



AGENDA

Hall of Administration, Board of Supervisors' Hearing Room
800 S. Victoria Avenue, Ventura
9:00 A.M. Wednesday, May 21, 2008

1. Call to Order
2. Pledge of Allegiance
3. Roll Call

ANNOUNCEMENTS

4. Commission Presentations and Announcements

COMMENTS FROM THE PUBLIC

5. Public Comment

This is an opportunity for members of the public to speak on items not on the agenda.

(The Ventura Local Agency Formation Commission encourages all interested parties to speak on any issue on this agenda in which they have an interest, or on any matter subject to LAFCO jurisdiction. It is the desire of LAFCO that its business be conducted in an orderly and efficient manner. All speakers are requested to fill out a Speakers Card and submit it to the Clerk before the item is taken up for consideration. All speakers are requested to present their information to LAFCO as succinctly as possible. Members of the public making presentations, including oral and visual presentations, may not exceed five minutes unless otherwise increased or decreased by the Chair, with the concurrence of the Commission, based on the complexity of the item and/or the number of persons wishing to speak. Speakers are encouraged to refrain from restating previous testimony).

COMMISSIONERS AND STAFF

COUNTY:

Linda Parks
Kathy Long
Alternate:
Steve Bennett

CITY:

Janice Parvin
John Zaragoza, Chair
Alternate:
Carl Morehouse

SPECIAL DISTRICT:

Ted Grandsen
George Lange, Vice Chair
Alternate:
Bill Lotts

PUBLIC:

Kenneth M. Hess

Alternate:
Louis Cunningham

EXECUTIVE OFFICER:

Kim Uhlich

SENIOR ANALYST

Kai Luoma

OFFICE MGR/CLERK:

Debbie Schubert

LEGAL COUNSEL:

Leroy Smith

CONSENT ITEMS

6. **Minutes of the Ventura LAFCO April 16, 2008 regular meeting**
7. **LAFCO 08-02 Ojai Valley Sanitary District Annexation – McLaren (Parcels A & B)**
A proposal to annex three parcels, approximately 7.5 acres, and portions of Rice Road, Tico Road and Loma Drive rights of way into the district for the purpose of providing district services
8. **LAFCO 3rd Quarter Budget Report – Fiscal Year 2007-08**

RECOMMENDED ACTION: Approval (Items 6 & 7)
 Receive and file (Item 8)

ACTION ITEMS

9. **Moreland & Associates, Inc. - Audit report of Fiscal Year 2006-07**
A presentation by Moreland & Associates, Inc. of their external audit of the LAFCO adopted budget for fiscal year 2006-07

RECOMMENDED ACTION Receive and File

10. **Commissioner’s Handbook Policy Update - Division 2, Chapter 3 - Financial**
Amend the Commissioner’s Handbook to include Section 2.3.1.6 Financial Transactions: A policy requiring Executive Officer authorization on all financial transactions processed by staff

RECOMMENDED ACTION: Approval

11. **Municipal Service Reviews/Sphere of Influence Reviews/Updates 2008-2013 Cycle**
Adopt the Service Review and Sphere of Influence Update Work Plan for the 2008-2013 Cycle

RECOMMENDED ACTION: Approval

PUBLIC HEARING ITEMS

12. LAFCO Final Budget for FY 2008-09

- A. Adopt a Resolution finding that a decrease in the Proposed Budget for FY 2008-09 will not result in reductions in staffing or prevent the Commission from fulfilling the purposes and programs of Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
- B. Adopt the Proposed Budget for FY 2008-09, including an increase in the Designation for Subsequent Year Financing in the amount of \$42,000.
- C. Certify that the Commission has reviewed its fee schedule pursuant to Section 2.3.3.1 of the Commissioner's Handbook and find that no fee increases are necessary at this time.

RECOMMENDED ACTION: Approval (A, B & C)

13. LAFCO 08-03 City of Camarillo Reorganization – Camarillo Farms (Parcels A- D)

A proposal to annex twenty parcels and portions of the Mission Drive and Anacapa Drive rights of way to the City of Camarillo and the Camarillo Sanitary District and detachment the same area from the Ventura County Resource Conservation District.

