

SAN BENITO LOCAL AGENCY
FORMATION COMMISSION

COMMISSIONER HANDBOOK

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SAN BENITO LAFCO COMMISSIONER HANDBOOK

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SAN BENITO LAFCO
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COMMISSION ROSTER

CITY MEMBERS

Rick Edge (3/1/16)

Ignacio Velazquez, Chair (3/1/16)

Victor Gomez *Alternate* (3/1/16)

COUNTY MEMBERS

Anthony Botelho (3/1/19)

Margie Barrios, Vice Chair (3/1/19)

Robert Rivas, *Alternate* (3/1/19)

PUBLIC MEMBERS

Richard Bettencourt (3/1/16)

Mark Tognazzini *Alternate* (3/1/16)

STAFF

Executive Officer
Bob Braitman

Legal Counsel
Matt Granger

Commission Clerk
Mary Everett

WHY LAFCO? - HISTORICAL PERSPECTIVE

During the post war 1940s and 1950s, California experienced a tremendous population increase. Attendant to the surge in population was a land speculation-development boom of variety and magnitude never witnessed before in California or anywhere else in the nation. The ranch and orchard lands of the Los Angeles and San Francisco basins were converted into residential tracts literally overnight.

As a result of this era of growth, the traditional purpose and structure of local government in California also underwent significant change. The reasons included (1) the speculative nature of development that precipitated opening low cost, "rural areas" located away from existing urban centers, (2) increased mobility due to wider reliance on automobiles rather than walking or the traditional use of streetcars and (3) developers seeking the most expeditious, economical means of providing basic services and facilities such as water, sewers, roads and fire protection. The answer to these criteria was often the use of special districts.

Prior to this period of time, special districts in California had been agriculturally oriented. During this growth and development era, however, that orientation changed drastically and hundreds of special districts were formed to provide urban types of services in all locales as they became necessary.

As special districts became the local government of suburbia, municipalities suffered. With development moving away, many cities experienced a deteriorating revenue base. Major industry and commerce concerns withdrew and a residue population of lower economic status remained.

To counteract, the cities began grabbing territory they could manage to annex. Because of the restrictive nature of California's annexation statutes, often the territory cities could annex was undeveloped and located beyond developing suburbia. This type of annexation gave further fuel to the development spiral because it led to even further premature, unplanned development, irregular city boundaries and conversion loss of agricultural lands.

During the late 1950s and early 1960s, the results of this era of growth became evident as California's agricultural industry declined and core cities began to seek State assistance in correcting their blighted conditions.

With this testimony, the State became concerned about the misuse of land resources and the resulting growth and complexity of our local government institutions. In 1958, in response to these concerns, newly elected Governor Edmund G. Brown, Sr. appointed a blue-ribbon commission of academics and local and State officials to examine causes and effects of these related happenings and to formulate solutions for restraining and correcting the situation. That commission was complemented by study committees of the State Assembly and Senate.

In 1961, as a result of these studies, the Legislature formed the California Boundary Commission. This Commission was organized at the State level and given review and comment authority only over the boundaries of city annexations and incorporations.

The functioning of this State Commission proved unsatisfactory from the beginning. It was unable to understand and analyze the various and complex local issues that surrounded numerous city annexations, it offered no handle on special districts and its "Review and Comment" was not enough authority to change trends.

In response to the ineffectiveness of the State Boundary Commission, the Assembly Committee on Municipal and County Government continued its study, holding several lengthy hearings during 1961 and 1962. All segments of local government participated in this study and the following principles were developed:

- To preserve the essence of "home rule," the problem had to be dealt with at the local county level;
- Whatever institution was formed had to have decisive, regulatory power in order to realistically have a beneficial effect; and
- Local answers to the problems of urban sprawl and proliferation of local agencies within each county required equal participation by the county and the cities because only then would workable, practical solutions be derived.

These principles became the cornerstone of the Knox-Nisbet Act, which was enacted in 1963 and created a Local Agency Formation Commission (LAFCO) in each county in the State except San Francisco.

