

MINUTES - MARIN LOCAL AGENCY FORMATION COMMISSION

On May 8, 2003, the regular meeting of the Marin Local Agency Formation Commission was held at the San Rafael Council Chambers, 1400 Fifth Avenue, San Rafael. Vice-Chair Heller conducted the meeting as Commissioner Blanchfield would be interviewed for reappointment as regular public member during agenda item 7. She called the meeting to order at 7:08 p.m.

ROLL CALL

Commissioners Present: Susan Adams
Jeffrey Blanchfield
Judy Chapman
Barbara Heller
Dennis J. Rodoni
Annette Rose
Jeffrey Slavitz

Alternate Commissioners
Present but not seated: Christopher Burdick
Pat Eklund

Staff present: Peter Banning, Executive Officer
Dory Miller, Clerk to the Commission

1. **Public Comment** - None

NOTICE OF APPLICATION (Information Only)

2. New applications were received for the following proposals:
Annexation of the Lands of Sproete to Novato Sanitary District (File #1244)
Annexation of the Lands of Olive Ridge LLC to Novato Sanitary District
(File# 1245)

CONSENT CALENDAR ITEM(S)

3. **Regular Meeting Minutes, March 13, 2003**
4. **Financial Reports - March & April, 2003**
5. **Annexation of the Lands of Shooshtarian to Novato Sanitary District (File #1242)**
6. **Annexation of the Lands of Lacues to Novato Sanitary District (File #1243)**

M/S Slavitz - Chapman to approve the consent calendar.

Approved unanimously.

BUSINESS ITEM(S)

Vice Chair Heller moved agenda item 7, "Selection of Regular Public Member" and item 8, "Selection of Chair Person" to follow agenda item 9 to allow additional time for arrival of public member candidates.

9. **Proposed Amendment of Fee Schedule and Adopted Policies, Procedures and Guidelines**

The Executive Officer stated the Policy Committee had met on March 20th at which time the Committee asked staff to draft amendments to the fee schedule and define a period of time that an application file may remain open. Staff recommended a one-year application period and to allow the resubmittal of an application within two years for a 15% supplemental fee. A second proposed policy amendment established a policy on reduction of fees which was previously adopted but were inadvertently omitted from the Adopted Policies, Procedures and Guidelines.

Staff proposed two minor amendments to procedures for notice when processing proposals. One was to provide notice when the Commission may act to amend the boundaries of the proposal. Another was to include the exemption of notice as allowed by the Cortese-Knox-Hertzberg Act when an application includes 100% written consent of all of the affected landowners.

Unincorporated Island Policy

Mr. Banning cited a section of the Cortese-Knox-Hertzberg Act provided for the annexation of unincorporated islands to cities when the islands were less than 75 acres. The special provisions allowed the annexation when initiated by the city to be processed without the protest proceedings that were normally accorded to annexation proposals. To productively use this section, the Commission would need to adopt policy which would define 'substantially surrounded'. The purpose would be to correct areas with very irregular boundaries. He stated that the Policy Committee was not interested in adopting policy at the time because the Committee had too many other objectives and the policy could become controversial and time consuming to implement.

Commissioner Heller asked if the irregular boundaries could be incorporated into the sphere of influence reviews and updates. Commission Chapman stated she believed the areas with irregular boundaries were already within the spheres of

influence of cities. The Executive Officer stated that policy for unincorporated islands would not result in any reconfiguration of the cities' spheres of influence, but could bring the island issue to public attention. Commissioner Slavitz agreed adopting the policy would help to identify those areas and make the public aware that the situation existed.

The Executive Officer stated consideration of an "unincorporated island policy" could be revisited later.

Agricultural Land Policy

The Executive Officer stated the Policy Committee had discussed what might be done to expand or strengthen the Commission's agricultural land policy and decided the most important objective for the year would be to participate in the County's General Plan update and enlist the County's participation the Commission's sphere of influence update process. He stated he had arranged an appearance before the County's Planning Commission in July and was planning study sessions on this topic for LAFCO in the fall. An additional study session would focus on unincorporated communities outside the SOIs of any city.

Staff recommended that the Commission approve the proposed amendments to the fee schedule; approve the text amendments to the public notice section of the Commission's Adopted Policies, Procedures and Guidelines; and direct staff to set up study sessions in the fall on preservation of agriculture/open space and exclusion of unincorporated communities from cities sphere of influence.

Commissioner Rodoni expressed concerns about excluding notice to the public in areas surrounding a proposal. The Executive Officer explained that the only class of persons entitled to protest a boundary change were the landowners within the area affected by the proposal. If there were written consent from all property owners, a protest hearing would not be held. He added that this situation usually existed only in the cases of small annexations and would have been discussed with affected agencies before being brought to the Commission. The proposal would not be presented in the consent calendar if there were any opposition.

