*	ALLOCATION	PERCENTAGE OF TOTAL REVENUE
COUNTY OF VENTURA	\$ 961,545,694	\$ 192,159	0.02%
CITIES			
Camarillo	\$ 73,361,211	\$ 15,918	0.02%
Fillmore	14,362,356	3,117	0.02%
Moorpark	24,908,774	5,405	0.02%
Ojai	10,447,576	2,267	0.02%
Oxnard	314,633,554	68,274	0.02%
Port Hueneme	38,646,518	8,386	0.02%
San Buenaventura	139,862,793	30,352	0.02%
Santa Paula	37,663,749	8,173	0.02%
Simi Valley	82,016,244	17,798	0.02%
Thousand Oaks	149,632,453	32,469	0.02%
TOTAL	\$ 885,535,228	192,159	0.02%
SPECIAL DISTRICTS			
Bardsdale Cemetery District	\$ 170,401	\$ 115	0.07%
Bell Canyon Comm. Services District	458,552	311	0.07%
Calleguas Municipal Water District	124,398,906	84,689	0.07%
Camarillo Health Care District	3,615,186	2,462	0.07%
Camrosa Water District	16,199,700	11,028	0.07%
Casitas Municipal Water District	15,660,766	10,663	0.07%
Channel Islands Beach Comm. Serv. Dist.	3,981,748	2,711	0.07%
Conejo Recreation & Park District	19,500,060	13,274	0.07%
El Rancho Simi Pioneer Cemetery District	130,078	88	0.07%
Fillmore-Piru Memorial District	172,027	117	0.07%
Fox Canyon Groundwater Mgmt. Agency	1,248,118	849	0.07%
Hidden Valley Municipal Water District	7,176	6	0.08%
Meiners Oaks Water District	1,191,831	811	0.07%
Montalvo Comm. Services District	719,452	490	0.07%
Ojai Valley Sanitary District	8,842,277	6,020	0.07%
Ojai Water Conservation District	7,328	6	0.08%
Oxnard Drainage District No. 1	47,614	34	0.07%
Oxnard Drainage District No. 2	165,095	111	0.07%
Oxnard Harbor District	12,208,234	8,311	0.07%
Piru Public Cemetery District	34,954	23	0.07%
Pleasant Valley Co. Water District	3,187,554	2,169	0.07%
Pleasant Valley Rec & Park District	7,753,621	5,279	0.07%
Rancho Simi Rec & Park District	18,560,158	12,634	0.07%
Saticoy Sanitary District	330,154	225	0.07%
Triunfo Sanitation District	14,095,113	9,596	0.07%
United Water Conservation District	19,860,339	13,521	0.07%
Ventura Co. Resource Conserv. District	63,447	42	0.07%
Ventura Port District	8,167,365	5,561	0.07%
Ventura River County Water District	1,486,915	1,013	0.07%
TOTAL	\$ 282,264,169	\$ 192,159	0.07%

Source: State of California Annual Reports FY 11/12.

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



VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: April 22, 2015

Agenda Item 13

TO: LAFCo Commissioners

FROM: Kai Luoma, Executive Officer

SUBJECT: Audited Financial Statements for Fiscal Year Ended June 30, 2014

RECOMMENDATION:

Receive and file the attached audited Annual Financial Report for fiscal year ended June 30, 2014.

DISCUSSION:

The Commissioner’s Handbook policies provide for annual independent audits of the LAFCo financial statements (Attachment 1). On September 17, 2014 the Commission approved and directed the Chair to sign a professional services agreement for audit services with Vavrinek, Trine, Day & Company, LLP for fiscal year 2013-14. The audit of the FY 2013-14 LAFCo financial statements was completed in March.

A representative from Vavrinek, Trine, Day & Company will attend the meeting to present an overview of the audit process and to answer questions.

- Attachments: (1) Commissioner’s Handbook Section 2.3.6.1 providing for regular independent audits of the LAFCo financial statements
- (2) LAFCo audited Annual Financial Report for the year ended June 30, 2014

COMMISSIONERS AND STAFF

COUNTY: Linda Parks John Zaragoza <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse, Vice Chair Janice Parvin <i>Alternate:</i> Carmen Ramirez	DISTRICT: Bruce Dandy Elaine Freeman <i>Alternate:</i> Mary Anne Rooney	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Vacant
Executive Officer: Kai Luoma, AICP	Analyst Andrea Ozdy	Office Manager/Clerk Richelle Beltran	Legal Counsel Michael Walker

SECTION 2.3.6 AUDITS

2.3.6.1 Independent Auditor Role: For the two-year period between July 1, 2007 and June 30, 2009, LAFCo shall arrange for a single audit of its financial statements to be conducted by an independent accounting firm. All subsequent year financial statements shall be audited annually thereafter. LAFCo staff, the Commission, and any Commission committee appointed for the purpose of audit oversight are authorized to communicate directly with the independent accounting firm.

