

# **AGENDA**

## **LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY**

**SAN BERNARDINO CITY COUNCIL CHAMBERS  
300 NORTH D STREET, FIRST FLOOR, SAN BERNARDINO**

### **REGULAR MEETING OF AUGUST 17, 2016**

#### **9:00 A.M. – CALL TO ORDER – FLAG SALUTE**

1. Public Comments on Closed Session

#### **CONVENE CLOSED SESSION – Conference Room adjacent to Council Chamber:**

Personnel (Government Code Section 54957) – Employee Evaluation – Executive Officer

**ANNOUNCEMENT:** Anyone present at the hearing who is involved with any of the changes of organization to be considered and who has made a contribution of more than \$250 in the past twelve (12) months to any member of the Commission will be asked to state for the record the Commission member to whom the contribution has been made and the matter of consideration with which they are involved.

#### **CONSENT ITEMS:**

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter

2. Approval of Minutes for Regular Meeting of July 20, 2016 *(To be continued to the September 21, 2016 Hearing)*
3. Approval of Executive Officer's Expense Report *(To be continued to the September 21, 2016 Hearing)*
4. Ratify Payments as Reconciled for Month of July 2016 and Note Cash Receipts *(To be continued to the September 21, 2016 Hearing)*

#### **PUBLIC HEARING ITEMS:**

5. Consent Items Deferred for Discussion
6. Consideration of: (1) CEQA Statutory Exemption for LAFCO 3208; and (2) LAFCO 3208 – Sphere of Influence Amendment for the West Valley Mosquito and Vector Control District
7. Consideration of: (1) CEQA Statutory Exemption for LAFCO 3209; and (2) LAFCO 3209 – Reorganization to include Annexations to the West Valley Mosquito and Vector Control District and its Assessment District No. 1 and Zone A

**DISCUSSION ITEMS:**

8. Review and Consideration of Amendments and Updates to LAFCO Policy and Procedure Manual defined as:
  - a. Update Section II -- Accounting and Financial Policies -- Add, Amend
  - b. Update Section III -- Human Resources -- Add, Amend
  - c. Update Section IV -- Application/Project Processing -- Amend,
  - d. Update Section VII -- Forms -- Add, Rescind
9. Review and Consideration of Policy Updates Related to Approval of SB 239 – Contracts for the Provision of Fire Protection (***CONTINUED FROM THE JUNE 15, 2016 HEARING***)
10. Status Report on LAFCO 3189 -- Special Study for Morongo Valley Community Services District
11. Status Report on Rim of the World Park and Recreation District

**INFORMATION ITEMS:**

12. Legislative Update Report
13. Executive Officer's Report
14. Commissioner Comments  
(This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on off-agenda items unless authorized by law.)
15. Comments from the Public  
(By Commission policy, the public comment period is limited to five minutes per person for comments related to other items under the jurisdiction of LAFCO not on the agenda.)

The Commission may adjourn for lunch from 12:00 to 1:30 p.m. The Commission may take action on any item listed in this Agenda whether or not it is listed For Action. In its deliberations, the Commission may make appropriate changes incidental to the above-listed proposals.

Materials related to an item on this Agenda submitted to the Commission or prepared after distribution of the agenda packet will be available for public inspection in the LAFCO office at 215 N. D St., Suite 204, San Bernardino, during normal business hours, on the LAFCO website at [www.sbclafco.org](http://www.sbclafco.org), and at the hearing.

Current law and Commission policy require the publishing of staff reports prior to the public hearing. These reports contain technical findings, comments, and recommendations of staff. The staff recommendation may be accepted or rejected by the Commission after its own analysis and consideration of public testimony.

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE ABOVE PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE LOCAL AGENCY FORMATION COMMISSION AT, OR PRIOR TO, THE PUBLIC HEARING.

The Political Reform Act requires the disclosure of expenditures for political purposes related to a change of organization or reorganization proposal which has been submitted to the Commission, and contributions in support of or in opposition to such measures, shall be disclosed and reported to the same extent and subject to the same requirements as provided for local initiative measures presented to the electorate (Government Code Section 56700.1). Questions regarding this should be directed to the Fair Political Practices Commission at [www.fppc.ca.gov](http://www.fppc.ca.gov) or at 1-866-ASK-FPPC (1-866-275-3772).

A person with a disability may contact the LAFCO office at (909) 388-0480 at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

**LOCAL AGENCY FORMATION COMMISSION  
FOR SAN BERNARDINO COUNTY**

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**DATE:** AUGUST 9, 2016  
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT: CONSENT CALENDAR CONTINUANCE**

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**RECOMMENDATION:**

Staff recommends that the Commission continue the following items to the September 21, 2016 hearing:

1. Approval of Minutes for Regular Meeting of July 20, 2016;
2. Approval of Executive Officer's expense report; and,
3. Ratify payments as reconciled for Month of July 2016 and Note Cash Receipts

**BACKGROUND:**

Staff was unable to prepare the consent calendar items identified on the agenda due to the unexpected medical leave for Rebecca Lowery, Clerk to the Commission; therefore, staff is requesting their continuance to the September hearing.


Should there be any questions on this report, staff will be happy to respond prior to or at the hearing.

KRM/

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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**DATE:** AUGUST 8, 2016   
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
SAMUEL MARTINEZ, Assistant Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** AGENDA ITEM #6 – LAFCO 3208 – Sphere of Influence Amendment for the West Valley Mosquito and Vector Control District

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**INITIATED BY:**

Resolution of the Board of Trustees of the West Valley Mosquito and Vector Control District

**RECOMMENDATION:**

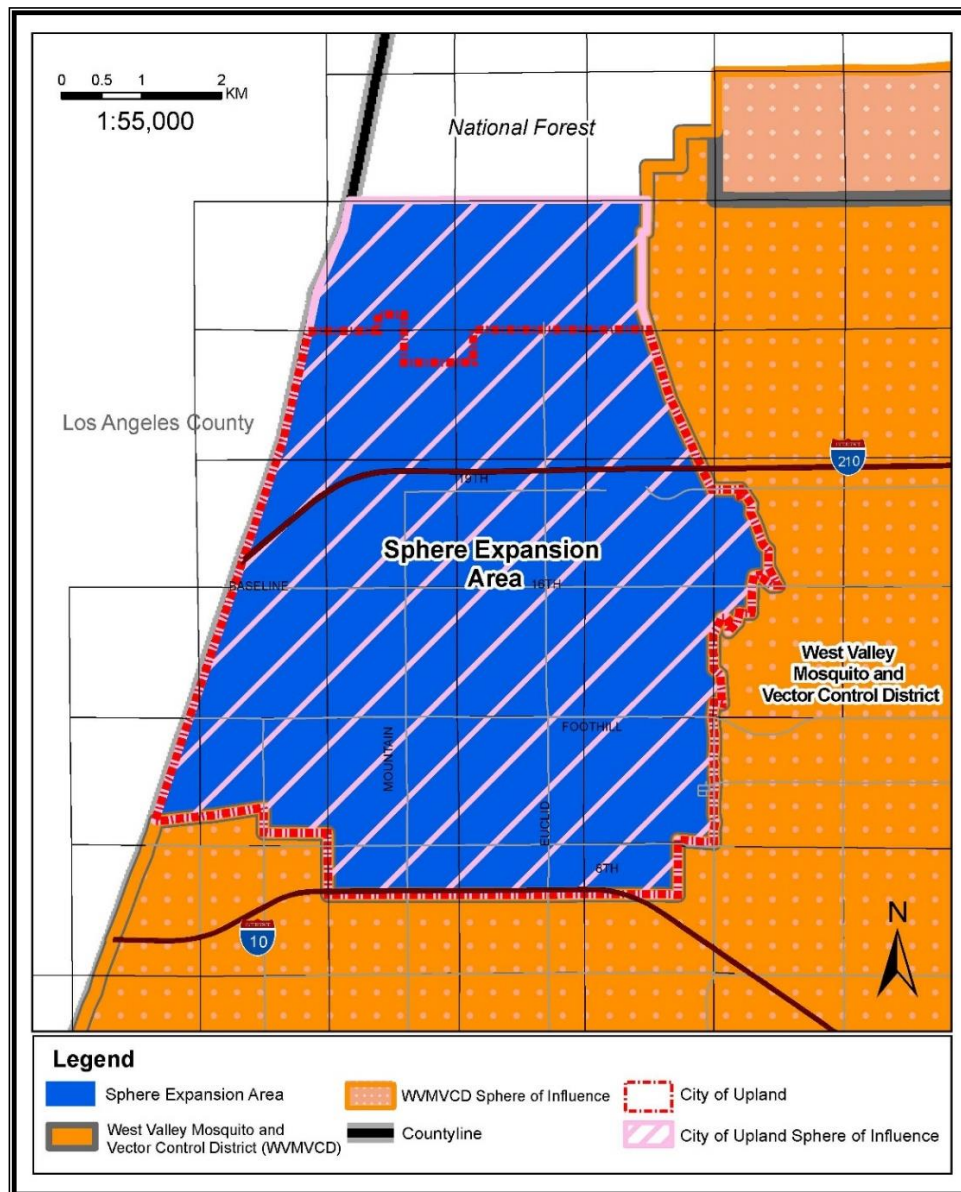
LAFCO staff recommends that the Commission approve LAFCO 3208 by taking the following actions:

1. Determine that the proposed sphere of influence amendment, submitted under the provisions of Government Code Section 56428, does not require a service review; however, staff recommends that the Commission move up the Countywide service review for mosquito and vector control for its consideration during Fiscal Year 2016-17;
2. Certify that LAFCO 3208 is statutorily exempt from environmental review and direct the Executive Officer to file a Notice of Exemption within five (5) days;
3. Approve the sphere of influence expansion for the West Valley Mosquito and Vector Control District to include the City of Upland and its unincorporated sphere of influence area commonly known as “San Antonio Heights”;
4. Affirm the description of the functions and services for the West Valley Mosquito and Vector Control District as identified in the *LAFCO Policy and Procedure Manual*; and,
5. Adopt LAFCO Resolution No. 3230 reflecting the Commission’s determinations for LAFCO 3208.



## **BACKGROUND:**

On January 27, 2016, the Board of Trustees of the West Valley Mosquito and Vector Control District (hereafter shown as the “District”) adopted Resolution No. 2016-1 initiating an application to expand the District’s sphere of influence for the purpose of including the City of Upland’s sphere of influence—the City’s corporate boundaries and its unincorporated sphere of influence area commonly known as “San Antonio Heights”—into the District’s sphere of influence. A “sphere of influence” is defined as a planning boundary that designates an agency’s probable future boundary and service area. A map illustrating the proposed sphere of influence expansion is included as Attachment #1 to this report and is shown below:



Changing a sphere of influence does not change the actual jurisdictional boundary of an agency. However, the expansion of the sphere of influence is a prerequisite to allow for the annexation of the area into the District, which is proposed as a part of the reorganization proposal initiated by the District as a separate action (LAFCO 3209). The reorganization proposal, which will be heard following consideration of the proposed sphere of influence expansion, not only includes the annexation of the District's sphere expansion that encompasses the City of Upland and its unincorporated sphere but also the rest of the District's existing sphere of influence boundary that encompasses the City of Rancho Cucamonga's unincorporated sphere area. This set of proposals is intended to consolidate the District's mosquito and vector control services within the west valley region of San Bernardino County, as well as eliminate the isolated service provided by the County's Mosquito and Vector Control Program through its Division of Environmental Health Services.

## **BOUNDARIES:**

The sphere of influence expansion area, encompassing approximately 18.3 square miles, includes the City of Upland's corporate boundaries and its unincorporated sphere of influence area of San Antonio Heights. The subject area is generally bounded by the Los Angeles/San Bernardino Countyline on the west, the Cities of Montclair and Ontario on the south, the City of Rancho Cucamonga on the east, and the National Forest boundary on the north.

## **SERVICE REVIEW DETERMINATION:**

It is the staff's position that a sphere of influence "amendment" does not require that a service review be conducted pursuant to Government Code Section 56430 as this section reads in part, "In order to prepare and to update spheres of influence in accordance with 56425, the commission shall conduct a service review..." LAFCO 3208 is a sphere of influence amendment pursuant to Government Code Section 56428. Therefore, staff is recommending that the Commission determine that LAFCO 3208 does not require a service review.

However, since mosquito and vector control is a service that has not been reviewed for over 10 years and because of the threat of new vector-borne diseases—such as the Zika virus—staff is recommending that the service review for mosquito and vector control be moved to the Fiscal Year 2016-17 cycle for consideration.

## **SPHERE OF INFLUENCE FACTORS OF CONSIDERATION:**

The balance of this report provides staff's responses to the "factors of consideration" required by State law for sphere of influence amendment proposals as outlined in Government Code Section 56425.

## **1. The Present and Planned Land Uses in the area**

The District currently serves the Cities of Chino, Chino Hills, Montclair, Ontario, and Rancho Cucamonga, including portions of unincorporated County areas. The area within the District's sphere of influence boundaries include the cities of Chino, Chino Hills, Montclair, Ontario, and Rancho Cucamonga and the unincorporated spheres of influence for the Cities of Chino, Montclair, and Rancho Cucamonga. The District's sphere of influence includes the full range of land uses including residential, commercial, industrial, institutional/public facilities, agricultural, and open space.

The area proposed to be included within the sphere of influence for the District consists of the City of Upland and its unincorporated sphere area. The City, which is approximately 15.7 square miles (10,027+/- acres) in area, also includes a full range of land uses including residential (single-family and multi-family residential uses), commercial, industrial, special/institutional (public facilities, park and open space, schools, and institutional uses) as well as mixed-use designations. The City's unincorporated sphere of influence area encompasses approximately 2.6 square miles (1,669+/- acres), commonly known as the community of San Antonio Heights. This area is predominantly designated by the County's General Plan as RS-14M (Single Residential, 14,000 square feet minimum) with clusters of areas designated as RS-10M (Single Residential, 10,000 square feet minimum), RL-5 (Rural Living, 5 acre minimum), SD-RES (Special Development – Residential), Resource Conservation, and a few Commercial land uses.

No change in land use will occur as a result of the District's sphere of influence expansion proposal.

## **2. The present and probable need for public facilities and services in the area**

The District provides mosquito and vector control services within its boundaries. The District was formed in 1983 in response to the needs of the residents of the west valley region of San Bernardino County in order to reduce mosquitoes plaguing the community, particularly the eastern Chino and southern Ontario areas, and the County's inability to provide the requisite funding to address the problems associated with the then existing Chino-Ontario Agricultural Preserve. In 1985, the District expanded its surveillance and control activities to include flies, rodents, stinging insects, and various other medically important vectors capable of transmitting disease or causing human discomfort. The District currently serves over 500,000 residents in the west valley region of San Bernardino County.

The District is currently staffed by a District Manager/Entomologist, a part-time finance director, the District clerk, an administrative assistant, a scientific director, an assistant vector ecologist, a vector biologist, a laboratory associate, a

community outreach coordinator, an operations director, a field supervisor, and eight full time/part time vector control technicians.

The District's vector control technicians provide the following services:

- Inspection for mosquitoes;
- Inspection for bedbugs;
- Rodent inspections around residence;
- Swimming pool inspection;
- Pre-construction vector survey;
- Larvicide and pupacide applications;
- Habitat modification for vector reduction; and,
- Honey bee removal in vegetation and non-structural areas only.

The sphere of influence expansion area is currently served by the San Bernardino County Mosquito and Vector Control Program, under the County's Department of Public Health – Division of Environmental Health Services. Because of the threat of existing and new vector-borne diseases and of nuisance vectors, an enhanced mosquito and vector control program is needed to protect the health and safety of the residents within the sphere expansion area.

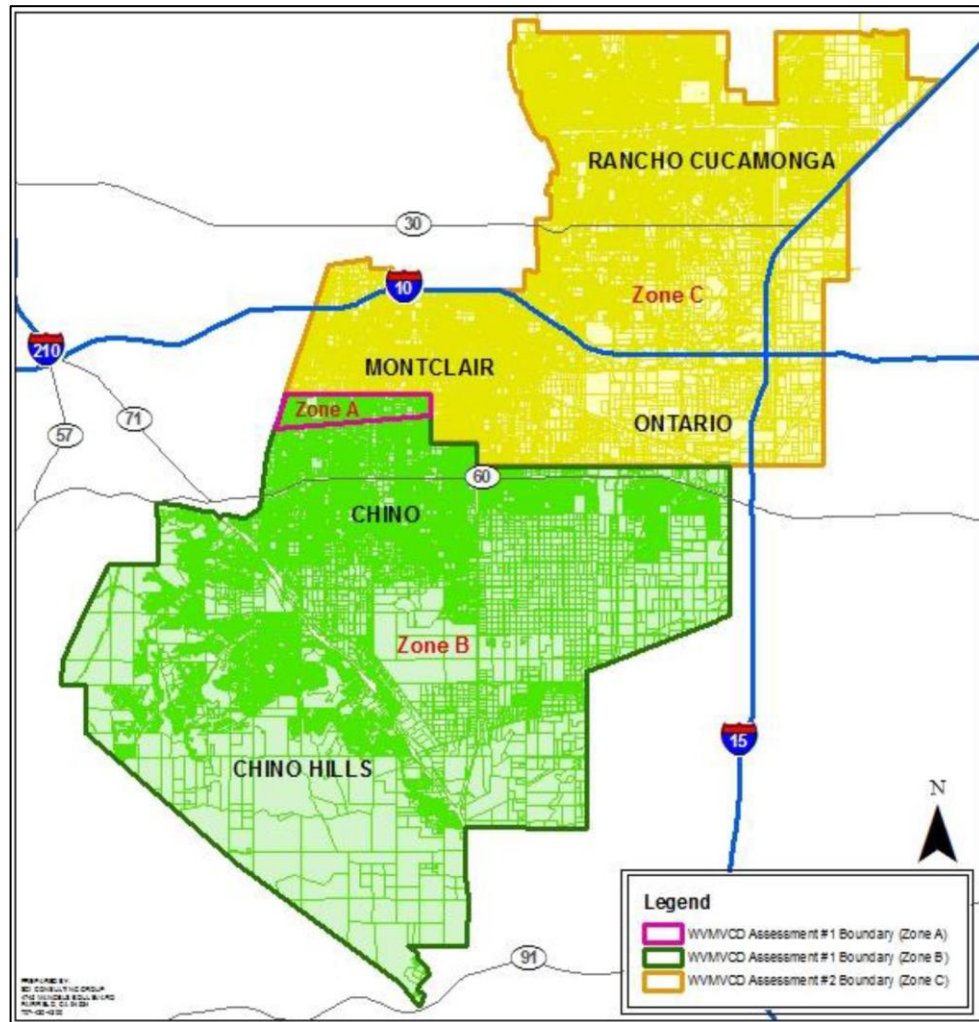
### **3. The present capacity of public facilities and adequacy of public services that the agency provides**

The District currently provides a higher level of service for mosquito and vector control within its service area than does the County and its primary goal is to manage insects and animals that can spread disease. The District's emphasis includes the following:

- respond to service requests from the public in a timely manner;
- carry out routine inspections and elimination or treatment of vector breeding sources;
- conduct vector population and vector-borne disease surveillance activities; and,
- educate the public about vectors and their medical importance and the need for prevention.

The District evaluates the data from field vector collections to help determine risk and courses of action to protect the public against harmful illnesses. It also monitors vector populations in the field. In addition, the District also attends various City events, provides presentations, and field trips in an effort to inform residents about mosquito-borne disease and how they can protect themselves and their community.

Assessment Districts and Zones of Benefit



The Vector Control Assessment District (Assessment District No. 1) was formed in 1996. The purpose of Assessment District No. 1 is to provide surveillance and control of vectors and mosquitoes within the original boundaries of the District, which included the cities of Chino and Chino Hills, a small portion of the City of Montclair, and the southern portions of the City of Ontario. Assessment District No. 1 has two zones, which was divided up based on agricultural areas vs. urban/suburban areas:

- Zone A includes all the parcels in the area bounded by Mission Boulevard on the north, Palmetto Avenue on the east, Phillips Boulevard on the south, and the Countyline on the west.

- Zone B includes the remainder of the original boundaries of the District generally south of Phillips Boulevard.

The Mosquito, Vector and Disease Control Assessment (Assessment District No. 2 or Zone C) was established in 2004 after the District's annexation of the City of Rancho Cucamonga and the northern portions of the cities of Montclair and Ontario. This benefit assessment was established to provide mosquito, vector and disease control to the area that was part of the annexation. The cost of providing the services are reflected in the special benefit received, and the assessment rate charged, to the properties in each of the zones.

The following table summarizes the historical assessment rates for Assessment District No. 1 (Zones A & B) and Assessment District No. 2 (Zone C):

<b>FY</b>	<b>Zone A</b>	<b>Zone B</b>	<b>Zone C</b>
2003-04	\$10.25	\$18.00	
2004-05	\$10.25	\$20.70	\$10.00
2005-06	\$10.25	\$20.70	\$10.30
2006-07	\$10.25	\$20.70	\$10.60
2007-08	\$10.25	\$20.70	\$10.92
2008-09	\$10.25	\$20.70	\$11.02
2009-10	\$10.56	\$20.70	\$11.14
2010-11	\$10.98	\$20.70	\$11.25
2011-12	\$11.25	\$20.70	\$11.25
2012-13	\$11.25	\$20.70	\$11.25
2013-14	\$11.59	\$20.70	\$11.59
2014-15	\$12.17	\$20.70	\$12.17
2015-16	\$12.86	\$20.70	\$12.86
<b>2016-17</b>	<b>\$13.12</b>	<b>\$20.70</b>	<b>\$13.12</b>

Zone B traditionally had more agricultural areas and higher population levels of mosquitoes and other vectors, which is why it has a higher assessment rate to fund the higher amount of service it requires and receives. The District uses more time, manpower and more chemicals, to keep the elevated number of mosquitoes and other vectors in Zone B at acceptable levels, comparable to the levels in Zones A or C. All zones receive the services necessary to keep the level of mosquitoes and other vectors at a similar, acceptable level throughout the entire District.

The County Mosquito and Vector Control Program currently serves the area within the sphere of influence expansion area. This sphere of influence amendment application will allow for the subsequent annexation of this area to the District.

Following the sphere expansion and the subsequent reorganization (LAFCO 3209), additional staff will be recruited and equipment acquired to provide the current level of service offered by the District, which is enhanced from that provided by the County.

#### **4. The existence of any social or economic communities of interest**

The District currently serves most of the west valley region for San Bernardino County. It serves the City of Chino and its unincorporated sphere area, the City of Chino Hills, the City of Montclair and its unincorporated sphere area, the City of Ontario, and the City of Rancho Cucamonga. The only portion that it does not serve is the City of Upland and its unincorporated sphere area as well as the area within the City of Rancho Cucamonga's unincorporated sphere area, which is currently a part of the District's sphere of influence.

If the proposed sphere of influence expansion is approved and the subsequent reorganization proposal (LAFCO 3209) is successful, the entire west valley region of San Bernardino County will be within the District's service area.

#### **Functions and Services for the West Valley Mosquito and Vector Control District:**

Government Code Section 56425(i) requires that during a sphere of influence amendment or update for a Special District, the Commission is required to review and identify the range of services to be provided, as well as the nature and location of these services. At present the Commission's Policy and Procedure Manual identifies the authorized functions and services to be provided by the special districts under its purview. That listing identifies the following functions and services for the District:

<b><u>FUNCTION</u></b>	<b><u>SERVICES</u></b>
Vector Extermination	Conduct surveillance and other appropriate studies of vectors and vector-borne diseases; prevention of the occurrence of vectors and vector-borne diseases; abate or control vector and vector-borne diseases.

LAFCO staff recommends that the Commission affirm the service description for the West Valley Mosquito and Vector Control District as identified in the *LAFCO Policy and Procedure Manual, Section VI, Chapter 3: Listing of Special Districts within San Bernardino LAFCO Purview - Authorized Functions and Services*.

#### **ENVIRONMENTAL CONSIDERATIONS:**

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Tom Dodson and Associates, has indicated that the review of LAFCO 3208 is statutorily exempt from the California Environmental Quality Act (CEQA). This



recommendation is based on the finding that the Commission's approval of the sphere of influence amendment does not have any potential to alter the existing physical environment in any manner different from the existing environmental circumstance; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). A copy of Mr. Dodson's analysis is included as Attachment #3 to this report.

### **ADDITIONAL DETERMINATIONS:**

1. Legal notice of the Commission's consideration of this proposal has been provided through publication of a 1/8<sup>th</sup> page advertisement in the *Inland Valley Daily Bulletin*, a newspaper of general circulation in the area. In addition, individual notification was provided to affected and interested agencies, County departments, and those individuals and agencies requesting special mailed notice.
2. The map and legal description of this sphere of influence amendment, was certified by the County Surveyor's office.

### **CONCLUSION:**

LAFCO 3208 represents a reasonable expansion of the sphere of influence for the West Valley Mosquito and Vector Control District to solidify a uniform system for the delivery of its services that is cohesive and comprehensive. This proposal has been submitted in order to move forward with the reorganization proposal that the District has submitted to annex the City of Upland and its unincorporated sphere along with the North Etiwanda portion of the City of Rancho Cucamonga's sphere of influence (currently within the District's sphere) and transfer the responsibility for mosquito and vector control services from the County to the District. Should this reorganization be successful, it would consolidate the range and level of service within the west valley region for San Bernardino County. For all these reasons, and those identified within this report, staff recommends approval of LAFCO 3208. The actions recommended for the Commission are outlined on page one of this report.

KRM/sm

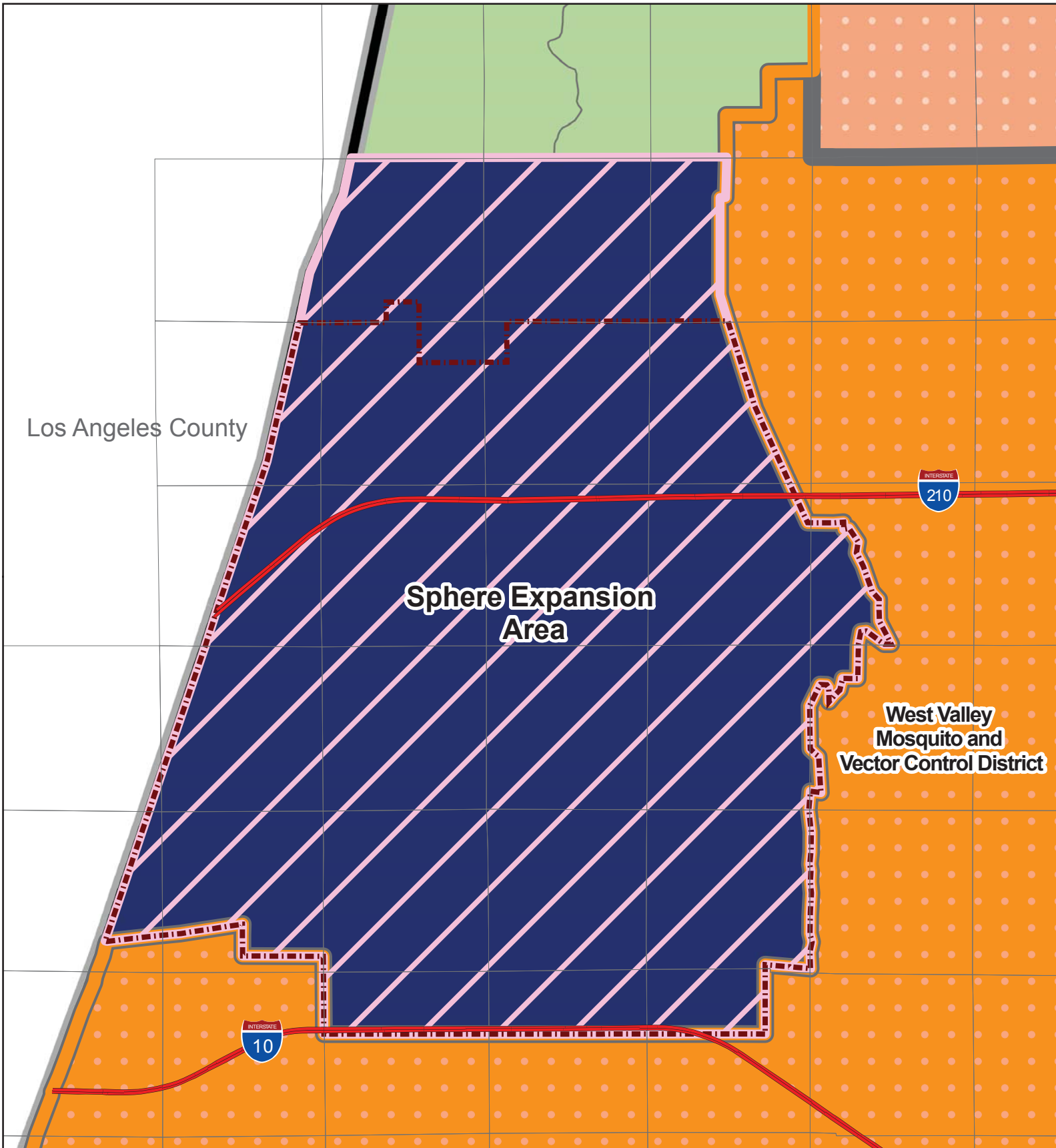
### **Attachments:**

1. Vicinity Map and Map of Proposed Sphere Expansion
2. West Valley Mosquito and Vector Control District Application for Sphere of Influence Expansion
3. Letter Response from the Commission's Environmental Consultant Tom Dodson of Tom Dodson and Associates
4. Draft LAFCO Resolution No. 3230




# **Vicinity Map and Map of Proposed Sphere Expansion**

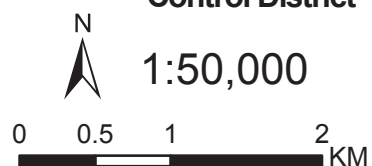
**Attachment 1**



## Legend

- |   |  |
|---|--|
|  Sphere Expansion Area  |  City of Upland                     |
|  West Valley Mosquito and Vector Control District                     |  City of Upland Sphere of Influence |
|  West Valley Mosquito and Vector Control District Sphere of Influence |  San Bernardino County Boundary     |
|   |  Forest                             |

**LAFCO 3208 - Sphere of Influence Amendment (Expansion) for West Valley Mosquito and Vector Control District**



**West Valley Mosquito and  
Vector Control District  
Application for Sphere of Influence  
Expansion**

**Attachment 2**

RECEIVED  
MAY 04 2016

LAFCO  
San Bernardino County

(FOR LAFCO USE ONLY)

**SAN BERNARDINO LAFCO  
APPLICATION AND PRELIMINARY  
ENVIRONMENTAL DESCRIPTION FORM**

**INTRODUCTION:** The questions on this form and its supplements are designed to obtain enough data about the application to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

**GENERAL INFORMATION**

1. NAME OF PROPOSAL: West Valley Mosquito and Vector Control District sphere expansion and annexation in the west end of San Bernardino County.

2. NAME OF APPLICANT: West Valley Mosquito and Vector Control District

APPLICANT TYPE: ☐ Landowner ☒ Local Agency  
☐ Registered Voter ☐ Other \_\_\_\_\_

MAILING ADDRESS:  
1295 E. Locust St.

Ontario, CA 91761

PHONE: (909\_\_) 635-0307

FAX: (909\_\_) 635-0405

E-MAIL ADDRESS: mcheng@wvmvcd.org or emason@wvmvcd.org

3. GENERAL LOCATION OF PROPOSAL: In the sphere expansion application, it includes the City of Upland and its sphere of influence. In the annexation application, it includes the City of Upland and its sphere of influence, and the sphere of Rancho Cucamonga being in the unincorporated territory of the County of San Bernardino bordering on the National Forest.

4. Does the application possess 100% written consent of each landowner in the subject territory?  
YES ☐ NO ☒ If YES, provide written authorization for change.

5. Indicate the reason(s) that the proposed action has been requested. To consolidate the mosquito and vector control services into one District in order to provide enhanced levels of service and to better protect the health and safety of the public in the west end of San Bernardino County.

**LAND USE AND DEVELOPMENT POTENTIAL**

1. Total land area of subject territory (defined in acres):  
Approximately 17,640 acres
2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments)

Single Family Residence	15,544
Multi-Family Residence	2,740
Apartments	6,873
Mobile Homes (in MH Parks)	631
3. Approximate current population within area:  
Approximately 79,477
4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):  
Included in the general plan designations of the cities are a mixture of residential, commercial, industrial, institutional, agricultural and open space uses. No change of the current designation of use is anticipated as a result of annexation in these cities.  
  
San Bernardino County General Plan designation(s) and uses permitted by this designation(s):  
The annexation will not impact the current County General Plan use descriptions.
5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory:  
Not applicable. No land use change as a result of these applications.
6. Indicate the existing use of the subject territory.  
The current land use includes a mixture of residential, commercial, industrial, institutional, agricultural and open spaces.  
  
What is the proposed land use?  
There will be no change in land use in the annexed areas.
7. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ☐ NO ☒ If YES, please explain.

8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Agricultural Land Uses                                 | <input type="checkbox"/> Agricultural Preserve Designation       |
| <input type="checkbox"/> Williamson Act Contract   | <input type="checkbox"/> Area where Special Permits are Required |
| <input type="checkbox"/> Any other unusual features of the area or permits required: _____ |  |

9. Provide a narrative response to the following factor of consideration as identified in §56668(p):  
*The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services:*

The vector control services will be provided uniformly throughout the area.

### **ENVIRONMENTAL INFORMATION**

1. Provide general description of topography. The northern boundary of the proposed sphere expansion and annexation area is the San Bernardino National Forest. It slopes gradually southward toward the existing District boundary. The remaining area is generally flat. Several creeks/channels, generally running in a north to south direction, exist in this area: Etiwanda Creek, Day Creek Channel, Deer Creek, Cucamonga Canyon Channel/Creek, Cucamonga Channel and Demens Creek Channel.

2. Describe any existing improvements on the subject territory as % of total area.

Residential	<u>36.1</u> %	Agricultural	<u>0.8</u> %
Commercial	<u>6.2</u> %	Vacant	<u>26.5</u> %
Industrial	<u>3.9</u> %	Other	<u>26.5</u> %

3. Describe the surrounding land uses:

NORTH	<u>The land use is the San Bernardino National Forest including open spaces.</u>
EAST	<u>The land use varies, including residential, commercial, industrial, institutional, agricultural and open spaces.</u>
SOUTH	<u>The land use varies, including residential, commercial, industrial, institutional, agricultural and open spaces.</u>
WEST	<u>The land use varies, including residential, commercial, industrial, institutional, agricultural and open spaces.</u>

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

*The proposed annexation will not result in additional development or alteration of the area.*

5. Will service extensions accomplished by this proposal induce growth on this site? YES ☐  
NO ☒ Adjacent sites? YES ☐ NO ☒ Unincorporated ☐ Incorporated ☐

6. Are there any existing out-of-agency service contracts/agreements within the area? YES ☐  
NO ☒ If YES, please identify.

7. Is this proposal a part of a larger project or series of projects? YES ☐ NO ☒ If YES, please explain.

### **NOTICES**

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME Min-Lee Cheng TELEPHONE NO. 909-635-0307

ADDRESS:

1295 E. Locust St., Ontario, CA 91761

NAME Maria Garcia-Adarve, SCI Consulting Group TELEPHONE NO. 707-430-4300

ADDRESS:

4745 Mangels Blvd., Fairfield, CA 94534

NAME \_\_\_\_\_ TELEPHONE NO. \_\_\_\_\_

ADDRESS:

\_\_\_\_\_

## CERTIFICATION

As a part of this application, the City/Town of \_\_\_\_\_, or the West Valley Mosquito and Vector Control District District/Agency, Min-Lee Cheng (the applicant) and/or the \_\_\_\_\_ (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fee and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE February 3, 2016  
(Revised May 3, 2016)



SIGNATURE

Min-Lee Cheng, Ph.D.

Printed Name of Applicant or Real Property in Interest  
(Landowner/Registered Voter of the Application Subject Property)

District Manager

Title and Affiliation (if applicable)

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ☒ ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- ☒ SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- ☐ CITY INCORPORATION SUPPLEMENT
- ☐ FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- ☐ ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT



## SUPPLEMENT SPHERE OF INFLUENCE AMENDMENT

**INTRODUCTION:** The questions on this form are designed to obtain data about the specific sphere of influence amendment application to allow the Commission, staff and others to adequately assess the application. You may also include any additional information that you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please provide an identification of the agencies involved in the proposed sphere of influence change(s):

**SPHERE EXPANSION**

*West Valley Mosquito and  
Vector Control District*

**SPHERE REDUCTION**

2. Provide a narrative description of the following factors of consideration as outlined in Government Code Section 56425. (If additional room for response is necessary, please attach additional sheets to this form.)

The present and planned land uses in the area, including agricultural and open-space lands.

*There will be no changes to planned land uses in the area, including agricultural and open-space lands.*

The present and probable need for public facilities and services in the area.

*Currently, in the proposed sphere expansion area, services are provided by County Vector Control. With the rapid urbanization and continuous increase in human population, and the threat of existing and new vector-borne diseases and of nuisance vectors, an enhanced mosquito and vector control program is needed to protect the health and safety of the residents in this area. Because this area is contiguous to the existing area of West Valley Mosquito and Vector Control District, the residents would receive the enhanced level of service the District will provide.*

The present capacity of public facilities and adequacy of public services that the agency to be expanded provides or is authorized to provide.

*The District provides high levels of mosquito and vector control services to the public within the existing District boundaries. Following sphere expansion and annexation, additional staff will be recruited and equipment acquired to provide similar enhanced mosquito and vector control services to the area.*

The existence of any social or economic communities of interest in the area.

*The sphere expansion area includes the City of Upland and its sphere of influence to the north, and the unincorporated area north of Rancho Cucamonga bordering on the National Forest, all of which are known social and economic communities of interest.*

---

The present and probable need for public facilities or services related to sewers, municipal and industrial water, or structural fire protection for any disadvantaged unincorporated community, as defined by Govt. Code Section 56033.5, within the existing sphere of influence.

*Not applicable.*

---

3. If the sphere of influence amendment includes a city sphere of influence change, provide a written statement of whether or not agreement on the sphere change between the city and county was achieved as required by Government Code Section 56425. In addition, provide a written statement of the elements of agreement (such as, development standards, boundaries, zoning agreements, etc.) (See Government Code Section 56425)

*There will be no city sphere of influence change associated with the sphere expansion.*

---

4. If the sphere of influence amendment includes a special district sphere of influence change, provide a written statement: (a) specifying the function or classes of service provided by the district(s) and (b) specifying the nature, location and extent of the functions or classes of service provided by the district(s). (See Government Code Section 56425(i))

a) *Vector extermination*

b) *Conduct surveillance and other appropriate studies of vectors and vector-borne diseases; prevention of the occurrence of vectors and vector-borne diseases; abate or control vector and vector-borne diseases.*

---

5. For any sphere of influence amendment either initiated by an agency or individual, or updated as mandated by Government Code Section 56425, the following service review information is required to be addressed in a narrative discussion, and attached to this supplemental form (See Government Code Section 56430):

a. Growth and population projections for the affected area.

*Growth and population projections are not relevant to the sphere or sphere expansion process.*

*The services provided by the District will benefit the existing population and any future population in the affected area.*

- b. Location and characteristics of disadvantaged unincorporated communities within or contiguous to the sphere of influence.