The Knox-Nisbet Act adopted in 1963, its successor, the Cortese/Knox Local Government Reorganization Act adopted in 1985, and its successor the Cortese/Knox/Hertzberg Local Government Reorganization Act in 2000 represent a unique California experiment in rationalizing growth and development through local control of the formation, expansion and alteration of agencies within each county.

Shortly after LAFCOs' creation, Governor Brown summarized their potential when he heralded the Commissions as California's "test of the capacity of local government to deal effectively with urban growth."

Adopted _____, 2015

ROLE OF THE LAFCO COMMISSIONER

A Commissioner's role cannot be separated from the role of the Commission itself.

A. Legislative Intent

Enabling statutes set forth statewide purposes and policies for LAFCOs. Government Code Section 56301 states:

Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

With regard to urban development patterns and the preservation of open space lands Government Code Section 56300 states:

It is the intent of the Legislature that each commission . . . shall establish written policies and procedures and exercise its powers pursuant to this part in a manner consistent with those policies and procedures and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space and agricultural lands within those patterns.

The Commission is also subject to CEQA (California Environmental Quality Act) and the Ralph M. Brown Act, the State's open meeting law.

B. Countywide Decision Maker

The members of the Commission, by majority action, establish public policy in the areas of governmental boundaries, urban form, the provision of public services and jurisdictional relationships between local agencies.

This requires each LAFCO Commissioner to weigh evidence and render:

- Policy decisions regarding such matters as urban sprawl, agricultural preservation and orderly governmental boundaries; and
- Technical decisions based upon factors such as the need and adequacy of public services, compatibility of proposals with adopted plans and the effects of alternate actions.

C. Balanced Membership

The Legislature established a balanced membership on LAFCO consisting of City, County and Public members. Some LAFCOs also have special district members

Members are not, however, appointed to be representative of a particular "city", or "county" viewpoint. The mixed membership is to ensure various backgrounds and appreciations are reflected on the Commission.

Government Code Section 56325.1 provides that

While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.

Commissioners should rely upon their expertise and experience while on LAFCO and exercise responsibility through a countywide, LAFCO perspective in making decisions.

D. Independence

LAFCO is established as an independent commission. It is not part of the County government nor are its decisions appealable to the County or to local agencies.

Each Commissioner is independent in weighing and reviewing information and making a determination based upon the particular matter under review and in consideration of LAFCO's underlying purposes.

LAFCO is a quasi-legislative body. It is not necessary for Commissioners to state why they have taken a particular action or for the Commission to make findings to justify or support their actions. Judicial review of LAFCO decisions is limited.

E. LAFCO Operations

The Commission is responsible for establishing policies and objectives and adopting an annual budget which is adequate and appropriate to achieve LAFCO's legal and programmatic responsibilities.

It is the responsibility of Commission to appoint an Executive Officer to fulfill LAFCO's managerial and staff needs and who will ensure required information is presented to support the decisions which are made and who will administer the LAFCO operation efficiently and effectively.

F. Ethics Training

Each member of the Commission, and the Executive Officer, shall comply with the statutory requirement that local agency officials receive at least two hours of training in general ethics principles and ethics laws relevant to his or her public service every two years. Public officials assuming office are to receive required training no later than a year after the first day of service.

County or city members of LAFCO may submit a certificate of compliance that has been submitted to his or her respective public entity.

Adopted _____, 2015

LAFCO MEMBERSHIP

A. Selection of Members

The authority and procedures for selecting LAFCO members are contained in the Cortese/Knox/Hertzberg Act.

1. City Members

The two regular City members and one alternate member must be members of a city council during the time they serve. They are chosen by, and serve at the pleasure of, the City Selection Committee

City Selection Committee meetings are open to the public. The Clerk of the Board of Supervisors serves as the secretary and recording officer.

The Committee consists of each mayor in the County. In the absence of the Mayor another member of that City Council may be appointed to attend and vote in place of the Mayor.

2. County members

The two regular County members and one alternate member must be County Supervisors when they serve. They are appointed by, and serve at the pleasure of the Board.

3. Public members

The regular Public member and alternate member are appointed by, and serve at the pleasure of, the regular City and County members of the Commission.

