



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

ADOPTED MINUTES

LAFCO REGULAR MEETING AGENDA

Wednesday, April 3, 2024

Start Time - 9:00 a.m.

1. ROLL CALL

Chair John Hunt called the meeting of the Local Agency Formation Commission of Santa Cruz County (LAFCO) to order at 9:00 a.m. and welcomed everyone in attendance. He asked the staff to conduct a roll call.

The following Commissioners were present:

- Commissioner Jim Anderson
- Commissioner Justin Cummings
- Commissioner Manu Koenig (*Vice-Chair*)
- Commissioner Rachél Lather
- Commissioner Eduardo Montesino
- Commissioner Allan Timms
- Alternate Commissioner John Hunt (*Chair*)

Alternate Commissioner John Hunt will be a voting member on behalf of Commissioner Roger Anderson (Public Member). Commissioner Eduardo Montesino announced he was attending the meeting virtually pursuant Assembly Bill 2449.

The following LAFCO staff members were present:

- LAFCO Analyst, Francisco Estrada
- Legal Counsel, Joshua Nelson
- Executive Officer, Joe Serrano

2. EXECUTIVE OFFICER'S MESSAGE

2a. Virtual Meeting Process

Executive Officer Joe Serrano had one announcement to make to the Commission. Mr. Serrano indicated that the meeting was being conducted through a hybrid approach with Commissioners and staff attending in-person while members of the public have the option to attend virtually or in-person.

3. ADOPTION OF MINUTES

Chair John Hunt requested public comments on the draft minutes. **Executive Officer Joe Serrano** noted no public comment on the item. **Chair John Hunt** closed public comments.

Chair John Hunt called for a motion. **Commissioner Jim Anderson** motioned for approval of the March 6th Meeting Minutes and **Commissioner Manu Koenig** seconded the motion.

Chair John Hunt called for a roll call vote on the approval of the draft minutes.

MOTION: Jim Anderson

SECOND: Manu Koenig

FOR: Jim Anderson, Justin Cummings, Rachél Lather, Eduardo Montesino, Allan Timms, Manu Koenig, and John Hunt.

AGAINST: None

ABSTAIN: None

MOTION PASSES: 7-0

4. ORAL COMMUNICATIONS

Chair John Hunt requested public comments on any non-agenda items. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission on the item.

Chair John Hunt closed public comments and moved on to the next agenda item.

5. PUBLIC HEARINGS

Chair John Hunt indicated that there were two public hearing items for Commission consideration today.

5a. "Service & Sphere Review for County Service Area 3"

Chair John Hunt requested staff to provide a presentation on the service and sphere of influence review for County Service Area 3 (CSA 3).

Executive Officer Joe Serrano informed the Commission that CSA 3 provides five types of services to 24,000 residents living on 1,700 parcels (530 acres) within the unincorporated area of Seascape (Aptos). A sixth service was approved in 2006 but was never activated. Mr. Serrano stated that CSA 3 remains financially stable only because the County has selected to reduce the level of service due to an assessment that has not been updated in almost 30 years. Mr. Serrano also noted that the County should consider adding more information on their website regarding the activities of CSA 3 as it would significantly benefit its constituents. Finally, Mr. Serrano determined that after 40 years of inactivity, the sphere boundary for CSA 3 should be amended and reduced to be coterminous with its jurisdictional boundary. Mr. Serrano recommended the Commission adopt the draft resolution approving the 2024 Service and Sphere of Influence Review for CSA 3 with its identified conditions.

Chair John Hunt requested public comments on the item. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission on the item. **Chair John Hunt** closed public comments.

Chair John Hunt requested comments or clarifying questions from the Commission. **Commissioner Rachél Lather** inquired about outreach efforts to residents when conducting benefit assessments. **Executive Officer Joe Serrano** indicated that staff is not aware of prior outreach efforts during assessment elections but noted that the County and CSA 3 liaisons have met during past processes to plan and coordinate.