*The City of Montclair sphere of influence has the only disadvantaged unincorporated communities in the District.*

- c. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies, including those associated with a disadvantaged unincorporated community.

*Current facilities are capable of serving all communities within the District at the same level of services.*

- d. Financial ability of agencies to provide services.

*Services are provided through the collection of assessments, which are adequate to fund the District's services.*

- e. Status of, and opportunities for, shared facilities.  
*None.*

- f. Accountability for community service needs, including governmental structure and operational efficiencies.

*Currently, the District is staffed by four administrative personnel (including the District Manager/Entomologist, a part-time Finance Director, the District Clerk, and an Administrative Assistant), surveillance/laboratory personnel (a Scientific Director, an Assistant Vector Ecologist, a Vector Biologist, a Laboratory Associate), a Community Outreach Coordinator, an Operations Director and a Field Supervisor, and eight full time and part time Vector Control Technicians. The emphasis of the District is to respond to service requests from the public in a timely manner, carry out routine inspection and elimination or treatment of vector breeding sources, conduct vector population and vector-borne disease surveillance activities, and educate the public about vectors and their medical importance and prevention. The function of the office staff, including the District Manager, is report to the Board of Trustees, to handle the District's administrative and financial duties, conduct on-going training on vectors, vector-borne diseases and the latest technology relevant to vector biology and control, and vector-borne disease detection and prevention, provide supportive function for the field staff, provide specimen identification service to the public and strengthen inter-governmental relations.*

*Governing power of the District is vested in a six-member Board of Trustees. One member each is appointed by the City Councils of Chino, Chino Hills, Ontario, Montclair, and Rancho Cucamonga with the remaining board member being appointed by the San Bernardino County Board of Supervisors. The budget, benefit assessment rates, level of service and long term plan of the District are reviewed and approved by the Board before execution. The budget and proposed services will also be reviewed with the public at an annual public meeting. As a result, there will be several layers of accountability and oversight to ensure that services are provided to the City in the most cost effective and responsive manner.*

If additional sheet are submitted or a separate document provided to fulfill Item #5, the narrative description shall be signed and certified by an official of the agency(s) involved with the sphere of influence review as to the accuracy of the information provided. If necessary, attach copies of documents supporting statements.

## **CERTIFICATION**

As a part of this application, the City/Town of \_\_\_\_\_, or the West Valley Mosquito and Vector Control District District/Agency, Min-Lee Cheng (the applicant) and/or the \_\_\_\_\_ (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs, imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE February 3, 2016



SIGNATURE

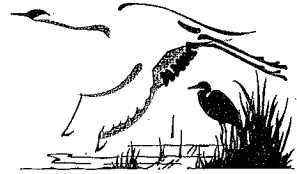
Min-Lee Cheng, Ph.D.  
Printed Name of Applicant or Real Property in Interest  
(Landowner/Registered Voter of the Application Subject Property)

District Manager  
Title and Affiliation (if applicable)

**Letter Response from the  
Commission's Environmental  
Consultant Tom Dodson of  
Tom Dodson and Associates**

**Attachment 3**

**TOM DODSON & ASSOCIATES**  
2150 N. ARROWHEAD AVENUE  
SAN BERNARDINO, CA 92405  
TEL (909) 882-3612 • FAX (909) 882-7015  
E-MAIL tda@tdaenv.com



July 30, 2016

Ms. Kathleen Rollings-McDonald  
Local Agency Formation Commission  
215 North "D" Street, Suite 204  
San Bernardino, CA 92415-0490

**RECEIVED**  
AUG 04 2016

**LAFCO**  
San Bernardino County

Dear Kathy:

LAFCO 3208 consists of an amendment to the West Valley Mosquito and Vector Control District (District). The District currently provides mosquito and vector control services for a portion of the west San Bernardino Valley. In areas where the District does not provide such service, the San Bernardino County Department of Environmental Health Vector Control Division provides comparable services. LAFCO 3208 proposes a Sphere of Influence expansion in the west San Bernardino Valley that encompasses about 18.3 square miles, which includes the entirety of the City of Upland's existing corporate boundaries and its northern unincorporated Sphere known as San Antonio Heights. In this instance the proposed expansion of the District's Sphere of Influence is accompanied by a Reorganization to include annexations to the District and its Assessment District No. 1 and Zone A, which includes the areas encompassed by this Sphere Expansion.

However, in this instance the proposed Sphere expansion does not involve any physical changes in the environment. This is because even with the follow-on approval of LAFCO 3209 (referenced Reorganization), the services provided by the District will simply replace that currently provided by the County, i.e., the Sphere expansion will not result in any physical changes to the environment.

Therefore, I recommend that the Commission find that a Statutory Exemption (as defined in the California Environmental Quality Act, CEQA) applies to LAFCO 3208 under Section 15061 (b) (3) of the State CEQA Guidelines. This General Rule exemption states: "A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." It is my opinion, and recommendation to the Commission, that this circumstance applies to LAFCO 3208.

In this case, adopting the proposed Sphere expansion, in conjunction with the Reorganization (LAFCO 3209) will simply replace the existing mosquito and vector control activities carried out by the County with the same services, but conducted by a new agency. Thus, no physical changes in the environmental will

be adversely impacted by approving LAFCO 3208. Based on this review of LAFCO 3208 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 3208 does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate determination to comply with CEQA for this action. The Commission can approve this review and finding for this action and I recommend that you notice LAFCO 3208 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline section cited above. The Commission needs to file a Notice of Exemption (NOE) with the County Clerk of the Board for this action once it is completed.

A copy of this memorandum and the NOE should be retained in the LAFCO project file to serve as verification of this evaluation and as the CEQA environmental determination record for LAFCO 3208. If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom Dodson".

Tom Dodson

# **Draft Resolution No. 3230**

**Attachment 4**



# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-mail: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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**PROPOSAL NO.: LAFCO 3208**

**HEARING DATE: August 17, 2016**

## **RESOLUTION NO. 3230**

**A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3208 AND APPROVING THE SPHERE OF INFLUENCE AMENDMENT (EXPANSION) FOR THE WEST VALLEY MOSQUITO AND VECTOR CONTROL DISTRICT (The sphere amendment includes the City of Upland's corporate boundaries and its unincorporated sphere of influence area, encompassing approximately 18.3 square miles, which is generally bounded by the Los Angeles/San Bernardino Countyline on the west, the Cities of Montclair and Ontario on the south, the City of Rancho Cucamonga on the east, and the National Forest boundary on the north).**

**On motion of Commissioner \_\_\_\_\_, duly seconded by Commissioner \_\_\_\_\_, and carried, the Local Agency Formation Commission adopts the following resolution:**

**WHEREAS**, an application for the proposed sphere of influence expansion in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

**WHEREAS**, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

**WHEREAS**, the Executive Officer has reviewed available information and prepared a report including her recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

**WHEREAS**, the public hearing by this Commission was called for August 17, 2016 at the time and place specified in the notice of public hearing; and,

**WHEREAS**, at the hearing, this Commission heard and received all oral and written support and opposition; the Commission considered all objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing; and,

## RESOLUTION NO. 3230

**WHEREAS**, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that this sphere of influence expansion is statutory exempt from CEQA and such exemption was adopted by this Commission on August 17, 2016. The Commission directed its Executive Officer to file a Notice of Exemption within five working days with the San Bernardino County Clerk of the Board of Supervisors; and,

**WHEREAS**, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence for the West Valley Mosquito and Vector Control District should be expanded, as more specifically described on the attached Exhibits "A" and "A-1" to this resolution;

**WHEREAS**, the Commission determined that the proposed sphere of influence amendment, submitted under the provisions of Government Code Section 56428, does not require a service review; and,

**WHEREAS**, the following determinations are made in conformance with Government Code Section 56425 and local Commission policy:

### 1. **Present and Planned Uses:**

The West Valley Mosquito and Vector Control District (District) currently serves the Cities of Chino, Chino Hills, Montclair, Ontario, and Rancho Cucamonga, including portions of unincorporated County areas. The area within the District's sphere of influence boundaries include the cities of Chino, Chino Hills, Montclair, Ontario, and Rancho Cucamonga and the unincorporated spheres of influence for the Cities of Chino, Montclair, and Rancho Cucamonga. The District's sphere of influence includes the full range of land uses including residential, commercial, industrial, institutional/public facilities, agricultural, and open space.

The area proposed to be included within the sphere of influence for the District consists of the City of Upland and its unincorporated sphere area. The City, which is approximately 15.7 square miles (10,027+/- acres) in area, also includes a full range of land uses including residential (single-family and multi-family residential uses), commercial, industrial, special/institutional (public facilities, park and open space, schools, and institutional uses) as well as mixed-use designations. The City's unincorporated sphere of influence area encompasses approximately 2.6 square miles (1,669+/- acres), commonly known as the community of San Antonio Heights. This area is predominantly designated by the County's General Plan as RS-14M (Single Residential, 14,000 square feet minimum) with clusters of areas designated as RS-10M (Single Residential, 10,000 square feet minimum), RL-5 (Rural Living, 5 acre minimum), SD-RES (Special Development – Residential), Resource Conservation, and a few Commercial land uses.

No change in land use will occur as a result of the District's sphere of influence expansion proposal.

### 2. **The present and probable need for public facilities and services in the area**

The District provides mosquito and vector control services within its boundaries. The District was formed in 1983 in response to the needs of the residents of the west valley region of San Bernardino County in order to reduce mosquitoes plaguing the community, particularly the eastern Chino and southern Ontario areas, and the County's inability to

## RESOLUTION NO. 3230

provide the requisite funding to address the problems associated with the then existing Chino-Ontario Agricultural Preserve. In 1985, the District expanded its surveillance and control activities to include flies, rodents, stinging insects, and various other medically important vectors capable of transmitting disease or causing human discomfort. The District currently serves over 500,000 residents in the west valley region of San Bernardino County.

The District is currently staffed by a District Manager/Entomologist, a part-time finance director, the District clerk, an administrative assistant, a scientific director, an assistant vector ecologist, a vector biologist, a laboratory associate, a community outreach coordinator, an operations director, a field supervisor, and eight full time/part time vector control technicians.

The District's vector control technicians provide the following services:

- Inspection for mosquitoes;
- Inspection for bedbugs;
- Rodent inspections around residence;
- Swimming pool inspection;
- Pre-construction vector survey;
- Larvicide and pupacide applications;
- Habitat modification for vector reduction; and,
- Honey bee removal in vegetation and non-structural areas only.

The sphere of influence expansion area is currently served by the San Bernardino County Mosquito and Vector Control Program, under the County's Department of Public Health – Division of Environmental Health Services. Because of the threat of existing and new vector-borne diseases and of nuisance vectors, an enhanced mosquito and vector control program is needed to protect the health and safety of the residents within the sphere expansion area.

### **3. The present capacity of public facilities and adequacy of public services that the agency provides**

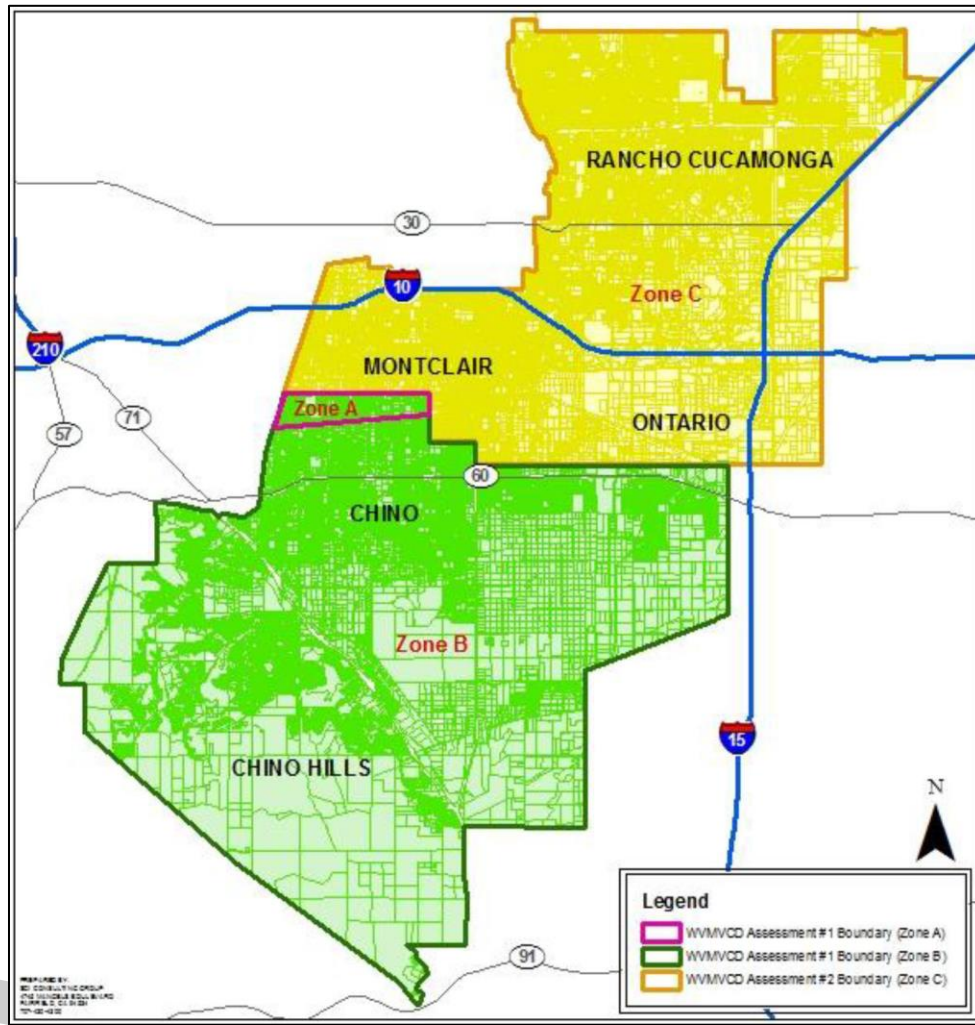
The District currently provides a higher level of service for mosquito and vector control within its service area than does the County and its primary goal is to manage insects and animals that can spread disease. The District's emphasis includes the following:

- respond to service requests from the public in a timely manner;
- carry out routine inspections and elimination or treatment of vector breeding sources;
- conduct vector population and vector-borne disease surveillance activities; and,
- educate the public about vectors and their medical importance and the need for prevention.

The District evaluates the data from field vector collections to help determine risk and courses of action to protect the public against harmful illnesses. It also monitors vector populations in the field. In addition, the District also attends various City events, provides presentations, and field trips in an effort to inform residents about mosquito-borne disease and how they can protect themselves and their community.

## RESOLUTION NO. 3230

### Assessment Districts and Zones of Benefit



The Vector Control Assessment District (Assessment District No. 1) was formed in 1996. The purpose of Assessment District No. 1 is to provide surveillance and control of vectors and mosquitoes within the original boundaries of the District, which included the cities of Chino and Chino Hills, a small portion of the City of Montclair, and the southern portions of the City of Ontario. Assessment District No. 1 has two zones, which was divided up based on agricultural areas vs. urban/suburban areas:

- Zone A includes all the parcels in the area bounded by Mission Boulevard on the north, Palmetto Avenue on the east, Phillips Boulevard on the south, and the Countyline on the west.
- Zone B includes the remainder of the original boundaries of the District generally south of Phillips Boulevard.

## RESOLUTION NO. 3230

The Mosquito, Vector and Disease Control Assessment (Assessment District No. 2 or Zone C) was established in 2004 after the District's annexation of the City of Rancho Cucamonga and the northern portions of the cities of Montclair and Ontario. This benefit assessment was established to provide mosquito, vector and disease control to the area that was part of the annexation. The cost of providing the services are reflected in the special benefit received, and the assessment rate charged, to the properties in each of the zones.

The following table summarizes the historical assessment rates for Assessment District No. 1 (Zones A & B) and Assessment District No. 2 (Zone C):

<b>FY</b>	<b>Zone A</b>	<b>Zone B</b>	<b>Zone C</b>
2003-04	\$10.25	\$18.00	
2004-05	\$10.25	\$20.70	\$10.00
2005-06	\$10.25	\$20.70	\$10.30
2006-07	\$10.25	\$20.70	\$10.60
2007-08	\$10.25	\$20.70	\$10.92
2008-09	\$10.25	\$20.70	\$11.02
2009-10	\$10.56	\$20.70	\$11.14
2010-11	\$10.98	\$20.70	\$11.25
2011-12	\$11.25	\$20.70	\$11.25
2012-13	\$11.25	\$20.70	\$11.25
2013-14	\$11.59	\$20.70	\$11.59
2014-15	\$12.17	\$20.70	\$12.17
2015-16	\$12.86	\$20.70	\$12.86
<b>2016-17</b>	<b>\$13.12</b>	<b>\$20.70</b>	<b>\$13.12</b>

Zone B traditionally had more agricultural areas and higher population levels of mosquitoes and other vectors, which is why it has a higher assessment rate to fund the higher amount of service it requires and receives. The District uses more time, manpower and more chemicals, to keep the elevated number of mosquitoes and other vectors in Zone B at acceptable levels, comparable to the levels in Zones A or C. All zones receive the services necessary to keep the level of mosquitoes and other vectors at a similar, acceptable level throughout the entire District.

The County Mosquito and Vector Control Program currently serves the area within the sphere of influence expansion area. This sphere of influence amendment application will allow for the subsequent annexation of this area to the District. Following the sphere expansion and the subsequent reorganization (LAFCO 3209), additional staff will be recruited and equipment acquired to provide the current level of service offered by the District, which is enhanced from that provided by the County.

## RESOLUTION NO. 3230

### 4. The existence of any social or economic communities of interest

The District currently serves most of the west valley region for San Bernardino County. It serves the City of Chino and its unincorporated sphere area, the City of Chino Hills, the City of Montclair and its unincorporated sphere area, the City of Ontario, and the City of Rancho Cucamonga. The only portion that it does not serve is the City of Upland and its unincorporated sphere area as well as the area within the City of Rancho Cucamonga's unincorporated sphere area, which is currently a part of the District's sphere of influence.

If the proposed sphere of influence expansion is approved and the subsequent reorganization proposal (LAFCO 3209) is successful, the entire west valley region of San Bernardino County will be within the District's service area.

### 5. Additional Determinations

- Legal notice of the Commission's consideration of this proposal has been provided through publication of a 1/8<sup>th</sup> page advertisement in the *Inland Valley Daily Bulletin*, a newspaper of general circulation in the area. In addition, individual notification was provided to affected and interested agencies, County departments, and those individuals and agencies requesting special mailed notice.
- The map and legal description of this sphere of influence amendment was prepared and certified by the County Surveyor's office.

**WHEREAS**, pursuant to the provisions of Government Code Section 56425(i) the range of services provided by the West Valley Mosquito and Vector Control District shall be limited to the following:

#### FUNCTION

#### SERVICES

Vector Extermination

Conduct surveillance and other appropriate studies of vectors and vector-borne diseases; prevention of the occurrence of vectors and vector-borne diseases; abate or control vector and vector-borne diseases.

**WHEREAS**, having reviewed and considered the determinations as outlined above, the Commission determines to expand the sphere of influence for the West Valley Mosquito and Vector Control District, encompassing approximately 18.3 square miles.

**NOW, THEREFORE, BE IT RESOLVED** by the Local Agency Formation Commission for San Bernardino County, State of California, that this Commission shall consider the territory described in Exhibits "A" and "A-1" as being within the sphere of influence of the West Valley Mosquito and Vector Control District, it being fully understood that the amendment of such sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants.

**RESOLUTION NO. 3230**

**BE IT FURTHER RESOLVED** that the Local Agency Formation Commission of the County of San Bernardino, State of California, does hereby determine that the West Valley Mosquito and Vector Control District shall indemnify, defend, and hold harmless the Commission from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

**THIS ACTION APPROVED AND ADOPTED** by the Local Agency Formation Commission for San Bernardino County by the following vote:

**AYES: COMMISSIONERS:**

**NOES: COMMISSIONERS:**

**ABSENT: COMMISSIONERS:**

\*\*\*\*\*

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF SAN BERNARDINO )

I, KATHLEEN ROLLINGS-MCDONALD, Executive Officer of the Local Agency Formation Commission of the County of San Bernardino, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of August 17, 2016.

**DATED:**

---

**KATHLEEN ROLLINGS-MCDONALD**  
Executive Officer

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-MAIL: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

---

**DATE:** AUGUST 8, 2016

**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
SAMUEL MARTINEZ, Assistant Executive Officer

**TO:** LOCAL AGENCY FORMATION COMMISSION

---

**SUBJECT:** AGENDA #7: LAFCO 3209 – Reorganization to include Annexations to the West Valley Mosquito and Vector Control District and its Assessment District No. 1 and Zone A

---

**INITIATED BY:**

Resolution of the Board of Trustees of the West Valley Mosquito and Vector Control District

**RECOMMENDATION:**

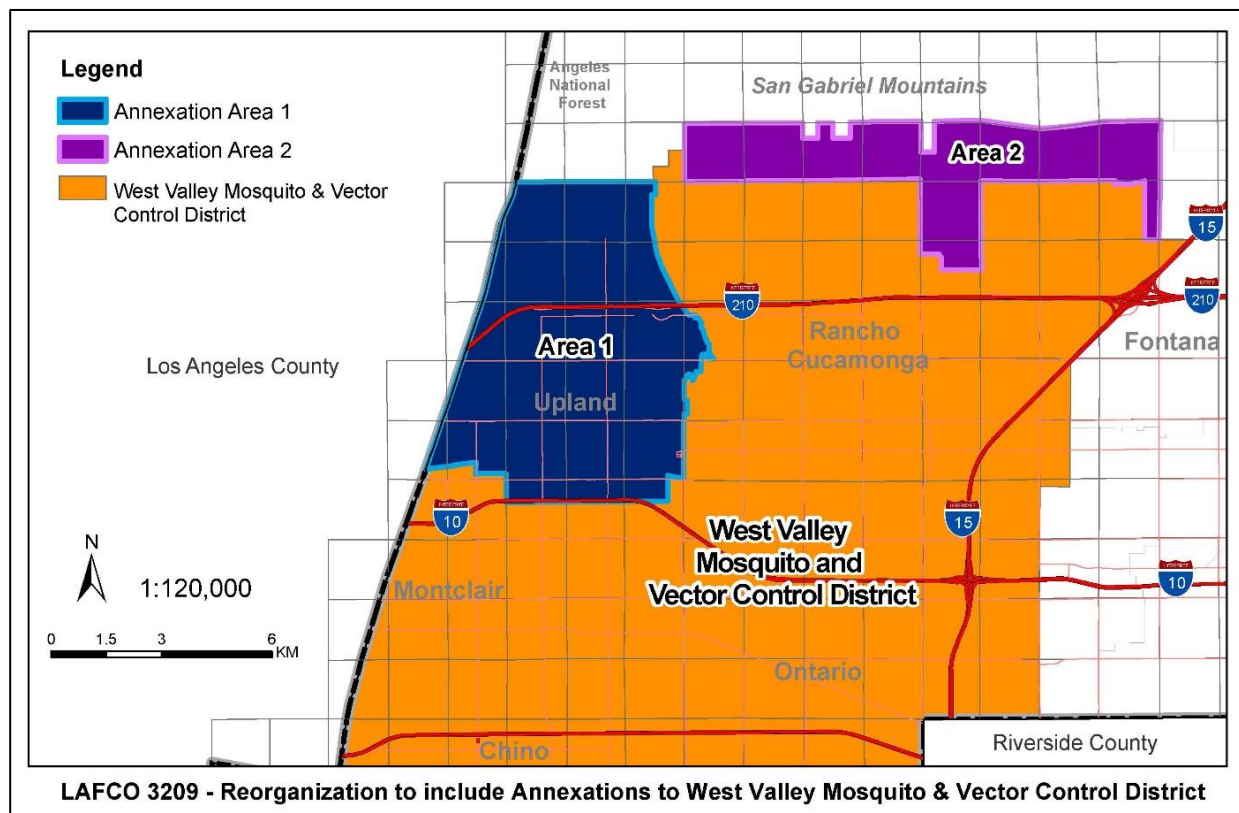
The staff recommends that the Commission approve LAFCO 3209 by taking the following actions:

1. Certify that LAFCO 3209 is statutorily exempt from the provisions of the California Environmental Quality Act and direct the Executive Officer to file the Notice of Exemption within five (5) days;
2. Approve LAFCO 3209 with the following conditions:
  - A. Prior to the issuance of the Certificate of Completion for the reorganization to include annexations, pursuant to the provisions outlined in Government Code Section 56886(i), the Commission requires that the Board of Trustees of the West Valley Mosquito and Vector Control District and the County Board of Supervisors provide to the Executive Officer of LAFCO a signed agreement to transfer a prorated portion of the County's Vector Control benefit assessment for Fiscal Year 2016-17 to the West Valley Mosquito and Vector Control District said amount to be determined based upon the effective date of LAFCO 3209; and,
  - B. The standard LAFCO terms and conditions that include the "hold harmless" clause for potential litigation costs by the applicant.
3. Adopt LAFCO Resolution No. 3231 setting forth the Commission's determinations and conditions of approval concerning the reorganization proposal.



## **BACKGROUND:**

In January 2016, the West Valley Mosquito and Vector Control District (hereafter shown as the “District”) initiated a reorganization application that proposes to annex the City of Upland and its unincorporated sphere area commonly known as “San Antonio Heights” (Area 1) and the rest of the District’s sphere of influence outside of its boundary, which includes the entirety of the City of Rancho Cucamonga’s unincorporated sphere area (Area 2). The map below provides a general location of the two areas that are proposed for annexation as part of this reorganization.



The reorganization also includes the annexation of the two areas into the District’s Vector Control Assessment District (Assessment District No. 1) and Zone A. In 1996, the District passed Resolution No. 96-3 approving the creation of Assessment District No. 1 along with the two different Zones of Benefit (Zones A and B) for the levying of annual assessments within the boundaries of the District to provide funding for the services of the District including projects and programs for the surveillance, prevention, abatement, and control of mosquitos and other vectors. The cost of these services also includes capital costs comprised of equipment, capital improvements and facilities necessary and incidental to vector control programs of the District.

The primary reason for the proposal is to consolidate mosquito and vector control services in the west end of the valley region for San Bernardino County. Also, the District provides a comprehensive mosquito and vector control services in four main areas, which include, but

are not limited to: responding to service requests from the public for a variety of disease and poisonous vectors and nuisance vectors in a timely manner, routinely inspects and eliminates or treats vector breeding sources, surveillance of vector populations and vector-borne disease pathogens, and providing outreach to the public. Hence, the reorganization would allow for comprehensive service delivery to the west end of the valley region for San Bernardino County.

In addition, the District's headquarters is located in the City of Ontario. Therefore, the response time to residents within the City of Upland and its unincorporated sphere area as well as to residents within the City of Rancho Cucamonga's unincorporated sphere area will be quicker than it is currently with the County due to the proximity of the District's facilities.

The District has modern, high-tech laboratories and highly trained staff that are constantly testing for vector-borne diseases within its service area. The District's public outreach staff is available to attend various functions including concerts at the part where mosquito repellent wipes are handed out to residents free of charge. It also reaches out to schools to educate students on mosquitoes and other vectors and the diseases they carry.

Residents in the annexations areas will also be able to pick-up mosquito fish and mosquito dunks<sup>1</sup> for use in their ponds or other sources of standing water—free of charge by going to the District's office in Ontario rather than having to travel to the County offices.

As a result, the reorganization area will also receive enhanced mosquito and vector control services.

#### City of Upland Support:

The City of Upland took an action on January 25, 2016 to support the proposed annexation noting that the only area the District does not serve in the west end of the valley is the City of Upland. It indicated that annexation would result in a more efficient delivery of service. It also acknowledged that if the annexation is successful, the City Upland would be given a seat on the District Board, which would provide for a direct voice to implement programs and outreach efforts to the citizens of the City of Upland.

This report will provide the Commission with the information related to the four major areas of consideration required for a jurisdictional change – boundaries, land uses, service issues and the effects on other local governments, and environmental considerations.

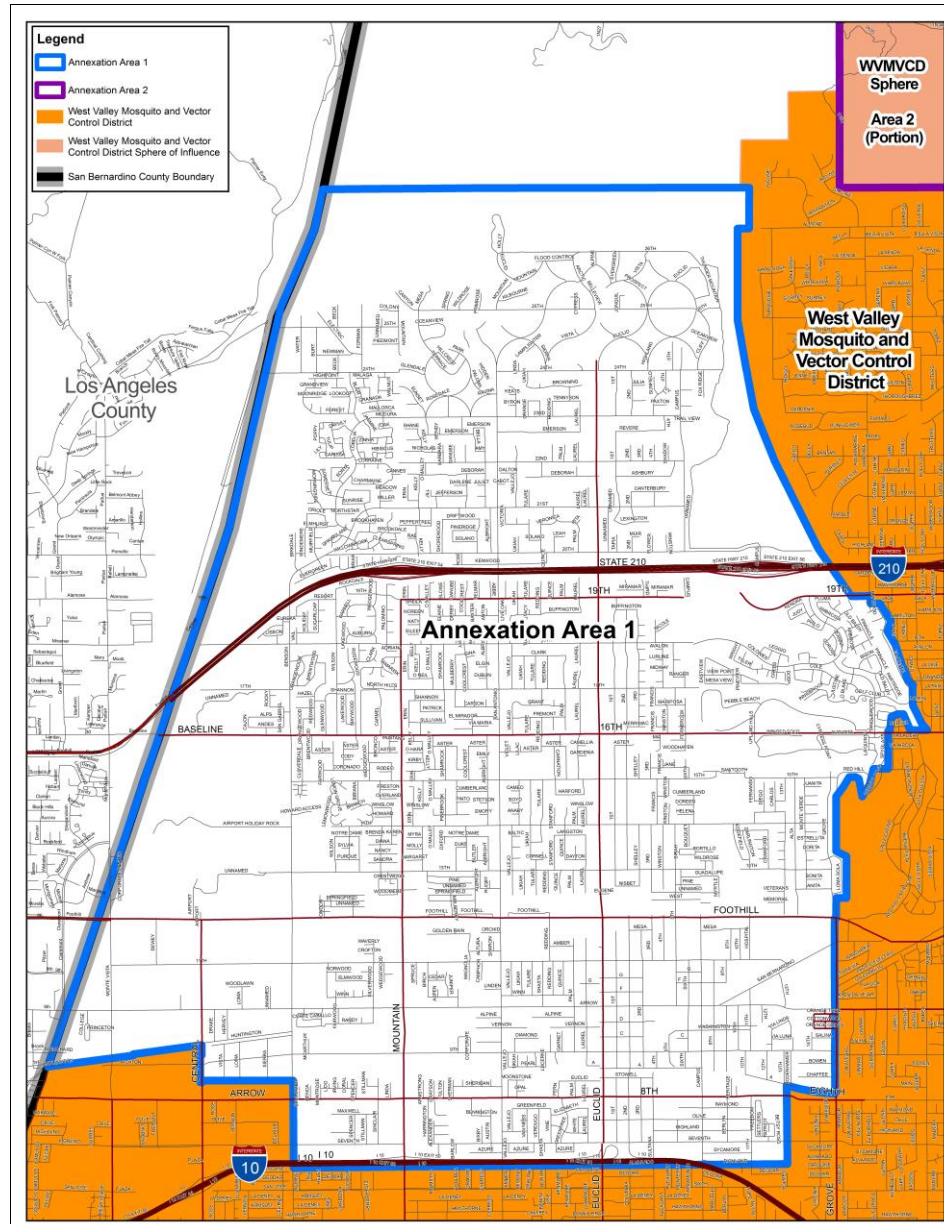
#### **BOUNDARIES:**

The territory proposed for annexation to the District and its Assessment District No. 1 and Zone A includes two separate areas encompassing a total of approximately 17,644 acres (27.6 square miles), generally described as follows:

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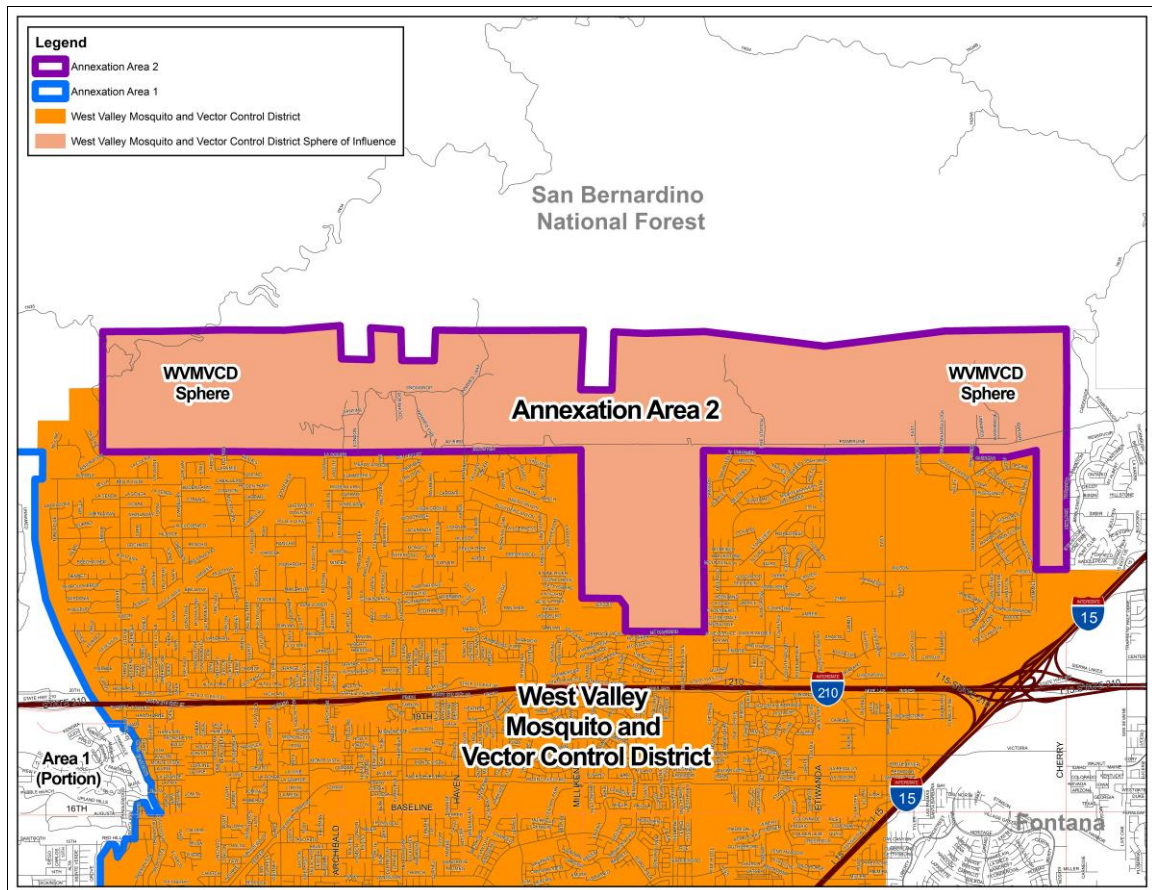
<sup>1</sup> Mosquito Dunks is a registered trademark for a mosquito control product that has the active ingredient BTI (*Bacillus thuringiensis* subspecies *israelensis*), which is a bacterium that, when added to any standing water, pond, or water garden, is deadly to mosquito larvae but harmless to humans or other wildlife such as pets, fish, etc.

- Area 1 includes the entirety of the City of Upland's boundaries and its unincorporated sphere of influence area commonly known as "San Antonio Heights" encompassing approximately 11,696 acres (18.3 square miles). The area is generally bounded by the Los Angeles/San Bernardino Countyline on the west, the Cities of Montclair and Ontario on the south, the City of Rancho Cucamonga on the east, and the National Forest boundary on the north.



Area 1 is also the area being considered for a sphere of influence amendment (expansion) for the District as a separate action (LAFCO 3208).

- Area 2 includes the District's existing sphere of influence, which covers the City of Rancho Cucamonga's unincorporated sphere of influence encompassing approximately 5,949 acres (9.3 square miles). The area is generally bounded by the National Forest and the City of Rancho Cucamonga on the west, the City of Rancho Cucamonga on the south, the City of Fontana on the east, and the National Forest boundary on the north.



The annexation of these two areas into the District will consolidate its service area within the west end of the valley region for San Bernardino County encompassing the City of Chino and its unincorporated sphere, the City of Chino Hills, the City of Montclair and its unincorporated sphere, the City of Ontario, the City of Rancho Cucamonga and its unincorporated sphere, and the City of Upland and its unincorporated sphere, which are easily identifiable boundaries for service delivery. In addition, the annexation to Assessment District No. 1 and Zone A places the entire reorganization in one of the District's financing entities/zones, which provide the funding for the comprehensive services of the District. Therefore, the proposal presents no boundary concern.



## **LAND USE:**

Area 1 of the reorganization proposal includes the City of Upland and its unincorporated sphere area. The City includes a full range of land uses including residential (single-family and multi-family residential uses), commercial, industrial, special/institutional (public facilities, park and open space, schools, and institutional uses) as well as mixed-use designations. The City's unincorporated sphere area, which is commonly known as the community of San Antonio Heights, is mostly designated by the County as RS-14M (Single Residential, 14,000 square feet minimum) with clusters of areas designated as RS-10M (10,000 square feet minimum), RL-5 (Rural Living, 5 acre minimum), SD-RES (Special Development – Residential), Resource Conservation, and a few Commercial land uses.

Area 2 includes the City of Rancho Cucamonga's unincorporated sphere of influence area, which is designated by the County with the following land uses: RS-1 (1 acre minimum), RL, RL-5 (5 acre minimum), RL-10 (10 acre minimum), SD-RES, Resource Conservation, Institutional, Open Space, and Floodway.

No change in land use is anticipated as a result of the reorganization proposal. In addition, approval of this proposal will have no direct impact on the current land use designations assigned for the reorganization area. Therefore, there are no land use concerns related to this proposal.

## **SERVICE ISSUES AND EFFECTS ON OTHER LOCAL GOVERNMENTS:**

In every consideration for jurisdictional change, the Commission is required to look at the existing and proposed service providers within an area. Current County service providers within the reorganization areas include: San Bernardino County Fire Protection District and its Valley Service Zone, County Service Area 120, County Service Area SL-1 and County Service Area 70 (multi-function entity). In addition, the following entities overlay the reorganization area: Chino Basin Water Conservation District, Monte Vista Water District, Inland Empire Resource Conservation District, Rancho Cucamonga Fire Protection District, City of Upland, Cucamonga Valley Water District, Metropolitan Water District of Southern California and Inland Empire Utilities Agency.

The only entity that is directly affected by this reorganization is the County's Mosquito and Vector Control Program, which is the entity that currently provides the service to the area. However, as identified in email correspondence from its Interim Program Manager (included as Attachment #4 to this report), the County fully supports the annexation and the financial aspects related to this proposal.

The application includes a plan for the extension of services for the reorganization area as required by law and Commission policy (included as part of Attachment #2 to this report).