4. Selection of Public members

Government Code Section 56325 requires that selection of the public member and alternate public member be supported by at least one of the members in each of the other categories, i.e., City and County members.

The method for selecting Public members is determined by the regular City and County members.

B. Alternate Members

1. Alternates assure qualified Commissioners are entitled to vote when regular members are disqualified or absent.

- The alternate City member may vote only in the place of a regular City member.
 - The alternate County member may vote only in the place of a regular County member.
 - The alternate Public member may vote only in the place of the regular Public member.
2. Alternate members participate fully in LAFCO proceedings with the exception they vote only in the absence or disqualification of a regular member.
 3. Alternates are encouraged to attend and participate in LAFCO meetings.

C. Disqualification from Participating

A member who is disqualified is prohibited from voting on the matter or discussing the matter at the Commission meeting as a member of LAFCO

1. Campaign Contributions

LAFCO Commissioners are affected by certain Political Reform Act rules which apply specifically to LAFCOs.

LAFCO members must submit annual conflict of interest disclosure statements with the County Clerk - Elections.

LAFCO members are disqualified and are not able to participate in any proceeding involving an "entitlement for use" if, within the 12 months preceding the LAFCO decision, the Commissioner received \$250 or more in campaign contributions from the applicant, an agent of the applicant or any financially interested person who actively supports or opposes the LAFCO decision on the matter.

2. Disqualification of City Members

The City Selection Committee, when appointing City members to LAFCO, may provide that such members are disqualified from voting on annexations to their own individual cities.

3. Local Disqualification Rules and Regulations

Each LAFCO may adopt local rules and regulations with respect to disqualification of members, provided such rules do not provide for automatic disqualification of City members from participating in matters affecting their own individual agencies.

D. Terms of Office

Members are appointed for four year terms of office, or to complete the four year term of office of a prior Commissioner. Terms of office expire on March 1.

Adopted _____, 2015

LAFCO POWERS AND DUTIES

A. General Provisions

LAFCO enabling statute is the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.). This law establishes the composition, basic purposes and funding of the Commission and sets forth the procedures for boundary changes and out of agency service extensions.

The State's purposes for LAFCO are found in Government Code Section 56301:

Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.

When the formation of a new government entity is proposed, a commission shall make a determination as to whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new single-purpose agency is deemed necessary, the commission shall consider reorganization with other single-purpose agencies that provide related services.

B. Boundary Review and Regulation

A local government boundary change, a "change of organization," is an annexation, detachment, dissolution, merger or other boundary change. A "reorganization" is defined as two or more boundary changes combined in one proceeding.

In regard to regulating boundaries LAFCO's basic authority is to "approve or disapprove, with or without amendment, wholly, partially or conditionally:"

- Annexations of territory to cities and districts.
- Detachments of territory from cities and districts.
- Incorporations, disincorporations and consolidations of cities
- Formations, dissolutions and consolidations of special districts.
- Mergers of cities and special districts.
- The development of unincorporated "new communities"

C. Out-of-Agency Service Extensions

LAFCO regulates more than boundaries. Section 56133 states cities and special districts may provide new or extended services outside of their boundaries only if they first request and receive approval from LAFCO.

D. Spheres of Influence

An essential LAFCO responsibility is to prepare and adopt a sphere of influence for each city and special district. A sphere is defined by Section 56076 as a “plan for the probable physical boundaries and service area of a local agency, as determined by the commission.”

Spheres of Influence affect such matters as urban form, local government structure, the provision of public services, infrastructure and government finances. LAFCO regulatory decisions must be consistent with the adopted spheres of influence.

After five years after a sphere of influence is adopted, the Commission shall, as necessary, review and update the sphere.

When adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any services provided.

E. Municipal Service Reviews

When establishing or updating a sphere of influence, Section 56430 requires LAFCO to prepare a study of government services. These are called Municipal Service Reviews. In adopting a MSR LAFCO is required to make a number of specific written determinations

F. Initiation of Special District Reorganizations

Rather than wait for a proposal to be submitted, LAFCO may initiate proposals for consolidations, dissolutions, mergers and establishment of subsidiary districts, or a reorganization that includes any of these changes, provided the proposal is consistent with a recommendation or conclusion of a study prepared by the Commission.