RECOMMENDED ACTION: Approval

EXECUTIVE OFFICER'S REPORT

- A. Legislative Update
- B. Next LAFCO Meeting is June 11, 2008

COMMISSIONERS' COMMENTS ADJOURNMENT

Americans with Disabilities Act - In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the LAFCO office (805) 654-2576. Notification 48 hours prior to the meeting will enable LAFCO to make reasonable arrangements to ensure accessibility to this meeting.

Disclosure of Campaign Contributions - LAFCO Commissioners 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 more than \$250 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. Applicants or agents of applicants who have made campaign contributions totaling more than \$250 to any LAFCO Commissioner in the past 12 months are required to disclose that fact for the official record of the proceeding.

Disclosures must include the amount of the contribution and the recipient Commissioner and may be made either in writing to the Clerk of the Commission prior to the hearing or by an oral declaration at the time of the hearing.

The foregoing requirements are set forth in the Political Reform Act of 1974, specifically Government Code, section 84308.



MINUTES

Agenda Item 6

REGULAR MEETING

Wednesday, April 16, 2008, 9:00 A.M.
Hall of Administration, Board of Supervisors' Hearing Room
800 S. Victoria Avenue, Ventura

1. CALL TO ORDER

Chair Zaragoza called the April 16, 2008 meeting to order at 9.02 A.M.

2. PLEDGE OF ALLEGIANCE

Commissioner Lange led the Pledge of Allegiance.

3. ROLL CALL

The Clerk called the roll. The following Commissioners and Alternates were present:

- Commissioner Grandsen
- Commissioner Hess
- Commissioner Lange
- Commissioner Long
- Commissioner Parks
- Commissioner Parvin
- Commissioner Zaragoza
- Alternate Commissioner Cunningham
- Alternate Commissioner Lotts
- Alternate Commissioner Morehouse

ANNOUNCEMENTS

4. Commission Presentations and Announcements

There were no presentations or announcements.

COMMENTS FROM THE PUBLIC

5. Public Comment

There were no public comments

COMMISSIONERS AND STAFF

COUNTY:
Linda Parks
Kathy Long
Alternate
Steve Bennett

CITY:
Janice Parvin
John Zaragoza, Chair
Alternate
Carl Morehouse

SPECIAL DISTRICT:
Ted Grandsen
George Lange, Vice Chair
Alternate
Bill Lotts

PUBLIC:
Kenneth M Hess
Alternate
Louis Cunningham

EXECUTIVE OFFICER:
Kim Uhlich

SENIOR ANALYST:
Kai Luoma

OFFICE MGR/CLERK:
Debbie Schubert

LEGAL COUNSEL:
Leroy Smith

CONSENT ITEMS

6. Minutes of the Ventura LAFCO March 19, 2008 regular meeting

MOTION: Approval as recommended: Lange
SECOND: Hess
FOR: Grandsen, Hess, Lange, Long, Parks, Parvin and Zaragoza
AGAINST: None
ABSTAIN: None
MOTION PASSED 7/0/0

ACTION ITEMS

7. LAFCO 08-01 Calleguas Municipal Water District Annexation – Teal Club Investors

Kai Luoma presented the staff report.

MOTION: Approval as recommended: Zaragoza
SECOND: Hess
FOR: Grandsen, Hess, Lange, Long, Parvin and Zaragoza
AGAINST: Parks
ABSTAIN: None
MOTION PASSED 6/1/0

8. Authorization for the Chair to Send a Letter of Support for AB 1998 (Silva)

Kim Uhlich presented the staff report

MOTION: Approval as recommended: Long
SECOND: Lange
FOR: Grandsen, Hess, Lange, Long, Parks, Parvin and Zaragoza
AGAINST: None
ABSTAIN: None
MOTION PASSED 7/0/0

PUBLIC HEARING ITEMS

9. LAFCO Proposed Budget for FY 2008-09

A. Adopt a Resolution

B. Adopt the Proposed Budget

Kim Uhlich presented the staff report. Chair Zaragoza opened the public hearing. Receiving no comments from the public, Chair Zaragoza closed the public hearing.