As identified earlier, the District provides a comprehensive mosquito and vector control services in four main areas:

1. The District responds to service requests from the public for a variety of disease and poisonous vectors (e.g. mosquitoes, ticks, rats, honey bees, wasps, etc.) and

nuisance vectors (e.g. flies, gnats, snakes, etc.) in a timely manner. In addition, the District mitigates the vector-related problem by removing the vector or issues abatement notices to the responsible individuals.

2. The District field staff routinely inspects and eliminates or treats all known vector breeding sources (e.g. dairy waste water ponds, drainage ditches, flood fields, bmp's, etc.), advises property owners to mitigate the sources whenever possible, and looks for new or potential vector breeding sources.
3. The District conducts regularly scheduled surveillance for West Nile virus, St. Louis encephalitis, and Western Equine encephalomyelitis, Hantavirus, Arenavirus, Lyme disease, Rickettsial diseases, and plague. The District also constantly monitors for other disease agents that are potentially dangerous to the area, such as malaria, dengue fever, Japanese encephalitis, Chikungunya fever, Zika virus, etc. and invasive vectors such as the Asian tiger mosquito and yellow fever mosquito and other diseases that pose a threat to the health and safety of the local residents and visitors.
4. The District provides outreach to the public. It currently uses a variety of media to spread information on vectors, vector-borne diseases, control and prevention to the public. Its staff attends various events, provides presentations, and field trips in an effort to inform residents about mosquito-borne disease and how they can protect themselves and their community.

**Annexation to Vector Control Assessment District (Assessment No. 1) and its Zone A:**

The Plan for Service and the supplemental data indicates that the reorganization area will be included in the District's existing Vector Control Assessment District (Assessment No. 1) Zone A, which will replace the County's existing benefit assessment and, if successful, will take effect beginning Fiscal Year 2017-18.

The table below shows the breakdown of the anticipated assessment for the reorganization area based on number of units and the land use types:

<b>West Valley Mosquito and Vector Control District Assessment Methodology</b>			<b>Preliminary Benefit Units and Assessment in Annex Area</b>	
<b>Property Type / Land Use</b>	<b>Benefit Units</b>	<b>2016-17 Rate</b>	<b>Benefit Units</b>	<b>Assessment</b>
Single family residential/ Condo/ Mobile Home (secured)	1	\$13.12	18,709	\$245,462
Multi family, 2 units	2	\$26.24	530	\$6,954
Multi family, 3 units	3	\$39.36	351	\$4,605
Multi family, 4 units	4	\$52.48	1,256	\$16,479
Multi family, 5-14 units	5	\$65.60	717	\$9,407
Multi family, 15 units and up	6	\$78.72	462	\$6,061
Commercial / Industrial / Office / Vacant / Other types	1.667	\$21.87	3,374	\$44,265
Unassessable (Govt, HOA, Public Utilities)	0.00	\$0.00	0	\$0
			<b>25,399</b>	<b>\$333,233</b>

Based on the 2016-17 rate, the District's Zone A would assess \$13.12 per unit for residential parcels and \$21.87 per parcel for all other types (e.g. commercial, industrial, vacant, etc.). The rates are not to exceed the reasonable cost of providing vector surveillance and control activities, and cannot in the future exceed fifty dollars (\$50) annually as determined by the District's Board of Trustees. This special assessment will replace the County's existing special assessment for mosquito and vector control which is currently set at \$5.62 per unit for residential and \$10.26 for commercial/industrial. The proposed rate represents an increase of approximately \$7.50 per unit for residential parcels and \$11.60 for each commercial/industrial parcels.

Due to the timing of the proposal's consideration, the District will not be able to place its benefit assessment on this year's assessment rolls. Therefore, the County's existing assessment for Fiscal Year 2016-17 will continue to be charged. However, if the reorganization proposal is successful, staff proposes as a condition that a portion of the County's assessment will be transferred to the District prorated based on the Certificate of Completion for LAFCO 3209 being issued in order for the District to begin providing the services within the reorganization area. To implement the transfer of the County's assessment to the District, the condition will require both the District and the County approve a contract prior to the issuance of the Certificate of Completion that outlines the process by which the County will transfer a portion of its assessment revenue received for Fiscal Year 2016-17 prorated based on the effective date of the reorganization:

- Prior to the issuance of the Certificate of Completion for the reorganization to include annexations, pursuant to the provisions outlined in Government Code Section 56886(i), the Commission requires that the Board of Trustees of the West Valley Mosquito and Vector Control District and the County Board of Supervisors provide to the Executive Officer of LAFCO a signed agreement to transfer a prorated portion of the County's Vector Control benefit assessment for Fiscal Year 2016-17 to the West Valley Mosquito and Vector Control District said amount to be determined based upon the effective date of LAFCO 3209.

As shown on the District's five-year financial analysis below (which is also included as part of Attachment #2), the District is anticipating the receipt of the County's assessment for the first year, which is much less than what the District estimates the cost would be to provide the service. In order to supplement this revenue that it will receive the first year, the District will be providing an internal loan—to be repaid in future years—in order to have all the necessary funding to provide the increased level of service anticipated immediately delivered.

<b>Fiscal Impact Analysis</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Estimated Annual Revenue</b>					
WVMVCD loan from/to reserves	179,000	(30,090)	(31,728)	(35,422)	(37,214)
Benefit Assessment	139,000	342,990	353,280	363,878	374,794
<b>TOTAL ESTIMATED REVENUES</b>	<b>318,000</b>	<b>312,900</b>	<b>321,552</b>	<b>328,456</b>	<b>337,580</b>
<b>Estimated Annual Cost of Providing Vector Control Services</b>					
Salaries, Employee Benefits, Admin					
2 Vector Control Technicians	160,000	164,800	169,744	174,836	180,081
1 part-time (50%) Lab Assistant	50,000	51,500	53,045	54,636	56,275
1 part-time (20%) Office Assistant	35,000	36,050	37,132	38,245	39,393
1 part-time (30%) Public Outreach assistant	35,000	36,050	37,132	38,245	39,393
	280,000	288,400	297,052	305,964	315,142
Operation, Materials, Supplies					
Vector control supplies	10,000	10,000	10,000	10,000	10,000
Public outreach supplies	8,000	3,000	3,000	3,000	3,000
	18,000	13,000	13,000	13,000	13,000
Fixed Assets/Equipment					
Trucks	8,000	8,000	8,000	8,000	8,000
Vector control equipment	3,000	1,500	1,500	500	500
Communication equipment	6,000	1,000	1,000	500	500
Office equipment (e.g. computers, etc)	3,000	1,000	1,000	492	438
	20,000	11,500	11,500	9,492	9,438
<b>TOTAL ESTIMATED COSTS</b>	<b>318,000</b>	<b>312,900</b>	<b>321,552</b>	<b>328,456</b>	<b>337,580</b>

*Table: The cost of the trucks is amortized over 5 years.*

Staff's concerns regarding the revenue projection detailed above is that the District did not include any reserves in its calculation. In addition, the fact that the revenues for the first year will place the District's budget for the reorganization in a deficit, anticipated to be even higher depending on the prorated share it will receive from the County's benefit assessment for Fiscal Year 2016-17, is a concern. However, based on the District's Audits for the Fiscal Year ended June 30, 2015, it has an unassigned reserves of over \$2.5 million, which is about 100 percent contingency over its total expenditures. Therefore, the initial shortfall will not have a significant effect on the District's ability to fund its services. The District will simply loan itself the money from its reserves to cover the amount not received from the County and will repay its reserve account once the full assessment amounts are being received.

All of the proceeds derived from the special assessment will be utilized to fund the cost of providing a level of tangible "special benefits" in the form of mosquito and vector control and surveillance, source reduction, larvicide and adulticide applications, disease monitoring, public education, reporting, accountability, research and interagency cooperative activities, and other services including costs incidental to providing the services and collecting the assessments.

As required by Commission policy and State law, the Plan for Service shows that the extension of its services will maintain, and/or exceed, current service levels provided through the County.



**Board of Trustees Reconstitution:**

Currently, the District has a six-member board of Trustees. One member is appointed by the City Councils of the Cities of Chino, Chino Hills, Montclair, Ontario, and Rancho Cucamonga with the remaining board member being appointed by the San Bernardino County Board of Supervisors representing the unincorporated areas of the District. Following the successful completion of LAFCO 3209, the City Council of the City of Upland will begin appointing the seventh Board of Trustee, who will represent the City of Upland and will have a voice in deciding the level of service and service priorities for the City.

**ENVIRONMENTAL CONSIDERATIONS:**

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Dodson and Associates, has indicated that the review of LAFCO 3209 is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the fact that the reorganization will transfer the delivery of mosquito and vector control services from one entity to another which will not result in any physical impacts on the environment. Therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). It is recommended that the Commission adopt the General Rule Statutory Exemption for this proposal. A copy of Mr. Dodson's analysis is included as Attachment #4 to this report.

**CONCLUSION:**

The proposal was submitted by the West Valley Mosquito and Vector Control District to consolidate mosquito and vector control services in the west end of the valley region for San Bernardino County. In addition, the District will provide an enhanced level of mosquito and vector control services. Therefore, for these reasons, and those outlined throughout the staff report, the staff supports the approval of LAFCO 3209.

**DETERMINATIONS:**

The following determinations are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/reorganization proposal:

1. The reorganization proposal is legally inhabited containing 35,911 registered voters within Areas 1 and 2 as certified by the Registrar of Voters as of March 9, 2016.
2. The County Assessor's Office has determined that the total assessed value of land and improvements within the reorganization area is \$8,704,938,158 (land--\$2,778,134,677; improvements--\$5,926,803,481) as of March 23, 2016. The breakdown of assessed value of land and improvements for both areas are as follows:

Area 1 -- \$8,644,326,682 (land - \$2,733,274,654; improvements - \$5,911,052,028)  
Area 2 -- \$ 60,611,476 (land - \$ 44,860,023; improvements - \$ 15,751,453)

3. Through approval of the companion proposal, LAFCO 3208, the reorganization area will be within the sphere of influence assigned the West Valley Mosquito and Vector Control District.
4. In compliance with Commission policies and State law, legal notice of the Commission's consideration of the proposal has been provided through publication of a 1/8<sup>th</sup> page advertisement in the *Inland Valley Daily Bulletin*, a newspaper of general circulation within the reorganization area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notice.

In compliance with the requirements of Government Code Section 57025, individual notice was mailed to landowners within the reorganization area (totaling 20,471) due to the benefit assessment being extended. Comments from landowners and any affected local agency in support or opposition will be reviewed and considered by the Commission in making its determination.

5. The City of Upland and the County's land use designation for the reorganization area includes a full range of land uses including residential, commercial, industrial, special/institutional, mixed-use, open space, and floodway. This reorganization proposal has no direct effect on the City's or the County's General Plan land use designations assigned for the area.
6. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. LAFCO 3209 has no direct impact on SCAG's Regional Transportation Plan.

The Sustainable Community Strategy includes as a goal the need to promote and improve public health which approval of LAFCO 3209 accomplishes.

7. The Commission's Environmental Consultant, Tom Dodson and Associates, has recommended that this proposal is statutorily exempt from environmental review based on the finding that the Commission's approval of the reorganization has no potential to cause any adverse effect on the environment since the reorganization will transfer the delivery of mosquito and vector control services from one entity to another which will not result in any physical impacts on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). Mr. Dodson recommends that the Commission adopt the Statutory Exemption and direct its Executive Officer to file a Notice of Exemption within five (5) days. A copy of Mr. Dodson's response letter is included as Attachment #4 to this report.
8. The reorganization areas are served by the following local agencies:

County of San Bernardino  
City of Upland  
Monte Vista Water District

Cucamonga Valley Water District  
Chino Basin Water Conservation District  
Inland Empire Resource Conservation District  
Inland Empire Utilities Agency  
Metropolitan Water District of Southern California  
Rancho Cucamonga Fire Protection District  
San Bernardino County Fire Protection District and its Valley Service Zone  
County Service Area 120  
County Service Area SL-1  
County Service Area 70 (unincorporated County-wide multi-function agency)

None of the agencies identified above are affected by this proposal. The only affected agencies are the County through its Mosquito and Vector Control Program under its Division of Environmental Health Services and the West Valley Mosquito and Vector Control District.

9. A plan was prepared for the extension of services to the reorganization area, as required by law. The Plan for Service indicates that the District can maintain and/or improve the level and range of services currently available within the reorganization area. A copy of this plan is included as a part of Attachment #2 to this report.

The Plan for Service and Fiscal Impact Analysis have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that the Plan for Service, its supplemental data and the Fiscal Impact Analysis, conform to those adopted standards and requirements.

10. The reorganization can benefit from the availability and extension of services, as evidenced by the Plan for Service.
11. This proposal will not affect the fair share allocation of the regional housing needs assigned to the City of Upland and/or the unincorporated County area through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process.
12. With respect to environmental justice, the reorganization proposal—which provides for enhanced level of mosquito and vector control services in the area —will not result in the unfair treatment of any person based on race, culture or income.
13. The County of San Bernardino adopted a resolution determining there will be no transfer of property tax revenues. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.
14. The maps and legal descriptions as revised are in substantial compliance with LAFCO and State standards through certification by the County Surveyor's Office.

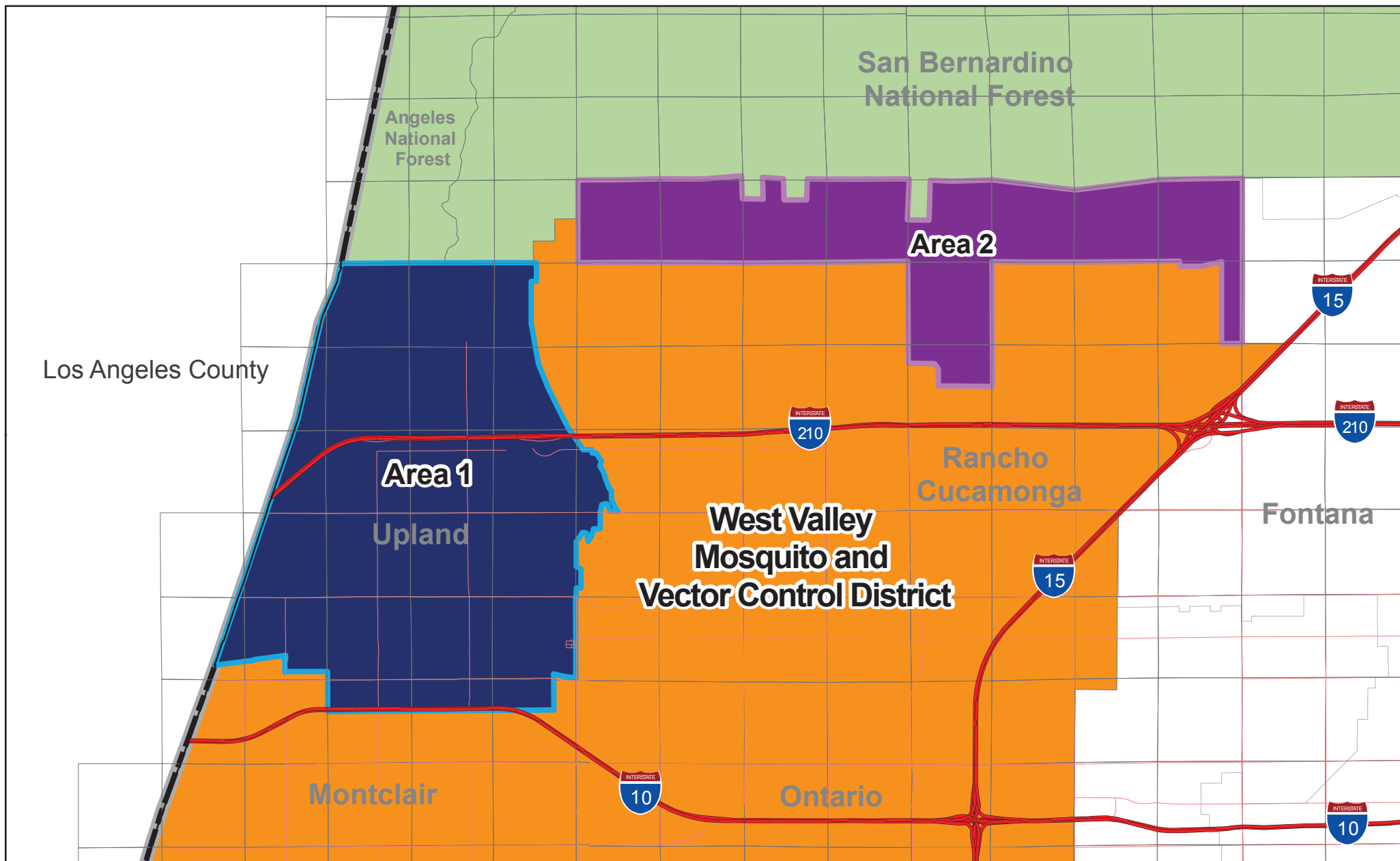
KRM/sm

Attachments:

1. Vicinity Maps for the Reorganization Proposal
2. West Valley Mosquito and Vector Control District Application and Plan for Service
3. City of Upland Letter of Support Dated January 26, 2016
4. Email Correspondence from the County's Division of Environmental Health Services Dated March 30, 2016
5. Tom Dodson's Environmental Response for LAFCO 3209
6. Draft Resolution No. 3231

# **Vicinity Map for the Reorganization Proposal**

**Attachment 1**








**LAFCO 3209 - Reorganization to include  
Annexations to West Valley Mosquito and  
Vector Control District and its Assessment  
District No. 1 and Zone A**



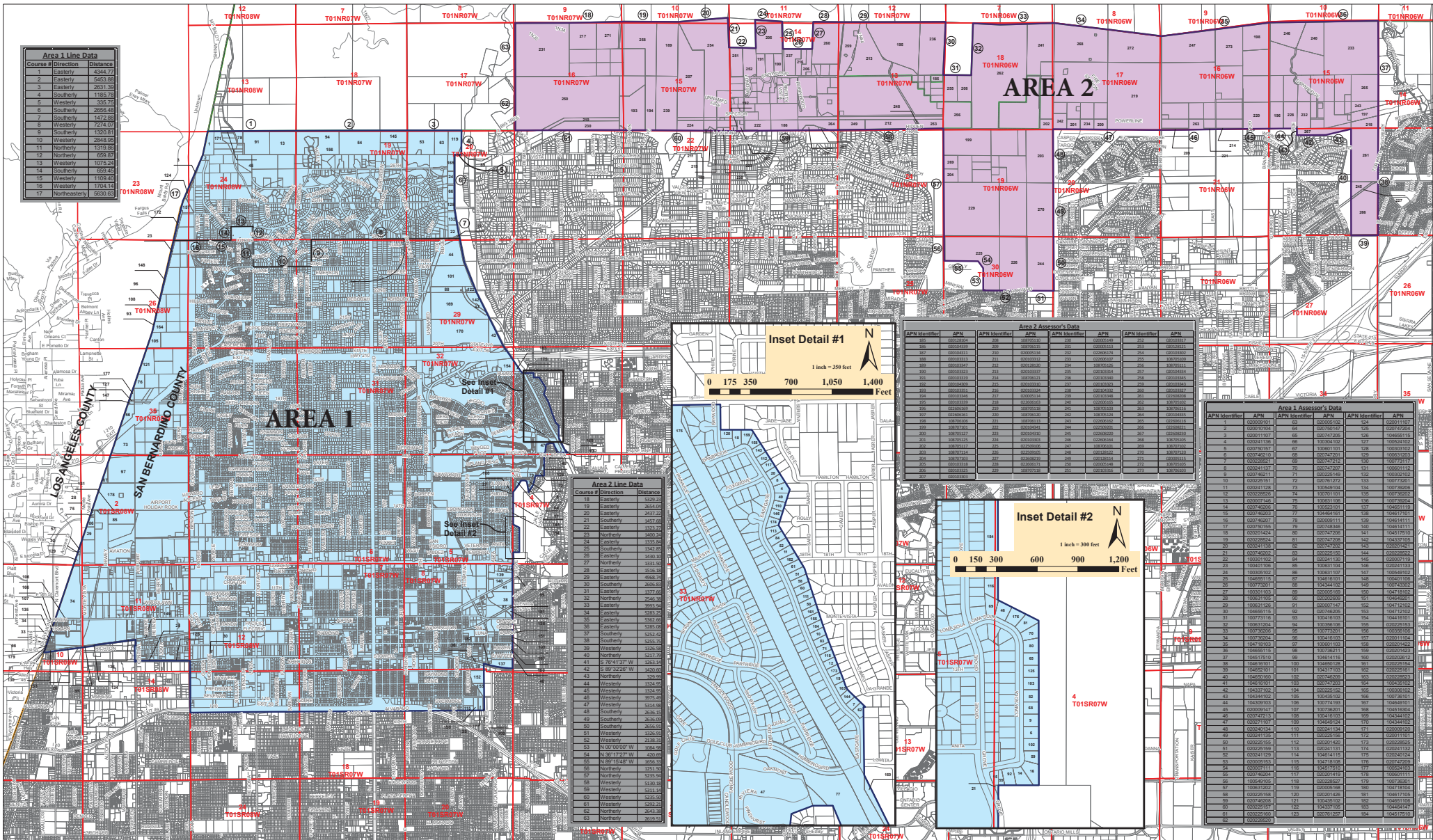
0 1.25 2.5 5 KM

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**Legend**

- |   |  |
|---|--|
|  Annexation Area 1                                |  San Bernardino County Boundary |
|  Annexation Area 2                                |  Forest                         |
|  West Valley Mosquito and Vector Control District |  |





- Annexation Area 1 Containing 11,695.63 Acres, More or Less
- Annexation Area 2 Containing 5,948.73 Acres, More or Less
- Parcels
- Section Lines
- APN Assessors Parcel Number
- Course Number
- County Boundary
- U.S. Forestry Boundary

LAFCO 3209 - Reorganization to Include Annexations to West Valley Mosquito and Vector Control District and its Assessment District No. 1 and Zone A

Those Portions of: Township 1 North, Ranges 6, 7 and 8 West, S.B.M., San Bernardino County, State of California.



THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION



James I. Stone  
Deputy County Surveyor  
PLS 9075

01/22/2016

Date

Exp. 3/31/2016  
Job Number 00142CP0 - Revised January 22, 2016

**West Valley Mosquito and  
Vector Control District  
Application and Plan for Service**

**Attachment 2**





# WEST VALLEY MOSQUITO AND VECTOR CONTROL DISTRICT

1295 E. LOCUST STREET, ONTARIO, CA 91761 TELEPHONE (909)-635-0307  
[WWW.WVMOSQUITO.ORG](http://WWW.WVMOSQUITO.ORG)

May 2, 2016

Mr. Sam Martinez  
Local Agency Formation Commission  
215 North "D" Street, Suite 204  
San Bernardino, California 92415-0490

RECEIVED  
MAY 04 2016

LAFCO  
San Bernardino County

## BOARD OF TRUSTEES

CHINO  
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CHINO HILLS  
Cynthia Moran

DISTRICT AT LARGE  
Benjamin Lopez

MONTCLAIR  
Carolyn Raft

ONTARIO  
Paul Leon

RANCHO CUCAMONGA  
William Wittkopf

DISTRICT MANAGER  
Min-Lee Cheng, Ph.D.

Dear Sam:

After review of our applications and in discussions with both you and Maria Garcia-Adarve, from SCL, we have revised our number of parcels. The previous discrepancy on the parcel counts were based on the number of unsecured and possessory interest parcels, which are irrelevant for assessment purposes as they are not assessed. We have revised our Application and Preliminary Environmental Description Form and our Supplement Annexation, Detachment, Reorganization Proposals to reflect the revised parcel counts. Both revised forms are enclosed.

This is the current WVMVCD Zone A assessment methodology, to be used for the proposed annexation area. This table also shows the Annexation Area preliminary benefit units and assessment by land use types:

West Valley Mosquito and Vector Control District Assessment Methodology			Preliminary Benefit Units and Assessment in Annex Area	
Property Type / Land Use	Benefit Units	2016-17 Rate	Benefit Units	Assessment
Single family residential/ Condo/ Mobile Home (secured)	1	\$13.12	18,709	\$245,462
Multi family, 2 units	2	\$26.24	530	\$6,954
Multi family, 3 units	3	\$39.36	351	\$4,605
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Multi family, 15 units and up	6	\$78.72	462	\$6,061
Commercial / Industrial / Office / Vacant / Other types	1.667	\$21.87	3,374	\$44,265
Unassessable (Govt, HOA, Public Utilities)	0.00	\$0.00	0	\$0
			<b>25,399</b>	<b>\$333,233</b>

We will be hiring a part-time (20%) office clerical assistant during the summer (our busiest season) because of the large number of unkempt swimming pools found in our district. Since we have not yet conducted aerial surveillance over the proposed annexation area, we anticipate that we will find a large number of unkempt swimming pools there also.

Thank you for your assistance. Please let me know if you have any additional questions.

Sincerely,

Min-Lee Cheng, Ph.D.  
District Manager

RECEIVED  
MAY 04 2016

LAFCO  
San Bernardino County

(FOR LAFCO USE ONLY)

**SAN BERNARDINO LAFCO  
APPLICATION AND PRELIMINARY  
ENVIRONMENTAL DESCRIPTION FORM**

**INTRODUCTION:** The questions on this form and its supplements are designed to obtain enough data about the application to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

**GENERAL INFORMATION**

1. NAME OF PROPOSAL: West Valley Mosquito and Vector Control District sphere expansion and annexation in the west end of San Bernardino County.

2. NAME OF APPLICANT: West Valley Mosquito and Vector Control District

APPLICANT TYPE: ☐ Landowner ☒ Local Agency  
☐ Registered Voter ☐ Other \_\_\_\_\_

MAILING ADDRESS:  
1295 E. Locust St.

Ontario, CA 91761

PHONE: (909\_\_) 635-0307

FAX: (909\_\_) 635-0405

E-MAIL ADDRESS: mcheng@wvmvcd.org or emason@wvmvcd.org

3. GENERAL LOCATION OF PROPOSAL: In the sphere expansion application, it includes the City of Upland and its sphere of influence. In the annexation application, it includes the City of Upland and its sphere of influence, and the sphere of Rancho Cucamonga being in the unincorporated territory of the County of San Bernardino bordering on the National Forest.

4. Does the application possess 100% written consent of each landowner in the subject territory?  
YES ☐ NO ☒ If YES, provide written authorization for change.

5. Indicate the reason(s) that the proposed action has been requested. To consolidate the mosquito and vector control services into one District in order to provide enhanced levels of service and to better protect the health and safety of the public in the west end of San Bernardino County.

**LAND USE AND DEVELOPMENT POTENTIAL**

1. Total land area of subject territory (defined in acres):  
Approximately 17,640 acres
2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments)

Single Family Residence	15,544
Multi-Family Residence	2,740
Apartments	6,873
Mobile Homes (in MH Parks)	631
3. Approximate current population within area:  
Approximately 79,477
4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):  
Included in the general plan designations of the cities are a mixture of residential, commercial, industrial, institutional, agricultural and open space uses. No change of the current designation of use is anticipated as a result of annexation in these cities.  
  
San Bernardino County General Plan designation(s) and uses permitted by this designation(s):  
The annexation will not impact the current County General Plan use descriptions.
5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory:  
Not applicable. No land use change as a result of these applications.
6. Indicate the existing use of the subject territory.  
The current land use includes a mixture of residential, commercial, industrial, institutional, agricultural and open spaces.  
  
What is the proposed land use?  
There will be no change in land use in the annexed areas.
7. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ☐ NO ☒ If YES, please explain.

8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Agricultural Land Uses                                 | <input type="checkbox"/> Agricultural Preserve Designation       |
| <input type="checkbox"/> Williamson Act Contract   | <input type="checkbox"/> Area where Special Permits are Required |
| <input type="checkbox"/> Any other unusual features of the area or permits required: _____ |  |

9. Provide a narrative response to the following factor of consideration as identified in §56668(p):  
*The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services:*

The vector control services will be provided uniformly throughout the area.

### **ENVIRONMENTAL INFORMATION**

1. Provide general description of topography. The northern boundary of the proposed sphere expansion and annexation area is the San Bernardino National Forest. It slopes gradually southward toward the existing District boundary. The remaining area is generally flat. Several creeks/channels, generally running in a north to south direction, exist in this area: Etiwanda Creek, Day Creek Channel, Deer Creek, Cucamonga Canyon Channel/Creek, Cucamonga Channel and Demens Creek Channel.

2. Describe any existing improvements on the subject territory as % of total area.

Residential	<u>36.1</u> %	Agricultural	<u>0.8</u> %
Commercial	<u>6.2</u> %	Vacant	<u>26.5</u> %
Industrial	<u>3.9</u> %	Other	<u>26.5</u> %

3. Describe the surrounding land uses:

NORTH	<u>The land use is the San Bernardino National Forest including open spaces.</u>
EAST	<u>The land use varies, including residential, commercial, industrial, institutional, agricultural and open spaces.</u>
SOUTH	<u>The land use varies, including residential, commercial, industrial, institutional, agricultural and open spaces.</u>
WEST	<u>The land use varies, including residential, commercial, industrial, institutional, agricultural and open spaces.</u>

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

*The proposed annexation will not result in additional development or alteration of the area.*

5. Will service extensions accomplished by this proposal induce growth on this site? YES ☐  
NO ☒ Adjacent sites? YES ☐ NO ☒ Unincorporated ☐ Incorporated ☐

6. Are there any existing out-of-agency service contracts/agreements within the area? YES ☐  
NO ☒ If YES, please identify.

7. Is this proposal a part of a larger project or series of projects? YES ☐ NO ☒ If YES, please explain.

### **NOTICES**

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME Min-Lee Cheng TELEPHONE NO. 909-635-0307

ADDRESS:  
1295 E. Locust St., Ontario, CA 91761

NAME Maria Garcia-Adarve, SCI Consulting Group TELEPHONE NO. 707-430-4300

ADDRESS:  
4745 Mangels Blvd., Fairfield, CA 94534

NAME \_\_\_\_\_ TELEPHONE NO. \_\_\_\_\_

ADDRESS:  
\_\_\_\_\_

## CERTIFICATION

As a part of this application, the City/Town of \_\_\_\_\_, or the West Valley Mosquito and Vector Control District District/Agency, Min-Lee Cheng (the applicant) and/or the \_\_\_\_\_ (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fee and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE February 3, 2016  
(Revised May 3, 2016)



SIGNATURE

Min-Lee Cheng, Ph.D.

Printed Name of Applicant or Real Property in Interest  
(Landowner/Registered Voter of the Application Subject Property)

District Manager

Title and Affiliation (if applicable)

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ☒ ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- ☒ SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- ☐ CITY INCORPORATION SUPPLEMENT
- ☐ FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- ☐ ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT

RECEIVED  
MAY 04 2016

(FOR LAFCO USE ONLY)

LAFCO  
San Bernardino County

**SUPPLEMENT**  
**ANNEXATION, DETACHMENT, REORGANIZATION PROPOSALS**

**INTRODUCTION:** The questions on this form are designed to obtain data about the specific annexation, detachment and/or reorganization proposal to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:

ANNEXED TO

DETACHED FROM

*West Valley Mosquito and Vector  
Control District*

2. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following:

- a. Has pre-zoning been completed? YES ☐ NO ☐  
b. If the response to "a" is NO, is the area in the process of pre-zoning? YES ☐ NO ☐

Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.

*Not applicable*

3. For a city annexation, would the proposal create a totally or substantially surrounded island of unincorporated territory?

YES ☐ NO ☐ If YES, please provide a written justification for the proposed boundary configuration.

*Not applicable*

4. Will the territory proposed for change be subject to any new or additional special taxes, any new assessment districts, or fees?

*The existing benefit assessment used in the West Valley Mosquito and Vector Control District Zone A will be extended to the annexation areas, replacing the County's existing benefit assessment in these areas.*

5. Will the territory be relieved of any existing special taxes, assessments, district charges or fees required by the agencies to be detached?

*Not applicable*

---

6. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.

*Not applicable*

---

7. Provide a description of how the proposed change will assist the annexing agency in achieving its fair share of regional housing needs as determined by SCAG.

*Not applicable*

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8. **PLAN FOR SERVICES:**

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) must be submitted. This plan shall, at a minimum, respond to each of the following questions and be signed and certified by an official of the annexing agency or agencies.

- A. A description of the level and range of each service to be provided to the affected territory.

*The mosquito and vector control services provided by the District comprise four main areas: 1) service request; 2) routine inspection and elimination or treatment of vector breeding sources; 3) surveillance of vector populations and vector-borne disease pathogens; and 4) public outreach. The services described below are provided within the current boundaries of the District and would be provided to the annexation areas once established.*

- 1) *Governing power of the District is vested in a six-member Board of Trustees. One member each is appointed by the City Councils of Chino, Chino Hills, Ontario, Montclair, and Rancho Cucamonga with the remaining board member being appointed by the San Bernardino County Board of Supervisors. Following completion of annexation, a seventh Board Trustee will be appointed by the City of Upland. This new Board member will be influential in deciding the level of service and service priorities for the City. The budget, benefit assessment rates, level of service and long term plan of the District are reviewed and approved by the Board before execution. The budget and proposed services will also be reviewed with the public at an annual public meeting. As a result, there will be several layers of accountability and oversight to ensure that services are provided to the City in the most cost effective and responsive manner.*



- 2) *The District responds to service requests from the public for a variety of disease and poisonous vectors (mosquitoes, ticks, rats, honey bees, wasps, etc.), nuisance vectors (e.g. flies, midges, gnats, snakes, etc.) or vector breeding sources in a timely manner. We mitigate the vector related problems by removing the vector, or issue abatement notices to the responsible individuals.*
- 3) *The District field staff routinely inspects and eliminates or treats all known vector breeding sources (e.g. dairy waste water ponds, drainage ditches, flood fields, bmp's, etc.), advises property owners to mitigate the sources whenever possible, and looks for new or potential vector breeding sources.*
- 4) *The District conducts regularly scheduled surveillance for West Nile virus, St. Louis encephalitis, and Western Equine encephalomyelitis, Hantavirus, Arenavirus, Lyme disease, Rickettsial diseases, and plague. Since 2015, the District has begun testing all mosquito samples for West Nile virus detection by molecular method (RT-PCR) in house, which greatly shortens the turn-around time for test results and generates cost savings. The District will provide proactive enhanced disease surveillance services and other disease prevention services in the proposed annexation area similar to those that are provided in the existing District. This enhanced level of surveillance will enable the District to better respond to new and emerging public health threats.*

*The District will employ several types of traps to monitor adult mosquitoes. The adult mosquito surveillance has dual functions – population density monitoring and arbovirus isolation. Wild bird population surveys are used to monitor the presence of arboviruses in this area.*

*The District also will constantly monitor for other disease agents that are potentially dangerous to our area, such as malaria, dengue fever, Japanese encephalitis, Chikungunya fever, Zika virus, etc. and invasive vectors such as the Asian tiger mosquito and yellow fever mosquito. We will incorporate other diseases in our surveillance program when they pose a threat to the health and safety of the local residents and visitors.*

- 5) *The District currently uses a variety of media to spread information on vectors, vector-borne diseases, control and prevention to the public. An enhanced and successful mosquito and vector control program requires increased levels of public awareness of these important issues and an educated public aware of how to protect their families and pets from diseases carried by insects and rodents. Following is a list of the outreach approaches that have been used by the District that can be applied to the proposed annexation area:*
  - *Public access television*
  - *Radio stations*
  - *City newsletters*
  - *District website ([www.wvmosquito.org](http://www.wvmosquito.org))*
  - *City utility bill inserts*
  - *Newspapers*
  - *Television*
  - *Local fair events*
  - *Presentations at schools, civic groups, government agencies, home owner associations, etc.*
  - *Interagency meeting with city code enforcement and public works personnel from each city to discuss mutual assistance in vector*

*abatement related issues*

- *Vector and vector-borne disease brochures*
- *News/press releases*
- *One-on-one personal contact*
- *Summer seasonal job opportunities to local college students*

*We continue to enhance our public education program.*

- B. An indication of when the service can be feasibly extended to the affected territory.

*Upon successful completion and certification of the annexation with LAFCO, and submittal of the assessment roll to the County for inclusion on the property tax bills, the District will be ready to provide enhanced mosquito and vector control services to the residents in the proposed annexation area during that same fiscal year.*

- C. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.

*Upon successful completion and certification of the annexation with LAFCO, and submittal of the assessment roll to the County for inclusion on the property tax bills, the District will be ready to provide enhanced mosquito and vector control services to the residents in the proposed annexation area during that same fiscal year.*

- D. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.

*The cost to provide comprehensive mosquito and vector control services in the proposed annexation area, similar to those provided in the existing District, will be funded by a benefit assessment levied on parcels within the proposed annexation area. In order to provide these enhanced services, the District will require two vector control technicians, a part time (20%) office clerical assistant, a part time (50%) technical laboratory personnel, two vehicles, disease surveillance traps and supplies, vector control related equipment and supplies, communication equipment and other supportive matters. It is estimated that an additional \$318,000 of revenue will be needed for the first year (FY 2016-2017) to fund the enhanced mosquito and vector control services in the proposed annexation area. However, the anticipated revenue for FY 2016-2017 will be approximately \$139,000 (the amount that will be collected by the County Vector Control Program and transferred to the West Valley MVCD), because the sphere of influence expansion and annexation may not complete until after the deadline of filing the tax roll with the county auditor's office. The shortfall of \$179,000 will be covered by an internal loan from the District's reserves, which is estimated to be paid back in the following five fiscal years.*

Fiscal Impact Analysis	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
<b>Estimated Annual Revenue</b>					
WVMVCD loan from/to reserves	179,000	(30,090)	(31,728)	(35,422)	(37,214)
Benefit Assessment	139,000	342,990	353,280	363,878	374,794
<b>TOTAL ESTIMATED REVENUES</b>	<b>318,000</b>	<b>312,900</b>	<b>321,552</b>	<b>328,456</b>	<b>337,580</b>
<b>Estimated Annual Cost of Providing Vector Control Services</b>					
Salaries, Employee Benefits, Admin					
2 Vector Control Technicians	160,000	164,800	169,744	174,836	180,081
1 part-time (50%) Lab Assistant	50,000	51,500	53,045	54,636	56,275
1 part-time (20%) Office Assistant	35,000	36,050	37,132	38,245	39,393
1 part-time (30%) Public Outreach assistant	35,000	36,050	37,132	38,245	39,393
	280,000	288,400	297,052	305,964	315,142
Operation, Materials, Supplies					
Vector control supplies	10,000	10,000	10,000	10,000	10,000
Public outreach supplies	8,000	3,000	3,000	3,000	3,000
	18,000	13,000	13,000	13,000	13,000
Fixed Assets/Equipment					
Trucks	8,000	8,000	8,000	8,000	8,000
Vector control equipment	3,000	1,500	1,500	500	500
Communication equipment	6,000	1,000	1,000	500	500
Office equipment (e.g. computers, etc)	3,000	1,000	1,000	492	438
	20,000	11,500	11,500	9,492	9,438
<b>TOTAL ESTIMATED COSTS</b>	<b>318,000</b>	<b>312,900</b>	<b>321,552</b>	<b>328,456</b>	<b>337,580</b>

Table: The cost of the trucks is amortized over 5 years.