SECTION 2.5.4 CONTRACT APPROVAL AND EXECUTION

LAFCo hereby delegates to the Executive Officer or designee the authority to approve and execute contracts and agreements for \$5,000.00 or less, provided sufficient funds are contained in the appropriate line item of the LAFCo budget. In order to expedite work, the Executive Officer is authorized to make minor modifications as may be necessary and to approve increases in contracts in an amount not to exceed \$500, provided sufficient funds are contained in the appropriate line item of the LAFCo budget. Any contract or agreement greater than \$5,000.00, any amendment to a contract or agreement which would cause the total amount of the contract or agreement to exceed \$5,500.00, or any contract or agreement for any amount where there are not sufficient funds contained in the appropriate line item of the LAFCo budget, shall be presented to the Commission for approval and execution.

VENTURA LOCAL AGENCY FORMATION COMMISSION

Annual Financial Report

Fiscal Year Ended June 30, 2014

INTRODUCTORY SECTION

VENTURA LOCAL AGENCY FORMATION COMMISSION

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

The Commissioners of Ventura
Local Agency Formation Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Local Agency Formation Commission for Ventura County (Commission), California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 general fund of the Commission, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 – 9 and 23 – 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2015, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Rancho Cucamonga, California
March 23, 2015

**MANAGEMENT'S
DISCUSSION
AND ANALYSIS
(UNAUDITED)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the Ventura Local Agency Formation Commission (Commission) provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the basic financial statements and the notes to those financial statements identified in the accompanying table of contents.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements include three components: the governmental fund financial statements, the government-wide financial statements, and the notes to the basic financial statements. The basic financial statements consolidate the two kinds of statements that present different views of the Commission. The statements and notes are followed by a section of required supplementary information that provide additional financial and budgetary information.

The two statements presented are the Governmental Fund Balance Sheet/Statement of Net Position, and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities. The General Fund columns reflect the governmental fund financial statements that focus on the short-term. The Statement of Net Position and the Statement of Activities columns reflect the government-wide financial statements that provide both long-term and short-term information about the Commission's overall financial status. These statements can be found on pages 11 - 12.

Government-wide Financial Statements

The financial statements created by Governmental Accounting Standards Board Statement No. 34 (GASB 34) and its related Statements, GASB 37 and 38, and Interpretation No. 6, are designed to provide readers with a broad overview of the Commission's finances in a manner similar to a private-sector business. The *statement of net position* and *statement of activities* use the flow of economic resources measurement focus and accrual basis of accounting. The focus and basis emphasize the *long-term* view of the Commission's finances.

The *statement of net position* presents information on all Commission assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the Commission rather than the Commission as a whole. They are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Commission is a single purpose, single fund entity and utilizes a governmental fund to account for its activities.

The fund financial statements consist of the balance sheet and statement of revenues, expenditures, and changes in fund balance. These are prepared on the modified-accrual basis of accounting. The government-wide statements are prepared on the full-accrual basis.

In general, these financial statements under the modified-accrual basis have a short-term emphasis and for the most part, measure and account for assets that are current financial resources, and liabilities that are expected to be liquidated with current financial resources. Specifically, cash and receivables collectible within a very short period of time are reported on the balance sheet.

Fund liabilities include amounts that are to be paid within a very short time after the end of the fiscal year. The long-term liabilities are not included. The difference between a fund's total assets and total liabilities represents the fund balance. The assigned and unassigned portions of the fund balance represents the amount available to finance future activities.

The operating statement for the governmental fund reports only those revenues and expenditures that were collected in cash or paid with cash during the current period or very shortly after the end of the year.

The focus of the fund financial statements is narrower than that of the government-wide financial statements. Since the different accounting basis is used to prepare the above statements, reconciliation is required to facilitate the comparison between the fund statements and the government-wide statements. The reconciliation between the total fund balances and net position of governmental activities can be found on page 11.