Commissioner Manu Koenig had a clarifying question regarding the website transparency benchmarks. **Executive Officer Joe Serrano** provided an overview on the importance of maintaining a robust and transparent website for public agencies including CSAs. Mr. Koenig had a follow-up question regarding assessing the efficiency and delivery of services to the residents of CSA 3. Mr. Serrano explained that the intent of the service and sphere reviews is to provide a high-level analysis for each public agency in the county under LAFCO's purview, but future reports can include additional information requested by the Commission.

Chair John Hunt had a clarifying question about the sphere boundary. **Executive Officer Joe Serrano** stated that approval of recommended actions would amend the sphere boundary but added that future Commissions can act to amend the sphere if needed.

Commissioner Rachél Lather motioned for approval of staff recommendation and **Commissioner Justin Cummings** seconded the motion.

Chair John Hunt called for a roll call vote on the motion based on the staff's recommendation: **Adopt the draft resolution (No. 2024-08) approving the 2024 Service and Sphere of Influence Review for CSA 3 with the following conditions: (A) Amend CS3's sphere of influence to coincide with its current jurisdictional boundary; (B) Determine that the "open space maintenance service," initially approved on December 6, 2006, was never implemented before LAFCO's two-year deadline of December 6, 2008 and therefore not an official service under CSA 3; and; (C) Direct the Executive Officer to distribute a copy of the adopted service and sphere review to CSA 3 representatives and any other interested or affected parties, including but not limited to the County of Santa Cruz.**

MOTION: Rachél Lather
SECOND: Justin Cummings
FOR: Jim Anderson, Justin Cummings, Rachél Lather, Eduardo Montesino, Allan Timms, Manu Koenig, and John Hunt.
AGAINST: None
ABSTAIN: None

MOTION PASSES: 7-0

5b. “Draft Budget for Fiscal Year 2024-25”

Chair John Hunt requested staff to provide a presentation on the proposed budget for the upcoming fiscal year.

Executive Officer Joe Serrano informed the Commission that the proposed budget was balanced without having to raise the allocation amount for funding agencies for a third consecutive fiscal year. Additionally, Mr. Serrano highlighted that: (1) total expenditure was reduced for the upcoming year; (2) information regarding the recently established reserve funds was available in the report, and (3) LAFCO did not hear concerns from the funding agencies about the proposed budget. Mr. Serrano informed the Commission that the final budget will be considered during a public hearing in May 2024 and recommended approving the draft resolution with its identified conditions.

Chair John Hunt requested public comments on the item. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission on the item. **Chair John Hunt** closed public comments.

Chair John Hunt requested comments or clarifying questions from the Commission. **Commissioner Allan Timms** commended staff for their ongoing efforts to reduce total expenditure.

Commissioner Rachél Lather asked for clarification regarding the reserve fund balances. **Executive Officer Joe Serrano** explained how the reserve funds were calculated and noted that the final budget will contain detailed information on the two funds. Mr. Serrano also mentioned that the Commission can request other types of information be included in the final budget report.

Chair John Hunt had a clarifying question about the reserves and on potentially increasing total allocation amount. **Executive Officer Joe Serrano** explained that staff has done their best to balance budgets without raising the allocation amount to partner agencies but added that potential increases will need to be considered in the future. **Commissioner Jim Anderson** remarked that staff have been able to balance past budgets while also maintaining a minimum balance in the reserves.

Chair John Hunt called for a motion. **Commissioner Jim Anderson** motioned for approval of staff recommendation and **Commissioner Manu Koenig** seconded the motion.

Chair John Hunt called for a roll call vote on the motion based on staff's recommendation: **Adopt LAFCO Resolution (No. 2024-09) approving the draft budget for Fiscal Year 2024-25, with the following conditions: (A) Direct staff to distribute the draft budget for review and comment to the 25 funding agencies; and (B) Direct staff to schedule a public hearing, pursuant to Government Code Section 56381, for consideration and adoption of a final budget for Fiscal Year 2024-25 no later than June 5, 2024.**

MOTION: Jim Anderson
SECOND: Manu Koenig

FOR: Jim Anderson, Justin Cummings, Rachél Lather, Eduardo Montesino, Allan Timms, Manu Koenig, and John Hunt.
AGAINST: None
ABSTAIN: None

MOTION PASSES: 7-0

6. OTHER BUSINESS

Chair John Hunt indicated that there was one business item for Commission consideration today.