MOTION: Approval of A & B as recommended: Grandsen
SECOND: Hess
FOR: Grandsen, Hess, Lange, Long, Parks, Parvin and Zaragoza
AGAINST: None
ABSTAIN: None
MOTION PASSED 7/0/0

EXECUTIVE OFFICER'S REPORT

Kim Uhlich gave a legislative update on the status of the following bills.

- AB 1932: To authorize the City of Simi Valley to acquire more than the current statutory limit of five acres of public lands for use as a public cemetery. This would allow the City to accept a possible future donation or transfer of the el Rancho Simi Cemetery District property.
- SB 1191: To allow community service districts to provide broad band service as a latent power unless and until such time that a private provider wishes to do so.
- AB 1998: To shift the responsibility for administering financial disclosure requirements for political expenditures made in conjunction with LAFCO proposals from LAFCO to the FPPC.
- AB2484: Cosponsored by CALAFCO, this bill establishes and clarifies specific procedures that LAFCOs must follow in order to modify a special district's authority to increase, decrease, or eliminate the types of services it provides
- AB 3047: The CALAFCO omnibus bill is still undergoing modifications and additions.
SB 301: Removes the AB 1602 sunset on VLF subventions for annexations and provide a five year extension to the sunset for incorporations.
- SB 1458: Significantly revises County Services Area Law similar to what was done a few years ago for CSD law.
- SB 375: Links AB 32 mandates with new regional transportation planning requirements, with the overall goal of reducing greenhouse gas emissions from motor vehicles.
- AB 2367: Changes the number of years a city must wait to change the zoning of an annexed parcel from 2 to 5 and removes the ability of a city to hold a public hearing to exempt itself from this provision.

Ms. Uhlich also gave a brief update on the CALAFCO Staff workshop that she and Kai Luoma attended April 2-4, and advised the Commission of their next regularly meeting scheduled for May 21. She then noted that in the future, staff would be cutting back on unnecessary packaging in the preparation of their agenda packets.

COMMISSIONER'S COMMENTS

Commissioner Parks asked staff to re-distribute the Commission's adopted Ag Policy to all city and county agencies.

ADJOURNMENT

Chair Zaragoza adjourned the meeting at 10:08 A.M.



STAFF REPORT

Meeting Date: May 21, 2008

Agenda Item 7

LAFCO CASE

NAME & NO: LAFCO 08-02 Ojai Valley Sanitary District Annexation – McLaren

PROPOSAL: To annex three parcels to the Ojai Valley Sanitary District to replace failing septic systems with public sewer service

SIZE: Parcel A - Approximately 5.5 acres.
Parcel B - Approximately 1.95 acres.

LOCATION: Parcel A is located at the northeast intersection of Loma Drive and Tico Road in the unincorporated area southwest of the City of Ojai.

Parcel B is located at the southwest intersection of South Rice Road and Laura Street in the unincorporated area southwest of the City of Ojai

The proposal area is within the Ojai Valley Sanitary District's sphere of influence, as well as within the boundaries of Casitas Municipal Water District

PROPONENT: The Ojai Valley Sanitary District by resolution.

NOTICE: This matter has been noticed as prescribed by law

PARCEL INFORMATION & PROPONENTS FOR PURPOSES OF THE CALIFORNIA POLITICAL REFORM ACT (FPPC):

	Assessor's Parcel Number	Property Address	Property Owner(s)
Parcel A	018-0-040-065	640 Tico Rd, Ojai	McLaren Lynn Tr
Parcel B	018-0-140-230	1527 S. Rice Rd.	R & D Hill Family Trust
	018-0-140-245	1537 S. Rice Rd.	Turner Robert E-Caroline Tr

COMMISSIONERS AND STAFF

COUNTY:
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Alternate
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Alternate.
Bill Lotts

PUBLIC:
Kenneth M Hess
Alternate:
Louis Cunningham

EXECUTIVE OFFICER:
Kim Uhlich

SENIOR ANALYST
Kai Luoma

OFFICE MGR/CLERK:
Debbie Schubert

LEGAL COUNSEL:
Leroy Smith

RECOMMENDATION

A. Adopt the attached resolution (LAFCO 08-02) making determinations and approving the Ojai Valley Sanitary District Annexation – McLaren.