The reconciliation of the total change in the fund balance for the governmental fund to the change in net position of governmental activities can be found on page 12.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 13 - 22 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A summary of the government-wide statement of net position follows:

Table 1
Net Position - Governmental Activities

	2014	2013
Assets:		
Current and other assets	\$ 463,000	\$ 399,892
Total assets	\$ 463,000	\$ 399,892
Liabilities:		
Current and other liabilities	\$ 41,192	\$ 45,777
Long-term liabilities	3,763	2,252
Total liabilities	44,955	48,029
Net position:		
Unrestricted	418,045	351,863
Total net position	418,045	351,863
 Total liabilities and net position	 \$ 463,000	 \$ 399,892

As shown in Table 1, the Commission's total assets in the fiscal year ended June 30, 2014, increased \$63,108 or 15.8 percent from FY 2013. This was primarily due to an increase in the amount of revenue received from charges for the Commission's services (application fees), combined with a decrease in contract services (salaries and benefits) caused by staffing turnover. As shown in Table 2, the amount of revenue from the Commission's application fees in the fiscal year ended June 30, 2014, was higher than the prior fiscal year. This is a result of one particularly complex application requiring a significant amount of staff time, resulting in higher fee revenue. Net position as of June 30, 2014, increased \$66,182, indicating a 18.8 percent improvement in the Commission's overall financial condition, primarily attributed to a decrease in total expenditures for contract services.

Table 2
Revenue from Filing Fees, FY 2009-14

Fiscal Year	Amount of Revenue from Filing Fees
2008-09	\$61,471
2009-10	\$44,302
2010-11	\$110,941
2011-12	\$40,684
2012-13	\$41,874
2013-14	\$47,920

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

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

Table 3
Changes in Net Position - Governmental Activities

	2014	2013
Revenues:		
Program revenues:		
Charges for services:		
Apportionments from other governmental units	\$ 573,636	\$ 550,515
Filing fees	47,920	41,874
General revenues:		
Interest	1,991	1,769
Total revenues	623,547	594,158
Expenses:		
General government	557,365	590,297
Total expenses	557,365	590,297
Change in net position	66,182	3,861
Net position - beginning of year	351,863	348,002
Net position - end of year	\$ 418,045	\$ 351,863

As in all other years, the Commission's major source of revenue in fiscal year ended June 30, 2014, 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. Filing fees increased \$6,046 or 14.4 percent in fiscal year ended June 30, 2014, primarily a result of one particularly complex application requiring a significant amount of staff time, resulting in higher fee revenue.

As shown in Table 3, total expenses in fiscal year ended June 30, 2014, decreased by \$32,932 or 5.6 percent. This was primarily a decrease of \$32,056 for contract services (salaries and benefits), which was a result of the resignation of the Executive Officer in January 2014.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

GOVERNMENTAL FUND FINANCIAL ANALYSIS

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, 2014, total fund balance of the General Fund was \$445,921, compared to \$387,840 for fiscal year ended June 30, 2013.

GENERAL FUND BUDGET

There were no significant General Fund budget adjustments for the year. Major deviations between the budget of the General Fund and its actual operating results were as follows:

- *Filing fees revenue (miscellaneous revenue):*
 - Filing fees revenue (miscellaneous revenue) was more than budgeted, a result of one particularly complex application requiring a significant amount of staff time, resulting in higher fee revenue.
- *Contract services (salaries and benefits):*
 - Regular salaries and retirement contributions were less than budgeted due to the resignation of the Executive Officer in January 2014, which resulted in other staffing changes.
 - Terminations/Buydown expenditures were less than budgeted due to fewer than anticipated expenditures for buydowns of accrued annual leave by LAFCo staff members.
- *Services and supplies:*
 - County GIS (mapping) and County Counsel expenditures were less than budgeted from receiving fewer and less complex applications than anticipated.

REQUESTS FOR INFORMATION

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, California 93009-1850.

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BASIC FINANCIAL STATEMENTS

VENTURA LOCAL AGENCY FORMATION COMMISSION
GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION
JUNE 30, 2014

	General Fund	Adjustments	Statement of Net Position
<u>ASSETS</u>			
Cash and cash equivalents (Note 2)	\$ 459,269	\$ -	\$ 459,269
Interest receivable	437	-	437
Due from County of Ventura	3,294	-	3,294
Total assets	463,000	-	463,000
<u>LIABILITIES</u>			
Accounts payable	\$ 832	-	832
Accrued payroll liabilities	10,322	-	10,322
Due to County of Ventura	2,410	-	2,410
Unearned revenue	3,515	-	3,515
Long-term liabilities (Note 5):			
Due within one year	-	24,113	24,113
Due after one year	-	3,763	3,763
Total liabilities	17,079	27,876	44,955
<u>FUND BALANCE/NET POSITION</u>			
Fund balances:			
Committed	100,000	(100,000)	-
Assigned	90,000	(90,000)	-
Unassigned	255,921	(255,921)	-
Total fund balance	445,921	(445,921)	-
Total liabilities and fund balance	\$ 463,000		
Net position:			
Unrestricted		418,045	418,045
Total net position		\$ 418,045	\$ 418,045

