

2.  
3/24/2011

**MINUTES**  
**JANUARY 27, 2011**

Present: Bob Buster  
Stephen Tomanelli, Chair  
Terry Henderson  
Nancy Wright  
Phil Williams, Vice Chair  
Eugene Montanez  
Jeff Stone

Absent: John Tavaglione

Present Staff: George J. Spiliotis, Executive Officer  
Adriana Romo, Local Government Analyst II  
Crystal Craig, Local Government Analyst II  
Elena Medina, Executive Assistant II  
Pam Walls, Legal Counsel

**1.1 CALL TO ORDER AND SALUTE TO THE FLAG.**

The meeting was called to order by Chair Buster at 9:33 a.m.

**1.2 ROLL CALL.**

**1.3 SELECTION OF OFFICERS.**

- a. Chair
- b. Vice-Chair

Moved (Stone) seconded (Wright) to appoint Commissioner Stephen J. Tomanelli as Chair of the LAFCO Commission and Commissioner Phil Williams as the Vice-Chair of the LAFCO Commission.  
6/0 (Tomanelli abstained)

**1.4 COMMITTEE ASSIGNMENTS**

- a. Administrative Review Committee
- b. Legislative Committee

Moved (Stone) seconded (Henderson) to appoint Commissioner Eugene Montanez and Commissioner Nancy S. Wright to the Administrative Review Committee and Commissioner Phil Williams and Commissioner John Tavaglione to the Legislative Committee and Commissioner Stone as the Alternate.  
7/0

**2. APPROVAL OF MINUTES OF OCTOBER 28, 2010.**

Moved (Henderson) seconded (Williams) to approve the Minutes of October 28, 2010.

6/0 (Stone recused himself)

**3. CONSENT(NON-HEARING ITEMS):**

There were no consent items.

**4. PUBLIC HEARINGS:****CONTINUED:**

- a. LAFCO 2008-09-4-Sphere of Influence Amendments (addition) to the City of Cathedral City and the Cathedral City Community Services District (subsidiary) (**Continued from March 25, 2010**).

Mr. Spiliotis presented the proposal as outlined in the staff report and recommended approval of the proposal.

Chair Tomanelli opened the public hearing.

Patricia Saleh, 35220 Bandana Circle, Thousand Palms, CA 92276. Ms. Saleh spoke in favor of the proposal.

Roy Nokes, 30-600 Calle Helene, Thousand Palms, CA 92276. Mr. Nokes spoke in favor of the proposal.

JB Stevens, 73673 Broadmoor Drive, Thousand Palms, CA 92276. Mr. Stevens spoke in favor proposal.

Greg Pettis, City Council Member for the City of Cathedral City, 68700 Avenue Lalo Guerrero, Cathedral City, CA 92234. Council Member Greg Pettis spoke in favor of the proposal.

Thomas Hughes, 73330 San Carlos Drive, Thousand Palms, CA 92270. Mr. Hughes asked how much it was going to cost the tax payers of the City of Cathedral City to annex the entire area of Thousand Palms.

Commissioner Henderson stated that this hearing was for discussion of a sphere of influence amendment not an annexation proposal.

Mr. Spiliotis stated that he could only comment on how much the processing fees would be but could not comment on all the other costs. He stated that LAFCO processing fees for a large annexation were about \$12,000. He said that he could not comment on the City's costs for processing an annexation proposal.

Chair Tomanelli closed the public hearing.

Moved (Henderson) seconded (Williams) to approve LAFCO 2008-09-4-Sphere of Influence Amendments (additions) to the City of Cathedral City and the Cathedral City Community Services District (subsidiary) as recommended by staff.

7/0

**NEW:**

- b. LAFCO 2010-12-1-Sphere of Influence Amendment (removal) to the City of Temecula and the Temecula Community Services District (subsidiary).

Mr. Spiliotis presented the proposal as outlined in the staff report.

Chair Tomanelli opened the public hearing.

Commissioner Stone excused himself from this proposal for he received contributions from Granite Construction in excess of \$250.