GENERAL ANALYSIS

1. Land Use

Site Information

APN	Land Use		Zoning	General Plan / Ojai Area Plan
	Existing	Approved		
018-0-040-065	Single family residence, citrus orchard	NA	Rural Exclusive (RE) - 5 acre minimum lot size	Rural / Rural Residential 2-5 acre lot size
018-0-140-230	Single family residence	NA	RE - 1 acre minimum lot size	Existing Community / Urban Residential, 1-2 units per acre
018-0-140-245	Single family residence	NA	RE - 1 acre minimum lot size	Existing Community / Urban Residential, 1-2 units per acre

No changes are proposed to the land use, zoning, or County General Plan designation as part of this proposal.

Surrounding Land Uses and Zoning and General Plan Designations

Surrounding land uses generally consist of single family residences on lots of 0.5 to 3 acres. This proposal will have no effect on surrounding land uses, zoning or general plan designations.

Topography, Natural Features and Drainage

Parcel A slopes relatively steeply to the south. Parcel B is relatively flat with a gentle slope to the west and is bounded by a small seasonal creek to the south. Native Live Oak trees are present on all three properties.

Conformity with Plans

The proposal area is within the unincorporated County. The residential and agricultural uses are consistent with the County’s General Plan and zoning.

2. Impact on Prime Agricultural Land, Agriculture, and Open Space

Agricultural Land and Agriculture

Parcel A, which contains a small orchard about 5 acres in size, meets the definition of prime agricultural land pursuant to LAFCO law. The annexation proposal is to provide sewer service which will not alter the existing and allowable land uses. The agricultural land and uses on Parcel A will not be impacted.

Parcel B does not meet the definition of prime agricultural land nor is it used for agricultural purposes.

The proposal area is not subject to a Land Conservation Act contract or a Farmland Security Zone Agreement, and is not located within a greenbelt.

Open Space

The proposal area is not considered open space pursuant to Government Code Sections 56059 and 65560 and therefore will not impact open space lands.

3. Population

According to the County Registrar of Voters, there are fewer than 12 registered voters in the proposal area. As such, the annexation proposal area is considered to be uninhabited.

4. Services and Controls – Need, Cost, Adequacy and Availability

The District has represented that it has the capacity to provide sewer service to the proposal area. Property owners will finance capital improvements, which includes private laterals to an existing mainline sewer in the adjacent streets. No mainline sewer extensions are required. On-going maintenance and operational costs will be financed through user fees. There will be no change to any other existing services.

5. Boundaries and Lines of Assessment

The boundaries are definite and certain. There are no conflicts with lines of assessment or ownership.

The map and legal description for this proposal have been forwarded to the County Surveyor but have not yet been certified as being accurate and sufficient.

for the preparation of a Certificate of Completion pursuant to Government Code Section 57201 and for filing with the State Board of Equalization. As such, the attached Resolution includes a condition that predicates recordation of the a Certificate of Completion (completion of annexation proceedings) upon the approval of a map and legal description by the County Surveyor.

6. Assessed Value, Tax Rates and Indebtedness

The following lists the assessed land value of the parcels in the proposal area per the 2007 - 2008 tax roll:

APN	Assessed Value
018-0-040-065	\$746,029
018-0-140-230	\$269,586
018-0-140-245	\$14,605

According to the County Assessor, the tax rate areas for Parcel A and Parcel B will change from 70056 to 70025 and 70017 to 70028, respectively. The existing tax rate for both parcels of \$1.044048 per \$100 of assessed value will remain unchanged.

7. Environmental Impact of the Proposal

Staff has determined that the proposal is categorically exempt pursuant to Section 15319(a) [annexation of areas containing existing public or private structures developed to the density allowed by the current zoning and the extension of water services will have the capacity to serve only the existing facilities] of the California Environmental Quality Act Guidelines. As the purpose of the annexation is to extend sewer service to existing residential development and existing legal lots and the sewer laterals are intended to accommodate existing land uses or uses allowed by the current zoning regulations, staff believes that the proposal is exempt from CEQA.