M/S Chapman – Rose to approve the staff recommendations.

Approved unanimously.

7. Selection of Regular Public Member

Vice Chair Heller returned to this agenda item at 7:29 p.m. and noted that two of the three candidates had attended the meeting – Mr. Blanchfield and Mr. Lang.

The Commissioners asked the following questions of both candidates:

Please tell the Commission something about yourself and the reasons why you have applied for the LAFCO Regular Public Member position.

What do you see as a priority issue for LAFCO during the next term and why?

What experience have you had in land use planning?

What experience have you had with the delivery of local government services?

What is your understanding of LAFCO's role in local government?

What is your understanding of the Public Member's function on LAFCO?

Jeffrey Blanchfield

Mr. Blanchfield described his involvement in the community. A native of Marin County for 25 years, he was appointed by the City of Mill Valley City Council to serve on the Open Space Site Priority Committee, served his neighborhood association and organized swim meets for the children in his community. He stated his educational background was in planning, history, forestry and general science (Masters in Urban Planning from the University of Oregon). His employment with the San Francisco Bay Conservation Development Commission for 28 years involved regional and local planning, including a wide range of tasks from writing ordinances to assisting in the development of policy elements of general plans.

Mr. Blanchfield had served 1½ terms on LAFCO and stated he believed the Commission provided a forum to create dialog on a sub-regional basis about the future of urban or rural patterns. He stated he was excited about how Marin LAFCO had evolved in the last few years and was providing a unique leadership role.

Mr. Blanchfield described the public member's role in LAFCO as being cognizant of the general public's interest in local government organization and to represent that population that has no other LAFCO representative. He stated LAFCO's role was leading and carrying out a statutory responsibility in partnership with local governments - cities, counties and special districts.

Christopher Lang

Mr. Lang described himself as a 50 year-old with 25 years of public service. He stated he had graduated from UC Santa Cruz in 1975 with studies in environmental planning and had known about LAFCO before he graduated. He stated he was a "slow-growther" and felt he could represent the public well by being receptive to public

complaints. He saw environmental impact as a priority issue for LAFCO and appreciated that LAFCO was "easing into" a leadership role in consolidation of special districts.

Mr. Lang's experience in land use planning included his studies in Santa Cruz, 5½ years on the Fairfax Planning Commission, participation on a citizen's advisory committee and consulting for environmental studies as an expert on plant and animal species. His experience in local governance was the Fairfax Planning Commission and civic activities such as coordinating with the police department for bike races. He stated he had interacted with public agencies through the years, perhaps not administering services but criticizing service delivery in a positive way.

Mr. Lang described the public member's role on LAFCO was representing non-government members of the public since there were LAFCO representatives for cities, counties and special districts. He felt it would be the public member's position to act as a conduit for public complaints and ideas. His understanding of LAFCO was that it provided for the orderly expansion of municipalities and as a watchdog for citizen's rights.

Mr. Lang stated that his specialty was bringing forth ideas and expressing them in a cogent way. He stated he saw LAFCO as a worthy venue for his talents and that he thought he could be a productive member of the Commission.

Commission Discussion

Commissioner Rodoni stated he had heard from absent candidate Madeline Hope and thought she might have misunderstood the date for the interviews. He stated she was interested in introducing herself to the Commission because she had a project that would need LAFCO's approval during the following year.

M/S Rose - Chapman to reappoint Jeffry Blanchfield as regular public member for the term ending in May 2007.

Approved unanimously.

At this time, Chairperson Blanchfield assumed the Chair to conduct the remainder of the meeting.

8. **Selection of Chairperson**

M/S Chapman – Slavitz to reappoint Jeff Blanchfield as Chair and Barbara Heller as Vice Chair.

Approved unanimously.

10. **LAFCO Participation in Fire District Consolidation and Sewer District Consolidation Studies**

The Executive Officer summarized his report and stated there had been significant discussion about fire and sewer consolidation in southern Marin County. As a result, there was impetus to significantly extend the scope of the Southern Marin Service Review and Sphere of Influence Update to include more complete feasibility studies of consolidation. Staff viewed the discussions as positive developments and recommended that the Commission authorize financial support to both studies as a means of encouraging the active involvement of the affected agencies.

Mr. Banning introduced President Bill Berkman of the Sausalito/Marin City Sanitary District (SMCSD) in the audience and stated that his district had advanced an idea for a study for sewer district consolidation. He stated that the sewer agencies had been invited to attend a meeting on Friday, May 23rd at the Bay model to discuss SMCSD's proposed study and to hear the results of LAFCO's service review survey of consolidation alternatives for sanitary districts.