Fund balances - total governmental fund \$ 445,921

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities used in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental fund

(27,876)

Net position of governmental activities \$ 418,045

See the accompanying notes to the basic financial statements

VENTURA LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses:			
General government	\$ <u>565,466</u>	\$ <u>(8,101)</u>	\$ <u>557,365</u>
Total expenditures/expense	<u>565,466</u>	<u>(8,101)</u>	<u>557,365</u>
Program revenues:			
Charges for services:			
Apportionments	573,636	-	573,636
Filing fees	<u>47,920</u>	<u>-</u>	<u>47,920</u>
Total charges for services	<u>621,556</u>	<u>-</u>	<u>621,556</u>
Net program revenue/(expense)			64,191
General revenues:			
Interest	<u>1,991</u>	<u>-</u>	<u>1,991</u>
Total general revenues	<u>1,991</u>	<u>-</u>	<u>1,991</u>
Excess of revenues over expenditures	58,081	(58,081)	<u>-</u>
Change in net position		66,182	66,182
Fund balance/net position:			
Beginning of the year	<u>387,840</u>	<u>(35,977)</u>	<u>351,863</u>
End of the year	<u>\$ 445,921</u>	<u>\$ (27,876)</u>	<u>\$ 418,045</u>

Net change in fund balances - total governmental fund \$ 58,081

Amounts reported for governmental activities in
the statement of activities are different because:

Some expenses reported in the statement of activities
do not require the use of current financial resources and, therefore,
are not reported as expenditures in the governmental fund
Change in compensated absences

8,101

Change in net position of governmental activities \$ 66,182

See the accompanying notes to the basic financial statements

VENTURA LOCAL AGENCY FORMATION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Ventura Local Agency Formation Commission (Commission) conform to generally accepted accounting principles (GAAP) 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. New Accounting Pronouncements

GASB Statement No. 65, *Items Previously Reported As Assets and Liabilities*, effective for periods beginning after December 15, 2012, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Commission implemented the new requirements for the fiscal year 2013-14 financial statements.

GASB Statement No. 66, *Technical Corrections - 2012 – an amendment of GASB Statements No. 10 and No. 62*, effective for periods beginning after December 15, 2012, improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Commission implemented the new requirements for the fiscal year 2013-14 financial statements.

VENTURA LOCAL AGENCY FORMATION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, effective for periods beginning after June 15, 2013, improves financial reporting by state and local governmental pension plans. The new requirements are not applicable to the Commission.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014, improves accounting and financial reporting by state and local governments for pensions. The Commission intends to implement the new requirements for the fiscal year 2014-15 financial statements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013, establishes accounting and financial reporting standards related to government combinations and disposals of government operations and improves financial reporting by requiring that certain disclosures be made about combination arrangements and disposals of government operations. The Commission intends to implement the new requirements for the fiscal year 2014-15 financial statements.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for periods beginning after June 15, 2013, improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees by requiring consistent reporting and enhanced disclosure about a government's obligations and risk exposure from extending nonexchange guarantees. The new requirements are not applicable to the Commission.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective simultaneously with the provisions of Statement 68, eliminates the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers. The Commission intends to implement the new requirements for the fiscal year 2014-15 financial statements.

VENTURA LOCAL AGENCY FORMATION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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.

Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented which explains the adjustments necessary to reconcile fund financial statements to the government-wide financial statements.

D. Net Position/Fund Balances

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment In Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation, the outstanding balances of debt, and deferred inflows that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position (RNP) – This category reflects that portion of net position that is subject to constraints either by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents that portion of the net position of the Commission not restricted for any project or other purpose. Outstanding liabilities attributable to these items reduce the balance of this category.

VENTURA LOCAL AGENCY FORMATION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

Fund Statement - Fund Balances

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Nonspendable fund balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories or prepaid amounts and may also include the long-term receivables.