Gary Johnson, Granite Construction, 38000 Monroe, Indio, CA 92211. Mr. Johnson stated that he was available for any questions from the Commission.

Chair Tomanelli closed the public hearing.

Moved (Henderson) seconded (Williams) to approve LAFCO 2010-12-1-Sphere of Influence Amendment (removal) to the City of Temecula and the Temecula Community Services District (subsidiary) as recommended by staff.

6/0 (Stone absent)

- c. LAFCO 2010-14-2-Reorganization to Include Annexation 112 (Auto Center Dr.) to the City of Corona and Concurrent Detachment from the Riverside County Waste Resources Management District.

Ms. Craig presented the proposal as outlined in the staff report.

Chair Tomanelli opened the public hearing.

Terri Manuel, City of Corona Planning Department, 400 S Vicentia Avenue, Corona, CA 92883. Ms. Manuel spoke in favor of the annexation proposal.

Moved (Williams) seconded (Stone) to approve LAFCO 2010-14-2-Reorganization to Include Annexation 112 (Auto Center Dr.) to the City of Corona and Concurrent Detachment from the Riverside County Waste Resources Management District as recommended by staff.

7/0

The Commission recessed for Executive Session at 10:05 a.m.

**14. EXECUTIVE SESSION:**

CONFERENCE WITH LEGAL COUNSEL:

With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:

Subdivision (a) of Section 54956.9:

- a. **CITY OF PERRIS v. LAFCO**  
**San Diego County Superior Court Number 37-2010-00096561-CU-WM-CTL**
- b. **CITY OF PERRIS v. LAFCO, et al.**

- San Diego County Superior Court Number 37-2009-00059573-CT-TT-NC**  
**c. CITY OF PERRIS v. LAFCO et al.**  
**San Diego County Superior Court Number 37-2010-00095159-CU-JR-CTL**

Commissioner Buster left the meeting at 10:15 a.m.

The Commission reconvened at 10:15 a.m.

Commission Counsel, Pam Walls, stated that there was nothing to report at this time.

**5. PUBLIC COMMENTS.**

There were no public comments.

**6. RECEIVE AND FILE:**

- a. Information Items: Proposed Received (Government Code Section 56857, 56751):
  - i. LAFCO 2011-01-1-Reorganization to Include Annexation 115 (Karger) to the City of Riverside and Detachment from the Riverside County Waste Resources Management District.
- b. LAFCO Monthly Expenditure Review.

Moved (Henderson) seconded (Stone) to receive and file items 6.a. Information Items and 6.b. LAFCO Monthly Expenditure Review.  
6/0 (Commissioner Buster absent)

**7. MID-YEAR BUDGET STATUS/TRANSFER FROM CONTINGENCY.**

Mr. Spiliotis presented the mid-year budget status to the Commission as outlined in the staff report and recommended to the Commission that they authorize appropriation transfer from contingency \$2,275, decrease Commission Expenses (528120) by \$1,225, increase Air Transportation (528900) by \$300, increase Conference Registration (528140) by \$1,800, and increase lodging (528960) by \$1,400.

Moved (Henderson) seconded (Wright) to approve the recommendation by the Executive Officer to authorize appropriation transfers as follows:

- a. Decrease Contingency by \$2,275.
  - b. Decrease Commission Expenses (528120) by \$1,225.
  - c. Increase Air Transportation (528900) by \$300.
  - d. Increase Conference Registration (528140) by \$1,800, and
  - e. Increase Lodging (528960) by \$1,400.
- 6/0 (Buster absent)

**8. MANAGEMENT RESOLUTION COMPENSATION CHANGES.**

Mr. Spiliotis stated that the Administrative Review Committee had directed him to notify them of future changes to the County Management Resolution, which governed compensation of Commission employees. He stated that for fiscal year 2008-2009 the County Management Resolution was approved by the Board of Supervisors and the leave time buy-down was reduced by 75 percent, from a maximum of 160 hours to 40 hours. He said that the Commission's budget had eliminated leave buy-out entirely for fiscal year 2009-10 and had instituted a

40-hour limit for the current year. He also stated that the flexible medical benefit contribution was reduced by \$100 per month and merit/step increases were suspended. He said that furlough schedules were established although the County Management Resolution could not mandate furloughs on Commission employees; however, LAFCO staff had taken voluntary furloughs in 2009-10 and mandatory furloughs in the current year.