G. Miscellaneous Other Powers

Other LAFCO powers and duties are to:

- Adopt standards and procedures for the evaluation of proposals and plans of reorganization.
- Make and enforce rules and regulations for the orderly and fair conduct of hearings.

- Appoint and assign staff personnel and employ or contract for professional or consulting services to carry out and give effect to the functions of the Commission.

H. Environmental Policies and Procedures

LAFCOs are public agencies subject to the California Environmental Quality Act (Public Resources Code 21000 et seq.). This statute contains environmental policies, requires environmental review and reporting procedures and provides opportunities for public participation in the decision-making process.

I. Factors That Must Be Considered

LAFCO is a quasi-legislative body. Specific criteria upon which it must evaluate and approve or deny proposals are not specified in the law. Rather, the Commission is guided by its broad statutory purposes, locally adopted policies and CEQA.

The Cortese/Knox/Hertzberg Local Government Reorganization Act lists specific factors that must be considered by the Commission in reaching its determinations. These are listed as an appendix to this section of this Handbook. LAFCO staff reports are designed to provide information relevant to these factors.

J. LAFCO Imposed Conditions

LAFCO has the authority to attach binding conditions to its approval of boundary changes. As examples, LAFCO can:

- Amend boundaries by adding or deleting territory. Once approved by LAFCO, no changes can be made in a proposal's boundaries without LAFCO's approval.
- Approve one proposal subject to initiation, conduct or completion of proceedings of another proposal. (i.e., an annexation to a city can be made subject to the concurrent annexation or detachment of the territory to or from other agencies.)
- Require the approval of bonds or other long-term indebtedness or the formation of assessment or improvement districts to finance capital facilities.
- Impose conditions relative to the distribution of assets, financial contracts or obligations among affected agencies.
- Designate the successor agency when an agency is being dissolved or consolidated.

Adopted _____, 2015

LAFCO RULES AND PROCEDURES

A. Authority

These rules are adopted pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act (Government Code Section 56000 et seq.) and apply to San Benito LAFCO and all proceedings conducted by that Commission.

B. Officers

Selection of Officers -- The members of the Commission shall elect a Chair and Vice-Chair at the first meeting of the calendar year. The Chair and Vice Chair shall serve for one-year terms. The positions of Chair and Vice-Chair shall be rotated among the members unless a Commissioner declines a nomination.

Chair -- The Chair shall preside at all meetings of the Commission and shall conduct the business of the Commission in the manner prescribed by State law and by these rules. The Chair shall preserve order and decorum and decide all questions of order, subject to the action of a majority of the Commission.

Vice Chair -- In the event that the Chair is absent or for any reason unable to act, the Vice Chair shall act as and exercise all the powers and duties of the Chair.

Chair Pro Tem -- In the event both the Chair and Vice Chair are absent or for any reason unable to act, members of the Commission present shall select one of the members to act as Chair Pro Tem, said selection to be entered into the minutes.

The Chair Pro Tem shall have all of the powers and duties of the Chair while the Chair and Vice Chair are absent or for any reason unable to act.

C. Dates and Locations of Meetings

Regular meetings of the Commission shall be held the fourth Thursday of each month except June, November and December.

Regular meetings are held in the Board of Supervisors Chambers, 481 Fourth Street in Hollister and commence at 6:00 pm.

Meetings can be cancelled by the Chair and special meetings can be called as necessary.

Special Meetings -- Special meetings may be called by the Chair or a majority of the members of the Commission in a manner provided by State law. The notice shall be provided 24 hours in advance of the meeting to all of the Commission members, to all media outlets who have requested notification and shall be posted.

The order calling the special meeting shall specify the time and place of the meeting and the business to be transacted at such meeting and no other business shall be considered. The notice of the special meeting given by the Executive Officer shall specify whether the meeting is being called by either the Chair or a majority of the members of the Commission.