Restricted fund balance - includes amounts with constraints on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – includes amounts that can only be used for the specific purposes determined by formal action of the highest level of decision-making authority, the Commission. All policy decisions by the Commission are made through the adoption of a resolution; these policies are then incorporated in the Commissioner's Handbook. Commitments may be changed only by the Commission taking the same formal action that originally imposed the constraint. The Commission has committed \$100,000, for a Litigation Account with the intent of limiting the use of the Litigation Account funds for unanticipated expenditures resulting from litigation against the Commission that does not occur routinely and would not be reimbursed by another party.

Assigned fund balance – includes amounts that are constrained by the Commission's intent to be used for specific purposes. The intent is expressed by the highest level of decision-making, the Commission. Assigned fund balance does not require the same formal action required for committed fund balance; instead an assignment of fund balance requires a majority vote of the Commission. However, if a portion of existing fund balance is included as a budgetary resource in the subsequent year's budget, the Commissioner's Handbook specifies that portion of fund balance should be classified as assigned. Fund balance of \$90,000 is assigned for the subsequent year's budget "deficit".

Unassigned fund balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications.

It is the Commission's policy when restricted and unrestricted (committed, assigned, or unassigned) resources are available, restricted resources are generally considered to be used first, followed by committed, assigned, and unassigned resources as they are needed.

E. 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.

VENTURA LOCAL AGENCY FORMATION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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 year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

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.

F. 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 and related disclosures may be found in the notes to the County's basic financial statements.

G. 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.

H. Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)

Commission policy permits employees to accumulate earned but unused vacation, sick pay, and compensatory time. A liability for all vacation pay and compensated absences and 25 percent of unused accumulated sick leave for those employees with at least ten years of service is accrued when earned in the government-wide financial statements. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental fund financial statements only if they have matured as a result of employee resignations and retirements prior to year-end and are paid by the Commission from current available resources.

VENTURA LOCAL AGENCY FORMATION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

I. Fund Balance Policy

The Commission has adopted a policy to achieve a minimum level of unassigned fund balance in the General Fund of approximately 60 days of working capital. Excess fund balance remaining over and above the committed and assigned fund balances is classified as "unassigned" in the General Fund. Should Unassigned Fund Balance fall below 45 days working capital it should be addressed in the next fiscal year budget. As of June 30, 2014, available working capital in excess of 60 days was \$181,601.

J. Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

The Commission participates in the County Treasurer's cash and investment pool. At June 30, 2014, the Commission's total cash and cash equivalents was \$459,269; the change in fair value from carrying value amounted to a decrease of \$956.

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.

At June 30, 2014, the weighted average maturity of the County of Ventura Investment Pool was 290 days.

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 has received ratings of AA Af and S1+ by Standard and Poor's Ratings Services, the highest possible ratings given by the agency.

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).

VENTURA LOCAL AGENCY FORMATION COMMISSION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014
 (Continued)

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, 2014, 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:

<u>Coverage</u>	<u>Limit of Insurance</u>	
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	\$ 32,000,000	In aggregate. \$500,000 self insured retention per occurrence plus \$1,000,000 net loss corridor retention in excess of \$500,000.
Business Travel Accident	\$ 5,700,000	Aggregate, no deductible.
Risk Property, Boiler & Machinery, Heavy Equipment, DIC, Library Book Floater	\$ 600,000,000	Varies.

Settlements or judgments have not exceeded commercial coverage for any risk of loss in each of the past three fiscal years.

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 year ended June 30, 2014, was \$514,728. The total due to the County as of June 30, 2014, was \$2,410.

VENTURA LOCAL AGENCY FORMATION COMMISSION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014
 (Continued)

5. LONG-TERM LIABILITIES

Long-term obligations of the Commission consist of compensated absences. Compensated absences are liabilities for vacation, vested sick leave benefits, and compensatory time reported as required by GASB Statement No's. 16 and 34 in the governmental activities of the government-wide financial statements.

A summary of long-term liabilities incurred, outstanding as of June 30, 2014, is as follows:

<u>Type of Liability</u>	<u>Outstanding July 1, 2013</u>	<u>Additions</u>	<u>Maturities</u>	<u>Outstanding June 30, 2014</u>	<u>Amount Due Within One Year</u>
Compensated Absences	\$ <u>35,977</u>	\$ <u>25,624</u>	\$ <u>33,725</u>	\$ <u>27,876</u>	\$ <u>24,113</u>

A liability for compensated absences is reported in the governmental fund financial statements only if they have matured due to employee resignations and retirements.