6a. "Public Member Selection Process – Candidate Interviews"

Chair John Hunt yielded the Chair to **Vice-Chair Manu Koenig**, who continued with the meeting and requested candidates to proceed to the designated waiting area.

Executive Officer Joe Serrano provided an explanation to the Commission on the interview process to determine the regular and alternate public member. At the conclusion, Mr. Serrano recommended that the Commission select a regular and alternate public member after conducting an interview with each candidate.

Vice-Chair Manu Koenig requested comments or clarifying questions from the Commission regarding the interview process. **Commissioner Allan Timms** inquired about the interview process for the candidate that could not attend in-person. **Executive Officer Joe Serrano** clarified that Roger Anderson had recorded his interview prior to the public hearing and the recording would be displayed to the Commission and the public.

Commissioner Jim Anderson inquired about a candidate's request to be considered for both the regular and alternate member seat. **Executive Officer Joe Serrano** explained that the Commission has discretion to accept or deny the request. **Commissioner Justin Cummings** expressed support for the request made by Lowell Hurst prior to the public hearing. **Vice-Chair Manu Koenig** noted no Commission opposition to the request.

The Commission proceeded to interview the candidates individually and in the following order: **Becky Steinbruner, Renee Shepherd, JoAnn Segrue, Lowell Hurst, John Hunt, Adam Hensleigh, and Roger Anderson** (video recording with LAFCO staff). Each candidate was asked the same five interview questions and had an opportunity to provide final remarks.

Vice-Chair Manu Koenig closed the interview process and invited the candidates to return to the chambers. **Executive Officer Joe Serrano** informed the Commission that per their request, a map illustrating countywide representation on the current LAFCO commission had been included as part of the agenda packet.

Vice-Chair Manu Koenig requested public comments on the item. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission on the item. **Vice-Chair Manu Koenig** closed public comments.

Commissioner Justin Cummings thanked the candidates for applying to join LAFCO and motioned to reappoint John Hunt and Roger Anderson as the alternate and regular public members respectively.

Commissioner Allan Timms thanked the candidates for their interest and invited the public to see the recorded interview responses. Mr. Timms also expressed support for the candidacies of John Hunt and Roger Anderson as the alternate and regular public members and seconded the motion.

Commissioner Eduardo Montesino thanked the candidates for their interest in serving on LAFCO and explained the importance of representation on the Commission for residents of south county.

Vice-Chair Manu Koenig thanked all the candidates for their interest in LAFCO and called for a roll call vote on the motion: **Appoint Roger Anderson and John Hunt as the Regular and Alternate Public Member with terms ending in May 2028.**

MOTION: Justin Cummings
SECOND: Allan Timms
FOR: Jim Anderson, Justin Cummings, Rachél Lather, Eduardo Montesino, Allan Timms, and Manu Koenig.
AGAINST: None
ABSTAIN: None

MOTION PASSES: 6-0

Commissioner John Hunt rejoined the Commission on the dais. **Vice-Chair Manu Koenig** yielded administrative duties back to **Chair John Hunt.**

7. WRITTEN CORRESPONDENCE

Chair John Hunt inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** informed the Commission it had received a late correspondence from Lowell Hurst prior to the meeting.

Chair John Hunt moved to the next item since no Commission action was required.

8. PRESS ARTICLES

Chair John Hunt requested staff to provide a presentation on the press articles. **Executive Officer Joe Serrano** indicated that this item highlights LAFCO-related articles recently circulated in local newspapers. **Chair John Hunt** moved to the next item since no Commission action was required.

9. COMMISSIONERS' BUSINESS

Chair John Hunt inquired whether any Commissioner would like to share any information. Mr. Hunt indicated that there were no requests to share any information. **Chair John Hunt** moved to the next item since no Commission action was required.

10. ADJOURNMENT

Chair John Hunt adjourned the Regular Commission Meeting at 10:59 a.m. to the next regular LAFCO meeting scheduled for Wednesday, May 1, 2024 at 9:00 a.m.



JOHN HUNT, CHAIRPERSON

Attest:



JOE A. SERRANO, EXECUTIVE OFFICER