



PROCEEDINGS OF THE  
LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY

Wednesday, May 6, 2020  
9:00 a.m.

Zoom: <https://us02web.zoom.us/j/89314386860>  
Teleconference: 1-877-853-5257

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The May 6, 2020 Santa Cruz LAFCO meeting is called to order by declaration of Chairperson Roger Anderson.

**EXECUTIVE OFFICER'S MESSAGE**

Mr. Serrano reports that staff has developed new guidelines using an online platform known as Zoom to make it easier to continue LAFCO business. Webcams have been disabled to prevent any distractions or disruptive images. This meeting will be similar to a webinar allowing participants to see and hear staff's presentations. Unlike webinars, the Commission and the public will have an opportunity to discuss each agenda item.

All microphones have been automatically muted to prevent any background noises or unintended comments. Microphones for the Chair, Legal Counsel, the Clerk and the Executive Officer will remain unmuted throughout the meeting to maintain order and structure.

During each agenda item's discussion period, each Commissioner's microphone will be unmuted. Commissioners can use the "raise hand" button in the participant list if they have a question or a comment. Confirmation from the Chair before speaking will also help from talking over one another.

Action for each motion will require a roll call vote administered by the Clerk. After Commission discussion, motion and action, the Commission's microphones will be muted again.

Any member of the public can address the Commission by submitting comments via email and the Clerk will read their comments, they can provide comments in person in the Board Chambers, or the public can address the Commission on Zoom. The last method is only available for individuals who requested to speak on Zoom prior to the start of the meeting.

**ROLL CALL**

Present and Voting:	Commissioners Banks, Cummings, Estrada, Friend, Lather, Leopold, and Chairperson Roger Anderson
Absent:	J. Anderson
Alternates Present:	Brooks, Hunt
Alternates Absent:	Coonerty
Staff:	Joe A. Serrano, Executive Officer Daniel H. Zazueta, LAFCO Counsel Debra Means, Secretary-Clerk

## MINUTES

### MOTION

Motion: Cummings Second: Lather	To approve March 4 <sup>th</sup> minutes. Motion carries with a unanimous voice vote.
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### ORAL COMMUNICATIONS

Mr. Serrano says that he just received an email from Becky Steinbruner who is trying to join the meeting but she is having some technical issues. Staff has reached out to her to assist in connecting to the online LAFCO meeting.

### PUBLIC HEARINGS

#### CONFLICT OF INTEREST POLICY, DISCLOSURE LAWS POLICY, PUBLIC MEMBER SELECTION POLICY AND SPECIAL DISTRICT SELECTION POLICY – PROPOSED UPDATES

Mr. Serrano reports that this Commission is continuing its effort to review all existing policies within the year. The first two policies focus on disclosing any conflicts of interest involving LAFCO actions. The current Conflict of Interest Policy is a resolution and does not provide any guidance on what to do if there is a conflict. Staff proposes policy changes that identify steps the Commission can take to determine if there is a conflict and what to do. The Disclosure Policy does offer useful information but needs formatting improvements.

The third and fourth policies focus on the selection process for the public and special district representatives. Staff identified the need to improve the format in order to be consistent with the other recently adopted policies.

Commissioner Leopold appreciates the policy updates.

### MOTION AND ACTION

Motion: Leopold Second: Banks	To adopt the draft Resolutions approving the amendments to the four policies, as recommended by staff. Motion passes with a unanimous voice vote.
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### DRAFT BUDGET FOR FISCAL YEAR 2020-21

Mr. Serrano reports that due to the pandemic, LAFCO's April meeting was cancelled. A notice for the May meeting was republished to reflect the consideration of the draft budget. In light of the fiscal constraints that local agencies are facing, staff wants to be mindful of the funding agencies. By reducing costs and freezing expenses where possible, the draft budget is slightly lower than the current budget. The apportionment amount stays at \$339,000 so there is no change from last year. LAFCO has enough reserves to help balance the proposed budget due to the Commission's conservative budgeting practices.

Commissioner Cummings is concerned about the pandemic. It is unclear how much revenue will be raised. He asks how LAFCO will be adjusting if the agencies experience substantial shortfalls without much support from State and Federal governments.

Mr. Serrano realizes that local agencies are and will be facing financial hardships in the foreseeable future. That is why LAFCO's budget should be kept as lean as possible without any increase or unnecessary expenses. Apportionments should be frozen and the reserves should be used as much as possible.

One of his goals is for LAFCO to be a resource to the local agencies by reaching out to see if there is anything LAFCO can do to assist.

Commissioner Cummings wants to make sure these funds are secured.

Commissioner Leopold appreciates that staff has tried to limit expenses. LAFCO does not have a very robust budget. The action to put a cap on salaries and reduce as much as possible on any other item is a step in the right direction. By the June meeting, there may be a better idea what is going on with individual jurisdictions. It is important to look at the apportionments by district, city and county.

Chairperson Roger Anderson supports the proposed budget and it can be modified later if necessary. He recalls public agency furloughs were at about 10% ten years ago.

#### MOTION AND ACTION

Motion: Leopold Second: Cummings	To adopt the proposed budget and direct the Executive Officer to distribute the draft budget to the funding agencies for their review and comments. The final budget and any agency comments will be presented at the June 3 <sup>rd</sup> meeting.  Motion passes with a unanimous voice vote.
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#### OTHER BUSINESS

##### PUBLIC MEMBER SELECTION

\* Chairperson Roger Anderson steps down as Chair because he is the Public Member incumbent and Vice Chair Cummings takes over.