6. PENSION PLANS

VCERA Plan

A. Plan Description

The Commission participates in a contributory defined benefit plan (Plan) which is administered by the Ventura County Employees' Retirement Association (VCERA). The plan was established pursuant to Government Code Sections 31450 through 31899. VCERA operates a cost-sharing, multiple-employer system with substantially all member employers included in the County's primary government reporting entity. Covered employees include those from the County, Courts, Air Pollution Control District, the Commission, and other smaller special districts. Due to the relative insignificance of the non-County employers participating in the plan, the County has elected to include financial statement disclosures required for a single-employer plan. Membership in the VCERA is mandatory for all regular employees who are scheduled to work 64 hours or more biweekly.

VCERA is governed by the Board of Retirement. The Plan's benefit provisions and contribution requirements are established and may be amended by state law and resolutions and ordinances adopted by the Board of Retirement and Board of Supervisors. VCERA issues an independently audited Comprehensive Annual Financial Report. A copy of this report can be obtained by contacting the Retirement Association at 1190 South Victoria Avenue, Suite 200, Ventura, California 93003.

Plan members are classified as either General or Safety. General members employed prior to or on June 29, 1979, and certain other employees before June 30, 2002, are designated as Tier I members. General members employed after June 29, 1979, are designated as Tier II members. All Safety members are classified as Tier I regardless of date of hire. The Commission does not have any Safety or Tier I members.

VENTURA LOCAL AGENCY FORMATION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

B. Retirement Benefits

A General or Safety member with 10 or more years of County service is entitled to an annual retirement allowance beginning at age 50. General members with 30 or more years of service and Safety members with 20 or more years of service may begin receiving a retirement allowance regardless of age. The basic retirement allowance is based upon the member's age, years of retirement service credit, and final average compensation.

Employees terminating before accruing 5 years of retirement service credit (5-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning 5 years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. In addition, certain death, disability, and supplemental benefits are provided to eligible employees.

C. Actuarially Determined Contribution Requirements

The funding policy provides for periodic employer and employee contributions at actuarially determined rates, expressed as level percentages of annual covered payroll, that are sufficient to accumulate the required assets to pay benefits when due. The smoothing of market value method is used to determine the actuarial value of assets. In accordance with various employee collective bargaining agreements, the Commission subsidizes the employees' regular contributions in various amounts, depending on the classification of the employee. Contribution rates for employees range from 5.78 percent to 12.35 percent of covered payroll. Contribution rates are determined using the "entry age normal cost" method. Under this method, normal cost is the level amount that would fund the projected benefit if it was paid annually from the date of employment until retirement.

D. Contributions and Transfers Made

The Commission's actuarially determined employer contributions of \$62,660 were made in 2011-12, \$69,192 in 2012-13, and \$69,971 in 2013-14. These contributions represent 100 percent of the annual pension cost required for fiscal years 2012, 2013, and 2014.

VENTURA LOCAL AGENCY FORMATION COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

Management Retiree Health Benefits Program

A. Plan Description

The Commission participates in the Management Retiree Health Benefits Program (MRHBP), a cost-sharing, multiple-employer defined benefit plan administered by the County. The MRHBP was established by the County Board of Supervisors on June 8, 1999. On June 21, 2005, the Board of Supervisors approved the elimination of this benefit for employees covered after July 2, 2005.

Employees who retired after July 1, 1999, became eligible to receive one year of payments for five years of service, up to a maximum of five years of coverage. Payments of approximately \$698 per month were equivalent to premiums for the Ventura County Health Care Plan. Total payments in fiscal year 2013-14 were \$-0-. The payments do not constitute any guarantee of medical care benefits.

Additional details, actuarial assumptions, funded status, and required supplementary information for the MRHBP is included in the Comprehensive Annual Financial Report (CAFR) of the County for the fiscal year ended June 30, 2014. The report is available from the County of Ventura's web page, <http://www.ventura.org/auditor-controller/comprehensive-annual-financial-report-2014>.

B. Funding Policy

The MRHBP is currently funded on a pay-as-you-go basis. Annual required contributions are determined by the County.

C. Contributions and Transfers Made

The Commission's actual and required contributions, as determined by the County, were \$-0- in 2011-12, 2012-13, and 2013-14.