- E. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.
- The existing benefit assessment Zone A will be extended to include the annexation area.*
- F. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

*Not applicable.*

## **CERTIFICATION**

As a part of this application, the City/Town of \_\_\_\_\_, or the West Valley Mosquito and Vector Control District District/Agency, Min-Lee Cheng (the applicant) and/or the \_\_\_\_\_ (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I acknowledge that annexation to the City/Town of \_\_\_\_\_ or the West Valley Mosquito and Vector Control District District/Agency may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIIC and XIID of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

I hereby certify that the statements furnished above and the documents attached to this form present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE February 3, 2016  
Revised May 3, 2016



SIGNATURE

Min-Lee Cheng, Ph.D.

Printed Name of Applicant or Real Property in Interest  
(Landowner/Registered Voter of the Application Subject Property)

District Manager

Title and Affiliation (if applicable)

**City of Upland Letter of Support dated  
January 26, 2016**

**Attachment 3**



**Ray Musser, Mayor**  
**Glenn Bozar, Mayor Pro Tem**  
**Gino L. Filippi, Councilmember**  
**Debbie Stone, Councilmember**  
**Carol Timm, Councilmember**

**Telephone (909) 931-4122**  
**Facsimile (909) 931-4107**

January 26, 2016

Ms. Kathleen Rollings-McDonald  
Executive Officer  
Local Agency Formation Commission  
175 W. Fifth Street, Second Floor  
San Bernardino, CA. 92415-0490

**Subject:** Support West Valley Mosquito and Vector Control District proposed Annexation of the City of Upland

Dear Mrs. Rollings-McDonald:

West Valley Mosquito and Vector Control District (WVMVCD) serves all of the West Valley including the cities of Rancho Cucamonga, Ontario, Montclair, Chino, Chino Hills extending to the borders of Riverside County, Orange County and Los Angeles County, approximately 199 service territory square miles. They have been providing mosquito and vector control service in the area since 1983. The only area not served is Upland and the unincorporated area of San Antonio Heights, which creates an island or a non-contiguous service area for the San Bernardino County Vector Control.

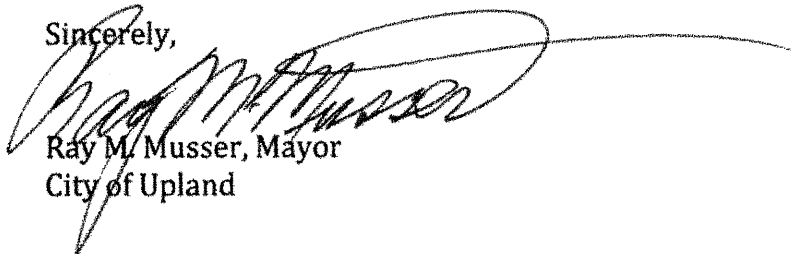
Upland currently receives mosquito and vector control services through San Bernardino County Vector Control. Consolidation could result in a more efficient and coordinated management approach given the current configuration of the service areas.

The WVMVCD Board is currently composed of six members, a representative from each of the jurisdictions they serve and San Bernardino County to provide board and local representation on community interest related to vector control. It is expected that should Upland annex into the service area, the City of Upland would be given a seat on the District Board increasing the Board to seven members. By annexing into the District it is anticipated that the community of Upland would benefit from increased mosquito and vector control service levels by having direct representation on the District Board to focus on local concerns of interest to the citizens of Upland.

With these considerations, on January 25, 2016, the City of Upland City Council approved this letter of support for the WVMVCD Local Agency Formation Commission application to expand the sphere of influence and annexation of the City of Upland into the WVMVCD service area.

If you need additional information regarding this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray M. Musser", with a long horizontal flourish extending to the right.

Ray M. Musser, Mayor  
City of Upland

cc: Min-Lee Cheng, District Manager, WVMVCD  
Glenn Duncan, Board Member, WVMVCD  
Rod B. Butler, City Manager, City of Upland

**Email Correspondence from the  
County's Division of Environmental  
Health Services Dated 30, 2016**

**Attachment 4**



## Schell, Angela

---

**From:** Phillippe, Jason  
**Sent:** Wednesday, March 30, 2016 12:46 PM  
**To:** Schell, Angela  
**Cc:** Dugas, Joshua; Osorio, Jennifer  
**Subject:** RE: Request Confirmation of Attendance for LAFCO Departmental Review Committee (DRC) Meeting -- LAFCO 3208/3209 West Valley Mosquito and Vector Control District  
**Attachments:** 3209 DRC Agenda.pdf

Angela, San Bernardino County Department of Public Health Division of Environmental Health Services supports all aspects of the transition in this agenda including monetary aspects. Kathleen McDonald requested this. Can you forward to her and carbon copy me?

Thank you and have a good day,

**Jason Phillippe, REHS**  
Interim Program Manager  
Department of Public Health  
Division of Environmental Health Services  
Land Use Protection/Mosquito and Vector Control  
Phone: 800.442.2283

RECEIVED  
MAR 30 2016  
LAFCO  
San Bernardino County



*Our job is to create a county in which those who reside and invest can prosper and achieve well-being.*  
[www.SBCounty.gov](http://www.SBCounty.gov)



County of San Bernardino Confidentiality Notice: This communication contains confidential information sent solely for the use of the intended recipient. If you are not the intended recipient of this communication, you are not authorized to use it in any manner, except to immediately destroy it and notify the sender.

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**From:** Schell, Angela  
**Sent:** Wednesday, March 30, 2016 9:43 AM  
**To:** Taylor, Christina; Spence, Mike; Pajot, Allegra; Silva, Andrew; Ballesteros, Jessica; Dugas, Joshua; Phillippe, Jason; Osorio, Jennifer; Eickman, Melissa  
**Subject:** Request Confirmation of Attendance for LAFCO Departmental Review Committee (DRC) Meeting -- LAFCO 3208/3209 West Valley Mosquito and Vector Control District

Good morning,

The attached Agenda was mailed to you on March 24. Please confirm your attendance for the LAFCO DRC meeting scheduled on April 4<sup>th</sup> at 1:00pm in the LAFCO office.

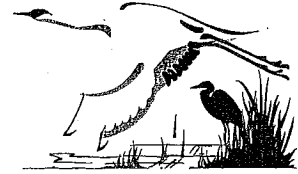
Thank you!

**Tom Dodson's Environmental  
Response for LAFCO 3209**

**Attachment 5**

**TOM DODSON & ASSOCIATES**

2150 N. ARROWHEAD AVENUE  
SAN BERNARDINO, CA 92405  
TEL (909) 882-3612 • FAX (909) 882-7015  
E-MAIL tda@tdaenv.com



July 30, 2016

Ms. Kathleen Rollings-McDonald  
Local Agency Formation Commission  
215 North "D" Street, Suite 204  
San Bernardino, CA 92415-0490

RECEIVED  
AUG 04 2016

LAFCO  
San Bernardino County

Dear Kathy:

LAFCO 3209 consists of a request for a Reorganization by the West Valley Mosquito and Vector Control District (District) and its Assessment District No. 1 and Zone A to annex approximately 27.6 square miles into the District. The territory proposed for reorganization includes two separate areas generally described as follows: Area 1 includes the entirety of the City of Upland's boundaries and its northern unincorporated Sphere of Influence area known as San Antonio Heights, encompassing about 18.3 square miles; and Area 2 includes the City of Rancho Cucamonga's northern unincorporated Sphere of Influence, encompassing about 9.3 square miles. If LAFCO 3209 is approved by the Commission the identified property would be annexed to the District and its financing zones, which will replace the current mosquito and vector service performed by the County Department of Environmental Health, Vector Control Division.

Based on the above proposal, the proposed reorganization would allow the District to assume existing services within the area to be annexed. Thus, in this case a new serving agency will take over the existing County services, and the area being annexed will receive the same services. The approval of LAFCO 3209 does not appear to have any potential to significantly alter the existing physical environment in any manner different from the existing environmental circumstance.

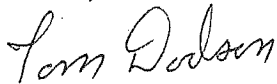
Therefore, I recommend that the Commission find that a Statutory Exemption (General Rule), as defined in CEQA under Section 15061 (b)(3) of the State CEQA Guidelines, applies to LAFCO 3209. This Section states: "*A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in*

*question may have a significant effect on the environment, the activity is not subject to CEQA."* It is my opinion and recommendation to the Commission that this circumstance applies to LAFCO 3209.

Based on this review of LAFCO 3209 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that the proposed LAFCO action does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate environmental determination to comply with CEQA for this action. The Commission can approve the review and findings for this action and I recommend that you notice LAFCO 3209 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once the hearing is completed and assuming LAFCO 3209 is approved.

A copy of this exemption recommendation should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Tom Dodson".

Tom Dodson

**Draft LAFCO  
Resolution No. 3231**

**Attachment 6**

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-mail: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

---

**PROPOSAL NO.: LAFCO 3209**

**HEARING DATE: AUGUST 17, 2016**

## **RESOLUTION NO. 3231**

**A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3209 AND APPROVING THE REORGANIZATION TO INCLUDE ANNEXATIONS TO THE WEST VALLEY MOSQUITO AND VECTOR CONTROL DISTRICT AND ITS ASSESSMENT DISTRICT NO. 1 AND ZONE A. The reorganization includes two separate areas encompassing a total of approximately 17,644 acres (27.6 square miles).**

**On motion of Commissioner \_\_\_\_\_, duly seconded by Commissioner \_\_\_\_\_, and carried, the Local Agency Formation Commission adopts the following resolution:**

**WHEREAS**, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), and the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; and,

**WHEREAS**, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

**WHEREAS**, the Executive Officer has reviewed available information and prepared a report including her recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

**WHEREAS**, the public hearing by this Commission was called for August 17, 2016 at the time and place specified in the notice of public hearing; and,

**WHEREAS**, at the hearing, this Commission heard and received all oral and written support and/or opposition; the Commission considered all plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved;

## RESOLUTION NO. 3231

and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing.

**NOW, THEREFORE, BE IT RESOLVED**, that the Commission does hereby determine, find, resolve, and order as follows:

### **DETERMINATIONS:**

**SECTION 1.** The proposal is approved subject to the terms and conditions hereinafter specified:

**Condition No. 1.** The boundaries of this change of organization are approved as set forth in Exhibits "A" and "A-1" attached;

**Condition No. 2.** The following distinctive short-form designation shall be used through this proceeding: LAFCO 3209;

**Condition No. 3.** The effective date of this reorganization shall be the date of issuance of the Certificate of Completion;

**Condition No. 4.** Prior to the issuance of the Certificate of Completion for the reorganization to include annexations, pursuant to the provisions outlined in Government Code Section 56886(i), the Commission requires that the Board of Trustees of the West Valley Mosquito and Vector Control District and the County Board of Supervisors provide to the Executive Officer of LAFCO a signed agreement to transfer a prorated portion of the County's Vector Control benefit assessment for Fiscal Year 2016-17 to the West Valley Mosquito and Vector Control District said amount to be determined based upon the effective date of LAFCO 3209;

**Condition No. 5.** All previously authorized charges, fees, assessments, and/or taxes currently in effect by the West Valley Mosquito and Vector Control District (annexing agency) shall be assumed by the annexing territory in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t);

**Condition No. 6.** The West Valley Mosquito and Vector Control District shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

**SECTION 2. DETERMINATIONS.** The following determinations are noted in conformance with Commission policy and Government Code Section 56668:

1. The reorganization proposal is legally inhabited with 35,911 registered voters as of March 9, 2016.
2. The County Assessor's Office has determined that the total assessed value of land and improvements within the reorganization area is \$8,704,938,158

## RESOLUTION NO. 3231

(land--\$2,778,134,677; improvements--\$5,926,803,481) as of March 23, 2016. The breakdown of assessed value of land and improvements for both areas are as follows:

Area 1: \$8,644,326,682 (land - \$2,733,274,654; improvements - \$5,911,052,028)  
Area 2: \$ 60,611,476 (land - \$ 44,860,023; improvements - \$ 15,751,453)

3. Through approval of the companion proposal, LAFCO 3208, the reorganization area will all be within the sphere of influence assigned the West Valley Mosquito and Vector Control District.
4. Notice of this hearing was published as required by law in the *Inland Valley Daily Bulletin*, a newspaper of general circulation within the reorganization area. As required by State law and Commission policy a 1/8<sup>th</sup> page legal ad was provided in compliance with the provisions of Government Code Section 56157. Individual notices were provided to all affected and interested agencies, County departments and those individuals and agencies requesting special notice. Comments from registered voters and any affected local agency have been reviewed and considered by the Commission in making its determination.
5. In compliance with the requirements of Government Code Section 57025 and Commission policy, individual notice was mailed to landowners within the reorganization area for Assessment District No. 1 and Zone A (totaling 20,471) due to the benefit assessment being extended. Comments from landowners have been considered by the Commission in making its determination.
6. The City of Upland and the County's land use designation for the reorganization area includes a full range of land uses including residential, commercial, industrial, special/institutional, mixed-use, open space, and floodway. LAFCO 3209 has no direct effect on the City's or the County's General Plan land use designations assigned for the area.
7. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. LAFCO 3209 has no direct impact on SCAG's Regional Transportation Plan. The Sustainable Community Strategy includes as a goal the need to promote and improve public health which approval of LAFCO 3209 accomplishes.
8. The Local Agency Formation Commission has determined that this proposal is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the proposal has no potential to cause any adverse effect on the environment since the reorganization will transfer the delivery of mosquito and vector control services from one entity to another which will not result in any physical impacts on the environment. The Commission certifies it has reviewed and considered the environmental recommendation and finds that, without any identifiable physical changes, this proposal does not constitute a project and is not subject to environmental review under the provisions of the State CEQA Guidelines Section 15061(b)(3). The Commission adopted the Statutory Exemption



## RESOLUTION NO. 3231

and directed its Executive Officer to file a Notice of Exemption within five (5) days with the San Bernardino County Clerk of the Board of Supervisors.

9. The local agencies currently serving the area are: County of San Bernardino, City of Upland, Monte Vista Water District, Cucamonga Valley Water District, Chino Basin Water Conservation District, Inland Empire Resource Conservation District, Inland Empire Utilities Agency, Metropolitan Water District of Southern California, Rancho Cucamonga Fire Protection District, San Bernardino County Fire Protection District and its Valley Service Zone, County Service Area 120, County Service Area SL-1, and County Service Area 70 (multi-function unincorporated area Countywide)

None of the agencies identified above are affected by this proposal. The only affected agencies are the County, through its Mosquito and Vector Control Program under its Division of Environmental Health Services, and the West Valley Mosquito and Vector Control District.

10. The West Valley Mosquito and Vector Control District submitted a plan for services, as required by law, which provides a general outline of the delivery of services mandated by Government Code Section 56653. This Plan and its Fiscal Impact Analysis indicates that the transfer of service to the West Valley Mosquito and Vector Control District, can, at a minimum, maintain the level of service delivery currently received by the area and will provide for an enhanced level of service in specific categories. The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that such Plan for Service and Fiscal Impact Analysis submitted conform to those adopted standards and requirements and show that the level of service will be enhanced following annexation.
11. The reorganization area will benefit from the availability of services from the West Valley Mosquito and Vector Control District as evidenced by the Plan for Service.
12. This proposal will not affect the fair share allocation of the regional housing needs assigned to the City of Upland through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process
13. With respect to environmental justice, the reorganization proposal—which is to provide enhanced mosquito and vector control services to the area—will not result in the unfair treatment of any person based on race, culture or income.
14. The County of San Bernardino, acting on behalf of the West Valley Mosquito and Vector Control District as established by Revenue and Taxation Code Section 99 adopted a resolution indicating no transfer of property tax revenues would be required. This negotiated agreement fulfills the requirements of Section 99 of the Revenue and Taxation Code.
15. The map and legal description prepared by the County Surveyor are in substantial compliance with LAFCO and State standards.

**RESOLUTION NO. 3231**

**SECTION 3.** Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change or organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

**SECTION 4.** The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

**SECTION 5.** The Commission hereby directs that following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution and State law (Part 4, commencing with Government Code Section 57000), provide for a 21-day protest proceeding, set the matter for consideration of the protest proceedings, and provide notice of the hearing pursuant to Government Code Section 57025 and 57026.

**SECTION 6.** Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth her determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

**SECTION 7.** Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

**THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:**

**AYES:      COMMISSIONERS:**

**NOES: COMMISSIONERS:**

**ABSENT:      COMMISSIONERS:**

\* \* \* \* \*

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SAN BERNARDINO )

**I, KATHLEEN ROLLINGS-MCDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of August 17, 2016.**


**DATED:**

**KATHLEEN ROLLINGS-MCDONALD**  
Executive Officer

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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**DATE:** AUGUST 10, 2016   
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
MICHAEL TUERPE, Project Manager  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT: AGENDA ITEM #8 – REVIEW AND CONSIDERATION OF AMENDMENTS  
AND UPDATES TO THE LAFCO POLICY AND PROCEDURE MANUAL**

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## **RECOMMENDATION:**

Staff recommends that the Commission take the following actions:

1. Provide staff with any additional changes, corrections or amendments to the Policy and Procedure Manual as presented.
2. Approve additions, amendments, and rescissions to the LAFCO Policy and Procedure Manual as follows:
  - a. Add an "Apportionment" policy (Policy 8) to Section II - Accounting and Financial, Chapter 1 - Internal Operations
  - b. Amend the "Filing Fee Refund" policy (Policy 2) to Section II - Accounting and Financial, Chapter 2 - Application Processing
  - c. Amend Procedure for the "Indemnification" policy (Policy 3) to Section II - Accounting and Financial, Chapter 2 - Application Processing
  - d. Amend the "Performance Management" policy (Policy 4) to Section III - Human Resources, Chapter 2 - Employment
  - e. Amend the "Flexible Spending Account" policy (Policy 6) to Section III - Human Resources, Chapter 5 - Benefits Plan
  - f. Amend the "Disadvantaged Unincorporated Community Annexation" policy (Policy 14) to Section IV - Application Processing, Chapter 1 - Proposals
  - g. Rescind "Landowner Protest Petition" form, Section VII - Forms
  - h. Rescind "Registered Voter Protest Petition" form, Section VII - Forms
  - i. Add "Written Protest Form", Section VII – Forms

3. Adopt Resolution No. 3232 approving the amended and updated Policy and Procedure Manual and direct the Executive Officer to make the document available on the Commission's website and circulate as required.

## **BACKGROUND:**

At the June 2012 hearing, the LAFCO Policy and Procedure Manual was reorganized and updated with the direction that an annual review be undertaken in August or September of every year to ensure that the document remains current and relevant. The previous annual update, for 2015, was extensive and included a restructuring of the manual.

The updates presented for 2016 concern amendments relative to specific policies and forms and are deemed to be non-controversial. The presentation which follows discusses the proposed amendments and updates by each section of the Manual.

## **SECTION II – Accounting and Financial**

### **CHAPTER 1 – Internal Operations**

#### **1. Add "Apportionment" policy as Policy #8**

In April 2008 during the discussion of the 2008-09 Proposed Budget, the Commission voiced its position to adopt a policy regarding the implementation of the mandatory apportionment process to provide some budgetary certainty to the independent special districts and cities. The Policy was to request that the County Auditor use the apportionment distribution provided for the proposed LAFCO budget review in April of each year using existing State Controller data. This would then apportion the Commission's net costs to the county, cities, and independent special districts - regardless if new State Controller data are issued prior to the July 1 billing date. The reasoning for the policy is to provide stability to the budget process for the entities which fund LAFCO by not apportioning a different amount after the final budgets are prepared for these entities..

However, our review of the policies for this annual update identified that this policy was not placed into the Manual by staff. At this time staff recommends that the Commission reaffirm its position and adopt its policy related to the apportionment process and add it as Policy #8 to Chapter 1 of Section II. The new policy would read as follows:

#### **8. Apportionment (Adopted August 17, 2016)**

**In apportioning the Commission's net operating costs to the county, cities, and independent special districts pursuant to Government Code Section**

56381, the apportionment distribution provided by the Auditor-Controller based upon State Controller data available at the time of the proposed LAFCO budget shall be used for billing purposes - regardless if new State Controller data are issued prior to July 1 of each year.

## **CHAPTER 2 – Application Processing**

The following is a discussion of Accounting and Financial policies related to application processing that are proposed for amendment:

### **1. Amend “Filing Fee Refund” policy**

Staff is proposing to simplify the milestones used to determine a refund of LAFCO filing fees for a withdrawn application. Basically, withdrawal of an application following the Notice of Hearing does not warrant any refund. The proposed amendment to the policy would read as follows:

If withdrawal of an application is requested, the LAFCO Filing Fee paid for processing will be refunded in the following manner:

- A. Following issuance of the Notice of Filing but prior to the commencement of the property tax negotiations for changes of organization or Department Review Committee consideration for sphere of influence amendment: ~~75%~~ 2/3 refund.
- B. Following commencement of the property tax negotiations or Department Review Committee process but prior to the advertisement of the Commission’s consideration: ~~50%~~ 1/3 refund.
- C. Following advertisement of the Commission’s consideration: ~~25%~~ no refund.

~~D. Following the Commission’s consideration: no refund.~~

The current language of the deposit categories provides for a refund of unexpended deposit revenues.

### **2. Amend Procedure for the “Indemnification” policy**

This policy identifies that the applicant and/or the real party in interest indemnifies LAFCO upon submission of an application. The procedures for the applicant to adhere to the Commission’s policy do not clearly include a fire protection contract. The proposed amendment to Procedure A would include a fire protection contract and delineate initiations by resolution and written request as follows:

A. Acknowledgement of LAFCO Indemnification Requirement:

1. When a ~~local~~ public agency adopts a resolution of application to initiate an application for a change of organization or reorganization, ~~or~~ a sphere of influence amendment, or a fire protection contract, the resolution shall include a provision acknowledging the Commission's requirement for indemnification as outlined in this Manual.
2. When a state agency or a real party of interest initiates an application for a change of organization or reorganization, a sphere of influence amendment, or a fire protection contract, the written request shall include a statement acknowledging the Commission's requirement for indemnification as outlined in this Manual.

## SECTION III – Human Resources

On December 15, 2015, the County Board of Supervisors approved a variety of amendments to its Exempt Compensation Plan to include, among other things, (1) across-the-board salary increases, (2) a 15-year longevity pay effective December 2016, (3) increase in Medical Premium Subsidy effective July 2018, and (4) an increase in the top entrance step for new employees - a technical change. In January 2016, the Commission approved the above-listed modifications to its Policy and Procedure Manual, Human Resources and Benefits Section as its policies mirror those of the County's Exempt Compensation Plan.

However, the County's December 2015 ordinance included two technical amendments not known to LAFCO staff. To formally implement the changes, staff recommends that the Commission amend its Policy and Procedure Manual, Section III (Human Resources), as follows:

### **Chapter 2 (Employment)**

1. Amend "Performance Management" policy

The amendments include minor changes to the language to include disability payments and medical emergency leave as not counting towards step advancements. The County's ordinance related to this change is included as Attachment #2 to this report, with the related language beginning on page 10.

## **Chapter 5 (Benefits Plan)**

### **2. Amend “Flexible Spending Account” policy**

Effective July 23, 2016 the Commission match to an employee’s flexible spending account will have no minimum (currently \$10) and will simply match dollar for dollar. There is no change to the maximum matching amount. This Policy is to be retroactive to July 23, 2016 to coincide with the plan year. The County’s ordinance related to this change is included as Attachment #2, with the related language on page 12.

## **SECTION IV – Application/Project Processing**

### **CHAPTER 1 – Proposals**

#### **1. Amend “Disadvantaged Unincorporated Community Annexation” policy**

The policy currently directs that LAFCO staff will annually develop the demographic data needed to define “disadvantaged unincorporated communities”. However, annually revising the mapping does not provide for certainty for those landowners and cities that may be affected by the requirement to annex adjacent disadvantaged unincorporated communities. Developing the maps every five years would provide for a five-year certainty of the requirement, can be based upon distributed information on updates, and can be included without qualm in the service reviews prepared for the Commission. The proposed amendment to the Policy would read as follows:

A. LAFCO shall utilize the ESRI Community Analyst Online, a web-based application, to develop the demographic data needed to ~~annually~~ define the “disadvantaged unincorporated community” as outlined in Government Code Section 56033.5. The data shall be developed and mapped every five years in years ending in 1 and 6 (for example 2011 and 2016) and made available on the LAFCO website.

...

## **SECTION VII - Forms**

At the May 18, 2016 hearing, the Commission was provided a copy of the “Written Protest Instructions and Form” document. The new form was developed in an effort to eliminate confusion over protest forms for landowner versus registered voter. Staff modified the form and notified the Commission that it would be used starting with the Needles protest hearing. To formalize the update, the following actions are recommended:

1. Rescind "Landowner Protest Petition" form
2. Rescind "Registered Voter Protest Petition" form
3. Add "Written Protest Form"

## **CONCLUSION:**

Staff requests that the Commission provide its additions, amendments or corrections to the amended and updated Manual for staff to include in the document at this hearing. Staff recommends that the Commission take the actions outlined on pages 1 and 2 of this report.

KRM/MT

### **Attachments:**

1. Materials Related to County Ordinance Relating to Compensation and Working Conditions of the Exempt Group
2. Draft LAFCO Resolution No. 3232



**Materials Related to County  
Ordinance Relating to  
Compensation and Working  
Conditions of the Exempt Group**

**Attachment 1**

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

**101**

December 15, 2015

**FROM: GREGORY C. DEVEREAUX, Chief Executive Officer  
County Administrative Office**

**SUBJECT: INTRODUCTION OF AN ORDINANCE RELATING TO COMPENSATION AND  
WORKING CONDITIONS OF THE EXEMPT GROUP**

**RECOMMENDATION(S)**

1. Consider proposed ordinance relating to compensation and working conditions of the Exempt Group
2. Make alterations, if necessary, to proposed ordinance.
3. Approve introduction of proposed ordinance.
4. Read title only of proposed ordinance; waive reading of the entire text and SCHEDULE FOR FINAL ADOPTION ON TUESDAY, JANUARY 12, 2016, on the Consent Calendar.
5. Establish the classification of Investment Officer, Exempt C, FLSA Exempt. Establish salary for new classification at R71 as a Minute Order Amendment to the Salary Ordinance.
6. Authorize the addition of one new position classified to Investment Officer, Exempt C, R71.
7. Consider proposed ordinance amending Ordinance 1904, by adding Investment Officer (Position No. 89406) to the Unclassified Service of the County.
8. Make alterations, if necessary, to proposed ordinance.
9. Approve introduction of proposed ordinance.
10. Read title only of proposed ordinance; waive reading of the entire text and SCHEDULE FOR FINAL ADOPTION ON TUESDAY, JANUARY 12, 2016 on the Consent Calendar.
11. Direct the Clerk of the Board to amend the County Conflict of Interest Code List of Designated Employees to include the new classification of Investment Officer in disclosure category 5.  
(Presenter: Gregory C. Devereaux, Chief Executive Officer, 387-5418)

**BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES**

**Create, Maintain and Grow Jobs and Economic Value in the County.**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**FINANCIAL IMPACT**

The total estimated ongoing cost for the Exempt Group compensation ordinance is \$370,000 in 2015-16 (partial year), \$2.0 million in 2016-17, \$4.1 million in 2017-18 and \$6.7 million in 2018-19. This will result in the use of additional ongoing Discretionary General Funding (Net County Cost) of \$170,000 in 2015-16 (partial year), \$940,000 in 2016-17, \$1.9 million in 2017-18 and \$3.1 million in 2018-19. Approval of the necessary budget adjustments for 2015-16 is not requested at this time, but will be included on a future quarterly budget report presented to the

Page 1 of 2

Board of Supervisors for approval. Sufficient appropriation will also be included in subsequent recommended budgets.

**BACKGROUND INFORMATION**

Recently, seven bargaining units represented by SBPEA Teamsters Local 1932 (Union), which represents approximately 11,000 employees, agreed to compensation and benefit enhancements, which included across the board wage increases, establishment of new differentials, and an increase in the medical premium subsidy.

To ensure consistency, it is proposed that the Exempt Group classifications receive the following:

- A one percent (1.0%) across-the-board wage increase effective January 9, 2016, a one percent (1.0%) across-the-board wage increase effective July 23, 2016, a two percent (2.0%) across-the-board wage increase effective July 22, 2017, and a three percent (3.0%) across-the-board wage increase effective July 21, 2018; and
- An annual \$750 Certified Public Accountant (CPA) Certification Stipend for employees in certain classifications who, in addition to the requirements of their classification, attain and maintain a valid CPA License;
- An increase to the existing recruitment bonus from \$500 to up to \$1,000;
- A two percent (2.0%) Auditing Pay Differential for employees in certain classifications who are required to directly oversee auditing functions;
- A two percent (2.0%) 15-year longevity pay, effective December 10, 2016;
- An increase to the fixed dollar bi-weekly Medical Premium Subsidy by \$4.50 for Employee Only, \$8.96 for Employee + 1, and \$12.70 for Employee + 2, effective July 21, 2018.

The proposed ordinance will become effective in the pay period immediately following its adoption, which will be pay period 3 of 2016 should the Board adopt the ordinance on January 12, 2016.

A recent reorganization of the Treasurer and Investment Divisions of the Auditor-Controller/Treasurer/ Tax Collector Department includes the addition of a position to assist the Chief Deputy Treasurer in the oversight of the Investment Division Staff and the County's investment portfolio with the authority to make investment and trading decisions. Due to the high level and sensitivity of decision making authority granted this position, a new classification in the unclassified service is recommended: Investment Officer, Range 71, Exempt C.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (W. Andrew Hartzell, Principal Assistant County Counsel, 387-5455) on December 7, 2015; Human Resources (Bob Windle, Assistant Director, 387-5570) on December 2, 2015; Finance (Ginger Porter, Administrative Analyst, 387-4883) on December 2, 2015; and County Finance and Administration (Katrina Turturro, Deputy Executive Officer, 387-5423) on December 7, 2015.

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**ORDINANCE NO.**

**AN ORDINANCE OF THE COUNTY OF SAN BERNARDINO,  
STATE OF CALIFORNIA, AMENDING THE SAN  
BERNARDINO COUNTY CODE, RELATING TO  
COMPENSATION AND TERMS AND CONDITIONS OF  
EMPLOYMENT OF COUNTY EMPLOYEES.**

The Board of Supervisors of the County of San Bernardino, State of California,  
ordains as follows:

SECTION 1. Subsection 13.0602(b) is added to Chapter 6 of Division 3 of Title 1  
of the San Bernardino County Code, to read:

**13.0602 Basic Salary Schedules.**

(b) The following wage increases shall be included in the salary schedules for  
Exempt Group employees and all non-represented employees, as are on file with the  
Clerk of the Board of Supervisors:

Effective January 9, 2016, the County shall provide all classifications in  
the Exempt Group other than those classifications listed in Section 13.0604(a) with a  
one percent (1.00%) across the board salary increase.

Effective July 23, 2016, the County shall provide all classifications in the  
Exempt Group other than those classifications listed in Section 13.0604(a) with a one  
percent (1.00%) across the board salary increase.

Effective July 22, 2017, the County shall provide all classifications in the  
Exempt Group other than those classifications listed in Section 13.0604(a) with a two  
percent (2.00%) across the board salary increase.

Effective July 21, 2018, the County shall provide all classifications in the  
Exempt Group other than those classifications listed in Section 13.0604(a) with a three  
percent (3.00%) across the board salary increase.

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SECTION 2. Section 13.0604 of the San Bernardino County Code is amended,  
to read:

**13.0604 List of Exempt Group Classifications.**

(a) Exempt – Executive County Administrators

(1) Table 1

<b>Classifications</b>	<b>Exempt Group</b>	<b>Annual Salary A Effective 1/9/16</b>	<b>Annual Salary B Effective 1/9/16</b>
Agricultural Commissioner/Sealer	B	\$144,590	\$148,204
Assistant Executive Officer-Finance and Administration	A	\$213,237	\$218,568
Assistant Executive Officer-Human Services	A	\$213,237	\$218,568
Behavioral Health Medical Director	C	\$287,850	\$295,046
Chief Executive Officer	A	\$308,050	\$315,751
Chief Information Officer	A	\$192,592	\$197,407
Chief Probation Officer	B	\$172,952	\$177,276
Clerk of the Board of Supervisors	B	\$139,468	\$142,954
County Chief Financial Officer	A	\$192,097	\$196,900
County Clerk	N/A	\$10,007	\$10,258
County Counsel	A	\$232,418	\$238,229
County Librarian	B	\$140,739	\$144,258
Director of Aging and Adult Services	B	\$140,791	\$144,311
Director of Airports	B	\$137,317	\$140,750
Director of Architecture and Engineering	B	\$139,640	\$143,130
Director of Arrowhead Regional Medical Center	A	\$256,516	\$262,928
Director of Behavioral Health	B	\$186,939	\$191,612
Director of Central Collections	N/A	\$14,946	\$15,320
Director of Child Support*	B	\$178,576	\$183,040
Director of County Museum	B	\$129,974	\$133,223
Director of County Safety and Security	N/A	\$28,019	\$28,720
Director of Economic Development	B	\$136,490	\$139,902
Director of Facilities Management	B	\$129,974	\$133,223
Director of Fleet Management	B	\$129,974	\$133,223
Director of Human Resources	A	\$188,277	\$192,984
Director of Land Use Services	B	\$166,250	\$170,406
Director of Preschool Services	B	\$140,791	\$144,311
Director of Public Works	B	\$190,749	\$195,518

Director of Purchasing	B	\$133,833	\$137,179
Director of Real Estate Services	B	\$129,974	\$133,223
Director of Risk Management	B	\$131,853	\$135,150
Director of Transitional Assistance	B	\$161,729	\$165,772
Director of Veterans' Affairs	B	\$129,974	\$133,223
Director, Children and Family Services	B	\$182,770	\$182,770
Director, Community Development and Housing	B	\$136,490	\$139,902
Director, Regional Parks	B	\$130,762	\$134,031
Director, Workforce Development	B	\$136,490	\$139,902
Economic Development Administrator	B	\$171,206	\$175,486
Public Defender	B	\$210,639	\$215,905
Public Health Director	B	\$162,846	\$166,918
Redevelopment Administrator	B	\$136,490	\$139,902
Registrar of Voters	B	\$150,107	\$153,860

Employees who were in a classification listed under this subsection (a)(1) on March 21, 2015 and have completed 2,080 service hours in that classification will advance to the corresponding salary provided in the "Annual Salary B" on January 9, 2016. Employees who were in a classification listed under this subsection (a)(1) on March 21, 2015 and who have not completed 2,080 service hours in that classification, and employees hired into one of these classifications after March 21, 2015, but before March 19, 2016, will remain at the corresponding salary provided in the "Annual Salary A" and will advance to the corresponding salary provided in the "Annual Salary B" upon completion of the required service hours (i.e., 2,080) or on March 19, 2016, whichever is sooner.

Employees hired into a classification listed under this subsection (a)(1) on or after March 19, 2016 will be immediately eligible for the corresponding salary provided in the "Annual Salary B."

\*Salary effective January 9, 2016, \$172,266 upon position vacancy.

(2) Table 2

Classifications	Exempt Group	Annual Salary Effective 7/23/16	Annual Salary Effective 7/22/17	Annual Salary Effective 7/21/18
Agricultural Commissioner/Sealer	B	\$149,686	\$152,680	\$157,260
Assistant Executive Officer-Finance and Administration	A	\$220,754	\$225,169	\$231,924
Assistant Executive Officer-Human Services	A	\$220,754	\$225,169	\$231,924
Behavioral Health Medical Director	C	\$297,996	\$303,956	\$313,075
Chief Executive Officer	A	\$318,909	\$325,287	\$335,046
Chief Information Officer	A	\$199,381	\$203,369	\$209,470
Chief Probation Officer	B	\$179,049	\$182,630	\$188,109
Clerk of the Board of Supervisors	B	\$144,384	\$147,272	\$151,690

1	County Chief Financial Officer	A	\$198,869	\$202,846	\$208,931
2	County Clerk	N/A	\$10,361	\$10,568	\$10,885
3	County Counsel	A	\$240,611	\$245,423	\$252,786
3	County Librarian	B	\$145,701	\$148,615	\$153,073
4	Director of Aging and Adult Services	B	\$145,754	\$148,669	\$153,129
5	Director of Airports	B	\$142,158	\$145,001	\$149,351
5	Director of Architecture and Engineering	B	\$144,561	\$147,452	\$151,876
6	Director of Arrowhead Regional Medical Center	A	\$265,557	\$270,868	\$278,994
7	Director of Behavioral Health	B	\$193,528	\$197,399	\$203,321
8	Director of Central Collections	N/A	\$15,473	\$15,782	\$16,255
8	Director of Child Support*	B	\$184,870	\$188,567	\$194,224
9	Director of County Museum	B	\$134,555	\$137,246	\$141,363
10	Director of County Safety and Security	N/A	\$29,007	\$29,587	\$30,475
10	Director of Economic Development	B	\$141,301	\$144,127	\$148,451
11	Director of Facilities Management	B	\$134,555	\$137,246	\$141,363
12	Director of Fleet Management	B	\$134,555	\$137,246	\$141,363
12	Director of Human Resources	A	\$194,914	\$198,812	\$204,776
13	Director of Land Use Services	B	\$172,110	\$175,552	\$180,819
14	Director of Preschool Services	B	\$145,754	\$148,669	\$153,129
14	Director of Public Works	B	\$197,473	\$201,422	\$207,465
15	Director of Purchasing	B	\$138,551	\$141,322	\$145,562
16	Director of Real Estate Services	B	\$134,555	\$137,246	\$141,363
16	Director of Risk Management	B	\$136,502	\$139,232	\$143,409
17	Director of Transitional Assistance	B	\$167,430	\$170,779	\$175,902
18	Director of Veterans' Affairs	B	\$134,555	\$137,246	\$141,363
18	Director, Children and Family Services	B	\$184,598	\$188,290	\$193,939
19	Director, Community Development and Housing	B	\$141,301	\$144,127	\$148,451
20	Director, Regional Parks	B	\$135,371	\$138,078	\$142,220
21	Director, Workforce Development	B	\$141,301	\$144,127	\$148,451
21	Economic Development Administrator	B	\$177,241	\$180,786	\$186,210
22	Public Defender	B	\$218,064	\$222,425	\$229,098
23	Public Health Director	B	\$168,587	\$171,959	\$177,118
23	Redevelopment Administrator	B	\$141,301	\$144,127	\$148,451
24	Registrar of Voters	B	\$155,399	\$158,507	\$163,262

\*Salary effective July 23, 2016, \$173,989; July 22, 2017, \$177,469; July 21, 2018, \$182,793 upon position vacancy.