He further reported that in 2010, the Board of Supervisors had acted to restore some of the prior reductions and these changes were effective upon Commission staff as well. He said that the Deferred Compensation and Flexible Health Benefit contributions were returned to their previous levels as well as the leave time buy-down provisions. He said that the Commission's budget will still restrict the leave buy-down to 40 hours.

Mr. Spiliotis stated that this was an information item only.

#### **9. COMPENSATION DISCLOSURE.**

Mr. Spiliotis stated that the Administrative Review Committee had discussed providing access on the website to information regarding individual salary and benefit information for each of the LAFCO employees as well as commissioner meeting stipend information. He said that after further discussion, the Administrative Review Committee had recommended that the Commission's per diem and expense reimbursement policy, and the link to the salary range and benefits information for all LAFCO positions be posted on the website. Mr. Spiliotis asked the Commission to approve the recommendation of the Administrative Review Committee and direct the Executive Officer to implement the posting of the information accordingly.

Moved (Henderson) seconded (Williams) to direct the Executive Officer to implement the recommendation by the Administrative Review Committee to post on the website the Commission's per diem and expense reimbursement policy, the link to the salary range and employee benefits information for all LAFCO positions on the County website and salary and benefit information for the Executive Officer.

6/0 (Commissioner Buster absent)

#### **10. TRAVEL REIMBURSEMENT POLICY: SAME DAY TRAVEL - MEAL REIMBURSEMENT.**

Mr. Spiliotis stated that although the Commission had adopted the Board of Supervisors' Policy for Reimbursement for General Travel and Other Actual and Necessary Expenses, staff was seeking a variance in that policy. He said that existing County Policy allowed for reimbursement of meals related to attendance at conventions, scheduled meetings, conference, seminars, special assignments, or assignments that required overnight stay away from home. Mr. Spiliotis stated that staff was recommending same day travel meal reimbursements for instances where staff and Commissioners cannot reasonably provide their own meals. He said that the Administrative Review Committee had reviewed staff's recommendation and were in concurrence with this recommendation.

Moved (Henderson) seconded (Williams) to amend the Commission's travel reimbursement policy to allow for same day travel meal reimbursements at the discretion of the Executive Officer as follows:

- a. Dinner related to participation in evening meetings; and
- b. Lunch related to participation in meetings requiring travel from the office for the entire period spanning 11:30 a.m. -1:30 p.m.

- c. Same day travel meal reimbursement shall be at the rate of \$8 for lunch and \$15 for dinner.  
6/0 (Commissioner Buster absent)

#### **11. PER DIEM FOR COMMISSIONERS ATTENDING MEETINGS OF THE COALITION OF CALIFORNIA LAFCOS**

Mr. Spiliotis stated that the Commission had previously adopted a per diem schedule for stipends and expense reimbursements for participation in various activities on behalf of the Commission. He said that those stipends ranged from \$175 for attendance at our regular LAFCO meetings to \$60 for attendance at standing committees. He said that appointed Commissioners attending the ad hoc committee meetings were reimbursed only for expenses, such as mileage. The policy also calls for a stipend of \$175 for attendance at CALAFCO Board of Directors meetings by Commissioners elected to that body. He said that regularly those meetings are held in Sacramento.

He said that the per diem policy had not been reviewed since the establishment of the Coalition of California LAFCOs (CCL); therefore, there was no stipend paid for attendance at CCL Board Meetings by Commissioners appointed to that body. He said that the Administrative Review Committee has discussed this item and had endorsed a recommendation for payment of a \$60 stipend for attendance by our appointed CCL representative at CCL Board meetings retroactive to the first CCL meeting.

Moved (Henderson) seconded (Williams) to approve payment of \$60 stipend for attendance by the LAFCO Commission representative to the CCL Board meetings retroactive to the last CCL Board meeting, January 20 and 21, 2011.