**REQUIRED
SUPPLEMENTARY
INFORMATION
(OTHER THAN MD & A)
(UNAUDITED)**

VENTURA LOCAL AGENCY FORMATION COMMISSION
 BUDGETARY COMPARISON SCHEDULE - ON BUDGETARY BASIS
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Apportionments	\$ 573,636	\$ 573,636	\$ 573,636	\$ -
Filing fees	30,000	30,000	47,920	17,920
Interest	4,000	4,000	2,334	(1,666)
Amount available for appropriation	<u>607,636</u>	<u>607,636</u>	<u>623,890</u>	<u>16,254</u>
Charges to appropriations (outflows):				
General government:				
Contract services (salaries and benefits)	511,970	511,970	448,961	63,009
Services and supplies	150,550	150,550	116,505	34,045
Contingencies	13,249	13,249	-	13,249
Total charges to appropriation	<u>675,769</u>	<u>675,769</u>	<u>565,466</u>	<u>110,303</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,133)</u>	<u>(68,133)</u>	<u>58,424</u>	<u>126,557</u>
Fund balance - beginning	<u>387,840</u>	<u>387,840</u>	<u>387,840</u>	<u>-</u>
Fund balance - ending	<u>\$ 319,707</u>	<u>\$ 319,707</u>	<u>\$ 446,264</u>	<u>\$ 126,557</u>

VENTURA LOCAL AGENCY FORMATION COMMISSION
 NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. BUDGET AND BUDGETARY ACCOUNTING

As set forth in California Government Code Section 56381 of the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000, the Commission is legally required to adopt a proposed annual budget for the General Fund by May 1, and a final annual budget by June 15. The Commission adheres to the provisions of California Government Code Sections 29000 through 29144 concerning budgetary matters, commonly known as The County Budget Act.

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 object level. Any transfer of appropriations between object levels is delegated by the Commission to the Executive Officer. It is the practice of the Commission's management to review the budget quarterly and, if necessary, recommend changes to the Commission.

The Budgetary Comparison Schedule for the General Fund, as required by GASB 34, presents the original budget, final budget and actual amount. The "original budget" includes the adopted budget plus appropriations for prior year approved rollover encumbrances. The "final budget" is the budget as Board approved at the end of the fiscal year. The "actual amount" includes the actual revenues and expenditures incurred on a budgetary basis and as adjusted for the basic financial statements. Variances are provided between the Final Budget Amounts and the Actual Amounts on a budgetary basis.

This information is presented as Required Supplementary Information. Analysis of the final budget to actual variances is discussed in the Management's Discussion and Analysis.

The budget is adopted on a basis of accounting which is different from GAAP. The primary difference is:

- For budgetary purposes, changes in the fair value of investments are not recognized as increases or decreases to revenue. Under GAAP, such changes are recognized as increases or decreases to revenue.

The following schedule is a reconciliation of the difference between the fund balances on the actual on a budgetary basis and the GAAP basis on the fund financial statements at June 30, 2014:

	FY 2013-14
	General
Fund balance - Actual on budgetary basis	\$ 446,264
Adjustment:	
Change in fair value of investments	(343)
Fund balance - GAAP basis	\$ 445,921

VENTURA LOCAL AGENCY FORMATION COMMISSION
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

Level of Budgetary Control

The legal level for budgetary control (the level at which expenditures may not legally exceed appropriations) is at the object level: contract services (salaries and benefits) and services and supplies. Expenditures are classified as general government. Any transfer of appropriations between object levels within the same budget unit is delegated by the Commission to the LAFCo Executive Officer.

Encumbrances

The Commission utilizes an encumbrance system as an extension of normal budgetary accounting to assist in controlling expenditures. Under this system, purchase orders, contracts, and other commitments for expenditures are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as assignment or commitment of fund balance in the governmental fund. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

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COMPLIANCE SECTION



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Commissioners of Ventura
Local Agency Formation Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Local Agency Formation Commission for Ventura County (Commission), California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 23, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rancho Cucamonga, California

March 23, 2015



VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: April 22, 2015

Agenda Item 14

TO: LAFCo Commissioners
FROM: Kai Luoma, Executive Officer 
SUBJECT: Agricultural Mitigation Workshop

RECOMMENDATION:

Provide direction regarding a Ventura LAFCo-sponsored informational workshop concerning agricultural mitigation.

DISCUSSION:

At the January 21, 2015 LAFCo meeting, the Commission heard a presentation by staff regarding agricultural mitigation policies that have been adopted by other LAFCos within the state. The Commission directed staff to organize a workshop on the matter to consider options and receive stakeholder feedback regarding agricultural mitigation.