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(b) Exempt – Associate Administrators

Classification	Exempt Group	Grade
Administrative Analyst I	D	56
Administrative Analyst II	C	66
Administrative Analyst III	C	73
Administrative Analyst Trainee	D	45T
ARMC Chief Compliance Officer	C	75
ARMC Chief Financial Officer	B	100
ARMC Chief Operating Officer	B	98
ARMC Medical Director	C	108
ARMC Project Administrator	C	57
Assistant Administrator, Economic Development Agency	B	85
Assistant Agricultural Commissioner/Sealer	C	75
Assistant Assessor-Recorder	B	80
Assistant Chief Information Officer	C	86
Assistant Chief Probation Officer	C	85
Assistant County Librarian	C	73
Assistant Director of Airports	C	73
Assistant Director of Behavioral Health	C	86
Assistant Director of Child Support	C	85
Assistant Director of Children & Family Services	C	85
Assistant Director of Facilities Management	C	73
Assistant Director of Human Resources	C	87
Assistant Director of Land Use Services	C	84
Assistant Director of Preschool Services	C	78
Assistant Director of Public Health	C	82
Assistant Director of Real Estate Services	C	77
Assistant Director of Real Estate Services - Project Mgmt Division	C	77
Assistant Director of Risk Management	C	77
Assistant Director of Transitional Assistance	C	84
Assistant District Attorney	B	97
Assistant Hospital Administrator - Ambulatory Services	C	74
Assistant Hospital Administrator - Behavioral Health	C	75
Assistant Hospital Administrator - Nursing Services	C	75
Assistant Public Defender	C	97
Assistant Recorder	B	80
Assistant Registrar of Voters	C	78
Assistant Sheriff	C	93



1	Associate Hospital Administrator Patient Services	C	82
2	Associate Hospital Administrator Professional Services	C	82
3	Asst Auditor-Controller/Treasurer/Tax Collector	B	84
4	ATC Project Administrator	C	57
	Auditor-Controller Division Chief	C	76
5	Auditor-Controller Manager	C	71
6	Board of Supervisor's Administrative Analyst	B	73
	Board of Supervisor's Chief of Staff	B	84
7	Building Official	C	79
8	Chief Administrative Analyst	C	80
	Chief Appraiser	C	76
9	Chief Assistant County Counsel	B	98
10	Chief Assistant District Attorney	B	100
	Chief Compliance Officer -Behavioral Health	C	72
11	Chief Deputy Clerk of Board of Supervisors	C	73
12	Chief Deputy County Museum	C	65
	Chief Deputy District Attorney	C	94
13	Chief Deputy Public Defender	C	94
14	Chief Deputy Recorder	C	76
	Chief Deputy Registrar of Voters	C	65
15	Chief Deputy Treasurer	C	76
16	Chief Learning Officer	C	78
	Chief Medical Information Officer	C	90
17	Chief Nursing Officer	C	90
18	Chief of Animal Care and Control	C	80
	Chief of Assessment Services	C	76
19	Chief of Clinical Operations	C	71
20	Chief of Community Health and Nursing Services	C	80
	Chief of County Counsel's Administration	C	70
21	Chief of District Attorney Administration	C	73
22	Chief of Environmental Health Services	C	80
	Chief of Public Defender's Administration	C	70
23	Chief Public Works Engineer	C	82
24	Child Support Chief Attorney	C	90
	Children's Network Officer	C	69
25	Code Enforcement Chief	C	79
26	Community Services Finance and Operations Chief	C	73
	Contracts and Compliance Officer	C	75
27	County Chief Operating Officer	B	98
28	County Counsel Research Attorney I	C	62T

1	County Counsel Research Attorney II	C	71
2	County Surveyor	C	82
3	Department Technology Chief	C	82
4	Departmental IS Administrator	C	80
5	Deputy Chief of Community Health Services	C	73
6	Deputy Chief of Network Services	C	77
7	Deputy Chief Probation Administrator	C	77
8	Deputy Chief Probation Officer	C	81
9	Deputy County Counsel I	C	62T
10	Deputy County Counsel II	C	71T
11	Deputy County Counsel III	C	78T
12	Deputy County Counsel IV	C	84C
13	Deputy County Counsel V	C	87C
14	Deputy Director Behavioral Health - Program Services	C	83
15	Deputy Director DAAS	C	73
16	Deputy Director of Alcohol & Drug Abuse Program Services	C	83
17	Deputy Director of Governmental & Legislative Affairs	B	73
18	Deputy Director of Regional Parks	C	77
19	Deputy Director of Risk Management	C	71
20	Deputy Director, Behavioral Health - Admin Services	C	83
21	Deputy Director, Behavioral Health Quality Management	C	83
22	Deputy Director, Child Support	C	73
23	Deputy Director, Children and Family Services	C	73
24	Deputy Director, Community Development and Housing	C	74
25	Deputy Director, Economic Development	C	74
26	Deputy Director, Facilities Management	C	71
27	Deputy Director, Preschool Services	C	73
28	Deputy Director, Program Development	C	73
	Deputy Director, Redevelopment Agency	C	74
	Deputy Director, Sheriff's Coroner Division	C	75
	Deputy Director, Transitional Assistance	C	73
	Deputy Director, Workforce Development	C	74
	Deputy Executive Officer	B	89
	Deputy Public Information Officer	C	66
	Director of Governmental Legislative Affairs	B	80
	Director of Public Relations and Marketing	C	68
	District Attorney Assistant Chief	C	83
	District Attorney Chief Investigator	C	89
	District Attorney, Public Affairs Officer	C	67

1	Division Chief, Disease Control	C	80
2	Division Chief, Program Integrity and Development	C	80
3	Economic Development Manager	C	69
4	EMACS Manager	C	71
5	Employee Relations Chief	C	80
6	Ethics Resource Officer	D	64
7	Field Representative	B	63
8	Franchise Programs Analyst	C	65
9	Government Relations Analyst I	C	58
10	Government Relations Officer	B	63
11	Government Relations Analyst II	C	66
12	Health Officer	C	96
13	Homeless Services Officer	C	72
14	HS Administrative Manager	D	60
15	HSS Auditing Manager	C	75
16	HSS Program Integrity Division Chief	C	73
17	Human Resources Analyst I	D	60
18	Human Resources Analyst II	D	65
19	Human Resources Analyst III	C	71
20	Human Resources Analyst Trainee	D	47T
21	Human Resources Benefits Chief	C	85
22	Human Resources Deputy Director	C	84
23	Human Resources Division Chief	C	80
24	Human Resources Officer I	C	65
25	Human Resources Officer II	C	71
26	Human Resources Officer III	C	76
27	Human Resources Section Manager	C	73
28	Information Services Division Chief	C	82
	Information Services Finance Officer	C	71
	Information Services Security Officer	C	71
	Investment Officer	C	71
	Labor Negotiator	C	80
	Labor Relations Financial Analyst	D	57
	Legislative Analyst I	D	56
	Legislative Analyst II	C	66
	Legislative Analyst III	C	73
	Legislative Program Manager	C	66
	Network Services Division Chief	C	82
	Payroll Supervisor	C	68
	Planning Director	C	82
	Principal Administrative Analyst	C	77

1	Principal Appraiser	C	65
2	Principal Assistant County Counsel	B	92
3	Principal Management Analyst	B	84
4	Probation Health Services Manager	C	73
5	Public Health Chief Financial Officer	C	80
6	Public Health Division Chief	C	80
7	Public Health Medical Director	C	92
8	Public Information Officer	B	83
9	Public Works Chief Financial Officer	C	80
10	Real Estate Services Manager	C	67
11	Risk Assessment Officer	C	70
12	SBCERA Assistant Chief Investment Officer	B	89
13	Sheriff Deputy Director of Administrative Services	C	84
14	Sheriff's Administrative Manager	C	73
15	Sheriff's Captain	C	82
16	Sheriff's Deputy Chief	C	88
17	Sheriff's Financial Manager	C	73
18	Sheriff's Health Services Manager	C	75
19	Small Business Development Manager	C	69
20	Solid Waste Management Division Manager	C	82
21	Special Assistant Deputy District Attorney	C	88
22	Special Assistant to the District Attorney	B	97
23	Supervising Deputy County Counsel	C	90
24	Systems Development Division Chief	C	82
25	Systems Support Division Chief	C	82
26	Undersheriff	B	98
27	Victim Services Chief	C	71

The designation of "T" is for purposes of the County's EMACS payroll system.

(c) Exempt – Executive Assistants

Classification	Exempt Group	Grade
Administrative Aide (K)	C	57
Administrative Aide to County Counsel	C	57
County Counsel Law Clerk	C	58
County Counsel Lead Secretary	D	48
County Counsel Paralegal	D	50
Executive Assistant	D	57

Executive Assistant to the District Attorney	D	57
Executive Secretary I	D	40
Executive Secretary II	D	45
Executive Secretary III -Classified	D	50
Executive Secretary III-Unclassified	C	50
Executive Secretary, Board of Supervisors	C	52
Secretary, Civil Service Commission	D	45
Sheriff's Special Assistant	C	57

SECTION 3. Subsection 13.0613(a)(1) of the San Bernardino County Code is amended, to read:

**13.0613 Exempt Group Working Conditions.**

(a) Salary Rates and Step Advancements.

(1) Eligibility for Step Advancement. New employees shall be hired at step 1 of the established base salary range, except as otherwise provided in this subsection. Variable entrance steps may be established if justified by recruitment needs through step 7 with the approval of the appointing authority and through the top step with the approval of the Director of Human Resources.

Within the base salary range, all step advancements will be made at the beginning of the pay period in which the employee completes the required number of service hours. However, when an employee reaches the required number of service hours with 80 hours in each pay period, the step advance will be made at the beginning of the next pay period. Approval for advancement shall be based upon completion of the required length of service hours in the classification, satisfactory work performance, and appointing authority recommendation.

Completed service hours shall be defined as regularly scheduled hours in a paid status, up to 80 hours per pay period. Overtime hours, disability payments, medical emergency leave, and time without pay shall not count toward step advancements. Unless otherwise approved by the Board of Supervisors, step advancements within a base salary range shall be based upon a one step increment,

approximately two and one-half percent (2.5%). The employee shall be eligible for the first step advancement after completion of 1,040 hours and subsequent step advancements after completion of additional increments of 2,080 hours until the top step of the range is reached.

SECTION 4. Subsection 13.0613(i)(1)(B)(I) of the San Bernardino County Code is amended, to read:

**13.0613 Exempt Group Working Conditions.**

(i) Medical Insurance and Retirement System Contributions.

(1) Medical Insurance Contributions.

(B) Medical and Dental Subsidies.

(I) The County has established a Medical Premium Subsidy (MPS) to offset the cost of medical and dental plan premiums charged to eligible employees. The MPS shall be applied first to medical plan premiums and then to dental plan premiums. The applicable MPS amount shall be paid directly to the providers of the County-sponsored medical and dental plans in which the eligible employee has enrolled. In no case, shall the MPS exceed the total cost of the medical and dental insurance premium for the coverage selected.

The following are the MPS amounts:

	Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
Employee Only	\$115.00	\$230.00
Employee + 1	\$176.12	\$352.23
Employee + 2	\$241.32	\$482.64

Effective 7/21/18 the following MPS amounts apply:

	Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
Employee Only	\$117.25	\$234.50
Employee + 1	\$180.60	\$361.19
Employee + 2	\$247.67	\$495.34

SECTION 5. Subsection 13.0613(i)(3) of the San Bernardino County Code is amended, to read:

**13.0613 Exempt Group Working Conditions**

(i) Medical Insurance and Retirement System Contributions.

(3) Flexible Spending Account (FSA) for medical related expenses.

The County has established a medical expense reimbursement plan, flexible spending account (FSA) for Exempt Group employees in regular positions. The Exempt FSA is established in accordance with the provisions of Internal Revenue Code section 125. The Employee Benefits and Services Division will serve as the plan's administrator and will administer the Exempt FSA in accordance with the County's exempt medical expense reimbursement plan document.

Eligible employees may contribute to the Exempt FSA, on a pre-tax basis, up to the IRC maximum per biweekly pay period. The County will contribute up to \$40.00 per biweekly pay period, matching employee contributions dollar for dollar. Upon enrolling in the Plan, employees may not change their designated biweekly contribution amount or discontinue making contributions for the remainder of the plan year except as permitted by the IRC. Any unused amounts remaining in an employee's account at the end of the Plan year shall be forfeited except as permitted by the IRC and the County's exempt medical expense reimbursement plan document.

SECTION 6. Subsection 13.0613(v)(3)(A) of the San Bernardino County Code is amended, to read:

**13.0613 Exempt Group Working Conditions.**

(v) Recruitment and Referral Bonus Programs.

(3) Recruitment Bonus.

(A) Bonus Amount and Method of Payment. The eligible employee hired into a position/ classification certified for participation in the program shall receive no less than five hundred dollars (\$500.00) and no more than one-thousand dollars (\$1,000) upon hire. An additional \$1,000.00 shall be paid to the employee upon completion of 2,080 service hours in the position/classification for which the original bonus was granted. Each bonus payment shall be considered taxable income and subject to withholding.

SECTION 7. Subsection 13.0613(jj) is added to Chapter 6 of Division 3 of Title 1 of the San Bernardino County Code, to read:

**13.0613 Exempt Group Working Conditions.**

(jj) Longevity Pay.

Effective December 10, 2016, Exempt Group employees shall be eligible for longevity pay above the base rate of pay, as indicated below, based on total hours of completed continuous service with the County. Longevity pay shall be excluded when determining the appropriate rate of pay for a promotion or demotion.

Total Completed Service	Compensation
31,200 Continuous Service Hours (15 years)	2.0%

For purposes of longevity pay only, a year of completed County service is defined as 2,080 service hours with the County.



SECTION 8. Subsection 13.0613(kk) is added to Chapter 6 of Division 3 of Title 1 of the San Bernardino County Code, to read:

**13.0613 Exempt Group Working Conditions.**

(kk) Certified Public Accountant Stipend.

Effective Pay Period 15 of 2016, the County shall establish a \$750 annual Certified Public Accountant (CPA) Stipend for employees in the following classifications who attain and maintain a valid CPA License:

- Administrative Analyst I
- Administrative Analyst II
- Administrative Analyst III
- ARMC Chief Financial Officer
- Assistant Auditor-Controller/Treasurer/Tax Collector
- Assistant Executive Officer-Finance & Administration
- Auditor-Controller Division Chief
- Auditor-Controller Manager
- Chief Administrative Analyst
- Chief Deputy Treasurer
- County Chief Financial Officer
- Deputy Executive Officer - Finance and Admin
- Director of Central Collection
- HSS Auditing Manager
- Labor Relations Financial Analyst
- Principal Administrative Analyst
- Public Health Chief Financial Officer
- Public Works Chief Financial Officer
- Sheriff's Financial Manager

The annual CPA stipend shall be paid in a lump sum to eligible employees in regular positions who are licensed CPAs, and are in paid status in the pay period that

1 includes July 1 of each year. An eligible employee in a regular position who is part-time  
2 or job-sharing shall be eligible for a prorated lump-sum payment based on regularly  
3 scheduled hours. An employee who is licensed as a CPA after July 1, or who is  
4 appointed after July 1, shall receive a prorated CPA stipend payment at the time of  
5 licensure or appointment, as applicable. Such proration shall be based upon the  
6 remaining number of pay periods in the fiscal year nearest his or her appointment.

7 Eligible employees who are not in paid status (i.e., not coding paid hours) in the  
8 pay period that includes July 1 shall receive a prorated CPA stipend payment upon  
9 return to paid status. Such proration shall be based upon the remaining number of pay  
10 periods in the fiscal year nearest their return to paid status. However, an employee who  
11 is not in paid status during the entire fiscal year (i.e., not in paid status from pay period  
12 15 of one year through pay period 14 of the following year) shall not receive the annual  
13 CPA stipend for the fiscal year(s) during which he/she was not in paid status at all. For  
14 example, if an employee is not in paid status from June of 2016 through September  
15 2017, and then returns to paid status in October 2017, the employee shall receive a  
16 prorated CPA stipend payment for FY 2017/2018 upon their return to paid status but  
17 shall not receive the FY 2016/2017 stipend because the employee was not in paid  
18 status for the entire 2016/2017 fiscal year. Any employee separating from County  
19 employment at the conclusion of a leave of absence shall not receive the CPA stipend.  
20

21 SECTION 9. Section 13.0613(II) is added to Chapter 6 of Division 3 of Title 1 of  
22 the San Bernardino County Code, to read:

23 **13.0613 Exempt Group Working Conditions.**

24 (II) Auditing Pay Differential.

25 Effective January 9, 2016, employees in the classifications  
26 designated below who are required by the appointing authority to directly oversee the  
27 auditing functions shall receive a differential of two percent (2.0%) above the  
28 employee's base rate of pay for all hours actually worked, up to eighty (80) hours per

1 pay period:

- 2 • HSS Auditing Manager
- 3 • Auditor-Controller Manager
- 4 • Auditor-Controller Division Chief

5  
6 Audits must have resulted in the preparation of reports indicating the audits were  
7 conducted in accordance with the AICPA, IIA, IFAC, GAGAS, SSAE or PCAOB or other  
8 comparable national or international organization or state or federal regulation  
9 standards and/or regulations. Eligibility for this differential is at the discretion of the  
10 appointing authority.

11  
12 SECTION 10. Effective September 15, 2015, the second paragraph of Section  
13 13.0613(w)(9) is deleted.

14  
15 SECTION 11. This ordinance shall take effect immediately upon adoption,  
16 pursuant to the provisions of Government Code section 25123.

17  
18 \_\_\_\_\_  
19 JAMES RAMOS, Chairman  
20 Board of Supervisors

21 SIGNED AND CERTIFIED THAT A COPY  
22 OF THIS DOCUMENT HAS BEEN DELIVERED  
23 TO THE CHAIRMAN OF THE BOARD

24 LAURA H. WELCH, Clerk of the  
25 Board of Supervisors  
26 \_\_\_\_\_  
27  
28

1 STATE OF CALIFORNIA )  
2 ) ss.  
3 COUNTY OF SAN BERNARDINO )

4 I, LAURA H. WELCH, Clerk of the Board of Supervisors of the County of San  
5 Bernardino, State of California, hereby certify that at a regular meeting of the Board of  
6 Supervisors of said County and State, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2016,  
7 at which meeting were present Supervisors: \_\_\_\_\_

8 and the Clerk, the foregoing ordinance was passed and adopted by the following vote,  
9 to wit:

10 AYES: SUPERVISORS:

11 NOES: SUPERVISORS:

12 ABSENT: SUPERVISORS:

13 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official  
14 seal of the Board of Supervisors this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

15 LAURA H. WELCH, Clerk of the  
16 Board of Supervisors of the  
17 County of San Bernardino,  
18 State of California

19 \_\_\_\_\_  
20 Deputy

21 Approved as to Form:

22 JEAN-RENE BASLE  
23 County Counsel

24 By: \_\_\_\_\_  
25 KENNETH C. HARDY  
26 Deputy County Counsel

27 Date: \_\_\_\_\_  
28

**Draft LAFCO  
Resolution No. 3232**

**Attachment 2**

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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E-mail: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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## RESOLUTION NO. 3232

### A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, ADDING TO, AMENDING, AND RESCINDING ITS POLICY AND PROCEDURE MANUAL

On Wednesday, August 17, 2016, on motion of Commissioner \_\_\_\_\_, duly seconded by Commissioner \_\_\_\_\_, and carried, the Local Agency Formation Commission adopts the following resolution:

**SECTION 1.** The Local Agency Formation Commission for San Bernardino County, State of California (hereafter shown as "LAFCO"), hereby finds and determines that it wishes to amend its Policy and Procedure Manual approved by the Commission at its August 15, 2015 hearing. The amendments include non-substantive changes.

**SECTION 2.** The Local Agency Formation Commission for San Bernardino County therefore resolves and orders that the following changes to the Policy and Procedure Manual are approved:

1. **Section II (Accounting and Financial), Chapter 1 (Internal Operations), Policy 8 (Apportionment) is added to read as follows:**

In apportioning the Commission's net operating costs to the county, cities, and independent special districts pursuant to Government Code Section 56381, the apportionment distribution provided by the Auditor-Controller based upon State Controller data available at the time of the proposed LAFCO budget shall be used for billing purposes - regardless if new State Controller data are issued prior to July 1 of each year.

2. **Section II (Accounting and Financial), Chapter 2 (Application Processing), Policy 2 (Filing Fee Refund) is amended to read as follows:**

If withdrawal of an application is requested, the LAFCO Filing Fee paid for processing will be refunded in the following manner:

## RESOLUTION NO. 3232

- A. Following issuance of the Notice of Filing but prior to the commencement of the property tax negotiations for changes of organization or Department Review Committee consideration for sphere of influence amendment: 2/3 refund.
- B. Following commencement of the property tax negotiations or Department Review Committee process but prior to the advertisement of the Commission's consideration: 1/3 refund.
- C. Following advertisement of the Commission's consideration: no refund.

...

### **3. Section II (Accounting and Financial), Chapter 2 (Application Processing), Policy 3 (Indemnification) is amended to read as follows:**

...

#### **PROCEDURES:**

##### **A. Acknowledgement of LAFCO Indemnification Requirement:**

1. When a public agency adopts a resolution of application to initiate an application for a change of organization or reorganization, a sphere of influence amendment, or a fire protection contract, the resolution shall include a provision acknowledging the Commission's requirement for indemnification as outlined in this Manual.
2. When a state agency or a real party of interest initiates an application for a change of organization or reorganization, a sphere of influence amendment, or a fire protection contract, the written request shall include a statement acknowledging the Commission's requirement for indemnification as outlined in this Manual.

...

### **4. Section III (Human Resources), Chapter 2 (Employment), Policy 4 (Performance Management) is amended to read as follows:**

...

#### **B. ELIGIBILITY FOR STEP ADVANCEMENT *(Amended June 16, 2011)***

New employees shall be hired at step 1 of the established base salary range, except as otherwise provided in this section. Variable entrance steps may be established if justified by recruitment needs through Step 7 with the approval of the Executive Officer and through the top step with the approval of the Commission or designee.

Within the base salary range, all step advancements will be made at the beginning of the pay period in which the employee completes the required number of service hours. However, when an employee reaches the required number of service hours with 80 hours in each pay period, the step advance will be made at the beginning of

## RESOLUTION NO. 3232

the next pay period. Approval for advancement shall be based upon completion of required service hours in the classification, satisfactory work performance, and Appointing Authority recommendation.

Completed service hours shall be defined as regularly scheduled hours in a paid status, up to 80 hours per pay period. Overtime hours, disability payments, medical emergency leave, and time without pay shall not count toward step advancements. Unless otherwise approved by the Commission, step advancements within a base salary range shall be based upon a one step increment, approximately two and one-half percent. The employee shall be eligible for the first step advancement after completion of 1,040 hours and subsequent step advancements after completion of additional increments of 2,080 hours.

...

**5. Section III (Human Resources), Chapter 5 (Benefit Plan), Policy 6 (Flexible Spending Account) is amended to read as follows:**

The County has established a medical expense reimbursement plan, Flexible Spending Account (FSA), for employees in regular positions. The Exempt FSA is established in accordance with the provisions of Internal Revenue Code (IRC) Section 125. The Human Resources Employee Benefits Department will serve as the Plan's Administrator and will administer the Exempt FSA in accordance with the County's exempt medical expense reimbursement plan document. SB LAFCO contracts with SB County to provide this benefit to its employees.

Eligible employees may contribute to the FSA, on a pre-tax basis, up to the IRC maximum per biweekly pay period. SB LAFCO will contribute up to (\$40.00) per bi-weekly pay period, matching employee contributions dollar for dollar (effective July 23, 2016).

...

**6. Section IV (Application Processing), Chapter 1 (Proposals), Policy 14 (Disadvantaged Unincorporated Communities) is amended to read as follows:**

- A. LAFCO shall utilize the ESRI Community Analyst Online, a web-based application, to develop the demographic data needed to define the "disadvantaged unincorporated community" as outlined in Government Code Section 56033.5. The data shall be developed and mapped every five years in years ending in 1 and 6 (for example 2011 and 2016) and made available on the LAFCO website.

...

**7. Section VII (Forms), Landowner Protest Petition is rescinded.**

**8. Section VII (Forms), Registered Voter Protest Petition is rescinded.**

**9. Section VII (Forms), Written Protest Form is added.**



**RESOLUTION NO. 3232**

**SECTION 3.** The Executive Officer of LAFCO is ordered to certify the passage of this resolution and to cause a copy of the amended Policy and Procedure Manual to be posted on the LAFCO Website, and a certified copy of this resolution to be forwarded to the County Administrative Office, each City, Town, and Independent Special District in the County and to affected County Departments for implementation.

**THIS ACTION APPROVED AND ADOPTED BY THE LOCAL AGENCY FORMATION  
COMMISSION FOR SAN BERNARDINO COUNTY BY THE FOLLOWING VOTE:**

**AYES:**                      **COMMISSIONERS:**

**NOES:**                      **COMMISSIONERS:**

**ABSENT:**            **COMMISSIONERS:**

STATE OF CALIFORNIA )  
 )ss.  
COUNTY OF SAN BERNARDINO )

**I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of August 17, 2016.**


**DATED:**

**KATHLEEN ROLLINGS-McDONALD**  
Executive Officer

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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**DATE:** AUGUST 9, 2016   
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
SAMUEL MARTINEZ, Assistant Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** Agenda Item #9: Review and Consideration of Policy Updates  
Related to Approval of SB 239 – Contracts for the Provisions of Fire  
Protection

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## **RECOMMENDATION:**

Staff recommends that the Commission:

1. Approve the proposed policies and procedures for fire protection contracts pursuant to Government Code Section 56134 as included in Attachment #2;
2. Approve the new Application for Fire Protection Service by Contract form to be used for fire protection contracts pursuant to Government Code Section 56134 as included in Attachment #3; and,
3. Adopt LAFCO Resolution No. 3233 reflecting the changes to the Policy and Procedure Manual and direct the Executive Officer to distribute to affected and interested parties and to update the Commission Website.

## **BACKGROUND:**

Senate Bill (SB) 239 (copy included as Attachment #1), authored by Senator Robert Hertzberg, added Section 56134 to the LAFCO statutes addressing fire protection contracts, specifically addressing contracts between two or more public agencies—both local and state agencies—for the delivery of fire protection and emergency medical response. Prior to this bill being enacted, such a contract between two (or more) public agencies would have been processed as an exemption from LAFCO review pursuant to Government Code Section 56133(e)(1).

The new law became effective January 1, 2016, adding new procedures for processing fire protection contracts when either of the following conditions are met:

1. The agreement/contract transfers service responsibility of more than 25 percent of an affected public agency's service area; or
2. The agreement/contract affects more than 25 percent of the employees of an affected public agency.

If one (or both) of these thresholds are met, the Commission is now required to review the agreement/contract at a noticed public hearing, and take action to approve, approve with conditions, or deny the request for approval of the fire protection contract.

### **DISCUSSION:**

In order to implement SB 239, the bill's author encouraged each LAFCO to create local policies to best implement the law based on local conditions and/or other local policies. Therefore, staff is recommending that the Commission adopt policies and procedures implementing Section 56134 as a new chapter of the Application Processing section in its Policy and Procedure Manual (Section IV).

As suggested by the bill's author, staff consulted with the stakeholders who may be impacted by this new law. Following the continuation of this item in April 2016, LAFCO staff had initially reached out to the San Bernardino County Fire Protection District (County Fire) and then to all the other fire service providers in San Bernardino County (including CALFIRE) with a letter that was sent through the San Bernardino County Fire Chiefs' Association. A copy of the letter is included (without the attachments) as Attachment #4 to this report. Staff was also invited to make a presentation to the County Fire Chiefs' Association meeting that was held in Redlands on July 28, 2016.

### **CALFIRE Comments:**

On August 4, 2016, LAFCO received a comment letter from CALFIRE on the proposed policies and procedures, which is included as Attachment #5 to this report. The following is staff's responses to their comments:

- CALFIRE has expressed the desire to have a single set of parameters throughout the State to address the consideration of an application under Government Code Section 56134. Staff's response is that a single set of policies to apply Statewide would be quite impossible to achieve since each LAFCO is unique and all have individual policies and procedures to implement the laws that govern it. In the staff's view this is the beauty of LAFCO law to address local circumstance and is a direct reflection of State's statutory direction as outlined in Government Code Section 56301. This is the reason why the bill's author encouraged the individual LAFCOs to create local policies to best implement SB 239 to reflect their local circumstance and condition.

- With regard to the definition of “Affected Public Agency”, LAFCO staff has clarified the policy to identify that the affected agency(ies) can mean the agency(ies) providing or receiving the new or extended fire protection service(s).
- The 25 percent service area and employee thresholds apply to any of the affected public agencies, whether it is the agency providing the service or the agency receiving the service.
- The policy requiring a letter of approval from the Director of Finance is the Commission’s proof that the fire protection contract application request, either by a state agency or a local agency currently under contract with a state agency, is approved by the Director of Finance.
- The meeting with the applicant, various County departments and other affected/interested public agencies is not a public hearing. This refers to an informal meeting that happens for all types of proposals submitted to this LAFCO. This meeting with LAFCO staff (not the Commission) is to discuss any technical issues related to the application, identify any missing documentation/materials, review comments provided from the different agencies, etc., before the item is placed on the Commission’s agenda. The hearing described in SB 239 and Section 56134 is the actual public hearing before the Commission, which has the 21-day noticing requirements and is subject to the Brown Act.
- The local policies are not intended to restate what the law already says. In the case of fire protection contracts, this is already defined in Section 56134(a)(1). Therefore, the additional text describing fire protection contracts will not be added to the local policies. However, staff agrees to add the text “changes the employment status of” to the background statement.

The changes identified above as accepted by staff have been included in the policies and procedures presented for Commission consideration. The following narrative discusses each of the sections to be added to Manual individually.

#### BACKGROUND:

Like most chapters in the Policy and Procedure Manual, staff is recommending a background section or preamble be added that encapsulates the purpose of the set of policies and procedures related to fire protection contracts which is proposed as follows:

#### **BACKGROUND:**

*“Beginning January 1, 2016, a Local Agency Formation Commission has been charged with the responsibility for reviewing and taking action on fire protection contracts that either: transfers more than 25 percent of the service area of an affected public agency or changes the employment status of more than 25 percent of the employees of an affected public agency pursuant to Government*

*Code Section 56134. These are unique actions not directly related to the processing of other types of proposals and the following policies and procedures will provide guidance on their processing."*

### POLICY DEFINITIONS:

There are certain terms within Section 56134 that are not defined by statute, which can lead to ambiguity or a difference in interpretation. Such terms need to be clearly defined as policies related to this section.

1. Public Agency is a term that is statutorily defined in Section 56070. However, in the context of fire protection contracts—which is not considered a change of organization/ reorganization—the term “*affected public agency*” needs to be defined as those agencies that are affected by the fire protection contract. This is necessary since other references related to “affected” such as affected city (Section 56011), affected district (Section 56013), or affected local agency (Section 56014), only refer to those agencies for which a change of organization or reorganization is proposed. Therefore, for the purpose of defining “*affected public agency*” pursuant to Section 56134, LAFCO staff is recommending that the Commission adopt the following definition as a policy:

*““Affected Public Agency(ies)” for the purpose of fire protection contracts, shall be defined as the public agency(ies), as described pursuant to Government Code Section 56070, that is(are) affected by the fire protection contract, either as the agency providing or receiving the new or extended fire protection service(s).”*

2. “*Changes the employment status...*” as reflected in Section 56134(a)(1)(B) can be interpreted in many ways including a change in employment status due to a transfer, a salary adjustment, modification of benefits, change of workhours, workload, etc. However, for the purpose of this section, an employment status change will be limited to the following: 1) employee transfer from one agency to another (inter-agency); 2) employee transfer from within an agency (intra-agency); and 3) an employee that is terminated as part of the agreement. Therefore, for the purpose of the term “*changes the employment status...*” pursuant to Section 56134, LAFCO staff is recommending that the Commission adopt the following definition as a policy:

*““Employment Status” for the purpose of fire protection contracts, shall be defined as either inter-agency or intra-agency transfer of employee(s), and/or employee(s) whose employment is/are terminated as a result of the contract.”*

3. The term “jurisdictional boundaries” is currently defined in Section 56134(a)(3) to include the territory protected by a fire protection contract entered prior to January 1, 2016. However, jurisdictional boundaries have usually been understood to mean the actual boundaries of an agency. Therefore, in order to clarify this interpretation, LAFCO staff is recommending that the Commission adopt the following definition as a policy:

*“Jurisdictional boundary(ies)” for the purpose of fire protection contracts, shall be as defined pursuant to Government Code Section 56134(a)(3). Any other instance, jurisdictional boundary(ies) shall mean the actual boundaries of a public agency such as the corporate boundaries of a city or the boundary of a special district.”*

#### IMPLEMENTATION POLICIES:

In order to determine the 25 percent threshold pursuant to Section 56134(a)(1)(A) and (B), LAFCO staff is recommending that the Commission adopt a policy that requires an applicant to provide documentation as to the threshold reached to require the Commission to review and take action on a fire protection contract:

*“Documentation Required - The applicant must provide the Commission with documentation on whether the fire protection contract meets either threshold outlined in Government Code Section 56134(a)(1)(A) and (B):*

- *Transfers service responsibility of more than 25 percent of an affected public agency’s service area; or,*
- *Changes the employment status of more than 25 percent of the employees of an affected public agency.*

*If the area to be served by the fire protection contract is not the entire jurisdictional boundaries of an affected agency, a map of the contract area must be provided. If the fire protection contract affects more than 25 percent of the employees of an affected agency, a document with a listing of all employees for the affected agency that clearly identifies all the employees affected by the fire protection contract must be provided.”*

Section 56134(c) requires that a public agency requesting approval of a fire protection contract must adopt a resolution of application. For a city or district, its legislative body must adopt a resolution of application. However, for a state agency, the director of the state agency is required to initiate the application and it is to be approved by the Director of Finance. Also, when the local agency currently contracts with a state agency, the application request must be initiated by resolution of application adopted by the local agency’s legislative body and it is also to be approved by the Director of Finance. Therefore, LAFCO staff is recommending that the Commission adopt a policy that specifies what is to be provided by a state agency and/or the Department of Finance.

*“For a fire protection contract application request made by a state agency, the director of the state agency must provide a letter, addressed to the Commission, outlining the agency’s intent to provide service(s) outside its jurisdictional boundaries as defined by Government Code Section 56134. The letter must include, as an attachment, all supporting documents that are required to be*

*submitted for a fire protection contract. In the case where the Director of Finance must provide approval of the fire protection contract, the Director must provide a letter, addressed to the Commission, outlining its support for the fire protection contract application request.”*

As outlined in Section 56134(d), a public agency shall not submit the resolution of application unless both of the following occur: 1) either the applicant obtains and submits written agreements from each affected public agency and each affected employee organization (i.e. professional firefighter’s organization) consenting to the fire protection contract, or at least 30 days prior to the hearing on the resolution of application, each affected agency and each recognized employee organization is provided written notice of the hearing and that the public hearing on the resolution of application is held; and 2) the applicant conducts an open public hearing on the resolution of application. Therefore, LAFCO staff is recommending that the Commission adopt a policy that specifies what is to be provided in order to verify compliance with this provision.

*“The required written agreement from an affected public agency shall be in the form of a resolution adopted by its legislative body. The written agreement from the employee organization shall be in a form of a letter signed by the President of the employee organization. In the case of providing written notice, proof that the notice was provided or delivered to each affected agency and employee organization shall be in the form of a signed affidavit or any similar type of proof that the written notices were provided. Such proof must be included as part of the application submission. In addition, all documents related to the public hearing on the resolution of application including, but not limited to, a copy of the agenda, staff report, and meeting minutes must also be included as part of the application submission.”*

The resolution of application must be submitted with a Plan for Service pursuant to Section 56134(e) as well as the required independent Fiscal Impact Analysis pursuant to Section 56134(f). LAFCO staff is recommending that the Commission adopt a policy that specifies what is to be included as part of the Plan for Service and independent Fiscal Impact Analysis.

*“The Plan for Service must include, but is not limited to, all the required information as outlined in Government Code Section 56134(e). In addition, the required independent Fiscal Impact Analysis must include, at a minimum, the following:*

- a five year projection of revenues and expenditures;*
- a discussion of the sufficiency of general existing revenues to provide the new or extended fire protection service; and,*
- a comprehensive review of all retirement plans impacting the affected agency/agencies and employees including any unfunded retirement*

*obligations and the identification of retirement debt, if any, and the responsible agency or agencies to assume such debt.”*

Extending the term of an existing contract does not appear to be subject to SB 239 unless it triggers any of the threshold conditions that have been identified above. In addition, SB 239 does not appear to apply to mutual or automatic aid agreements. Therefore, LAFCO staff is recommending the Commission adopt a policy that addresses existing contracts:

*“Existing fire protection contracts, and their renewal, will not be subject to the requirements of Government Code Section 56134 unless a subsequent change to an existing fire protection contract either transfers more than 25 percent of the service area of an affected public agency or affects more than 25 percent of the employees of an affected public agency. In addition, mutual or automatic aid agreements are not subject to Government Code Section 56134.”*

#### PROCEDURES:

In order to implement these unique requirements and procedures related to fire protection contracts, LAFCO staff is proposing “application procedures” and “review procedures” specific to the implementation of Section 56134, which are shown below:

#### **“APPLICATION PROCEDURES FOR AN OUT OF AGENCY FIRE PROTECTION CONTRACT**

*Government Code Section 56134 charges LAFCO with the responsibility to review and approve, approve with conditions, or deny requests for approval of a fire protection contract that provide new or extended fire protection services outside an agency’s jurisdictional boundaries provided such contracts meet one of the following thresholds: (1) transfers service responsibility of more than 25 percent of an affected public agency’s service area; or (2) affects more than 25 percent of the employees of an affected public agency. Requests under this provision are subject to Commission review.*

##### *1. Application for Review:*

*The filing requirements for review of a fire protection contract shall include:*

- A. Official Request from Applicant. The request must be made by adoption of a Resolution of Application pursuant to Government Code Section 53134(c).*
  - The resolution of application shall not be submitted to LAFCO unless the provisions outlined in Government Code Section 56134(d) have been met: 1) Submission of written agreement from each affected public agency and each affected employee organization consenting to the proposed fire protection contract, or proof that written notices were*



*provided to each affected agency and employee organization at least 30 days prior to the public hearing on the resolution of application is held; and 2) the applicant conducts an open public hearing on the resolution of application. The resolution of application must also include a provision acknowledging the Commission's requirement for indemnification pursuant to Commission policy (see Policy and Procedure Manual, Chapter 2 - Accounting and Financial Section, Policy #3)*

*In addition, all documents related to the applicant's hearing on the resolution of application such as agenda, staff report, minutes, etc. shall also be submitted.*

- The resolution of application must be submitted with a Plan for Service that includes, but is not limited to, all the required information as outlined in Government Code Section 56134(e).*
- The resolution of application must be submitted with an independent Fiscal Impact Analysis pursuant to Government Code Section 56134(f) that includes, at a minimum, the following: a) a five year projection of revenues and expenditures, b) a discussion of the sufficiency of general existing revenues to provide the new or extended fire protection service, and c) a comprehensive review of all retirement plans impacting the affected agencies and employees including any unfunded retirement obligations and the identification of retirement debt, if any, and the responsible agency or agencies to assume such debt.*

*B. Documentation Required to Establish Thresholds Related to Service Area and Employment Status:*

- Service Area: The applicant must submit a map of the fire protection contract area if the fire protection contract area is not the entirety of the affected public agency. If the applicant already serves the affected public agency (agency receiving service) by contract to a portion of its current jurisdictional boundaries, the map must clearly identify the area it currently serves by contract and the new area it is proposing to serve by contract.*
- Employment Status: The applicant must submit a document with a listing of all employee classifications/titles of an affected public agency that clearly identify the employee classifications/titles that are affected by the fire protection contract.*

*C. Payment of Appropriate Filing Fees. The applicant must submit, as part of the application, the appropriate filing fee as outlined in the LAFCO*

*Schedule of Fees, Deposits, and Charges in effect at the time of submission. In addition, a review of a fire protection contract is also subject to the following deposits: legal counsel, environmental review, and individual notice. Applicants will be required to reimburse the Commission for all charges and costs in excess of the deposits outlined above. If charges billed are less than the amount of deposits, the balance will be refunded at the close of the application.*

*Should a fire protection contract require the extension of an existing per parcel special fee or charge, the applicant will be required to submit an additional deposit for the direct costs associated with mailing individual notices to each billed landowner within the fire protection contract area.*

- D. A completed Application Form for Fire Protection Contracts including the submission of a copy of the fire protection contract that has been signed by the affected public agencies. Submission of additional map(s) showing the jurisdictional boundaries of the affected public agencies may also be required.*
- E. Any other information deemed appropriate by the Executive Officer in order to review the fire protection contract based upon its special circumstances.*

*2. Environmental Review Requirements:*

*The review of a fire protection contract is subject to environmental review procedures as outlined in Section V of this Manual.*

**REVIEW PROCEDURES FOR AN OUT OF AGENCY FIRE PROTECTION CONTRACT:**

*A fire protection contract will require the following review:*

- 1. The applicant must submit to LAFCO a completed Application Form for Fire Protection Contracts, with all its component parts as previously defined, for review and consideration. Within 30 days, the LAFCO Executive Officer will notify the applicant and any other affected public agency whether or not the application filing is complete. If incomplete, the applicant and any other affected public agency will be notified of the specific insufficiencies.*
- 2. The LAFCO staff shall forward a copy of the application to various County departments, all local fire authorities and other affected/interested agencies for their review and comment.*
- 3. Completion of the CEQA review process will be required prior to placement on the Commission's agenda.*

4. *A meeting with the applicant and any other affected public agency, and/or the various County departments and other affected/interested agencies will be held to discuss the circumstances and/or issues related to the fire protection contract.*
5. *Once these required elements have been completed and the application deemed complete, the item will be placed on the next agenda for which notice can be provided but no more than 90 days from the date the application is deemed complete. At least 21 days prior to the date of the hearing, notice of the hearing will be mailed to each affected local agency or affected county, and to any interested party who has filed a written request for notice. In addition, at least 21 days prior to the hearing, notice of hearing will be published in a newspaper of general circulation and posted on the Commission's website.*

*At least 21 days prior to the date of the hearing, individual notice will be mailed to each billed landowner within the fire protection contract area if the fire protection contract will require the extension of an existing per parcel special fee or charge.*

6. *At a noticed public hearing, the Commission will consider the staff's presentation and presentations, if any, by interested and affected parties, and make a determination.*
7. *The Commission has the authority to approve, approve with conditions, or deny a fire protection contract. The Commission's determination regarding 56134(h)(2)(i) and (j) and any required findings will be set out in a resolution which specifies the area to be served, the services to be provided, and the authority of the agency to provide its services outside its boundaries.*
8. *Reconsideration: Following an action by the Commission on the contract request, reconsideration by the Commission may be requested pursuant to existing Commission policies."*

The new application procedures (shown starting on page 6 of the staff report) provides an affected public agency with the guidance needed to submit a fire protection contract application to LAFCO pursuant to the provision of Government Code Section 56134. It also provides LAFCO staff with the necessary tools to evaluate such contracts. The new review procedures (shown starting on page 8 of the staff report) provide a process through which these fire protection contracts can be evaluated by the Commission and its staff. Attachment #3 to this report is the new application form that will be used by the affected public agency when submitting an out-of-agency fire protection contract application.