D. Conduct of Meetings

Order of Business - The business of each regular meeting of the Commission shall be transacted to the extent practicable in the following order:

1. Call to order and roll call.
2. Recitation of Pledge of Allegiance
3. Public comment period for items not on the agenda
4. Approval of minutes of previous meeting or meetings.
5. Proposed Out-Of-Agency Service Agreements
6. Proposed boundary change proposals
7. Business items
8. Commissioner Announcements and Requests for Future Agenda Items
9. Informational items
10. Staff announcements
11. Adjournment

Quorum - Three members of the Commission constitute a quorum and no act of the Commission shall be valid or binding unless at least three members concur.

Roll Call Voting

1. The roll need not be called in voting upon a motion except when requested by a member of the Commission.
2. If the roll is not called, and if there is no objection, the Chair may order the motion unanimously approved.
3. When the roll is called on any motion, any member present who does not vote in an audible voice shall be recorded as "aye."
4. Each roll call shall be in alphabetical order, except that the Chair shall be called last.

Review of Record

1. A member shall not participate in a final vote on a matter on which a hearing has been held at which such member was not in attendance, until that member has familiarized himself with the substance of such hearing.
2. This may be done by reviewing the written material presented at the hearing and by listening to the recording of such hearing or reading a transcript of the proceeding if one has been prepared.
3. In cases where the Minutes purport to report the hearing in detail the member may review such Minutes in lieu of reviewing the recording or transcript.

E. Public Comment

1. At each regular and special meeting the Commission shall allow any member of the public to address the Commission on a matter within its jurisdiction.
2. The Chair may establish reasonable regulations including, but not limited to, limiting the amount of time allocated for public testimony on particular issues and for each speaker.
3. If determined by the Chair, any person wishing to address the Commission must complete and submit a "Request to Speak" form prior to the time that the Public Comment period commences; the form shall identify the subject the speaker wishes to address.

The Chair may refer matters raised during the "Public Comment" period to the appropriate staff.

4. A speaker shall not be heard during the "Public Comment" portion of the meeting on a matter listed on the Agenda. Comments on Agenda items are appropriate when the item is being considered by the Commission.
5. The Commission shall only act on items appearing on the Agenda unless the action is authorized by a 72 hour notice pursuant to Section 54954.2.

F. Conducting Authority Proceedings

1. The Commission delegates to the Executive Officer the responsibility to conduct protest hearings as provided for in Section §57000 (c) and to order a change of organization or reorganization that complies with Government Code Section 57075 (a)(3) or 57075(b)(2).

2. The purpose is to increase scheduling flexibility, to avoid extending Commission meetings to conduct non-discretionary procedures and to expedite the boundary change process.
3. The staff will comply with statutory requirements respecting noticing, scheduling and conducting protest hearings.
4. At the conclusion of the hearing the Executive Officer shall determine the value of written protests filed and not withdrawn.
5. Within thirty (30) days of the hearing the Executive Officer, based on the value of protests filed, either order the change, terminate the proposal or request the County or city to call and conduct a confirmation election.
6. After taking such action the Executive Officer shall report the action taken to the Commission at its next regularly scheduled meeting.

G. Amendment

These Rules and Procedures may be amended at a regular or special meeting on the Commission by a four-fifths vote of the members.

Adopted _____, 2015

LAFCO CONFLICT OF INTEREST CODE

- A. The Political Reform Act, Government Code Sections 81,000 et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes.
- B. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices to conform to amendments to the Political Reform Act after public notice and hearing.
- C. The provisions Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference, and along with the following list of designated officials and staff and list of disclosure categories constitute the Conflict of Interest Code of the San Benito LAFCO.
- D. Pursuant to Section 4 of the standard Code, designated officers and staff shall file statements of economic interest with the Executive Officer. Upon receipt of the statements filed, a copy shall be retained and the original shall be forwarded to the Elections Division of the San Benito County Clerk-Recorder.

E. Designated positions

Persons occupying the following positions are designated employees and must disclose financial interests in those categories described in the list of categories of disclosure that are listed opposite their respective designated positions.