At the March 18, 2015 LAFCo meeting, staff provided to the Commission draft workshop materials and sought direction pertaining to workshop topics, invitees, time, and location.

Draft Agenda/Program and Potential Speakers

Attachment 1 is an updated draft agenda/program for the workshop. Pursuant to Commission direction, the agenda/program was updated to include:

- An explanation of the purpose of the workshop (Item 2 on the draft agenda). This would include a discussion regarding LAFCo’s use of EIRs prepared by lead agencies that may not adequately evaluate mitigation for the loss of agricultural land.
- A discussion of mitigation options provided by The Nature Conservancy (Item 6). The Commission expressed a desire to hear specifically from The Nature Conservancy regarding the options that may be available to mitigate loss of agricultural land.

COMMISSIONERS AND STAFF

COUNTY: Linda Parks John Zaragoza <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse, Vice Chair Janice Parvin <i>Alternate:</i> Carmen Ramirez	DISTRICT: Bruce Dandy Elaine Freeman <i>Alternate:</i> Mary Anne Rooney	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Vacant
Executive Officer: Kai Luoma, AICP	Analyst Andrea Ozdy	Office Manager/Clerk Richelle Beltran	Legal Counsel Michael Walker

- Case studies of how agricultural mitigation policies have worked for other LAFCos (Item 7). The Commission directed staff to include case studies from all LAFCos that have adopted mitigation policies. These include the San Luis Obispo, Santa Clara, Stanislaus, and Yolo LAFCos.

These organizations and/or individuals have not yet been contacted, thus their availability and/or ability to participate is uncertain at this time. Once a date/time for the workshop is finalized, staff will contact all individuals/agencies to determine availability and any costs that may be associated with their participation (for instance travel/hotel costs if staff from other LAFCos are invited to participate).

Stakeholders/Invitees

Attachment 2 is a list of stakeholders/invitees that would be provided notice and/or an invitation to attend the workshop. Per Commission direction, the list was expanded to include:

- Santa Monica Mountains Conservancy
- Ojai Valley Land Conservancy
- Ventura Hillside Conservancy

Location/Date/Time

The Commission's preference was to conduct the workshop in a suitable location in or near the City of Camarillo on a Thursday morning in late June or early July.

Staff has reserved a community room at the Camarillo Library for the morning of Thursday, June 25. The room can accommodate 150 people comfortably. The tentative time of the workshop is 9-12. With the exception of Commissioners Dandy and Freeman, all other Commissioners, Alternates, and staff are available at this date and time.

Attachments

1. Draft Agenda/Program
2. Draft List of Stakeholders/Invitees



VENTURA LOCAL AGENCY FORMATION COMMISSION
DRAFT AGENDA
AGRICULTURAL MITIGATION WORKSHOP

Attachment 1

1. Introductions
LAFCo Chair
2. Purpose of the Workshop – Why are we here?
LAFCo Chair/staff
3. Overview of LAFCo’s responsibilities pertaining to preservation of agricultural land
Presented by LAFCo staff
4. Overview on CEQA requirements with respect to feasible mitigation for loss or conversion of agricultural land
Presented by LAFCo staff
5. Agricultural land conversion in Ventura County in recent years
Presented by Ventura County Agricultural Commissioner
6. Mitigation options
Presented by The Nature Conservancy and possibly others
7. Case Studies: How agricultural mitigation policies have worked for other LAFCos
Presented by San Luis Obispo LAFCo, Santa Clara LAFCo, Stanislaus LAFCo, and/or Yolo LAFCo
8. Solicitation of input from stakeholders
9. Commission direction to LAFCo staff

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Draft List of Stakeholders/Invitees

- Cities
 - City Managers
 - Planning Directors
- County
 - Agricultural Commissioner
 - Planning Director
 - Resource Conservation District
 - Watershed Protection District
 - Agricultural Policy Advisory Committee
- State
 - CA Department of Conservation
 - UC Hansen Agricultural Research and Extension Center
- Conservation entities
 - The Nature Conservancy
 - Save Open Space and Agricultural Resources
 - Ventura County Ag Futures Alliance
 - The Trust for Public Land
- Agricultural Advocacy Entities
 - Ventura County Farm Bureau
 - Ventura County Agricultural Association
- Others
 - Building Industry Association
 - Watersheds Coalition of Ventura County
 - Ventura County Community Foundation
 - Ventura County Coalition of Labor, Agriculture and Business
 - Santa Monica Mountains Conservancy
 - Ojai Valley Land Conservancy
 - Ventura Hillside Conservancy