Mr. Banning stated three fire agencies had already tentatively agreed to provide funding support for the fire district consolidation study. The fire agencies would be meeting on Wednesday, June 4th in the Mill Valley City Hall to meet with the consultant and hear his work program.

Staff recommended that the Commission authorize expenditures of \$7500 each toward these two studies from the FY02-03 budget item for contract services.

Commissioner Adams asked what the anticipated cost savings would be from consolidations. Mr. Banning replied that all estimates were very preliminary and both proposals may terminate quickly. In the case of the fire study, the high cost for equity to correct the disparity between pensions could negate any savings from restructuring. A fatal flaw analysis would be included in Task II of the fire study to determine if the project was worth pursuing. In the case of the sewer study, restructuring eleven agencies would be difficult and would require a serious amount of consideration of their varying economies, however the same retirement issue as with the fire agencies was not anticipated.

Commissioner Heller asked if there were a legislative assistance to help ease the retirement costs for the fire agencies. The Executive Officer replied that he was not aware of any and that all factors would be projected for a ten-year period in the course of the study, which could eliminate some concerns and discover other problem areas.

Chairperson Blanchfield noted that the consultant's letter was addressed to LAFCO and asked who would be hiring the consultant. Mr. Banning stated that LAFCO would be the contracting body and would receive contributions from the other agencies. He added that LAFCO would not control the study exclusively but act as convener and contributor to a larger group consisting of fire chiefs and city managers.

Commissioner Rodoni stated he agreed with participating, but wanted to know, since this item was not in the Commission's work plan, what the Commission would have to forego as a result of using the \$15,000 to contribute to the consolidation studies. Mr. Banning stated not all funds set aside for the southern Marin study had been spent and this project was directly in line with what the Commission was trying to accomplish.

Commissioner Slavitz asked if the total cost of the study were \$80,000 but the study was dropped after the second phase, would LAFCO be apportioned an equal cost? Mr. Banning stated that the Mill Valley City Council had stated intentions to authorize only an equal share to what LAFCO would provide initially because of the fatal flaw plan. If the other agencies contributed the same, it would be just enough to reach that point in the study. He stated that the matter would be brought back to the Commission for approval of the subsequent phases of contract. At that time, the Commission would have a better idea of what LAFCO's share would be.

M/S Rose - Adams to approve up to \$7,500 contribution to each of the consolidation studies with the understanding that the first two phases of the fire consolidation study would be funded on a pro-rata basis throughout all of the entities.

Approved unanimously.

11. Contract Extension for Consulting Services

The Executive Officer stated the contract with the Commission's planning consultant Terrell Watt was nearing completion and recommended the contract be extended to allow continuation of her services through the completion of the southern Marin study. The scope of work of the draft contract included assistance with general research, report drafting and workshops for a total amount of \$22,000. The new contract would allow an encumbrance of funds from the current fiscal year budget for this amount to be used in the coming year.

Commissioner Rodoni asked for a presentation on the consultant's accomplishments thus far under the existing contract. Mr. Banning stated he planned to schedule a meeting of the SOI Committee for oversight of the project in general.

Commissioner Adams asked if the need to extend the contract was due to additions to the project not anticipated when the initial contract was signed. Mr. Banning stated that the contracts were general and the initial contract had been intended to cover work through to the end of the Southern Marin study, however the project was more successful than anticipated and had involved significant expansion in the development of information and interaction between the agencies. Mr. Banning described the consultant's efforts in interaction with the community development directors and compilation of current and projected population, which allowed discussion of demand for services for all of the agencies crucial for setting sphere of influence boundaries in southern Marin. He commended her contribution to the workshops and stated she was also assisting in drafting the proposed sphere of influence recommendations for the fifteen agencies.

Commissioner Adams agreed with Commissioner Rodoni's request for an accounting of the consultant's accomplishments and asked how the Commission's budget would contain this added expense especially in light of the \$15,000 contribution now obligated to the consolidation studies. Mr. Banning explained that the contribution for the consolidation studies and this contract extension would expend the remainder of the funds designated in the FY2002-03 budget for contract services and would cover costs to the conclusion of the southern Marin project which would hopefully be completed by the beginning of 2004. The \$25,000 budgeted for contract services in FY2003-04 would be spent in the second half of the fiscal year to begin the next study.

M/S Chapman - Rose to approve a contract extension not to exceed \$22,000 for consulting services with Terrell Watt.

Approved unanimously.

PUBLIC HEARING(S)

12. FY 2003-4 Budget and Work Plan

The Executive Officer summarized his written report and stated the draft budget represented a 7% decrease in costs to the contributing agencies. After the draft budget was distributed, the Administrative Services Committee met with Marin County Employees Retirement Association (MCERA), the MCERA consultant Mercer Company and County Counsel to discuss what measures should be take to bring LAFCO retirement benefits into line with County benefits. Mercer's study, performed for

LAFCO, resulted in two important conclusions: 1) LAFCO had been undercharged for retirement benefits; and 2) the cost of bringing into conformance with County benefits would be less than the current costs. The Administrative Services Committee recommended that the Commission follow its policy to bring the staff retirement benefits in line with comparable County positions, however County Counsel had advised that existing employees must be offered to opportunity to opt out of a change in benefits.