## **CONCLUSION:**

With this new legislative process in place, the Commission, the staff, and the affected fire providers within our County will be apprised of the policies and procedures required to comply with the directives of Government Code Section 56134. Staff believes that this procedures will allow for the full vetting of any such contract for service within the confines of San Bernardino County and thereby will allow for discussion and resolution according to the unique local circumstance of our communities. At this time, staff is requesting that the Commission provide it with any additional changes, corrections or amendments to the proposed policies and procedures for fire protection contracts pursuant to Government Code Section 56134. Finally, staff recommends that the Commission approve the new policies and procedures for fire protection contracts as a new chapter of the Application Processing section of its Policy and Procedure Manual as well as approve the new Application Form for Fire Protection Contract.

KRM/sm

Attachments:

1. SB 239 (Hertzberg) Local Services: Contracts: Fire Protection Services
2. Policies and Procedures Related to Fire Protection Contracts (Chapter 5: Out of Agency Fire Protection Contract)
3. Application Form for Fire Protection Contract
4. Copy of Letter to the San Bernardino County Fire Chiefs Dated July 14, 2016
5. Copy of Letter from CALFIRE Dated August 4, 2016
6. Draft Resolution No. 3233

**SB 239 (Hertzberg) Local Services:  
Contracts: Fire Protection Services**

**Attachment 1**

## **Senate Bill No. 239**

### **CHAPTER 763**

An act to amend Sections 56017.2 and 56133 of, and to add Section 56134 to, the Government Code, relating to local services.

[Approved by Governor October 10, 2015. Filed with  
Secretary of State October 10, 2015.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 239, Hertzberg. Local services: contracts: fire protection services.

Existing law prescribes generally the powers and duties of the local agency formation commission in each county with respect to the review approval or disapproval of proposals for changes of organization or reorganization of cities and special districts within that county. Existing law permits a city or district to provide extended services, as defined, outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county. Under existing law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.

This bill would, with certain exceptions, permit a public agency to exercise new or extended services outside the public agency's jurisdictional boundaries pursuant to a fire protection contract, as defined, only if the public agency receives written approval from the local agency formation commission in the affected county. The bill would require that the legislative body of a public agency that is not a state agency adopt a resolution of application and submit the resolution along with a plan for services, as provided, that a proposal by a state agency be initiated by the director of the agency with the approval of the Director of Finance, and that a proposal by a local agency that is currently under contract for the provision of fire protection services be initiated by the local agency and approved by the Director of Finance. The bill would require, prior to adopting the resolution or submitting the proposal, the public agency to enter into a written agreement for the performance of new or extended services pursuant to a fire protection contract with, or provide written notice of a proposed fire protection contract to, each affected public agency and recognized employee organization representing firefighters in the affected area, and to conduct a public hearing on the resolution.

The bill would require the commission to approve or disapprove the proposal as specified. The bill would require the commission to consider, among other things, a comprehensive fiscal analysis prepared by the executive officer in accordance with specified requirements.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

This bill would incorporate additional changes to Section 56133 of the Government Code proposed by AB 402 that would become operative if this bill and AB 402 are both enacted and this bill is enacted last.

*The people of the State of California do enact as follows:*

SECTION 1. Section 56017.2 of the Government Code is amended to read:

56017.2. "Application" means any of the following:

(a) A resolution of application or petition initiating a change of organization or reorganization with supporting documentation as required by the commission or executive officer.

(b) A request for a sphere of influence amendment or update pursuant to Section 56425.

(c) A request by a city or district for commission approval of an extension of services outside the agency's jurisdictional boundaries pursuant to Section 56133.

(d) A request by a public agency for commission approval of an extension of services outside the agency's jurisdictional boundaries pursuant to Section 56134.

SEC. 2. Section 56133 of the Government Code is amended to read:

56133. (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization.

(c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

(1) The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public

Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district of a contract to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of those requests to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the contract for extended services. If the contract is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following:

(1) Contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) Contracts for the transfer of nonpotable or nontreated water.

(3) Contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

SEC. 2.5. Section 56133 of the Government Code is amended to read:

56133. (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission.



(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

(c) If consistent with adopted policy, the commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following:

(1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) The transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

(f) This section applies only to the commission of the county in which the extension of service is proposed.

SEC. 3. Section 56134 is added to the Government Code, to read:

56134. (a) (1) For the purposes of this section, "fire protection contract" means a contract or agreement for the exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries, as authorized by Chapter 4 (commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this code or by Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, except those contracts entered into pursuant to Sections 4143 and 4144 of the Public Resources Code, that does either of the following:

(A) Transfers responsibility for providing services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract or agreement.

(B) Changes the employment status of more than 25 percent of the employees of any public agency affected by the contract or agreement.

(2) A contract or agreement for the exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries, as authorized by Chapter 4 (commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this code or Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, except those contracts entered into pursuant to Sections 4143 and 4144 of the Public Resources Code, that, in combination with other contracts or agreements, would produce the results described in subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purposes of this section.

(3) For the purposes of this section, "jurisdictional boundaries" shall include the territory or lands protected pursuant to a fire protection contract entered into on or before December 31, 2015. An extension of a fire protection contract entered into on or before December 31, 2015, that would produce the results described in subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purposes of this section.

(b) Notwithstanding Section 56133, a public agency may provide new or extended services pursuant to a fire protection contract only if it first requests and receives written approval from the commission in the affected county pursuant to the requirements of this section.

(c) A request by a public agency for commission approval of new or extended services provided pursuant to a fire protection contract shall be made by the adoption of a resolution of application as follows:

(1) In the case of a public agency that is not a state agency, the application shall be initiated by the adoption of a resolution of application by the legislative body of the public agency proposing to provide new or extended services outside the public agency's current service area.

(2) In the case of a public agency that is a state agency, the application shall be initiated by the director of the state agency proposing to provide new or extended services outside the agency's current service area and be approved by the Director of Finance.

(3) In the case of a public agency that is a local agency currently under contract with a state agency for the provision of fire protection services and proposing to provide new or extended services by the expansion of the existing contract or agreement, the application shall be initiated by the public agency that is a local agency and be approved by the Director of Finance.

(d) The legislative body of a public agency or the director of a state agency shall not submit a resolution of application pursuant to this section unless both of the following occur:

(1) The public agency does either of the following:

(A) Obtains and submits with the resolution a written agreement validated and executed by each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers consenting to the proposed fire protection contract.

(B) Provides, at least 30 days prior to the hearing held pursuant to paragraph (2), written notice to each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers of the proposed fire protection contract and submits a copy of each written notice with the resolution of application. The notice shall, at minimum, include a full copy of the proposed contract.

(2) The public agency conducts an open and public hearing on the resolution, conducted pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5) or the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2), as applicable.

(e) A resolution of application submitted pursuant to this section shall be submitted with a plan which shall include all of the following information:

(1) The total estimated cost to provide the new or extended fire protection services in the affected territory.

(2) The estimated cost of the new or extended fire protection services to customers in the affected territory.

(3) An identification of existing service providers, if any, of the new or extended services proposed to be provided and the potential fiscal impact to the customers of those existing providers.

(4) A plan for financing the exercise of the new or extended fire protection services in the affected territory.

(5) Alternatives for the exercise of the new or extended fire protection services in the affected territory.

(6) An enumeration and description of the new or extended fire protection services proposed to be extended to the affected territory.

(7) The level and range of new or extended fire protection services.

(8) An indication of when the new or extended fire protection services can feasibly be extended to the affected territory.

(9) An indication of any improvements or upgrades to structures, roads, sewer or water facilities, or other conditions the public agency would impose or require within the affected territory if the fire protection contract is completed.

(10) A determination, supported by documentation, that the proposed fire protection contract meets the criteria established pursuant to subparagraph (A) or (B) of paragraph (1) or paragraph (2), as applicable, of subdivision (a).

(f) The applicant shall cause to be prepared by contract an independent comprehensive fiscal analysis to be submitted with the application pursuant to this section. The analysis shall review and document all of the following:

(1) A thorough review of the plan for services submitted by the public agency pursuant to subdivision (e).

(2) How the costs of the existing service provider compare to the costs of services provided in service areas with similar populations and of similar geographic size that provide a similar level and range of services and make a reasonable determination of the costs expected to be borne by the public agency providing new or extended fire protection services.

(3) Any other information and analysis needed to support the findings required by subdivision (j).

(g) The clerk of the legislative body of a public agency or the director of a state agency adopting a resolution of application pursuant to this section shall file a certified copy of the resolution with the executive officer.

(h) (1) The executive officer, within 30 days of receipt of a public agency's request for approval of a fire protection contract, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request does not comply with the requirements of subdivision (d), the executive officer shall determine that the request is incomplete. If a request is determined incomplete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete.

(2) The commission shall approve, disapprove, or approve with conditions the contract for new or extended services following the hearing at the commission meeting, as provided in paragraph (1). If the contract is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(i) (1) The commission shall not approve an application for approval of a fire protection contract unless the commission determines that the public agency will have sufficient revenues to carry out the exercise of the new or

extended fire protection services outside its current area, except as specified in paragraph (2).

(2) The commission may approve an application for approval of a fire protection contract where the commission has determined that the public agency will not have sufficient revenue to provide the proposed new or different functions or class of services, if the commission conditions its approval on the concurrent approval of sufficient revenue sources pursuant to Section 56886. In approving a proposal, the commission shall provide that, if the revenue sources pursuant to Section 56886 are not approved, the authority of the public agency to provide new or extended fire protection services shall not be exercised.

(j) The commission shall not approve an application for approval of a fire protection contract unless the commission determines, based on the entire record, all of the following:

(1) The proposed exercise of new or extended fire protection services outside a public agency's current service area is consistent with the intent of this division, including, but not limited to, the policies of Sections 56001 and 56300.

(2) The commission has reviewed the comprehensive fiscal analysis prepared pursuant to subdivision (f).

(3) The commission has reviewed any testimony presented at the public hearing.

(4) The proposed affected territory is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following the effective date of the contract or agreement between the public agencies to provide the new or extended fire protection services.

(k) At least 21 days prior to the date of the hearing, the executive officer shall give mailed notice of that hearing to each affected local agency or affected county, and to any interested party who has filed a written request for notice with the executive officer. In addition, at least 21 days prior to the date of that hearing, the executive officer shall cause notice of the hearing to be published in accordance with Section 56153 in a newspaper of general circulation that is circulated within the territory affected by the proposal proposed to be adopted and shall post the notice of the hearing on the commission's Internet Web site.

(l) The commission may continue from time to time any hearing called pursuant to this section. The commission shall hear and consider oral or written testimony presented by any affected local agency, affected county, or any interested person who appears at any hearing called and held pursuant to this section.

(m) This section shall not be construed to abrogate a public agency's obligations under the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1).

SEC. 4. The Legislature finds and declares that, with respect to fire protection contracts subject to this act, the provisions of this act are not intended to change, alter, or in any way affect either of the following:

(a) The existing jurisdiction of a local agency formation commission over proceedings that involve the provision of prehospital emergency medical services.

(b) Mutual aid agreements, including mutual aid agreements entered into pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 1 of the Government Code) or the Fire Protection District Law of 1987 (Part 2.7 (commencing with Section 13800) of Division 12 of the Health and Safety Code).

SEC. 5. The Legislature finds and declares that Section 3 of this act, which adds Section 56134 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act provides for notice to the public in accordance with existing provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and will ensure that the right of public access to local agency meetings is protected.

SEC. 6. Section 2.5 of this bill incorporates amendments to Section 56133 of the Government Code proposed by both this bill and Assembly Bill 402. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2016, (2) each bill amends Section 56133 of the Government Code, and (3) this bill is enacted after Assembly Bill 402, in which case Section 2 of this bill shall not become operative.

**Policies and Procedures Related to  
Fire Protection Contracts  
(Chapter 5: Out of Agency Fire  
Protection Contract)**

**Attachment 2**

## **CHAPTER 5: OUT OF AGENCY FIRE PROTECTION CONTRACT**

### **BACKGROUND:**

Beginning January 1, 2016, a Local Agency Formation Commission has been charged with the responsibility for reviewing and taking action on fire protection contracts that either: transfers more than 25 percent of the service area of an affected public agency or changes the employment status of more than 25 percent of the employees of an affected public agency pursuant to Government Code Section 56134. These are unique actions not directly related to the processing of other types of proposals and the following policies and procedures will provide guidance on their processing.

### **POLICIES:**

*(Adopted August 17, 2016)*

#### **1. DEFINITIONS:**

- A. "Affected Public Agency(ies)" for the purpose of fire protection contracts, shall be defined as the public agency(ies), as described pursuant to Government Code Section 56070, that is(are) affected by the fire protection contract, either as the agency providing or receiving the new or extended fire protection service(s).
- B. "Employment Status" for the purpose of fire protection contracts, shall be defined as either inter-agency or intra-agency transfer of employee(s), and/or employee(s) whose employment is/are terminated as a result of the contract.
- C. "Jurisdictional boundary(ies)" for the purpose of fire protection contracts, shall be as defined pursuant to Government Code Section 56134(a)(3). Any other instance, jurisdictional boundary(ies) shall mean the actual boundaries of a public agency such as the corporate boundaries of a city or the boundary of a special district."

#### **2. Documentation Required - The applicant must provide the Commission with documentation on whether the fire protection contract meets either threshold outlined in Government Code Section 56134(a)(1)(A) and (B):**

- Transfers service responsibility of more than 25 percent of an affected public agency's service area; or,
- Changes the employment status of more than 25 percent of the employees of an affected public agency.

If the area to be served by the fire protection contract is not the entire jurisdictional boundaries of an affected agency, a map of the contract area must be provided. If the fire protection contract affects more than 25 percent of the



employees of an affected agency, a document with a listing of all employees for the affected agency that clearly identifies all the employees affected by the fire protection contract must be provided.

3. For a fire protection contract application request made by a state agency, the director of the state agency must provide a letter, addressed to the Commission, outlining the agency's intent to provide service(s) outside its jurisdictional boundaries as defined by Government Code Section 56134. The letter must include, as an attachment, all supporting documents that are required to be submitted for a fire protection contract. In the case where the Director of Finance must provide approval of the fire protection contract, the Director must provide a letter, addressed to the Commission, outlining its support for the fire protection contract application request.
4. The required written agreement from an affected public agency shall be in the form of a resolution adopted by its legislative body. The written agreement from the employee organization shall be in a form of a letter signed by the President of the employee organization. In the case of providing written notice, proof that the notice was provided or delivered to each affected agency and employee organization shall be in the form of a signed affidavit or any similar type of proof that the written notices were provided. Such proof must be included as part of the application submission. In addition, all documents related to the public hearing on the resolution of application including, but not limited to, a copy of the agenda, staff report, and meeting minutes must also be included as part of the application submission.
5. The Plan for Service must include, but is not limited to, all the required information as outlined in Government Code Section 56134(e). In addition, the required independent Fiscal Impact Analysis must include, at a minimum, the following:
  - a five year projection of revenues and expenditures;
  - a discussion of the sufficiency of general existing revenues to provide the new or extended fire protection service; and,
  - a comprehensive review of all retirement plans impacting the affected agency/agencies and employees including any unfunded retirement obligations and the identification of retirement debt, if any, and the responsible agency or agencies to assume such debt.
6. Existing fire protection contracts, and their renewal, will not be subject to the requirements of Government Code Section 56134 unless a subsequent change to an existing fire protection contract either transfers more than 25 percent of the service area of an affected public agency or affects more than 25 percent of the employees of an affected public agency. In addition, mutual or automatic aid agreements are not subject to Government Code Section 56134.

## **APPLICATION PROCEDURES FOR AN OUT OF AGENCY FIRE PROTECTION CONTRACT**

Government Code Section 56134 charges LAFCO with the responsibility to review and approve, approve with conditions, or deny requests for approval of a fire protection contract that provide new or extended fire protection services outside an agency's jurisdictional boundaries provided such contracts meet one of the following thresholds: (1) transfers service responsibility of more than 25 percent of an affected public agency's service area; or (2) affects more than 25 percent of the employees of an affected public agency. Requests under this provision are subject to Commission review.

### **1. Application for Review:**

The filing requirements for review of a fire protection contract shall include:

- A. Official Request from Applicant. The request must be made by adoption of a Resolution of Application pursuant to Government Code Section 53134(c).
  - The resolution of application shall not be submitted to LAFCO unless the provisions outlined in Government Code Section 56134(d) have been met: 1) Submission of written agreement from each affected public agency and each affected employee organization consenting to the proposed fire protection contract, or proof that written notices were provided to each affected agency and employee organization at least 30 days prior to the public hearing on the resolution of application is held; and 2) the applicant conducts an open public hearing on the resolution of application. The resolution of application must also include a provision acknowledging the Commission's requirement for indemnification pursuant to Commission policy (see Policy and Procedure Manual, Chapter 2 - Accounting and Financial Section, Policy #3)

In addition, all documents related to the applicant's hearing on the resolution of application such as agenda, staff report, minutes, etc. shall also be submitted.

  - The resolution of application must be submitted with a Plan for Service that includes, but is not limited to, all the required information as outlined in Government Code Section 56134(e).
  - The resolution of application must be submitted with an independent Fiscal Impact Analysis pursuant to Government Code Section 56134(f) that includes, at a minimum, the following: a) a five year projection of revenues and expenditures, b) a discussion of the sufficiency of general existing revenues to provide the new or extended fire

protection service, and c) a comprehensive review of all retirement plans impacting the affected agencies and employees including any unfunded retirement obligations and the identification of retirement debt, if any, and the responsible agency or agencies to assume such debt.

- B. Documentation Required to Establish Thresholds Related to Service Area and Employment Status:
- Service Area: The applicant must submit a map of the fire protection contract area if the fire protection contract area is not the entirety of the affected public agency. *If the applicant already serves the affected public agency (agency receiving service) by contract to a portion of its current jurisdictional boundaries, the map must clearly identify the area it currently serves by contract and the new area it is proposing to serve by contract.*
  - Employment Status: The applicant must submit a document with a listing of all employee classifications/titles of an affected public agency that clearly identify the employee classifications/titles that are affected by the fire protection contract.
- C. Payment of Appropriate Filing Fees. The applicant must submit, as part of the application, the appropriate filing fee as outlined in the LAFCO Schedule of Fees, Deposits, and Charges in effect at the time of submission. In addition, a review of a fire protection contract is also subject to the following deposits: legal counsel, environmental review, and individual notice. Applicants will be required to reimburse the Commission for all charges and costs in excess of the deposits outlined above. If charges billed are less than the amount of deposits, the balance will be refunded at the close of the application.
- Should a fire protection contract require the extension of an existing per parcel special fee or charge, the applicant will be required to submit an additional deposit for the direct costs associated with mailing individual notices to each billed landowner within the fire protection contract area.
- D. A completed Application Form for Fire Protection Contracts including the submission of a copy of the fire protection contract that has been signed by the affected public agencies. Submission of additional map(s) showing the jurisdictional boundaries of the affected public agencies may also be required.
- E. Any other information deemed appropriate by the Executive Officer in order to review the fire protection contract based upon its special circumstances.

2. Environmental Review Requirements:

The review of a fire protection contract is subject to environmental review procedures as outlined in Section V of this Manual.

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## **REVIEW PROCEDURES FOR AN OUT OF AGENCY FIRE PROTECTION CONTRACT:**

A fire protection contract will require the following review:

1. The applicant must submit to LAFCO a completed Application Form for Fire Protection Contracts, with all its component parts as previously defined, for review and consideration. Within 30 days, the LAFCO Executive Officer will notify the applicant and any other affected public agency whether or not the application filing is complete. If incomplete, the applicant and any other affected public agency will be notified of the specific insufficiencies.
2. The LAFCO staff shall forward a copy of the application to various County departments, all local fire authorities and other affected/interested agencies for their review and comment.
3. Completion of the CEQA review process will be required prior to placement on the Commission's agenda.
4. A meeting with the applicant and any other affected public agency, and/or the various County departments and other affected/interested agencies will be held to discuss the circumstances and/or issues related to the fire protection contract.
5. Once these required elements have been completed and the application deemed complete, the item will be placed on the next agenda for which notice can be provided but no more than 90 days from the date the application is deemed complete. At least 21 days prior to the date of the hearing, notice of the hearing will be mailed to each affected local agency or affected county, and to any interested party who has filed a written request for notice. In addition, at least 21 days prior to the hearing, notice of hearing will be publish in a newspaper of general circulation and posted on the Commission's website.

At least 21 days prior to the date of the hearing, individual notice will be mailed to each billed landowner within the fire protection contract area if the fire protection contract will require the extension of an existing per parcel special fee or charge.
6. At a noticed public hearing, the Commission will consider the staff's presentation and presentations, if any, by interested and affected parties, and make a determination.
7. The Commission has the authority to approve, approve with conditions, or deny a fire protection contract. The Commission's determination regarding 56134(h)(2)(i) and (j) and any required findings will be set out in a resolution which specifies the area to be served, the services to be provided, and the authority of the agency to provide its services outside its boundaries.

8. Reconsideration: Following an action by the Commission on the contract request, reconsideration by the Commission may be requested pursuant to existing Commission policies.

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# **Application Form for Fire Protection Contract**

**Attachment 3**

## SAN BERNARDINO LAFCO APPLICATION FORM FOR FIRE PROTECTION CONTRACTS

*A certified copy of the resolution of application from the public agency requesting approval of the fire protection contract must be submitted together with this application form.*

### AFFECTED PUBLIC AGENCY (APPLICANT):

PUBLIC AGENCY NAME: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE: \_\_\_\_\_

EMAIL: \_\_\_\_\_

AGENCY FUNCTION: ☐ AGENCY PROVIDING SERVICE; ☐ AGENCY RECEIVING SERVICE;  
☐ OTHERS (SPECIFY) \_\_\_\_\_

### AFFECTED PUBLIC AGENCY:

PUBLIC AGENCY NAME: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE: \_\_\_\_\_

EMAIL: \_\_\_\_\_

AGENCY FUNCTION: ☐ AGENCY PROVIDING SERVICE; ☐ AGENCY RECEIVING SERVICE;  
☐ OTHERS (SPECIFY) \_\_\_\_\_

### OTHER AFFECTED PUBLIC AGENCY, IF APPLICABLE:

PUBLIC AGENCY NAME: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

PHONE: \_\_\_\_\_

EMAIL: \_\_\_\_\_

AGENCY FUNCTION: ☐ AGENCY PROVIDING SERVICE; ☐ AGENCY RECEIVING SERVICE;  
☐ OTHERS (SPECIFY) \_\_\_\_\_



The following questions are designed to obtain information related to the fire protection contract to allow the Commission and staff to adequately assess the contract. You may include any additional information which you believe is pertinent. Please use additional sheets where necessary.

1. Please provide a description of the fire protection contract and the general terms of the agreement.

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2. A) Please provide a description of the services to be provided including an assessment of the level of service, whether it is anticipated to increase, be the same level of service, or reduced.

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- B) Are any of the services identified above "new" service to be provided by the affected agency that is proposed to provide the service? ☐ YES ☐ NO. If yes, please provide a description of the new service(s) to be provided and an explanation of how the affected agency will provide the service, including funding.

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3. Please provide a description of any special arrangements related to the fire protection contract such as start-up cost, if applicable.

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4. Please provide a description of the assumption of assets and liabilities, if applicable.

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5. Please provide a description of the use (assumption/leasing) of facilities and equipment for the fire protection contract.

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6. Please provide a description of the assumption of personnel and/or retirement obligation, if applicable.

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7. Plan for Service:

Please provide a detailed description of the plan for service. The response should include, but not be limited to, all of the following information:

- a) The total estimated cost to provide the new or extended fire protection services in the affected territory.

- b) The estimated cost of the new or extended fire protection services to customers in the affected territory.
- c) An identification of existing service providers, if any, of the new or extended services proposed to be provided and the potential fiscal impact to the customers of those existing providers.
- d) A plan for financing the exercise of the new or extended fire protection services in the affected territory.
- e) Alternatives for the exercises of the new or extended fire protection services in the affected territory.
- f) An enumeration and description of the new or extended fire protection services proposed to be extended to the affected territory.
- g) The level and range of new or extended fire protection services.
- h) An indication of when the new or extended fire protection services can feasibly be extended to the affected territory.
- i) An indication of any improvements or upgrades to structures, roads, sewer or water facilities, or other conditions the public agency would impose or require within the affected territory if the fire protection contract is completed.

8. Fiscal Impact Analysis:

An independent fiscal impact analysis must be submitted that includes, at a minimum, a five year projection of revenues and expenditures. The information should include a discussion of the sufficiency of general existing revenues to provide the new or extended fire protection service, and the costs to provide the service, a comprehensive review of all retirement plans impacting the affected agencies and employees including any unfunded retirement obligations and the identification of retirement debt, if any, and the responsible agency or agencies to assume such debt. If financing is to occur, please provide any special financial arrangement between the agencies.

## CERTIFICATION

As a part of this application, the following affected public agency/agencies:

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(Affected public agency[ies])

Agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of

them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

The agency signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement and information presented herein are true and correct to the best of my knowledge and belief.

SIGNED: (Applicant)

NAME:

POSITION TITLE:

AGENCY NAME:

DATE:

SIGNED: (Other Affected Public Agency)

NAME:

POSITION TITLE:

AGENCY NAME:

DATE:

SIGNED: (Other Affected Public Agency)

NAME:

POSITION TITLE:

AGENCY NAME:

DATE:

REQUIRED EXHIBITS TO THIS APPLICATION:

1. Copy of the agreement/contract.
2. Resolution of Application including the following:
  - a. Required documentation contract transfers service responsibility of more than 25 percent of an affected public agency's service area or affects more than 25 percent of the employees of an affected public agency pursuant to Government Code Section 56134(a)(1)(A) and (B)
  - b. Required written agreement from affected agency (adopted resolution) and from the employee organization (letter signed by the President of the employee organization) or proof that notice was provided or delivered to each affected agency and employee organization and all documents related to the applicants hearing on the resolution of application pursuant to Government Code Section 56134(d)
  - c. Certified plan for service pursuant to Government Code Section 56134(e)
  - d. Independent fiscal impact analysis pursuant to Government Code Section 56134(f)
3. Map(s) showing the jurisdictional boundaries of all affected public agencies.

Please forward the completed form and related information to:

Local Agency Formation Commission for San Bernardino County  
215 North D Street, Suite 204  
San Bernardino, CA 92415-0490  
PHONE: (909) 388-0480 • FAX: (909) 885-8170

krm – 8/17/2016

**Copy of Letter to the San Bernardino  
County Fire Chiefs  
Dated July 14, 2016**

**Attachment 4**



# LAFCO

**Local Agency  
Formation Commission**  
*for San Bernardino County*

215 North "D" Street, Suite 204  
San Bernardino, CA 92415-0490  
909.388.0480 | Fax 909.885.8170  
E-mail: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbcilafco.org](http://www.sbcilafco.org)

Established by the State of California  
to serve the Citizens, Cities, Special Districts  
and the County of San Bernardino

**COMMISSIONERS**

JIM BAGLEY  
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Special District

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LARRY McCALLON  
City Member

JAMES RAMOS, Vice Chair  
Board of Supervisors

DIANE WILLIAMS  
City Member

**ALTERNATES**

STEVEN FARRELL  
Special District

JANICE RUTHERFORD  
Board of Supervisors

THURSTON "SMITTY" SMITH  
Public Member

ACQUANETTA WARREN  
City Member

**STAFF**

KATHLEEN ROLLINGS-McDONALD  
Executive Officer

SAMUEL MARTINEZ  
Assistant Executive Officer

MICHAEL TIERPE  
Project Manager

REBECCA LOWERY  
Clerk to the Commission

**LEGAL COUNSEL**

CLARK H. ALSOP

July 14, 2016

San Bernardino Fire Chiefs  
c/o Chief Sid Hultquist  
President  
San Bernardino County Fire Chiefs' Association

Dear Chiefs:

Senate Bill (SB) 239, authored by Senator Hertzberg, added a new section to the LAFCO statutes related to fire protection contracts (contracts between two or more public agencies for fire protection and emergency medical response). Prior to this bill being enacted, such a contract between two (or more) public agencies would have been processed as an exemption from LAFCO review pursuant to Government Code (GC) Section 56133(e) with LAFCO being the determiner of facts.

As a result of the Governor signing SB 239, effective January 1, 2016, GC Section 56134 has been added providing new requirements and procedures for processing fire protection contracts separately from other contracts for service. If certain conditions are met, the Commission is now required to review the contract at a noticed public hearing, and take action to approve, approve with conditions, or deny the request for approval of the fire protection contract.

In order to implement SB 239, LAFCO staff is recommending that the Commission adopt policies and procedures addressing the unique standards within GC Section 56134. Attached are the recommended policies and procedures (application procedures as well as the Commission's review procedures) and an application form that staff is recommending. This matter has been continued to the Commission's hearing on August 17, 2016.

San Bernardino LAFCO staff have requested to be placed on the next Fire Chief's Association meeting to review this topic. We are requesting that you review the attached documents and provide us with your feedback, comments, and/or any suggestions on how to best implement the new provisions related to fire protection contracts at the meeting on **July 28, 2016**. If you have any questions on the proposed process or LAFCO's involvement in these types of actions, please do not hesitate to contact me or Samuel Martinez, Assistant Executive Officer, at the address and phone number listed on the letterhead.

Sincerely,

KATHLEEN ROLLINGS-McDONALD  
Executive Officer

- Attachment: 1) SB 239 (Hertzberg) Local Services: Contracts: Fire Protection Services  
2) Proposed Policies and Procedures Related to Fire Protection Contracts  
3) Proposed Application Form for Fire Protection Contracts

**Copy of Letter from  
CALFIRE Dated  
August 4, 2016**

**Attachment 5**



**DEPARTMENT OF FORESTRY AND FIRE PROTECTION****San Bernardino-Inyo-Mono Unit**

3800 N. Sierra Way  
San Bernardino, CA 92405  
Phone: (909) 881-6900  
Fax: (909) 881-6969  
Website: [www.fire.ca.gov](http://www.fire.ca.gov)



August 4, 2016

Kathleen Rollings-McDonald  
Executive Officer  
LAFCO for San Bernardino County  
215 North "D" Street, Suite 204  
San Bernardino, CA 92415-0490

Subject: Review of SB 239 Policies and Procedures Recommendations

Dear Ms. Rollings-McDonald,

Thank you for the opportunity to provide feedback on the San Bernardino County LAFCO's proposed Policies and Procedures for the implementation of SB 239. Please see the following:

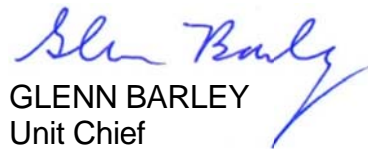
- CAL FIRE urges San Bernardino County LAFCO to work with CAL LAFCO to develop one set of policies and procedures that all County LAFCO's would apply consistently across the state.
- The proposed LAFCO document defines the "Affected Public Agency" as: "Affected Public Agency" for the purpose of fire protection contracts, shall be defined as the agency(ies) affected by the fire protection contract." I suggest that the definition be clarified as: "Affected Public Agency" for the purpose of fire protection contracts, shall be defined as the agency(ies) proposing to enter into the fire protection contract and/or a Public Agency with employees whose employment status would change as a result of the contract, or an agency whose area is directly involved in a 25 percent or greater expansion of the service area." I believe this more clearly defines who is an "Affected Public Agency" and that it is more closely aligned with guiding language of SB 239.
- Is the "Changes the employment status of more than 25 percent of the employees..." based on the total number of employees in that agency or 25 percent of the employees in that affected area?
- Paragraph 3 of the proposed policies seems to be potentially inconsistent with the law enacted by SB 239. The draft policy provides that a request made by a state agency must include a letter addressed to LAFCO by the director of that agency. The third sentence then says, in the case where the Director of Finance must provide approval of the contract, that the "Director" must provide the letter to LAFCO. The law (now included in Government Code Section 56134 (c)(2)) provides: "In the case of a public agency that is a state agency, the application shall be initiated by the director of the state agency

proposing to provide new or extended services outside the agency's current service area and be approved by the Director of Finance." Since Government Code Section 56134(c)(2) includes a provision that the director of the state agency initiate the application and that it be approved by the Director of Finance – this seems inconsistent with the proposed policy which seems to treat these as two separate practices.

- Item 3 of the "Review Procedures For An Out of Agency Fire Protection Contract" states that "A meeting with the applicant...will be held..." Is this consistent with the Brown Act and the Open Meeting Act? SB239 states that a hearing will be held and that the hearing may be continued, but I didn't see provision for a meeting as described in Item 3 in SB 239 or 56134.
- In the Preamble, please consider the following text:
  - Beginning January 1, 2016, a Local Agency Formation Commission has been charged with the responsibility for reviewing and taking action on fire protection contracts for new or extended fire protection services outside a public agency's jurisdiction boundaries, that either transfers more than 25 percent of the service area of an affected public agency or changes the employment status of more than 25 percent...
  - Policies: (2) "Documentation Required – The applicant must provide the Commission with documentation on whether a new or extended fire protection contract, to provide services outside a public agency's jurisdictional boundaries, meets ~~either threshold outlined in~~ Government Code Section 56134(a)(1)(A) or (B):  
or  
Transfers...."  
-Whether the new or extended contract is outside a public agency's jurisdictional boundaries is the initial threshold issue, even before the issues of whether Government Code sec 56314(a)(1)(A)&(B) apply, thus the hesitation to call the 25/25 metric a threshold issue.

Thank you for the opportunity to provide input on this important topic.

Respectfully,

  
GLENN BARLEY  
Unit Chief

# **Draft Resolution No. 3233**

**Attachment 6**

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-mail: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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## RESOLUTION NO. 3233

### A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, REVISING AND AMENDING ITS POLICY AND PROCEDURE MANUAL

On Wednesday, August 17, 2016, on motion of Commissioner \_\_\_\_\_, duly seconded by Commissioner \_\_\_\_\_, and carried, the Local Agency Formation Commission adopts the following resolution:

**SECTION 1.** The Local Agency Formation Commission for San Bernardino County, State of California (hereafter shown as "LAFCO"), hereby finds and determines that it wishes to revise and amend its Policy and Procedure Manual within the Application Processing section to include new policies and procedures related to Out of Agency Fire Protection Contracts.

**SECTION 2.** The Local Agency Formation Commission for San Bernardino County therefore determines, resolves and orders that:

1. The Policy and Procedure Manual is hereby revised;
2. The new Chapter 5: Out of Agency Service Fire Protection Contracts (Section IV: Application Processing of the Commission's Policy and Procedure Manual) attached to this resolution as Exhibit "A", incorporated herein by reference, is adopted and approved; and,
3. The new Application Form for Fire Protection Service by Contract is attached to this resolution as Exhibit "B" and incorporated herein by reference, is adopted and approved..

**SECTION 3.** The Executive Officer of LAFCO is ordered to certify the passage of this resolution and to cause a copy of the amended Policy and Procedure Manual to be posted on the LAFCO Website, and a certified copy of this resolution to be forwarded to the County Executive Officer, each City, Town, and Independent Special District in the County and to affected County Departments.

**RESOLUTION NO. 3233**

**THIS ACTION APPROVED AND ADOPTED BY THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY BY THE FOLLOWING VOTE:**

**AYES: COMMISSIONERS:**

**NOES: COMMISSIONERS:**

**ABSENT: COMMISSIONERS:**

.....  
**STATE OF CALIFORNIA                    )**  
**)ss.**  
**COUNTY OF SAN BERNARDINO)**

**I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of August 17, 2016.**

**DATED:**

\_\_\_\_\_  
**KATHLEEN ROLLINGS-McDONALD**  
**Executive Officer**

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-MAIL: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

---

**DATE:** AUGUST 10, 2016

**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
MICHAEL TUERPE, Project Manager

**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** Agenda Item #10: Status Report on LAFCO 3189 - Special Study of  
the Morongo Valley Community Services District

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## **RECOMMENDATION:**

Staff recommends that the Commission:

1. Note receipt of the status report and file.
2. Set the next status report for the February 2017 hearing.

## **BACKGROUND:**

At the July 2015 hearing, the Commission completed the special study of the Morongo Valley Community Services District ("District") LAFCO 3189. The special study was an outgrowth of the request of a district board member expressing concerns related to the financial and governance practices of the district. The direction of the Commission to staff was narrow in focus – determining the financial sustainability of the district to perform its authorized range of services, most specifically fire protection and emergency response.