Designated Positions

Disclosure Categories

Commissioners and Alternate Commissioners	1,2,3,4
Executive Officer	1,2,3,4
Legal Counsel	1,2,3,4

F. Disclosure Categories

Officers and employees shall report investments, interest in real property, income, and any business entity in which the person is an owner, director, officer, partner, trustee, employee, or holds any position of management which is materially affected by any decision made or participated in by an officer or employee by virtue of his or her position with the Commission.

Category 1

Interests in real property that is located in whole or in part within the jurisdiction of San Benito County, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is \$1,000 or more.

Category 2

Business positions or investments in or income from persons or business entities engaged in the appraisal, acquisition, or disposal of real property within the jurisdiction of the Commission.

Category 3

Business positions or investments in business entities and income from any source or sources of income, if the business entities or the source of sources of income are of the type which, within the previous two years, have provided or contracted to provide, or in the future with reasonable foreseeability might provide or contract to provide services, supplies, materials, machinery or equipment to or for the use of the Commission.

Category 4

Business positions or investments in business entities and income from any source or sources of income, if the business entities or source or sources of income are of the type which are subject to the regulation or supervision of the Commission and the designated officer or employee's duties involve the supervision or regulation (including, but not limited to, the issuance or granting or franchise, building permits or other use or business permits or any other land use control or regulation) of that type of business entity or source of income.

Adopted _____, 2015

LAFCO BUDGET AND FINANCIAL PROCEDURES

A. Authority to Develop and Adopt the Budget

The Cortese/Knox/Hertzberg Local Government Reorganization Act creates the funding relationship between the County, cities, and LAFCO.

Section 56380 states:

The commission shall make its own provision for necessary quarters, equipment, and supplies as well as personnel. The commission may choose to contract with any public agency or private party for personnel and facilities.

Section 56381(a) states:

The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15.

At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter.

The commission shall transmit its proposed and final budgets to the board of supervisors, to each city, and to each independent special district.

Section 56381(b) states:

After public hearings, consideration of comments, and adoption of a final budget by the commission pursuant to subdivision (a), the auditor shall apportion the net operating expenses of a commission in the following manner:

(2) In counties in which there is no independent special district representation on the commission, the county and its cities shall each provide a one-half share of the commission's operational costs.

The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations.

B. LAFCO as a Separate Fund

For administrative purposes the LAFCO budget is a separate fund within the County's financial accounting system. At the end of the fiscal year unspent appropriations are retained in the fund as available financing for the next year.

C. Processing Fee Schedule

The San Benito LAFCO fee schedule is routinely reviewed in conjunction with adoption of the annual budget.

Section 56383 (a) and (b) state the Commission may establish a schedule of fees and service charges for proceedings including, but not limited to the following:

- (1) Filing and processing applications filed with the commission.
- (2) Proceedings undertaken by any reorganization committee.
- (3) Amending a sphere of influence.
- (4) Reconsidering a resolution making determinations.

The fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged and shall be imposed pursuant to Section 66016.

Section 66016 requires that prior to levying a fee or service charge or increasing the amount of such revenues, the change must be considered as part of a regularly scheduled public meeting for which proper notice has been given.

D. Financial Status Reports

The budget adopted by LAFCO is an estimate of expenditures and revenues. The staff keeps the Commission informed of aspects of the financial program that deserve review and adjustment through periodic financial status reports.

F. Reimbursement of Commissioner Expenses

Commission members and alternates may claim reimbursement for reasonable and necessary expenses incurred in performing the duties of their office.

G. Reimbursement of LAFCO Staff Expenses

The Executive Officer is reimbursed for all reasonable and necessary expenses in connection with the conduct of LAFCO business including but not limited to office expenses, training, travel, lodging, meals, gratuities and other related costs.

The Chair, Vice Chair, or other Commissioners authorized to sign claim forms with the County Auditor Controller are responsible for reviewing and approving requests for Executive Officer reimbursement.

H. Reimbursement of Legal Counsel Expenses

The Legal Counsel is reimbursed for all reasonable and necessary expenses in connection with the conduct of LAFCO business including but not limited to office expenses, training, travel, lodging, meals, gratuities and other related costs.