Commissioner Heller clarified costs would be higher for existing employees, but future employees would be hired with the plan that includes the lower employer contribution rate.

The Executive Officer added that MCERA had originally planned to wait until FY2004-05 to correct the undercharging of employer rates, but had reconsidered. Correction of the charges, assuming existing employees chose to opt out of the benefit change, would result in a \$6,862 increase in retirement costs to the Commission's FY2003-04 budget. The Executive Officer recommended that the increase be counterbalanced by increasing the appropriation from reserves by \$7,000, thereby maintaining the 7% decrease in costs to contributing agencies.

The staff recommendation was that the Commission:

1. Receive testimony on the draft budget which was distributed for comment in March;
2. Close the public hearing on the FY2003-4 budget;
3. Authorize the \$7,500 from the current year budget as a contribution to a study of fire agencies consolidation in Southern Marin;
4. Authorize the \$7,500 from the current year budget as a contribution to a study of sewer agencies consolidation in Southern Marin;
5. Adopt Resolution 03-13 for conformity of LAFCO staff benefits with similar County positions; and
6. Approve the revised FY2003-04 budget including revised amounts for retirement costs and appropriations from reserves.

Commissioner Adams asked what the reserve would be as a result of the suggested revisions. Mr. Banning stated approximately \$44,000 was projected, which would be similar to amounts planned for reserves in prior years.

Chairperson Blanchfield opened the hearing for public comment. None was received.

M/S Slavitz - Adams to close the public hearing.

Approved unanimously.

M/S Rose - Slavitz to approve staff recommendations 1, 2, 5 and 6 (recommendations 3 and 4 had been previously approved during agenda item 10).

Approved unanimously.

COMMISSIONERS' REPORTS

Commissioner Adams stated the Board of Supervisors had adopted a resolution related to casinos and asked for an interpretation of what Indian reservations would do to LAFCO jurisdictional decisions. Mr. Banning stated he would gather information and that the issue had arisen before in other LAFCOs.

Commissioner Rodoni stated he could not identify Commission policies to attribute to applications brought before the Commission, including some on the consent calendar. He stated he would like staff to focus on which policies apply. Mr. Banning stated that the primary policy was the adopted sphere of influence, but he would do his best to supply any other policies that might apply. Chairperson Blanchfield stated he felt it was important to state the findings were consistent with the sphere of influence and adopted policies in the resolution as a matter of record.

Chairperson Blanchfield stated he had read in the most recent CALAFCO paper that the Governor had proposed to eliminate the Williamson Act and suggested that the Legislative Committee look into drafting a letter to support retention of the Act.

EXECUTIVE OFFICER'S REPORT

13. Progress Reports

In addition to his written report, the Executive Officer reported on a situation developing in the Tiburon area. The Tiburon Sanitary District was responding to its a capacity problem at their Playa Verde plant, as the Commission had become aware with the proposals for Lands of Kopstein and Keran. A few landowners with developable property in the Paradise Drive area retained Mr. Dietrich Stroeh to find a solution. Mr. Stroeh developed a reasonable solution with plausible funding. Mr. Banning anticipated the possibility that a proposal for annexations to the District would include

improvements made privately by the property owners instead of the District. In this case, LAFCO would be the lead agency for an environmental review study. This would be similar to the previous proposal for Lands of Shaw, but on a larger scale. Environmental review costs would be recovered from the applicants.

Mr. Banning stated the plan was to turn the Playa Verde plant into a pumping and storage station and for effluent to be pumped over the ridge to the Tiburon main treatment plant. Commissioner Slavitz commented that this would open up development potential. Mr. Banning stated this would also bring issues regarding the Commission's Dual Annexation Policy and how development would impact the Town of Tiburon, such as with road maintenance.

CLOSED SESSION

The Commission entered into closed session at 9:17 p.m. and reopened at 9:55 p.m.

14. Performance Review for Executive Officer

The Commission reviewed the performance of the Executive Officer and discussed their evaluation of staff performance. The Commission took no formal action in the course of the performance review.

ADJOURNMENT

M/S Slavitz - Adams to adjourn.

Approved unanimously.

The meeting was adjourned at 9:57 p.m. The next regular LAFCO meeting was scheduled for Thursday, June 12, 2003.

Respectfully submitted,

PETER V. BANNING, Executive Officer

ATTEST:

JEFFRY BLANCHFIELD, Chairperson