5/0 (Commissioner Tomanelli abstained) (Commissioner Buster absent)

#### **12. AUDIT CONTRACT EXTENSION.**

Mr. Spiliotis stated that approximately in 2008, Riverside LAFCO had joined with Orange, San Bernardino and San Diego LAFCOs in a group RFP process for auditing services. Mr. Spiliotis said that in 2008 the firm of Lance, Soll & Lunghard (LSL) was selected as the lowest qualified bid. He said that at the last CCL meeting, members had briefly discussed extending the current agreement for an additional three years and there had been no objections expressed at that meeting.

Mr. Spiliotis stated that staff had been satisfied with the work of LSL for they were familiar with our systems. Mr. Spiliotis stated that staff had no objections to extending the contract.

Commissioner Henderson stated that she was not comfortable with extending another three-year contract. She said that because of today's economy other firms might not be as expensive. She ultimately said that she could not support at this time an additional three years. Accordingly, she recommended that staff go out for bid in the upcoming year.

Mr. Spiliotis stated that if the Commission did not approve the extension, staff would have to go it alone to find another firm which ultimately could be costly.

Commissioner Henderson suggested that the Executive Officer have more discussion with the other LAFCOs regarding the extension of the audit contract to see if they would be willing to go with only one or two years.

Mr. Spiliotis commented that the other LAFCOs were trying to avoid going through another RFP process in the hopes of saving costs.

Commissioner Stone suggested giving the opportunity to Mr. Spiliotis to discuss with the present audit firm the possibility of extending the contract for another year or perhaps two years and report back to the commission at the next meeting.

Moved (Stone) seconded (Henderson) to direct the Executive Officer to explore other options to hire a different audit firm and also discuss with the present firm, the possibility to contract for one or two years. The Executive Officer was also directed to report back to the Commission at the March LAFCO meeting. Also, authorize the Chair to sign the agreement for an additional year.

6/0 (Commissioner Buster absent)

### **13. LAFCO INVESTMENT POLICY 2011.**

Mr. Spiliotis stated that LAFCOs investment policy was the same as the Riverside County's policy. He said that monies were deposited with the Riverside County Treasurer. Mr. Spiliotis stated that he was recommending adopting the County of Riverside Treasurer-Tax Collector Statement of Investment Policy as the LAFCO'S Investment Policy.

Commissioner Stone stated that the County had a very conservative policy at this time.

Moved (Stone) seconded (Williams) to adopt the County of Riverside Treasurer-Tax Collector Statement of Investment Policy as LAFCO's Investment Policy.

6/0 (Commissioner Buster absent)

### **15. MISCELLANEOUS REPORTS.**

Mr. Spiliotis commented that he and Commissioner Tomanelli had attended the Strategic Planning Meeting on January 20th and 21<sup>st</sup> of this month.

Chair Tomanelli commented that most of the work done at the meeting was on prioritizing the items that were going to go before CALAFCO in February.

Mr. Spiliotis stated that when the CCL was formed there was a list of concerns that they wanted to bring before the CALAFCO Board and the Strategic Planning meeting was an opportunity to discuss which of those items were really a priority to pursue this coming year. Mr. Spiliotis commented that some of those items were the process by which CALAFCO took positions on legislation and concerns about administrative matters like the Executive Director compensation etc.

Commissioner Henderson suggested presenting to the Commission after each meeting a one-page report outlining the topics of discussion at that meeting.

**16. COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS.**

Commissioner Williams commented on the potential consolidation of Elsinore Water District and Elsinore Valley Municipal Water District that had been in discussion for more than ten years. He said that after many more discussions between the two districts, both districts at their next meeting will be agreeing to consolidate with Elsinore Valley Municipal Water District. Commissioner Williams said that once the consolidation takes place, they will continue to work on the administrative issues of concern for everyone involved.

**17. ADJOURNMENT.**

The Commission adjourned at 10:51 a.m. to the next meeting on March 24, 2011.

Respectfully submitted,

George J. Spiliotis  
Executive Officer