At the conclusion of the special study, the District took painful measures (reduction of the general manager's salary, and others) and received additional State reimbursement revenue to barely break-even for FY 2014-15. As a part of the special study LAFCO staff provided a forecast for the next five fiscal years (through 2020-21). The forecast did not show even nominal annual revenue gains – basically a break-even scenario. Any deviation would force the razor-thin surplus to evaporate.

In the conclusion to the report, LAFCO staff stated, "Should the district desire to increase the levels of its current services or expand the range of services, additional revenue sources would need to be obtained."

As a result of the special study, the Commission directed the staff to monitor and update the Commission biannually for the next three years regarding the district's financial position. The following provides a narrative discussion of LAFCO staff's monitoring of the District.

### Conclusion from Previous Status Report

The first status update from February 2016 included a review of the FY 2014-15 audit along with LAFCO's fiscal indicators and FY 2015-16 mid-year status. The following is a portion of the conclusion section from that report:

After what appeared to be a sustainable adopted budget, coupled with a positive mid-year spreadsheet, the District predicts a second half that will result in overages of \$74,000 just for fire staffing. If all overtime were to be cut, then the projection shows an overage of \$23,000. Therefore, the District resumes its never ending discussion about what level of fire service is desired in the community - how to pay for it or how to lower costs. Unfortunately, LAFCO's monitoring of the District now shifts to reviewing its immediate sustainability rather than the question of long term sustainability.

The budget remains challenged, and as a result, the delivery of its range of services is challenged. If any additional major expense were to occur, such as further repairs to its 2001 truck, then service sustainability for the residents and travelers on Highway 62 would be severely challenged...

...Given the issues identified in this report, staff recommends that the Commission await the outcome of the June 7 election where the special tax measure will be decided by the voters. Should the special tax be approved, this would provide a stable source of revenue for the District's fire protection and emergency medical services. Until the next scheduled update in August 2016, the results of the special tax election will dictate the coming year's budget as well as the possible direction of the community's fire protection and emergency services.

### Special Tax Election

The District placed a special tax measure related to its fire protection and emergency response services on the June 7 ballot, which required two-thirds approval to pass. If successful, the \$350 special tax would replace the current benefit assessment (which would have been a substantial increase for all property owners). Of note, the measure did not include a cap on the annual adjustment for inflation, such as 3% or 5%, which was a concern. The measure, as shown in the District's Resolution No. 1-1-2016, read as follows:

"Shall the Morongo Valley Fire and Rescue Assessment be converted into a special parcel tax of \$350 per year, adjusted for inflation, to use in funding fire protection and paramedic services provided by the Morongo Valley Community Services District?"

The measure failed with roughly 40% voting yes (425 Yes; 651 No). Therefore, the current assessment remains in place and the delivery of this service remains challenged.

## Recap of Audits

As the special study and the first status report identified, the District made drastic budget adjustments in 2014-15 and 2015-16 to stabilize the district. The chart below shows the audited year-end for the past three audit years (2012-13 through 2014-15). As shown, Expenditures exceeded Revenues by roughly \$48,000, \$112,000, and \$5,700, respectively.

		2012-13	2013-14	2014-15
		Audit	Audit	Audit
<b>Revenues:</b>				
	Property tax	365,836	363,061	373,931
	Fire assessment	292,076	313,913	300,825
	Grant income	10,425	11,517	18,184
	Park revenue	4,280	9,398	5,703
	Other	6,799	5,500	1,410
	Fire service			
	Cost Recovery	1,110	1,818	4,003
	OES Reimbursement	7,602	22,270	94,769
	Fire Inspections	510	1,394	2,494
	Donations	2,193	9,792	4,161
	Other	3,526	-	18,676
	Total Fire Service	14,941	35,274	124,103
	<b>Total Revenues</b>	<b>\$ 694,357</b>	<b>\$ 738,663</b>	<b>\$ 824,156</b>
<b>Expenditures:</b>				
	General government	181,719	189,608	148,133
	Park & recreation	33,523	46,520	36,205
	Streetlights	4,237	4,039	4,166
	Debt service	1,456	5,818	5,816
	Fire operations			
	Operating Supplies	17,725	15,812	12,359
	Training & Safety	24,467	35,592	19,686
	Administration	21,497	41,001	29,837
	Apparatus	59,309	64,253	73,167
	Compensation	398,366	448,410	500,459
	Total Fire Operations	521,364	605,068	635,508
	<b>Total Expenditures</b>	<b>\$ 742,299</b>	<b>\$ 851,053</b>	<b>\$ 829,828</b>
	<b>Revenues less Expenditures:</b>	<b>\$ (47,942)</b>	<b>\$ (112,390)</b>	<b>\$ (5,672)</b>
	Fund Balances, Beginning	517,511	469,569	357,179
	Fund Balances, Ending	\$ 469,569	\$ 357,179	\$ 351,507
* 12-13 Fund Balance adjustment to Beginning Balance of (\$47,836)				
<b>Fund Balance:</b>				
	Non spendable	1,758	1,669	2,400
	Restricted	11,348	13,569	26,930
	Unassigned (Unreserved)	456,463	341,941	322,177
	<b>Total Fund Balances</b>	<b>\$ 469,569</b>	<b>\$ 357,179</b>	<b>\$ 351,507</b>



### **FY 2015-16 Unaudited Year-End**

As shown on the table below, the District ended the year basically in a break-even scenario, with an increase of \$8,700 to the fund balance. During the year, the District incurred a large expense of \$30,000 related to its fire truck. The budget was able to absorb this unanticipated expense due to revenue gained from strike team work via its contract with the State Office of Emergency Services.

As for revenues, the receipts from sending strike teams at OES request for the past three years is \$22,000, \$95,000, and \$129,000. The receipt of these funds is what is keeping the fire service afloat. Even though these revenues have increased and continue, this is not a stable, nor guaranteed, revenue source. The frequency of the service is dependent upon OES, which could choose to end the contract or use the District less.

<b>MORONGO VALLEY CSD</b>				
			<b>2015-16</b>	<b>2016-17</b>
			<b>Unaudited</b>	<b>Proposed</b>
			<b>Year-end</b>	<b>Budget</b>
<b>Revenues:</b>				
	Property tax	398,627		412,415
	Fire assessment	316,702		308,233
	Grant income	2,043		10,000
	Park revenue	6,703		5,820
	Other	11,541		5,346
	Fire service			
	Cost Recovery	4,483		3,500
	OES Reimbursement	129,055		25,000
	Fire Inspections	2,474		2,400
	Donations	6,276		9,771
	Other	296		-
	Total Fire Service	142,584		40,671
	<b>Total Revenues</b>	<b>\$ 878,200</b>	<b>\$</b>	<b>782,485</b>
<b>Expenditures:</b>				
	General government	128,790		126,603
	Park & recreation	41,899		34,700
	Streetlights	4,106		4,110
	Debt service	5,816		5,816
	Fire operations			
	Operating Supplies	11,325		7,500
	Training & Safety	18,039		12,000
	Administration	29,024		27,069
	Apparatus	72,554		43,200
	Compensation	557,951		510,259
	Total Fire Operations	688,893		600,028
	<b>Total Expenditures</b>	<b>\$ 869,504</b>	<b>\$</b>	<b>771,257</b>
	<b>Revenues less Expenditures:</b>	<b>\$ 8,696</b>	<b>\$</b>	<b>11,228</b>

## **Reserves**

On a positive note, the District did not use reserve funds in 2015-16, and the current year budget does not propose to use reserves to fund any operating expenses or to balance the budget. A breakdown of fund balance as of June 30, 2016 is as follows:

<b>Operating Reserve</b>	<b>\$ 53,409</b>
<b>Contingency Reserve</b>	<b>\$ 27,012</b>
<b>Undesignated Reserve</b>	<b>\$283,025</b>
<b>Restricted Reserve</b>	<b>\$ 32,052</b>
Covington Park: Tennis	\$ 2,417
Covington Park: Library	\$ 802
Covington Park: Memorial	\$ 200
Covington Park: General	\$ 2,062
Map Project	\$ 436
Dollar a Day Campaign	\$ 3,093
Fire Truck	\$17,711
Fire Dept: General	\$ 5,331
<b>Fund Balance, 30 June 2016</b>	<b>\$395,497</b>

The fund balance identified above of \$395,497 at the end of FY 2015-16 is on a cash-basis - an increase of \$43,990 from the FY 2014-15 audit. The variance is explained by two reasons: (1) the District received \$27,012 from a property sale and designated those funds directly into a new Contingency Reserve, not reflected in the operating budget shown on the previous page, and (2) the FY 2015-16 audit will include accruals, reversals, and cash liabilities which will likely reduce the Undesignated amount.

Importantly, the \$283,025 in Undesignated fund balance is needed to fund operations until the first receipt of property taxes in November. Therefore, these funds in fact are designated funds that should not be used for another purpose.

Looking at the Operating Reserve, the reserve level does not meet the minimum recommended level of 10% of expenditures. However, if the Contingency Reserve is included the District meets the 10% reserve minimum. Additionally, as discussed below for the property sale, an additional \$38,871 was received after the close of the fiscal year and has been added to the Contingency Reserve in FY 2016-17, for a total of \$65,883.

## **FY 2016-17 Budget**

The chart above also includes the FY 2016-17 Proposed Budget. Due to the failure of the June 2016 special tax election and what appears to be an understanding of the need to return to a sustainable service level for fire and emergency medical response services, the FY 2016-17 proposed budget provides for a reduction in expenditures for fire operations.

The District continues its never ending discussion about what level of fire service is desired in the community - how to pay for it, how to reduce costs, and at what level. In an attempt

to get community input the District has proposed an ad hoc committee to discuss the matter which is discussed in more detail below.

As a function of the current budget review process, the District has reduced its fire force by eliminating a Captain position (previously three; now budgeted for 2), and reducing reserves to one (previously 2 from the FY 2015-16 budget). The table below shows the staffing for the past three years with the budgeted staffing for FY 2016-17. As identified below, the updated MOU with CalFire allows for CalFire to assist the District when requested, (such as providing a duty captain when called upon) which in turn anticipates a reduction in the District's overtime costs.

	2013-14	2014-15	2015-16	2016-17
Chief	1	1	1	1
Deputy Chief	0	0	0	0
Division Chief	0	0	0	0
Captain	2	3	3	2
Full-time fire fighters/paramedics	3	3	3	3
Part-time fire fighters/paramedics	0	0	0	0
Full-time engineers	3	3	3	3
Par-time engineers	0	0	0	0
Emergency Medical Coordinator	1	1	1	1
Reserves	2	2	2	1

#### Fire Truck Replacement

As LAFCO staff previously reported, the margin of error remains thin for the budget year and any major unanticipated expense would stress the already tight budget. One continuing issue is the age and condition of the main fire engine. In FY 2015-16 the truck received a refurbished engine, but a refurbished engine on an old body and transmission. A primary goal of the District is to obtain a used fire truck for an estimated \$200,000, with an estimated \$100,000 down payment; however, the district currently has \$17,711 reserved for this down payment. The remainder \$100,000 would be financed. Being that the district has roughly \$9,000 in outstanding financing debt, the addition of \$100,000 in debt is the preferred choice of the District.

#### Property Sale

The District recently sold property that was formerly used as a women's club. The property was no longer used, and ongoing maintenance and liability resulted in the District's decision to sell the property. The first payment of \$27,012 was placed in a Contingency Reserve (see Reserves above). The remaining \$38,871 was received after the close of the fiscal year and will be added to the Contingency Reserve in FY 2016-17, for a total of \$65,883.

#### Updated MOU with CalFire

For the past few years, the District has had a MOU with CalFire to send strike teams when requested by CalFire. In turn, CalFire provides a brush truck, back-up when requested

which reduces the District's overtime, and reimbursement when teams are sent to respond to fire areas. The District's reimbursement rate is \$700/day. Effective July 2016, the District can backfill the Yucca Valley CalFire station when its teams are deployed. This backfill activity is now eligible for reimbursement at the same rate. As of the date of this report, over 10 strike team days have occurred – a gain of \$7,000 (or 28% of the budget revenue for OES reimbursement).

#### Ad Hoc Committees

The District lacks a current or valid plan for fire protection and emergency medical response. Realizing the need to return to sustainable service levels, the District is forming an ad hoc committee to formulate a five-year plan. According to the general manager, the five-year plan would provide for a definition of a sustainable service levels and a guide for the funding sources necessary to support that level of service.

#### **CONCLUSION:**

Generally, in tough financial situations a business, household, or government agency must increase revenues, cut expenses, or both. In this case the District attempted to increase its revenues to accommodate its service levels; however, its measure for a special tax failed. The only option moving forward is to cut the expenses, thus the service level, for the delivery of fire protection and EMR, is impacted. The District has worked hard to keep itself afloat and should be recognized for these efforts. However, that position is tempered by staff's ongoing concern for its future.

As a result of the failure of the special tax election by such a large margin, it appears to staff that the District realizes a need to move towards realistic expenditures and staffing. This is evidenced by its adopted FY 2016-17 budget and the formation of an ad hoc committee to formulate a five-year plan for fire protection and emergency medical response. Therefore, the District is stabilizing – but with a reduction in budgeted staffing and a further reduction of the general manager's salary.

As LAFCO staff has stated before, but must reiterate here, the margin for error in budgeting for the Morongo Valley CSD remains thin. Should any of the following occur then the district's short-term viability would be in jeopardy: (1) immediate replacement of the current fire truck, (2) OES cancels the contract or recalls the wild land fire truck, (3) replacement of the current general manager, or (4) any other major expense.

Staff is recommending that the Commission receive this report and set the next status report for the February 2017 hearing, where staff will present the FY 2015-16 audit and mid-year report for FY 2016-17.

KRM/MT

Attachments:

1. FY 2015-16 Unaudited Year-End
2. FY 2016-17 Budget

# **FY 2015-16 Unaudited Year-End**

**Attachment 1**

10:36 AM

08/02/16

Accrual Basis

RECEIVED  
AUG 02 2016

LAFCO  
San Bernardino County

Morongo Valley C.S.D.  
Updated Income & Expense  
July 2015 through June 2016

	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	TOTAL
<b>Ordinary Income/Expense</b>													
<b>Income</b>													
4000 - County Taxes													
4001 - Countywide & Unitary Accrued	30,790.17	30,388.28	30,388.28	30,388.28	30,388.41	30,388.28	30,388.28	30,388.28	30,388.28	30,388.28	27,696.35	36,645.66	398,626.83
4006 - Fire Suppression Assessment	25,244.33	25,050.54	25,050.54	25,050.54	25,050.54	25,050.54	25,050.54	25,050.54	25,050.54	25,050.54	27,163.83	38,839.12	386,702.14
Total 4000 - County Taxes	56,034.50	55,438.82	55,438.82	55,438.82	55,438.95	55,438.82	55,438.82	55,438.82	55,438.82	55,438.82	54,860.18	75,484.78	716,328.97
4100 - CSD													
4101 - Community Donations	60.83	0.00	1,544.86	380.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,085.69
4105 - Interest	14.84	5.27	1.20	0.02	0.00	0.04	0.66	183.29	1.11	1.05	0.53	4.88	582.67
4107 - Note Payments	3,333.72	0.00	0.00	0.00	0.00	1,012.62	0.00	337.64	337.64	875.08	0.00	874.88	6,371.18
4190 - Income - Other	0.00	0.00	381.00	120.00	0.00	0.00	0.00	1,000.00	1,000.00	0.00	0.00	0.00	2,501.00
Total 4100 - CSD	3,409.19	5.27	2,027.06	500.02	0.00	1,012.66	0.66	1,820.83	1,338.65	676.13	0.53	749.54	11,940.54
4200 - FIRE SERVICES													
4290 - Income - Other	0.00	0.00	0.00	0.00	0.00	98.00	0.00	0.00	0.00	185.00	15.00	0.00	296.00
4291 - Donations	489.82	0.00	408.06	943.63	265.06	1,037.64	139.33	122.54	149.31	92.11	1,822.88	804.86	8,276.04
4292 - OES Reimbursement	4,864.19	28,298.22	19,781.29	32,375.27	29,511.48	12,990.21	0.00	0.00	0.00	0.00	0.00	2,225.89	129,054.85
4294 - Cost Recovery - Reimbursement	0.00	0.00	0.00	60.00	488.80	1,718.24	0.00	0.00	10.00	0.00	1,236.80	1,081.60	4,543.44
4296 - Fire Inspections	0.00	0.00	10.00	0.00	109.00	199.00	200.00	199.00	597.00	398.00	5.00	0.00	2,404.00
Total 4200 - FIRE SERVICES	5,353.91	28,298.22	20,200.35	33,366.90	30,432.34	15,051.09	339.33	321.54	755.31	675.11	3,079.66	4,709.47	147,594.13
4300 - COVINGTON PARK													
4310 - Rents & Concessions	580.00	700.00	910.00	280.00	284.44	380.00	545.00	245.00	467.96	1,280.00	635.00	416.00	6,703.40
Total 4300 - COVINGTON PARK	580.00	700.00	910.00	280.00	284.44	380.00	545.00	245.00	467.96	1,280.00	635.00	416.00	6,703.40
4700 - Grant Income													
4701 - Reimbursable Expenditures	0.00	0.00	0.00	0.00	119.22	0.00	0.00	0.00	0.00	1,924.49	0.00	0.00	2,043.71
Total 4700 - Grant Income	0.00	0.00	0.00	0.00	119.22	0.00	0.00	0.00	0.00	1,924.49	0.00	0.00	2,043.71
Total Income	66,377.50	84,440.31	78,576.23	89,587.74	86,254.95	71,882.57	56,323.81	57,826.19	58,001.74	59,994.55	58,575.37	81,359.78	878,200.75
<b>Expense</b>													
5000 - Fire Operations													
Operating Supplies													
5232 - Fire Prevention Services	0.00	0.00	23.00	0.00	0.00	21.98	56.69	0.00	0.00	1,305.00	0.00	16.94	1,433.61
5285 - Paramedic Supply & Equipment	634.98	0.00	417.42	608.96	931.17	165.28	741.54	100.18	712.75	1,313.28	878.08	7,287.81	12,888.81
5278 - OES & Mutual Aid Expense	0.00	573.78	968.06	0.00	606.23	454.15	14.88	0.00	0.00	0.00	0.00	96.31	2,603.11
Total Operating Supplies	634.98	573.78	1,398.48	608.96	1,437.40	859.39	823.21	100.18	712.75	2,069.31	1,313.78	992.33	11,324.53
Training & Safety													
5247 - Physicals & Vaccinations	0.00	0.00	442.06	0.00	728.12	79.00	0.00	1,768.22	0.00	1,362.24	576.00	0.00	4,575.64
5248 - Firefighter Personal Equipment	0.00	0.00	62.16	715.53	10.39	20.00	4,586.00	424.43	1,342.81	1,924.49	0.00	540.50	9,816.41
5250 - Firefighter Training Expense	0.00	0.00	0.00	0.00	0.00	200.00	0.00	36.85	0.00	0.00	0.00	0.00	236.85
5258 - Uniforms	493.08	229.50	965.74	177.82	65.00	108.03	84.66	0.00	626.75	446.00	0.00	113.82	3,210.20
Total Training & Safety	493.08	229.50	1,409.56	893.45	833.51	407.93	4,620.66	2,192.65	1,905.41	3,751.73	576.00	654.32	18,039.10
Administration													
5225 - County Dispatch	847.37	847.37	847.37	847.37	847.37	232.19	578.18	578.18	578.18	578.18	578.18	578.18	6,938.00
5227 - Communications	160.80	311.43	496.60	121.04	226.71	903.48	2.68	157.23	304.88	-16.16	314.46	157.23	3,140.66
5237 - Inspections ICEMA/Zoll	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,400.00
5260 - Building Maintenance	69.94	108.82	162.01	416.51	200.10	228.54	887.02	45.67	42.88	255.60	4.31	883.37	3,220.81
5280 - Medical Director	416.66	416.66	416.66	416.66	416.66	416.66	416.66	416.66	416.66	416.66	416.66	416.74	5,000.00
5290 - Special Assessment	0.00	1,370.49	0.00	1,387.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,758.44
5295 - Office Equipment	0.00	0.00	0.00	0.00	0.00	627.89	0.00	0.00	0.00	0.00	0.00	0.00	644.07
5296 - Office Expenses & Supplies	79.33	45.12	373.75	204.29	44.62	775.19	23.32	718.85	37.57	26.84	41.14	38.69	1,301.96
5297 - Supplies	125.46	11.87	106.61	53.00	19.42	274.86	52.05	65.09	401.15	92.46	356.71	208.54	1,768.22
5298 - Memberships & Associations	375.00	0.00	0.00	0.00	0.00	135.90	303.41	135.64	0.00	212.11	589.98	70.80	1,852.54
Total Administration	4,218.56	2,912.76	2,210.30	3,247.12	1,554.08	3,044.81	2,263.30	1,525.06	1,781.21	1,595.67	2,317.60	2,353.43	29,024.70
Apparatus													
5234 - Apparatus/Equipment Purchased	819.50	2,786.69	120.00	27.48	0.00	59.39	331.37	122.90	0.00	0.00	0.00	0.00	4,266.62
5235 - Apparatus Gasoline	895.59	1,355.45	1,083.87	725.55	949.40	746.20	627.23	511.65	511.64	484.49	449.56	553.52	8,994.46
5240 - Apparatus Maint. & Repair	0.00	0.00	0.00	0.00	0.00	0.00	522.65	0.00	716.35	22.49	0.00	0.00	1,261.49
5241 - Fire Engine Maint. & Repair													
BE 452 - Brush Engine 462	438.62	1,538.07	5,443.73	0.00	0.00	0.00	3,956.70	49.55	0.00	0.00	0.00	132.50	11,558.17
BE 451 - Brush Engine 461	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	608.80	0.00	213.80	897.58	1,490.18
E 462 - Fire Engine 462	0.00	0.00	427.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	427.50
ME 441 - Medic Engine 441	958.15	2,894.07	20.33	24,988.70	861.17	0.00	476.89	1,087.92	0.00	14.64	40.00	102.60	31,454.02
Total 5241 - Fire Engine Maint. & Repair	1,396.77	4,432.14	5,891.62	24,988.70	861.17	0.00	4,433.58	1,137.47	508.80	14.64	283.50	932.68	44,891.37
5243 - Yearly Equipment Testing	1,242.00	0.00	0.00	2,174.13	-80.00	0.00	0.00	795.01	564.37	46.00	852.28	0.00	5,715.39
5244 - Radio Equipment	116.51	211.93	0.00	0.00	373.00	0.00	233.00	0.00	0.00	0.00	0.00	0.00	934.41
5293 - Command Vehicle													
C5202 - 1992 Chevy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,871.16	213.45	2.00	0.00	0.00	1,888.81
C5205 - 2013 Tahoe	785.15	0.00	758.29	563.80	20.00	43.15	506.35	0.00	43.15	237.50	0.00	29.30	2,967.38
C5201 - Tahoe	111.50	0.00	409.06	850.00	0.00	265.22	0.00	0.00	0.00	0.00	0.00	0.00	1,635.78
Total 5293 - Command Vehicle	876.65	0.00	1,167.35	1,413.80	20.00	308.37	506.35	1,871.16	230.60	239.50	0.00	29.30	6,489.77
Total Apparatus	5,338.02	8,796.08	8,262.84	29,339.66	2,143.57	1,112.95	6,554.18	4,339.20	2,657.96	807.12	1,565.74	1,516.10	72,553.51

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Accrual Basis

**Morongo Valley C.S.D.**  
**Updated Income & Expense**  
**July 2015 through June 2016**

	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	TOTAL
<b>Compensation</b>													
5203 • Compensation - Paramedics	9,338.74	10,105.53	8,461.28	13,580.80	8,346.08	8,037.84	8,577.51	8,481.95	10,340.95	11,443.00	8,322.56	9,201.61	114,435.55
5204 • Compensation - Engineers	8,182.75	7,855.86	9,151.61	16,024.30	9,447.52	9,042.30	8,855.87	8,142.00	8,630.58	13,285.14	9,281.16	10,395.83	116,563.72
5205 • CIES & Mutual Aid	4,213.21	23,516.88	11,565.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00
5206 • Compensation - Captains	8,784.55	8,534.38	10,755.07	16,558.69	10,094.28	11,087.15	11,776.69	10,314.92	11,583.60	9,615.10	6,922.58	8,123.83	41,524.58
5207 • Compensation - Chief	1,359.24	1,530.59	1,959.82	4,574.66	2,073.91	3,008.29	3,428.10	3,823.65	4,219.20	6,328.80	4,219.20	4,074.46	123,258.45
5209 • Payroll Taxes	2,985.80	4,530.42	3,400.16	4,077.09	2,395.61	2,264.64	4,285.74	3,516.13	3,120.28	3,537.58	2,439.34	2,606.87	39,291.48
5215 • Worker's Comp. Ins.	3,255.14	4,684.09	3,720.43	2,861.16	2,861.16	2,861.16	2,861.16	2,861.16	2,861.16	2,861.16	2,861.16	2,861.16	40,010.27
5219 • Employee Benefits	1,343.58	1,343.58	1,489.77	2,228.63	783.16	1,593.77	1,590.52	1,590.52	1,590.52	1,417.21	1,583.77	1,417.27	17,892.36
5230 • Subsistence Pay Reserves	1,350.00	1,250.00	1,250.00	1,685.00	950.00	1,300.00	1,150.00	1,175.00	975.00	1,100.00	1,400.00	2,000.00	15,565.00
5232 • EMS Coordinator	482.19	278.52	225.97	1,051.00	788.25	493.97	409.89	567.54	420.91	987.95	698.92	499.23	6,814.34
<b>Total Compensation</b>	<b>41,202.64</b>	<b>64,013.12</b>	<b>52,050.04</b>	<b>62,731.33</b>	<b>37,739.97</b>	<b>39,689.93</b>	<b>42,946.45</b>	<b>40,414.87</b>	<b>43,616.20</b>	<b>50,476.90</b>	<b>37,748.89</b>	<b>45,240.36</b>	<b>557,951.40</b>
<b>Total 5006 • Fire Operations</b>	<b>51,969.08</b>	<b>76,528.24</b>	<b>65,421.62</b>	<b>86,820.52</b>	<b>43,709.33</b>	<b>44,894.01</b>	<b>57,307.80</b>	<b>48,571.98</b>	<b>50,675.53</b>	<b>58,700.73</b>	<b>43,541.81</b>	<b>50,756.63</b>	<b>688,893.24</b>
<b>5005 • Wages &amp; Benefits</b>													
5005 • Wages - Administrative	2,778.00	2,769.24	2,769.23	4,153.85	2,759.23	3,461.54	2,615.30	2,461.54	2,461.54	3,538.48	2,397.70	2,307.68	34,391.41
5005 • Wages - Support Staff	800.00	855.00	755.00	1,150.00	780.00	700.00	782.00	782.00	862.50	1,322.60	620.00	882.50	10,371.50
5004 • Wages - Parks	2,012.00	2,024.00	2,024.00	3,036.00	3,036.00	2,024.00	2,024.00	2,024.00	2,024.00	2,024.00	2,024.00	2,187.00	27,427.00
5015 • Payroll Taxes - Employer	477.07	457.42	454.29	650.49	560.25	468.24	738.25	718.96	694.72	753.51	451.84	454.80	6,885.85
5018 • CSD Workers Comp.	363.62	393.65	365.55	465.45	465.45	465.45	465.45	465.45	465.45	465.45	465.45	465.45	5,130.57
5019 • Employee Benefits	338.05	338.05	379.52	564.33	194.71	392.27	379.52	379.52	379.52	368.77	392.27	398.77	4,471.30
<b>Total 5005 • Wages &amp; Benefits</b>	<b>6,795.74</b>	<b>6,637.36</b>	<b>8,785.69</b>	<b>10,620.12</b>	<b>7,777.65</b>	<b>7,509.50</b>	<b>7,094.61</b>	<b>6,829.47</b>	<b>6,861.73</b>	<b>9,482.79</b>	<b>6,581.26</b>	<b>8,393.51</b>	<b>86,686.73</b>
<b>5000 • Administration</b>													
5071 • Repair and Maintenance													
5320 • CP Equipment	0.00	0.00	0.00	208.01	650.00	549.21	9.70	149.63	0.00	0.00	652.01	4.90	2,223.12
5385 • CP Buildings	921.25	200.20	642.75	949.40	437.48	233.20	179.18	230.15	257.69	506.95	602.61	755.70	5,529.80
5370 • CP Grounds	133.59	286.68	0.00	320.28	266.80	386.13	133.69	189.16	158.19	237.63	133.59	353.59	2,551.30
5375 • Gasoline	196.55	174.73	163.65	95.57	132.21	97.51	154.38	149.69	158.19	237.63	76.18	168.50	1,050.97
5377 • Mojave Property	0.00	0.00	1,644.06	432.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,076.58
<b>Total 5071 • Repair and Maintenance</b>	<b>1,251.39</b>	<b>661.61</b>	<b>2,451.27</b>	<b>2,006.38</b>	<b>1,516.49</b>	<b>1,201.21</b>	<b>420.04</b>	<b>703.54</b>	<b>575.77</b>	<b>822.64</b>	<b>1,484.54</b>	<b>1,315.09</b>	<b>14,472.17</b>
5070 • Insurance-General	1,130.32	1,130.32	1,130.32	1,130.32	1,130.32	1,189.63	1,189.63	1,189.63	1,189.63	835.09	1,185.83	1,205.12	13,520.56
<b>5080 • Office Expense</b>													
5085 • Postage	61.53	65.36	0.00	49.00	1.55	73.94	65.09	8.00	58.44	54.15	49.15	116.52	507.35
5088 • Printing/Copies	0.00	-16.76	-7.00	744.89	93.07	4.25	59.72	0.00	0.00	0.00	0.00	0.00	1,133.97
5073 • Legal & Professional Expense	187.03	312.50	125.00	62.50	0.00	723.76	0.00	2,281.25	2,297.50	1,492.25	322.50	875.00	8,869.28
5074 • Internet Service	46.66	51.41	46.66	41.91	46.66	46.66	46.66	46.66	46.66	46.66	46.66	46.66	619.04
5076 • Publications & Education	0.00	0.00	0.00	0.00	0.00	0.00	45.00	0.00	0.00	0.00	0.00	0.00	45.00
5076 • Memberships	85.00	0.00	10.00	0.00	0.00	1,634.00	1,000.00	0.00	0.00	0.00	0.00	0.00	2,728.00
5077 • Registrar of Voters Expense	0.00	0.00	0.00	0.00	20.00	0.00	0.00	0.00	3,394.75	0.00	0.00	0.00	3,414.75
5078 • Meeting Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5082 • Bank Charges	0.00	0.00	15.20	121.18	30.53	10.00	310.56	37.87	0.00	10.00	0.00	4.00	539.42
5083 • Expenses & Supplies	231.48	305.89	170.84	235.94	0.00	0.00	0.00	0.00	0.00	0.00	250.00	3.25	510.20
5099 • Other Expenses	0.00	0.00	0.00	0.00	0.00	81.89	98.03	661.06	200.48	0.00	167.91	211.29	2,308.48
<b>Total 5080 • Office Expense</b>	<b>606.70</b>	<b>718.23</b>	<b>360.70</b>	<b>1,388.01</b>	<b>274.82</b>	<b>2,570.89</b>	<b>1,616.05</b>	<b>3,054.94</b>	<b>6,015.71</b>	<b>1,777.99</b>	<b>1,145.11</b>	<b>1,248.85</b>	<b>20,796.00</b>
5085 • Auditing/Accounting	1,227.00	3,000.00	2,600.00	605.00	2,423.00	0.00	1,100.00	815.54	550.00	650.00	580.00	550.00	13,970.54
5039 • Children's Library	160.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	160.83
5096 • Street Lights	345.93	345.93	345.93	345.93	345.93	345.93	344.44	337.36	337.36	337.36	337.36	337.36	4,108.47
<b>5100 • Utilities</b>													
5052 • 5252 Water	195.80	201.61	270.51	199.85	171.66	168.14	178.54	171.10	205.51	174.98	184.63	186.43	2,266.76
5053 • 5053 Electricity	1,400.75	1,517.11	1,289.42	897.34	748.83	778.04	721.53	622.45	622.00	646.91	744.15	1,091.72	10,788.27
5054 • 5054 Gas	71.80	75.42	0.00	133.17	73.07	168.16	393.55	294.31	189.48	208.77	92.28	71.60	1,782.47
5050 • 5050 Telephone	258.99	210.21	130.99	506.03	260.09	441.96	378.75	433.21	369.21	403.60	370.22	367.58	4,151.43
<b>Total 5100 • Utilities</b>	<b>1,917.14</b>	<b>1,835.38</b>	<b>1,890.92</b>	<b>1,730.89</b>	<b>1,252.65</b>	<b>1,576.30</b>	<b>1,660.37</b>	<b>1,521.07</b>	<b>1,389.18</b>	<b>1,434.34</b>	<b>1,389.78</b>	<b>1,627.41</b>	<b>19,021.93</b>
<b>5200 • Debt Service</b>													
5220 • Lease/Purchase Equip. Reserve	484.66	484.66	484.66	484.66	484.66	484.66	484.66	484.66	484.66	484.66	484.66	484.66	5,815.92
<b>Total 5200 • Debt Service</b>	<b>484.66</b>	<b>484.66</b>	<b>484.66</b>	<b>484.66</b>	<b>484.66</b>	<b>484.66</b>	<b>484.66</b>	<b>484.66</b>	<b>484.66</b>	<b>484.66</b>	<b>484.66</b>	<b>484.66</b>	<b>5,815.92</b>
<b>Total 5000 • Administration</b>	<b>7,123.97</b>	<b>8,176.13</b>	<b>9,063.80</b>	<b>7,689.19</b>	<b>7,429.97</b>	<b>7,424.27</b>	<b>8,811.19</b>	<b>8,082.74</b>	<b>10,535.31</b>	<b>6,242.28</b>	<b>6,576.58</b>	<b>6,769.09</b>	<b>81,624.42</b>
<b>Total Expense</b>	<b>65,889.77</b>	<b>91,338.73</b>	<b>81,271.11</b>	<b>114,526.83</b>	<b>58,616.85</b>	<b>59,827.78</b>	<b>71,123.89</b>	<b>63,484.17</b>	<b>68,098.67</b>	<b>74,425.80</b>	<b>58,679.65</b>	<b>63,919.53</b>	<b>869,504.39</b>
<b>Net Ordinary Income</b>	<b>-511.27</b>	<b>-6,896.42</b>	<b>-2,894.88</b>	<b>-24,942.09</b>	<b>27,338.10</b>	<b>12,054.70</b>	<b>-14,799.79</b>	<b>-5,657.98</b>	<b>-10,096.83</b>	<b>-14,431.25</b>	<b>31,895.72</b>	<b>17,440.26</b>	<b>8,660.36</b>
<b>Other Income/Expense</b>													
<b>Other Income</b>													
4600 • Transfer to/from Reserves	0.00	0.00	0.00	0.00	0.00	-24,981.52	0.00	-820.81	-339.27	-676.11	-0.51	-749.52	-27,567.84
4998 • Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00	23,969.00	0.00	0.00	0.00	0.00	1,200.00	0.00	25,169.00
<b>Total Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,012.52</b>	<b>0.00</b>	<b>-820.81</b>	<b>-339.27</b>	<b>-676.11</b>	<b>1,199.49</b>	<b>-749.52</b>	<b>-2,398.84</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,012.52</b>	<b>0.00</b>	<b>820.81</b>	<b>-339.27</b>	<b>-876.11</b>	<b>1,199.49</b>	<b>-749.52</b>	<b>-2,398.84</b>
<b>Net Income</b>	<b>-511.27</b>	<b>-6,896.42</b>	<b>-2,894.88</b>	<b>-24,942.09</b>	<b>27,338.10</b>	<b>11,042.17</b>	<b>-14,799.79</b>	<b>-5,476.79</b>	<b>-10,436.19</b>	<b>-15,107.38</b>	<b>33,095.21</b>	<b>16,690.74</b>	<b>6,267.52</b>

# **2016-17 Budget**

**Attachment 2**



**Morongo Valley C.S.D.**  
**Final Budget**  
 July 2016 through June 2017

		<u>Jul '16 - Jun '17</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
4000 - County Taxes		
4001 - Countywide & Unitary Accrued		412,415
4006 - Fire Suppression Assessment		308,233
Total 4000 - County Taxes		<u>720,648</u>
4100 - CSD		
4101 - Community Donations		2,012
4105 - Interest		-
4107 - Note Payments Gun Range/Mojave		3,334
4190 - Income - Other		-
Total 4100 - CSD		<u>5,346</u>
4200 - FIRE SERVICES		
4290 - Income - Other		-
4291 - Donations		9,771
4293 - OES Reimbursement		25,000
4294 - Cost Recovery - Reimbursement		3,500
4295 - Fire Inspections		2,400
Total 4200 - FIRE SERVICES		<u>40,671</u>
4300 - COVINGTON PARK		
4310 - Rents & Concessions		5,820
Total 4300 - COVINGTON PARK		<u>5,820</u>
4700 - Grant Income		
4701 - Reimbursable Expenditures		10,000
Total 4700 - Grant Income		<u>10,000</u>
Total Income		<u>782,485</u>
Gross Profit		782,485
<b>Expense</b>		
5006 - Fire Operations		
Operating Supplies		
5252 - Fire Prevention Services		1,500
5255 - Paramedic Supply & Equipment		6,000
5275 - OES & Mutual Aid Expense		-
5285 - Disaster Preparedness		-
Total Operating Supplies		<u>7,500</u>
Training & Safety		
5247 - Physicals & Vaccinations		3,000
5249 - Firefighter Personal Equipment		5,500
5250 - Firefighter Training Expense		500
5256 - Uniforms		3,000
Total Training & Safety		<u>12,000</u>
Administration		
5225 - County Dispatch		7,300
5227 - Communications		4,150
5237 - Inspections ICEMA/Zoll		2,400
5245 - Other Expense-Recruitment		-
5260 - Building Maintenance		2,000
5280 - Medical Director		5,000
5290 - Special Assessment		2,444
5295 - Office Equipment		250
5296 - Office Expenses & Supplies		1,060

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**Morongo Valley C.S.D.**  
**Final Budget**  
July 2016 through June 2017

	<u>Jul '16 - Jun 17</u>
5297 • Supplies	1,750
5298 • Memberships & Associations	725
Total Administration	<u>27,069</u>
<b>Apparatus</b>	
5234 • Apparatus/Equipment Purchased	5,750
5235 • Apparatus Gasoline	10,000
5240 • Apparatus Maint. & Repair	
5241 • Fire Engine Maint. & Repair	18,000
5243 • Yearly Equipment Testing	6,200
5244 • Radio Equipment	1,250
5293 • Command Vehicle	2,000
Total Apparatus	<u>43,200</u>
<b>Compensation</b>	
5203 • Compensation - Paramedics	105,456
5204 • Compensation - Engineers	109,254
5205 • OES & Mutual Aid w/ taxes w/c	12,500
5206 • Compensation - Captains	82,464
5207 • Compensation - Chief	53,011
5209 • Payroll Taxes	31,925
5215 • Worker's Comp. Ins.	45,056
5219 • Employee Benefits	24,000
5230 • Subsistence Pay Reserves	18,200
5232 • EMS Coordinator	10,400
8 MOU Holiday/3 CA Law sick -w taxes, wc	17,993
Total Compensation	<u>510,259</u>
Total 5006 • Fire Operations	600,028
<b>5005 • Wages &amp; Benefits</b>	
5002 • Wages - Administrative	31,200
5003 • Wages - Support Staff	9,600
5004 • Wages - Parks	28,000
5016 • Payroll Taxes - Employer	6,410
5018 • CSD Workers Comp.	6,283
5019 • Employee Benefits	4,896
Total 5005 • Wages & Benefits	<u>84,389</u>
<b>5000 • Administration</b>	
5071 • Repair and Maintenance	
5320 • CP Equipment	1,000
5365 • CP Buildings	4,000
5370 • CP Grounds	2,500
5375 • Gasoline	1,200
Total 5071 • Repair and Maintenance	<u>8,700</u>
5070 • Insurance-General	15,964
5080 • Office Expense	
5065 • Postage	450
5068 • Printing/Copies	1,200
5073 • Legal & Professional Expense	6,000
5074 • Internet Service	650
5075 • Publications & Education	50
5076 • Memberships	1,750
5077 • Registrar of Voters Expense	9,000
5078 • Meeting Expense	200
5081 • Office Equip & Maintenance	-
5082 • Bank Charges	250

**Morongo Valley C.S.D.**  
**Final Budget**  
 July 2016 through June 2017

	Jul '16 - Jun 17
5083 • Expenses & Supplies	1,600
Total 5080 • Office Expense	21,150
5085 • Auditing/Accounting	14,900
5090 • Children's Programs	-
5096 • Street Lights	4,110
5100 • Utilities	
5052 • 5252 Water	2,400
5053 • 5053 Electricity	10,000
5054 • 5054 Gas	1,800
5060 • 5060 Telephone	2,000
Total 5100 • Utilities	16,200
5200 • Debt Service	
5220 • Lease/Purchase Equip. Reserve	5,816
Total 5200 • Debt Service	5,816
Total 5000 • Administration	86,840
Total Expense	771,257
Net Ordinary Income	11,228
4600 • Transfer to Reserves	11,228
4998 • Sale of Fixed Assets	
Net Income	0


**Fund Balance projections as of June 30 2016**

LAFCO Reserve Funds	\$	53,409
Contingency Reserve Funds	\$	27,012
Undesignated Reserve Funds	\$	283,025
Restricted Funds		
Covington Park; Tennis	\$	2,417
Covington Park; Library	\$	802
Covington Park; Memorial Fund	\$	200
Covington Park; General	\$	2,062
Map Project Funds	\$	436
Dollar a Day Campaign	\$	3,093
Fire Truck	\$	17,711
Fire Dept general operations	\$	5,331
	\$	32,052
Actual Fund Balances as of June 30 2016	\$	395,497
Current Receivables June 30 2016		
Property Tax Receivable as of 7/13/16	\$	19,093
Other Receivable	\$	4,164
	\$	23,257
Current Payable June 30 2016		
Accounts Payable	\$	(10,716)
Prepaid expense for 2016/2017	\$	7,053
Deferred Revenue/Restricted Funds	\$	(32,052)
	\$	(35,715)
	\$	383,039
Long Term Payable / Receivables		
Note Receivable Mojave Property 7-19-16	\$	38,871
Note Payable FFCU-Command Vehicle 6-30-16	\$	(9,901)
Projected Fund Equity June 30 2016 (as of July 21 2016)	\$	412,009

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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**DATE:** AUGUST 10, 2016   
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
MICHAEL TUERPE, Project Manager  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** Agenda Item #11 – Status Report on Rim of the World Recreation and Park District

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## **RECOMMENDATION:**

Staff recommends that the Commission note receipt of the Status Report and file.