The Executive Officer is authorized to review and approve Legal Counsel requests for reimbursement.

I Recognition by the Commission

Nominal amounts may be expended for the purchase of plaques or certificates of appreciation for those to whom such expressions are deemed to be appropriate by the Commission.

K. Investment Policy

It is the policy of the San Benito LAFCO to keep its funds in the County Treasury as the basis to implement a prudent, conservative investment program.

Adopted _____, 2015

LAFCO STAFFING

A. Executive Officer Responsibilities

The Cortese/Knox/Hertzberg Local Government Reorganization Act sets forth statutory responsibilities for the Executive Officer including the following:

- Conduct and perform the day-to-day business of the Commission.
- Review each application which is filed and prepare a report, including recommendations thereon, and
- Prepare impartial analyses of ballot propositions for approval by the Commission when required.

There are numerous statutory obligations for performance by the Executive Officer in serving as Commission staff which include implement of Commission policies and directives, manage the LAFCO office, recommend and administer the budget, represent the Commission at meetings, et cetera.

B. Executive Officer Appointment

Section 56384 (a) states:

The commission shall appoint an executive officer who shall conduct and perform the day-to-day business of the commission.

If the executive officer is subject to a conflict of interest on a matter before the commission, the commission shall appoint an alternate executive officer.

The current staffing contract with Bob Braitman for Executive Officer and staff support services states:

LAFCO desires to retain Consultant as its Executive Officer until a successor is selected and assumes the duties of Executive Officer.

Consultant shall perform all Executive Officer duties as specified in the Cortese-Knox/Hertzberg Local Government Reorganization Act of 2000, other applicable statutes and as directed by the Commission.

Consultant shall also provide Commission support services including clerking meetings, processing applications received and maintaining Commissioner records.

Consultant shall provide information to members of the public regarding LAFCO statutes, policies and concepts of orderly governmental boundaries.

Appointing a future Executive Officer may require different compensation and support staff arrangements.

The manner of recruiting and appointing the Executive Officer is a matter of Commission discretion. The position serves at the pleasure of the Commission who may choose an Executive Officer whenever a vacancy occurs or at any time the services of the incumbent are not deemed satisfactory.

C. Legal Counsel Services

Section 56384 (b) states:

The commission shall appoint legal counsel to advise it. If the commission's counsel is subject to a conflict of interest on a matter before the commission, the commission shall appoint alternate legal counsel to advise it.

The San Benito County Counsel provides legal advice and support to LAFCO. If a conflict of interest occurs between LAFCO and the County, the Commission can obtain outside counsel.

D. County Obligation to Review Maps and Legal Descriptions

The Cortese/Knox/Hertzberg Act directs the County Surveyor (or other County officer or employee as the Board of Supervisors may designate), to examine and report on the boundaries of applications submitted to LAFCO, on request by the Commission or the Executive Officer.

Sections 56386 (b) and 56375 (l) state:

Upon request by the commission or the executive officer, the county surveyor, or any other county officer . . . as the board of supervisors may designate, shall examine and report to the commission or the executive officer upon any application or other document involving . . . the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

E. Other appropriate staff

Section 56386(c) states “The commission may appoint staff as it deems appropriate. If staff for the commission is subject to a conflict of interest on a matter before the commission, the commission shall appoint alternate staff to assist it.

Adopted _____, 2015.

CALIFORNIA ASSOCIATION OF LAFCOS (CALAFCO)

A. General Provisions

The California Association of LAFCOs, or CALAFCO, was formed in 1971 as a voluntary association. It provides a means of sharing information, coordinating LAFCO activities and representing LAFCO interests before the Legislature.

Commissioners and staff are encouraged to participate in CALAFCO activities depending upon their interests to ensure closer coordination and information exchange with the statewide association.

B. CALAFCO Board of Directors, Staff and Dues

The Association consists of four regions: Central, Coastal, Northern and Southern. It is governed by a Board composed of 16 LAFCO Commissioners – one City member, one County member, one Public members and one Special District member from each of the four regions.

A CALAFCO Executive Director manages Association affairs with assistance from Commissioner and staff volunteers from individual LAFCOs.