Mr. Serrano sent Becky Steinbruner an email with steps to connect to this meeting. She is one of the candidates for the Public Member seat.

The terms for the Regular and Alternate Public Member seats expire in May. Staff solicited for potential candidates and received three applications. All three candidates had three minutes to share why they want to be on LAFCO.

Commissioner Leopold acknowledges all three candidates for their presentations and their interest in LAFCO.

Vice Chair Cummings thanks all three candidates for applying.



## MOTION AND ACTION

Motion: Leopold Second: Friend	To appoint Roger Anderson as the Regular Public Member and John Hunt as the Alternate with their terms ending May 2024. Motion passes with a unanimous voice vote.
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## COMPREHENSIVE QUARTERLY REPORT – THIRD QUARTER (FY 2019-20)

Mr. Serrano reports that one of the active proposals is a fire district consolidation. It is unclear when this application will move forward since both Central and Aptos / La Selva Fire Districts are now facing the pandemic as first responders. There have been discussions with both fire chiefs and there are still some items pending. There is an issue with the existing pension obligations, but staff has a conference call scheduled with CalPERS representatives to clarify their role in the consolidation. Hopefully, this proposal can be presented to the Commission later this year.

CSA 9's service review was originally scheduled for this meeting but it has been moved to August to ensure that Public Works has time to review and provide comments to that report. The Pajaro Valley Public Cemetery's review will be presented in September, the Resource Conservation District's review will be in October, and the San Lorenzo Valley Water District's review will be presented in November.

LAFCO received approximately \$14,000 which is primarily the filing fee for the Pasatiempo Annexation to CSA 10. LAFCO has exceeded the projected revenue amount for the year. Expenses in the third quarter were just under \$100,000. LAFCO has incurred about 44% of total expenditures. Staff anticipates ending the fiscal year with a surplus and those funds will be used to balance the upcoming budget.

Commissioner Banks discloses that Aptos / La Selva Fire Protection District is a client of his so he will not participate in any discussion or action involving them.

Commissioner Leopold would like to review any applications that have not been moving forward and have staff make recommendations whether they are expired.

Mr. Serrano likes to keep the Commission aware of all active proposals but it is worth including any inactive applications that are still technically open. If an application is inactive for a year, it is deemed terminated under LAFCO law. He can inform the Commission of any inactive applications at an upcoming regular meeting.

## MOTION AND ACTION

Motion: Leopold Second: Cummings	To accept this report. Motion passes with a unanimous voice vote.
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## UCSC LONG RANGE DEVELOPMENT PLAN – NOTICE OF PREPARATION

Mr. Serrano reports that the University is currently working on their Long Range Development Plan (LRDP) which includes housing development within their campus. The deadline to submit comments on their Notice of Preparation was in early April.

LAFCO staff submitted a comment letter before the deadline. It appears that some of the proposed development will be outside the City of Santa Cruz and the County's Urban Services Line. If these areas are developed, LAFCO would have a role in the delivery of municipal services. In the letter, staff encouraged the University to address LAFCO's role as part of their Environmental Impact Report (EIR).

It is unclear how the ongoing pandemic has affected their environmental review process but staff will continue to monitor any activity and keep the Commission informed.

He thanks Commissioners John Leopold, Jim Anderson and Chairperson Roger Anderson for their input in the preparation of the comment letter and map.

Commissioner Cummings had a recent meeting with the Chancellor and it sounds like UCSC is still moving ahead with their environmental review process as proposed.

Chairperson Roger Anderson asks when the draft EIR will be published.

Mr. Serrano is not aware of the exact publishing date.

Chairperson Roger Anderson says that during this crisis, the University and numerous other agencies are experiencing many unknowns regarding their budgets. The State's budget should be announced next week but it may be significantly revised and that could affect what the University will do. It is also unknown whether classes will start again in the fall. If classes do not start, it will seriously affect Santa Cruz' housing market and the University's ability to pay debt service on their beds.

## LEGISLATIVE UPDATE

Mr. Serrano reports that the legislature may reconvene next week. Any legislative actions will only be focused on their budget and any COVID-19 related business. All other non-essential bills will be delayed or on hold, including CALAFCO's effort to provide grant funding to LAFCOs.

## COMMISSIONERS' BUSINESS

Commissioner Leopold asks if CALAFCO will be holding their Conference in October.

Mr. Serrano replies that Pamela Miller, the Executive Director, has been holding weekly conference calls with LAFCO Executive Officers. She is hoping to hold an Annual Conference this year but the structure of the conference will be different.

He asks the Commission for any feedback or comments about how this meeting was held remotely.



Commissioner Cummings says the City of Santa Cruz split the participants and the attendees into a webinar setting. Having the video cam on was preferable for some to see the Council members. He is available to provide some further guidance about holding future public meetings.

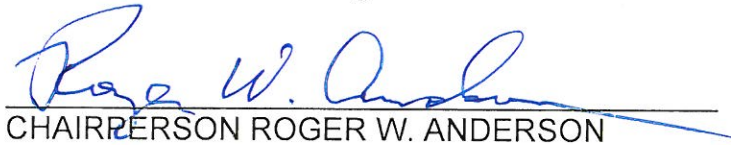
He thought this meeting went well for the first remotely held Zoom meeting.

Commissioner Leopold also thought this meeting worked well.

Chairperson Roger Anderson would like to have the video feature on for these meetings.

## ADJOURNMENT

The next LAFCO meeting is scheduled for 9:00 a.m. Wednesday, June 3, 2020.

  
CHAIRPERSON ROGER W. ANDERSON

Attest:

  
Joe A. Serrano, Executive Officer