## **BACKGROUND:**

At the July 2010 hearing the Commission completed its service review for the Rim of the World Recreation and Park District ("District") through adoption of Resolution No. 3095. The Commission identified a number of financial issues which prompted it to question the District's financial solvency at that time and placed specific conditions for follow-up to be accomplished by staff. The District has satisfied all of the conditions outlined in the Commission's resolution from the service review, and all of the questions and concerns identified by the Commission have been addressed.

The previous status update from February 2016 included a review of the FY 2014-15 audit along with LAFCO's fiscal indicators and FY 2015-16 mid-year status. The following is the conclusion from that report:

The FY 2014-15 audit shows an improving financial position of the District, and the FY 2015-16 mid-year report does not reveal any areas of concern. The District has one more status report scheduled: August 2016 (2015-16 year-end and 2016-17 budget). This last update will include LAFCO staff's update to its five-year financial projections based upon the District's unaudited year-end figures.

This is the final status report scheduled for the District. The countywide park and recreation service review will commence in FY 2018-19, to include the district.

## **CURRENT UPDATE ANALYSIS:**

This status update reviews the FY 2015-16 unaudited year-end and FY 2016-17 budget to include reporting of its reserves and fund balances, as well as providing a five-year forecast of revenues and expenditures.

### **FY 2015-16 Unaudited Year-End**

The following is a review of the District's financial position from its unaudited year-end. The District's year-end report, which includes a spreadsheet, is provided as Attachment #1 to this report. On the whole, the financial position of the District has been steadily improving since its 2010 service review with reserves increasing, addition of permanent staff, and increased patronage.

The net gain for the year is \$35,842. However, \$50,000 was budgeted for an election to fill a vacant seat on the board (the quoted costs from the County Registrar of Voters). Since no candidates came forward to submit their names for the ballot, the County appointed a director to fill the seat. Thus, these funds were not used. Should the election have taken place and all the funds used, then the net gain may have been a slight net loss, or less may have been allocated to reserves (discussed further below).

The District provides childcare services and this service has historically had issues with patronage and payment of charges. For the year, expenses outpaced revenues again. To stem the losses the board approved the closure of one of three childcare sites for FY 2016-17. Additionally, the District wrote-off roughly \$13,000 in uncollectible fees and has implemented a pre-pay policy for childcare services.

The other non-tax revenues shown come from facility rentals and recreational programs, both of which receive revenues in excess of expenditures.

During the year the District exceeded its budget authority for expenditures. The FY 2015-16 budget established reserve funds for capital improvement projects, and the District paid for the projects from operating expenditures. However, the District did not take action to increase its budget authority to accommodate the payment for the unbudgeted expense. In turn, operating expenditures exceeded budget authority by \$68,369. Even though there were enough revenues to cover the overage, the District should have taken action to increase its budget authority to accommodate the overage.

## **RESERVES:**

As of the end of FY 2015-16, the District had \$297,929 in reserves (an increase of roughly \$185,000). The amounts are shown below. Also, an additional \$327,712 is identified as unassigned fund balance (a decrease of roughly \$149,000). During the year, the District allocated \$176,000 from its unassigned fund balance to increase the Capital Acquisition Reserve in order to purchase property in Crestline for an additional facility.

Looking at the General Operating reserve, the reserve level does not meet the minimum recommended level of 10% of expenditures. However, the District's \$327,712 in unassigned fund balance can be used to satisfy the 10% general reserve level. LAFCO staff recommends that the District also fulfill the minimum recommended level of 10% of expenditures in its General Operating reserve.

	2014-15	2015-16
<u>Reserves</u>		
<i>General Operating</i>	\$ 39,410	\$ 50,729
<i>Capital Replacement</i>	7,200	7,200
<i>Capital Acquisition</i>	24,000	200,000
<i>Maintenance Truck</i>	7,200	15,000
<i>Running Springs Skate Park</i>	14,000	0
<i>New Facility</i>	10,000	0
<i>ATP Grant Expense</i>		25,000
<i>Contingency Carryover</i>	11,319	0
Total Reserves	\$113,129	\$297,929
Unassigned Fund Balance	\$476,670	\$327,712
<b>Total Reserves and Balance</b>	<b>\$589,799</b>	<b>\$625,641</b>

#### **FY 2016-17 Budget**

Compared to the FY 2015-16 year-end, the budget for FY 2016-17 includes an increase to revenues of 4.7% and an increase to expenditures of 2.6%. There are no increases to compensation and benefits.

In FY 2015-16 three employees left the District. According to the District, reorganization and hiring cover the job responsibilities that had been handled by the three former employees. For the two maintenance workers who departed (one a supervisor), two new employees have been hired in their place. Neither is a supervisor, but the Recreation Manager has a job description change to include oversight of the Maintenance department as well. For the Childcare Coordinator who departed, the District has moved another childcare employee into that position, but the responsibility associated with that job has been lessened since one childcare site has closed. The overall net effect on payroll is a reduction in costs.

The budget also funds roughly \$136,000 for facility repairs (an increase of \$94,000 from the prior year) and includes a nominal addition (\$10,000) to its fund balance. The budget is included as Attachment #2 to this report.

LAFCO staff is providing a forecast out to 2020-21 in the figure below. If a conservative two percent inflation is applied to all expenditure categories and its fee schedule (the District's primary source of income is a \$22.00 special tax that contains no inflation factor), the annual shortfall would be roughly \$55,500, \$21,000, \$87,000, and \$53,500 for a four-year total of roughly \$217,000. In turn, the annual shortfall would have to be

covered from an increase in carryover or fee revenues, or a decrease in expenditures. However, the chart below does not explicitly reveal a problem. Rather, the District faces a challenge in that its primary revenue source does not have an inflation factor. To date, the District has been able to compensate for the lack of an inflation factor in its special tax through managing its costs so that it can provide an increase in reserves.

The forecast also includes the quoted cost of \$50,000 for future elections. Should the election costs not come to fruition, then the four-year shortfall total would be \$117,000.

Additionally, as previously stated, the District is planning to purchase property in Crestline for an additional facility. As staff understands this acquisition, it would be covered by funds already reserved, shown above as Capital Acquisition. However, it is not known if this would create an additional ongoing maintenance and operations expense without a dedicated revenue source.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Budget	Forecast	Forecast	Forecast	Forecast
<b>EXPENDITURES</b>						
Compensation & Benefits	\$ 525,277	\$ 525,533	\$ 536,044	\$ 546,765	\$ 557,700	\$ 568,854
Election Costs			50,000		50,000	
Service & Supplies	595,212	566,192	577,516	589,066	600,847	612,864
<b>Total</b>	<b>\$ 1,120,489</b>	<b>\$ 1,091,725</b>	<b>\$ 1,163,560</b>	<b>\$ 1,135,831</b>	<b>\$ 1,208,547</b>	<b>\$ 1,181,718</b>
<b>REVENUE</b>						
<b>Carryover Funds</b>						
Special Parcel Tax	\$ 772,211	\$ 780,000	\$ 780,000	\$ 780,000	\$ 780,000	\$ 780,000
Fees & Charges						
Childcare/Activities	114,480	91,875	93,713	95,587	97,498	99,448
Rental	118,913	109,593	111,785	114,021	116,301	118,627
Recreation Programs	138,767	101,000	103,020	105,080	107,182	109,326
Special Events/Other	11,959	19,180	19,564	19,955	20,354	20,761
<b>Total</b>	<b>\$ 1,156,330</b>	<b>\$ 1,101,648</b>	<b>\$ 1,108,081</b>	<b>\$ 1,114,643</b>	<b>\$ 1,121,335</b>	<b>\$ 1,128,162</b>
	\$ 35,841	\$ 9,923	\$ (55,479)	\$ (21,188)	\$ (87,212)	\$ (53,556)

## **CONCLUSION:**

Six years ago the Commission reviewed the District and identified a number of financial issues which prompted it to question the District's managerial and financial solvency at that time. Since then, the District has come a long way. It has satisfied all of the conditions outlined in the Commission's resolution from the service review, and all of the subsequent questions and concerns identified by the Commission have been addressed. Further, it has hired permanent staff, which includes a dedicated finance manager, to properly run a public agency and has reduced compensation costs by eliminating its pension program. Over the past two years the documents provided by the District identifies a district that is able to carry out its functions.

While the financial and managerial situation has improved from the depths to which it had descended, LAFCO staff continues to remind the District and the Commission that the District's primary source of income is a \$22.00 special tax that contains no inflation factor. Any new facility acquisitions or services by necessity must consider the sustainability of that facility or service, as its maintenance and operation would be funded through new fees or charges as the current special tax is fully utilized by existing operations.

This is the final status report scheduled for the District. The next review would be the countywide park and recreation service review currently scheduled to take place in FY 2018-19.

Attachments:

1. FY 2015-16 Unaudited Year-End
2. FY 2016-17 Budget



# **FY 2015-16 Unaudited Year-End**

**Attachment 1**

## **Rim of the World Recreation and Park District**



### **Management's Discussion and Analysis For the 2015/2016 Year-End Review Ending June 30, 2016**

#### **Revenue Summary:**

The District budgeted \$1,092,825 of revenue for the 2015/16 fiscal year and realized actual revenues of \$1,156,330, an overage of 5.8%. Almost all line items contributed to the overall overage, with a four-figure shortfall appearing only in Special Parcel Tax income, amounting to 1.0% of budget (see details below).

#### **Expense Summary:**

The District budgeted \$1,052,119 in expense for the 2015/16 fiscal year and incurred actual expenses of \$1,120,489, an overage of 6.5%. The two greatest dollar variances were Facility Repairs & Maintenance (an overage of \$138,074 or 330.3%) and Miscellaneous Expense (a shortage of \$50,000, or 100% – see details below).

#### **Net Income Detail:**

The revenue and expense figures above yielded a net income of \$35,842, or \$4,864 less than the budgeted amount of \$40,706 (-12.0%).

#### **Revenue Detail:**

##### **Special Parcel Tax**

Special Parcel Tax receipts came in at 1.0% below budget projections (\$772,211 vs. \$780,000). All shortage (-\$9,095) was attributable to declines in current-year collections. This is small enough to be ascribed to the normal year-to-year fluctuations in past-due accounts.

## Childcare Income

Revenue for Childcare exceeded budget by 20.5%, or \$19,480. Despite this better-than-anticipated performance (in addition to payroll savings as well) the program's overall improvement was not enough to approach a break-even status. Thus, one of three childcare sites will be closed (initially, with an interest list kept for possible re-opening if demand is high) in FY 2016-17 to stem the losses.

## Rental Income

Rental Income exceeded budget by a little over 30% (\$27,488), \$18,095 of which was for facility rentals. Contributing to this overage was soccer use of District ball fields (\$6,360, part of which was for field use in the previous fiscal year but missed in the billing then). Other heavier use was noted for Little League, football, and cheer. A second contributing factor was Equipment Rental, with a windfall of \$9,351 for lights usage at the District's three ball fields.

## Recreational Programs Income

The District saw some recovery in its Recreational Program Income, about 12.1%, or \$14,967. While non-commission events and programs experienced overall shortfalls from budget of \$9,418 (-21.2%), commission instruction programs surpassed budgeted amounts by \$24,385 (34.8%). Ongoing popular programs and new/experimental offerings have heightened revenues.

## Other Income

Only a nominal amount was budgeted in this category (\$360), but a one-time dividend check of \$2,170 was received for an insurance fund gain in FY 2001-02 from CAPRI (Cal. Assoc. for Park and Rec. Indemnity).

## Grant Income

The District received an unbudgeted grant of \$6,770 (the majority of the total of \$7,245 for the fiscal year) from Greenfields Outdoor Fitness in December for park workout equipment to be installed at the Twin Peaks Rotary Centennial Park.

## **Expense Detail:**

### Compensation & Benefits

Payroll and benefit expenses totaled \$525,277, virtually even with budget. Although accrued benefits, severance, and taxes paid for two departing workers caused Maintenance payroll to exceed budget by \$11,740 (10.9%), this was slightly more than offset by savings in Childcare payroll of \$8,703 (-6.5%) and in Recreation payroll of \$4,513 (-9.6%).

## Advertising

Although the District invested \$2,118 (unbudgeted) in 4,000 custom logo pens for distribution, this was more than offset by \$7,280 (-66.2%) in Publications/Marketing expense savings (bi-annual program booklets, map production, e-blast subscription, etc.). Other printed material costs of \$4,397 were \$1,603 (-26.7%) below budget (for banners, flyers, business cards, etc.).

## Equipment and Supplies

More conservative office supply ordering (-39.2%, or -\$3,919), lower janitorial supply outlays (-19.4%, or -\$872), and lower other equipment and supply expenses (-50.9%, or -\$1,272) accounted for a variance here of -35.7% (-\$6,063).

## Auto Expense

Light repair needs enabled vehicle maintenance expenses to fall 47.3% below budget (-\$1,657); combined with fuel expense savings of 44.9% (-\$3,812), this produced an expense shortfall of 45.6% (\$5,469).

## Professional Services

All line-items in this category were at or below budget, a total savings of \$11,619 (-24.3%). The biggest contributor was Legal Counsel (-42.3%, or -\$6,349), since only minor legal services were required. Other Professional Services expenses of \$1,500 were incurred for grant writing, but none of the remaining budget of \$2,500 in that catch-all category was needed, a savings of 62.5%. Over \$2,000 was saved in the two line items of Payroll Data Processing and Computers & Website (-15.6%).

## Program Instructors

Because of the heavier revenues realized in Commission Programs (see note above), \$12,186 more than budget was paid for commission instructors, but the net effect was still positive. A budget of \$5,000 for general Other Expenses did not need to be tapped, a savings there of 100%.

## Special Programs

The variance in this line item of \$3,617 (26.7%) is more than accounted for by Youth Track & Field expense overage (\$3,323, or 73.9%) due to a large degree to \$3,763 in uniform costs. However, an additional expense of \$1,200 in that program was a payable booked for return of that amount to the Rim High School track and field program from excess of revenues over expenses; the District program itself still ended up in the black by a little over \$900, even after the \$1,200 is subtracted.

## Childcare Expense

Write-offs of old uncollectible Childcare fees in the amount of \$13,259 accounted for all and more of the \$12,200 excess over budget (142.2%). This elimination of bad debts comes just ahead of the institution of a pre-pay requirement for future contracting of Childcare services. This should eliminate the need for write-offs in subsequent fiscal years in this program.

## Miscellaneous Expense

A total of \$50,000 was budgeted for the anticipated costs of holding an election to fill a vacant seat on the District's Board of Directors. However, since no candidates came forward to submit their names for the ballot, the County appointed a director to replace the one who had retired. This obviated the need for any funds to be spent on the election.

## Facility Repairs & Maintenance

Of the \$138,073 overage (\$330.3%) in this line item, \$73,846 was for repaving of the Running Springs Hootman Senior Center parking lot, a project anticipated in the FY15-16 budget via a transfer from the general Fund Balance to a designated reserve for this purpose (\$75,000), instead of a line item in the Income and Expense report. The reserve has now been transferred in full back to the general Fund Balance. Other overages (unbudgeted) include \$40,533 for the new Lakeside Park (play lot) in Green Valley Lake, \$31,339 for an exercise equipment yard at the Twin Peaks Rotary Centennial Park, \$6,392 for three new ball field signs (Twin Peaks, Running Springs, and Arrowbear), and \$5,095 for re-flooring of the Twin Peaks Senior Center. Partially offsetting these overages were the following significant line-item shortfalls: -\$10,283 (-97.9%) for landscaping that was not needed; -\$8,800 (-100%) for miscellaneous/other projects not needed; and -\$6,695 (-85.6%) for general facility repairs not needed.

## Utilities

Savings for utilities totaled \$10,772 (19.6% below budget), and the major contributor was water (\$9,201, or 28.1% below budget). State-mandated water use restrictions resulted in significantly reduced irrigation of District ball fields. Partially due to the termination of electrical service to a Crestline facility that the District no longer has, overall electricity expense was \$1,366 (9.6%) below budget.

## Overall Summary:

While Rim of the World Recreation and Park District has initially (pre-audit) fallen a little shy of its target of \$40,706 in net revenues by \$4,864, it maintained an overall revenue stream (outside of the Special Parcel Tax) that far surpassed budget projections by \$71,294 (\$384,119 actual vs. \$312,825 budgeted). Meanwhile, expenses outside of the three brand-new facility construction projects

identified above (\$78,264), less one-time election savings (-\$50,000), were only \$40,106 over budget (which includes the \$73,846 parking lot repaving). However, reserve releases augment the result for the Fund Balance. Moreover, additional gains beyond government fund accounting will be achieved once the audit has been conducted in October (per current schedule). Such increases to the bottom line include 1) \$33,460 in SBCERA debt principal reductions shown at present as expense; 2) \$23,195 (approximately) in mortgage principal reductions shown at present as expense; and 3) significant reductions in aggregate employee benefit accruals due to the departure of three employees in FY 2015-16 who had large balances of unpaid sick and vacation time on the books at June 30, 2015.

**Other items:**

Additional projects and small property acquisitions are being considered in Crestline toward the west end of the District, and this would be covered by funds already reserved for capital acquisition. In addition, the District is continuing to partner with San Bernardino Associated Governments (SanBAG), the direct recipient of a \$284,250 Active Transportation Program grant (mountain-wide) on behalf of the District and that will be overseen by both agencies working in a joint capacity (but at only a nominal cost to the District, which can receive no portion of the grant funding).

**Rim of the World Recreation and Park District**  
**Profit & Loss Budget vs. Actual**  
 July 2015 through June 2016

	Jul '15 - Jun 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
500-100 · Special Parcel Tax	772,211.33	780,000.00	-7,788.67	99.0%
500-200 · Childcare Income	114,479.74	95,000.00	19,479.74	120.5%
500-250 · Activities-Commission	310.00	0.00	310.00	100.0%
500-300 · Interest	176.96	240.00	-63.04	73.7%
500-400 · Rental Income	118,913.01	91,425.00	27,488.01	130.1%
500-500 · Recreation Programs Income	138,767.03	123,800.00	14,967.03	112.1%
500-600 · Other Income	2,170.00	360.00	1,810.00	602.8%
500-701 · Convenience/Other Fee Income	64.00	0.00	64.00	100.0%
500-710 · Grant Income	7,245.00	0.00	7,245.00	100.0%
500-900 · Donations	1,993.00	2,000.00	-7.00	99.7%
Total Income	1,156,330.07	1,092,825.00	63,505.07	105.8%
Gross Profit	1,156,330.07	1,092,825.00	63,505.07	105.8%
Expense				
600-100 · Compensation & Benefits	525,277.13	525,149.00	128.13	100.0%
600-500 · Advertising	10,505.17	17,000.00	-6,494.83	61.8%
600-700 · Bank Charges	3,841.94	4,510.00	-668.06	85.2%
600-800 · Board Member Expense	336.20	300.00	36.20	112.1%
600-900 · Communications	11,485.67	10,040.00	1,445.67	114.4%
700-300 · Equipment and Supplies	10,936.55	17,000.00	-6,063.45	64.3%
700-400 · Auto Expense	6,530.87	12,000.00	-5,469.13	54.4%
700-500 · Professional Services	36,185.89	47,805.00	-11,619.11	75.7%
700-600 · Program Instructors (1099)	69,868.93	63,160.00	6,708.93	110.6%
700-620 · Special Programs	17,167.43	13,550.00	3,617.43	126.7%
700-630 · Special Event Programs	20,721.19	20,500.00	221.19	101.1%
700-800 · License Fees	242.00	210.00	32.00	115.2%
700-900 · Insurance	39,872.15	36,790.00	3,082.15	108.4%
800-100 · Childcare Expense	20,779.64	8,580.00	12,199.64	242.2%
800-300 · Building Loan Pymt - DO	48,694.80	48,695.00	-0.20	100.0%
800-305 · Other Financing Source - Debt	0.00	0.00	0.00	0.0%
800-307 · Other Financing Use - Debt	0.00	0.00	0.00	0.0%
800-310 · SB CERA Retirement Association	33,460.20	33,460.00	0.20	100.0%
800-400 · Meals & Entertainment	809.39	600.00	209.39	134.9%
800-450 · Staff Uniforms	1,101.56	2,000.00	-898.44	55.1%
800-500 · Memberships	6,102.00	6,000.00	102.00	101.7%
800-550 · Legal Notices	267.97	0.00	267.97	100.0%
800-600 · Mileage	2,312.60	1,500.00	812.60	154.2%
800-700 · Miscellaneous Expense	0.00	50,000.00	-50,000.00	0.0%
800-800 · Rent/Lease of Equipment	5,280.00	7,700.00	-2,420.00	68.6%
800-900 · Postage	575.90	1,000.00	-424.10	57.6%
900-200 · Facilities Rental Charge	6,600.00	4,200.00	2,400.00	157.1%
900-300 · Facility Repairs & Maintenance	179,873.71	41,800.00	138,073.71	430.3%
900-500 · Subscriptions	51.95	600.00	-548.05	8.7%
900-600 · Training and Travel	6,464.07	5,800.00	664.07	111.4%
900-700 · Utilities	44,072.57	54,845.00	-10,772.43	80.4%
900-725 · Trash - SB County Waste Mgmt	6,479.70	9,465.00	-2,985.30	68.5%
900-800 · Equipment Repairs & Maintenance	4,596.36	7,860.00	-3,263.64	58.5%
900-900 · Petty Cash - Over / Short	-5.00	0.00	-5.00	100.0%
Total Expense	1,120,488.54	1,052,119.00	68,369.54	106.5%
Net Ordinary Income	35,841.53	40,706.00	-4,864.47	88.0%
Net Income	35,841.53	40,706.00	-4,864.47	88.0%

# Rim of the World Recreation and Park District

## Balance Sheet Prev Year Comparison

As of June 30, 2016

	Jun 30, 16	Jun 30, 15	\$ Change	% Change
<b>ASSETS</b>				
Current Assets				
Checking/Savings				
100-125 · California B & T checking	466,654.80	421,520.47	45,134.33	10.7%
100-126 · California B & T savings	247,847.83	247,690.87	156.96	0.1%
Total Checking/Savings	714,502.63	669,211.34	45,291.29	6.8%
Accounts Receivable				
100-130 · Accounts Receivable	39,161.79	35,334.57	3,827.22	10.8%
Total Accounts Receivable	39,161.79	35,334.57	3,827.22	10.8%
Other Current Assets				
100-135 · Allowance for Doubtful Accounts	-11,314.00	-11,314.00	0.00	0.0%
100-140 · Office Petty Cash	500.00	300.00	200.00	66.7%
100-180 · Prepaid Expenses	15,302.34	2,562.38	12,739.96	497.2%
Total Other Current Assets	4,488.34	-8,451.62	12,939.96	153.1%
Total Current Assets	758,152.76	696,094.29	62,058.47	8.9%
Fixed Assets				
100-200 · Land	574,257.00	574,257.00	0.00	0.0%
100-205 · Improvements to Land	738,592.00	738,592.00	0.00	0.0%
100-210 · Improvemt to Land - Depreciable	64,584.00	64,584.00	0.00	0.0%
100-220 · Equipment	150,415.00	150,415.00	0.00	0.0%
100-230 · Structures and Improvements	1,845,882.00	1,845,882.00	0.00	0.0%
100-240 · Accumulated Depreciation	-1,035,593.00	-1,035,593.00	0.00	0.0%
Total Fixed Assets	2,338,137.00	2,338,137.00	0.00	0.0%
<b>TOTAL ASSETS</b>	<b>3,096,289.76</b>	<b>3,034,231.29</b>	<b>62,058.47</b>	<b>2.1%</b>
<b>LIABILITIES &amp; EQUITY</b>				
Liabilities				
Current Liabilities				
Accounts Payable				
200-100 · Accounts Payable	33,566.12	10,197.12	23,369.00	229.2%
Total Accounts Payable	33,566.12	10,197.12	23,369.00	229.2%
Credit Cards				
200-270 · California B & T Visa	4,729.49	1,901.55	2,827.94	148.7%
Total Credit Cards	4,729.49	1,901.55	2,827.94	148.7%
Other Current Liabilities				
200-300 · Salaries & Benefits Payable				
200-305 · CA SDI - Liability	638.00	638.00	0.00	0.0%
200-300 · Salaries & Benefits Payable - Other	23,781.08	23,781.08	0.00	0.0%
Total 200-300 · Salaries & Benefits Payable	24,419.08	24,419.08	0.00	0.0%
200-325 · Employee Compensated Absences	30,733.00	30,733.00	0.00	0.0%
200-500 · Other Liab - Tax Assess Errors	63,433.00	63,433.00	0.00	0.0%
200-600 · Tenants - Rental Security Dep	6,365.00	6,345.00	20.00	0.3%
200-801 · Loan Payable - Cal Bank & Trust	476,810.22	476,810.22	0.00	0.0%
200-810 · SB CERA	619,013.70	619,013.70	0.00	0.0%
Total Other Current Liabilities	1,220,774.00	1,220,754.00	20.00	0.0%
Total Current Liabilities	1,259,069.61	1,232,852.67	26,216.94	2.1%
Total Liabilities	1,259,069.61	1,232,852.67	26,216.94	2.1%
Equity				
300-100 · Fund Balance - Unreserved	246,870.11	287,697.97	-40,827.86	-14.2%
300-200 · Investment in Capital Assets	2,338,137.00	2,338,137.00	0.00	0.0%
300-300 · Amount to be Provided	-1,126,557.49	-1,126,557.49	0.00	0.0%
300-400 · General Reserves				



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08/02/16

Accrual Basis

**Rim of the World Recreation and Park District**  
**Balance Sheet Prev Year Comparison**  
 As of June 30, 2016

	Jun 30, 16	Jun 30, 15	\$ Change	% Change
300-401 · Operating Reserve	50,729.00	39,410.00	11,319.00	28.7%
300-402 · Capital Replacement Reserve	7,200.00	7,200.00	0.00	0.0%
300-403 · Capital Acquisition Reserve	200,000.00	24,000.00	176,000.00	733.3%
300-406 · ATP Grant Expense Reserve	25,000.00	0.00	25,000.00	100.0%
300-410 · Other Unassigned Reserve	60,000.00	42,519.00	17,481.00	41.1%
Total 300-400 · General Reserves	342,929.00	113,129.00	229,800.00	203.1%
Net Income	35,841.53	188,972.14	-153,130.61	-81.0%
Total Equity	1,837,220.15	1,801,378.62	35,841.53	2.0%
TOTAL LIABILITIES & EQUITY	3,096,289.76	3,034,231.29	62,058.47	2.1%

FY 15-16 RESERVE DETAIL - 06/30/16  
 Prepared August 2, 2016 (pre-audit)

<u>Account</u>	<u>Name</u>	<u>Description</u>	<u>FY 15-16 Beginning</u>	<u>FY 15-16 Transfers</u>	<u>FY 15-16 Revised</u>	<u>FY 15-16 12 Months</u>	<u>FY 15-16 Updated 06/30</u>
300-401	Operating Reserve	General Operating Reserve	39,410.00	11,319.00	50,729.00	0.00	50,729.00
300-402	Capital Replacement Reserve	Capital Replacement Reserve	7,200.00 *	0.00	7,200.00 *	0.00	7,200.00
300-403	Capital Acquisition Reserve	Capital Acquisition Reserve	24,000.00 *	176,000.00	200,000.00 *	0.00	200,000.00
300-410	Other Unassigned Reserve	Maintenance Truck Reserve	7,200.00	7,800.00	15,000.00	0.00	15,000.00
300-410	Other Unassigned Reserve	Running Springs Skate Park Reserve	14,000.00	(14,000.00)	0.00	0.00	0.00
300-410	Other Unassigned Reserve	New Facility Reserve	10,000.00	(10,000.00)	0.00	0.00	0.00
300-410	Other Unassigned Reserve	RS Hootman Center Parking Lot Reserve	0.00	75,000.00	75,000.00	(75,000.00)	0.00
300-410	Other Unassigned Reserve	Green Valley Lake Playground Reserve	0.00	45,000.00	45,000.00	(45,000.00)	0.00
300-410	Other Unassigned Reserve	ATP Grant Expense Reserve	0.00	0.00	0.00	25,000.00	25,000.00
300-410	Other Unassigned Reserve	Contingency Reserve Carryover	11,319.00 *	(11,319.00)	0.00 *	0.00	0.00
	Total	All reserves	113,129.00	279,800.00	392,929.00	(95,000.00)	297,929.00
		FY 14-15 Fund unaudited gains/losses	191,422.86	0.00	191,422.86	0.00	191,422.86
		FY 14-15 Fund audit adjustments	(2,450.72)	0.00	(2,450.72)	0.00	(2,450.72)
		Fund Balance (FY 15-16 only)	287,697.97	(279,800.00)	7,897.97	130,841.53	138,739.50
		Total Fund Balance	476,670.11	(279,800.00)	196,870.11	130,841.53	327,711.64
		Total Fund Balance and All Reserves	589,799.11	0.00	589,799.11	35,841.53	625,640.64
		* Contingency and Capital Reserves	42,519.00	164,681.00	207,200.00	0.00	207,200.00
		Fund Balance & Other Reserves	547,280.11	(164,681.00)	382,599.11	35,841.53	418,440.64
		Total Fund Balance and Reserves	589,799.11	0.00	589,799.11	35,841.53	625,640.64

# **FY 2016-17 Budget**

**Attachment 2**

**RIM OF THE WORLD RECREATION AND PARK DISTRICT**  
**FINAL FY 2016/17 BUDGET (6/27/16)**

	BUDGET LINE ITEMS	G/L ACCT NUMBER	AUDITED ACTUAL FY 2014/15	FINAL BUDGET FY 2015/16	FINAL BUDGET FY 2016/17	FINAL BUDGET VAR FY 2016/17
	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
Fund Balance/Reserves		300-100	400,827	589,799	630,505	40,706
Revenue						
Special Parcel Tax		500-100	784,182	780,000	780,000	0
Preschool/Childcare Income		500-200	109,010	95,000	86,875	-8,125
Activities Programs - Comm		500-250	0	0	5,000	5,000
Rental Income		500-400	93,865	91,425	109,593	18,168
Recreation Programs - Comm		500-501	79,794	70,000	75,000	5,000
Recreation Programs - Non-Comm		500-502	31,958	34,800	26,000	-8,800
Recreation Programs - Special		500-503	16,676	19,000	17,000	-2,000
Donations & Other Income		500-900	9,346	2,600	2,180	-420
Total Revenue			1,124,831	1,092,825	1,101,648	8,823
Total			1,124,831	1,092,825	1,101,648	8,823
Expense - Service & Supplies						
Advertising - Printing/Publ/Mktg		600-500	5,635	17,000	17,000	0
Bad Debt		600-600	7,828	0	0	0
Bank Charges		600-700	15,385	4,510	3,930	-580
Board Member Expense		600-800	20	300	300	0
Communications		600-900	15,229	10,040	12,876	2,836
Equipment and Supplies		700-300	10,973	12,500	13,000	500
Auto Expense		700-400	9,340	12,000	9,500	-2,500
Professional Services		700-500	33,711	47,805	40,000	-7,805
Program Instructors (1099)		700-601	58,427	49,000	60,000	11,000
Program Expenses - Other		700-603	255	5,400	3,400	-2,000
Recreation Programs Expense		700-650	778	660	900	240
Recreation Non-Commission		800-610	8,512	8,100	8,500	400
Special Programs		700-620	16,247	13,550	18,000	4,450
Special Event Programs		700-630	16,158	20,500	20,000	-500
License Fees		700-800	0	210	242	32
Insurance		700-900	31,133	36,790	38,400	1,610
Activities/Preschool/Childcare Expense		800-100	8,553	8,580	5,460	-3,120
Building Loan Payment		800-300	42,121	48,695	48,720	25
Meals & Entertainment		800-400	909	600	1,000	400
Memberships		800-500	5,860	6,000	6,000	0
Mileage		800-600	1,201	1,500	1,800	300
Miscellaneous Expense		800-450	1,863	2,600	2,060	-540
Rent/Lease of Equipment		800-800	6,895	17,200	8,000	-9,200
Postage		800-900	501	1,000	600	-400
Facilities Rental Charge		900-200	935	4,200	3,800	-400
Facility Repairs & Maintenance		900-300	52,084	41,800	135,800	94,000
Elections		800-700	0	50,000	0	-50,000
Travel		900-600	4,501	5,800	10,000	4,200
Utilities		900-700	46,853	54,845	54,864	19
Equipment Repairs/Maintenance		900-800	8,746	12,325	8,560	-3,765
SB CERA debt payments		800-310	33,460	33,460	33,480	20
Total Service & Supplies			444,113	526,970	566,192	39,222
Compensation & Benefits		600-100	491,746	525,149	525,533	384
Total Expenditures			935,859	1,052,119	1,091,725	39,606
Contingency/Carry forward			188,972	40,706	9,923	-30,783
Total Contingencies and Reserves			188,972	40,706	9,923	-30,783
Total Appropriations			1,124,831	1,092,825	1,101,648	8,823
Net Changes to New General/Other Reserves			0	229,800	0	-229,800
Net Change in Non-Reserve Fund Balance			0	-229,800	0	229,800
Non-Reserve Fund Balance, end of year		300-100	476,670	287,576	297,499	9,923
Total Reserves Balance, end of year		300-410	113,129	342,929	342,929	0
Total Reserves and Fund Balance, end of year		300-400	589,799	630,505	640,428	9,923



RESOLUTION No. 06272016-A

A RESOLUTION OF THE GOVERNING BOARD OF  
THE RIM OF THE WORLD RECREATION AND PARK DISTRICT,  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ADOPTING THE  
FINAL 2016/2017 BUDGET, SPECIAL ASSESSMENT, AND APPROPRIATIONS  
LIMIT FOR SUBMITTAL TO THE COUNTY AUDITOR/CONTROLLER'S OFFICE.

WHEREAS, the Board of Directors of the Rim of the World Recreation & Park District meeting on June 27, 2016, hereby determines that it is in the best interest of the District to adopt the 2016/2017 Final Budget and Special Assessment; and

WHEREAS, the Budget categories are as follows in the amounts reflected; and

Expenditures

Compensation and Benefits	\$ 525,533
Service and Supplies	\$ 566,192
Contingency Reserve	\$ 9,923
Total	\$1,101,648

Revenue

Special Parcel Tax (\$22.00 per parcel)	\$ 780,000
Fees & Charges	
Childcare/Activities Income	\$ 91,875
Rental Income	\$ 109,593
Recreation Programs Commission	\$ 75,000
Recreation Programs Non-Commission	\$ 26,000
Special Events/Other	\$ 19,180

Total \$1,101,648

WHEREAS, the Board of Directors has determined that the 2016/2017 Budget is within the Appropriations Limit and that, due to requirements of the District operations, the Special Assessment shall be \$22.00 per parcel; and

NOW, THEREFORE, the Board of Directors of the Rim of the World Recreation & Park District does hereby submit the 2016/2017 Budget to the San Bernardino County, Auditor/Controller's Office.

PASSED, APPROVED AND ADOPTED this 27th day of June, 2016

Dave Roughton, Chairman of the Board

Attest

  
Lawrence Mainez, Secretary