Annual membership dues are specified in the Association Bylaws according to CSAC's classification system for Rural, Suburban and Urban counties.

C. CALAFCO Newsletter “The Sphere”

The Association’s quarterly newsletter details matters of interest to LAFCOs including significant legislative changes, litigation and activities in individual LAFCOs. Copies are distributed to all members of the Commission. CALAFCO is interested in knowing what subjects would be of interest for future articles.

D. Conferences and Workshops

The CALAFCO Annual Conference is held in locations alternating between northern and southern California with discussions, presentations and informal activities of interest to Commissioners and staff. An annual Staff Workshop also is held, as are special issue workshops and other classes and seminars as needed.

E. Annual Business Meeting

The annual business meeting is held in conjunction with the Annual Conference. Each LAFCO in good standing has one vote when members of the Board are selected and other items of Association business decided.

Adopted _____, 2015

Roster of Cities and Special Districts in San Benito County

City of Hollister

City of San Juan Bautista

Aromas Tri-County Fire Protection District

Located in San Benito, Monterey, Santa Cruz Counties

San Benito Resource Conservation District

Aromas Water District

Located in San Benito and Monterey counties

Pacheco Pass Water District

Located in San Benito and Santa Clara counties

San Benito County Water District

San Benito Healthcare District

San Juan Bautista Cemetery District

Sunnyslope County Water District

Tres Pinos County Water District

County Service Areas – See following list

County Service Area No. 4 – Santa Rosa Acres

County Service Area No. 5 – Hillcrest-El Toro

County Service Area No. 8 – Bonnie View

County Service Area No. 9 – Ridgemark

County Service Area No. 11 – Barnes Lane

County Service Area No. 16 – Holiday Ranch/Santa Ana Estates

County Service Area No. 19 – Springwood Estates

County Service Area No. 21 – Long Acres

County Service Area No. 22 – Cielo Vista

County Service Area No. 23 – Rancho San Joaquin/Tevis Trails

County Service Area No. 24 – Santa Ana Acres

County Service Area No. 25 – Vineyard Estates

County Service Area No. 28 – Heatherwood

County Service Area No. 29 – Brown Magladry

County Service Area No. 30 – McCloskey Estates
County Service Area No. 31 – Stonegate
County Service Area No. 33 – Torrano
County Service Area No. 34 – Ausaymas Estates
County Service Area No. 35 – Union Heights
County Service Area No. 38 – Ashford Heights
County Service Area No. 42 – Lemmon Acres
County Service Area No. 45 – Rancho Larios
County Service Area No. 46 – Quail Hollow
County Service Area No. 47 – Oak Creek
County Service Area No. 48 – Dry Creek
County Service Area No. 49 – Hollister Ranch Estates
County Service Area No. 50 – Dunneville Estates
County Service Area No. 51 – Comstock Estates
County Service Area No. 53 – Riverview Estates
County Service Area No. 54 – Pacheco Creek Estates
County Service Area No. 55 – Creekside 5

We understand the following County Service Areas exist but are “inactive.”

County Service Area No. 6 – Woodside
County Service Area No. 10 – La Colina de Pinos (Armonas)
County Service Area No. 12 – Rosa Morada Estates
County Service Area No. 15 – Hidden Valley Ranch
County Service Area No. 43 – Ours Together, Inc.
County Service Area No. 44 – Silveira
County Service Area No. 52 – Montebello (Perkins Ranch)

AMENDING THE COMMISSIONER HANDBOOK

The Commissioner Handbook is a guide. The Commission may, by majority vote, modify procedures set forth in the Handbook when the situation warrants provided the change is not in conflict with statutes governing LAFCO activities.

All amendments to the Commissioner Handbook must be approved by the Commission, except as set forth in Executive Officer-approved changes section below.

Amendments may be approved at any regular or special meeting of the Commission by a majority vote of the members.

The Executive Officer is authorized to amend the following sections of the Handbook without Commission approval of each change:

Section 1 Commission Roster

Section 15 Roster of Cities and Special Districts

Adopted _____, 2015