8. Regional Housing Needs

Approval of the annexation will allow three residences to replace their failing septic systems with public sewer service. There will be no change to existing land uses or allowable land uses. No additional housing opportunities will be created or eliminated. In addition, the annexation proposal area is developed consistent with the County's General Plan. Therefore, the proposal will have no adverse effect on the fair share of the regional housing needs for the County.

9. Environmental Justice

Staff has determined that approval of the proposal would not result in the unfair treatment of any person based on race, culture or income with respect to the provision of sewer service to these three residential parcels.

COMMISSION PROCEEDINGS – PROCESS CONSIDERATIONS


Consent to annex from all landowners has been provided and the territory is uninhabited. When all landowners provide written consent to an annexation proposal, the Commission may consider it without notice or public hearing. For annexation proposals involving 100% landowner consent and territory that is uninhabited, such as this, the Commission may waive protest proceedings provided that no subject agency submits written opposition to the waiver of protest proceedings. Since the applicant is the subject agency, no objection to the waiver is anticipated. In consideration of these facts, the Commission's consideration of the proposal is not subject to a public hearing and it is recommended that the Commission waive protest proceedings.

ALTERNATIVE ACTIONS AVAILABLE:

- A. If the Commission, following public testimony and review of the materials submitted, determines that further information is necessary, a motion to continue the proposal should state specifically the type of information desired and specify a date certain for further consideration.

- B. If the Commission, following public testimony and review of materials submitted, wishes to deny or modify this proposal, a motion to deny or modify should include direction that the matter be continued to the next meeting and that staff prepare a new report consistent with the evidence submitted and the anticipated decision.

BY: _____


Kai Luoma, AICP
Senior Analyst

Attachments. (1) Vicinity Map *
(2) LAFCO 08-02 Resolution





* LAFCO makes every effort to offer legible map files with the online- and printed versions of our reports, however sometimes the need to reduce oversize original maps and/or other technological/software factors can compromise readability. Original maps are available for viewing at the LAFCO office by request.

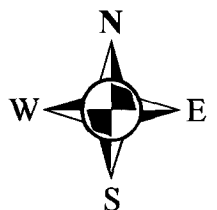
ATTACHMENT 1



Vicinity Map
LAFCO 08-02
Ojai Valley Sanitary District Annexation - McLaren

Legend

-  Annexation Area - Parcel A
-  Annexation Area - Parcel B
-  Ojai Valley Sanitary District
-  Ojai Valley Sanitary District Sphere of Influence



ATTACHMENT 2

LAFCO 08-02

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION MAKING DETERMINATIONS
AND APPROVING THE OJAI VALLEY SANITARY
DISTRICT ANNEXATION – McLAREN**

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the Ventura Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Section 56000 of the California Government Code); and

WHEREAS, at the times and in the manner required by law, the Executive Officer gave notice of the proposal as required by law; and

WHEREAS, the proposal was duly considered on May 21, 2008; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the proposal including, but not limited to, the LAFCO Staff Report and recommendation, the environmental determination, spheres of influence and applicable local plans and policies; and

WHEREAS, all landowners within the affected territory have consented to the proposal; and

WHEREAS, proof has been given to the Commission that the affected territory has fewer than 12 registered voters and is considered uninhabited; and

WHEREAS, the Local Agency Formation Commission finds the proposal to be in the best interest of the landowners and present and future inhabitants within the Ojai Valley Sanitary District and within the affected territory, and the organization of local governmental agencies within Ventura County; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Ventura Local Agency Formation Commission as follows:

- (1) The LAFCO Staff Report and Recommendation for approval dated May 21, 2008 is adopted.
- (2) The annexation to the Ojai Valley Sanitary District is hereby approved, and the boundaries are established as generally set forth in the attached Exhibit A.
- (3) The affected territory is uninhabited as defined by Government Code §56046

- (4) The subject proposal is assigned the following distinctive short form designation:
**LAFCO 08-02 OJAI VALLEY SANITARY DISTRICT ANNEXATION –
McLAREN.**
- (5) In accordance with staff's determination that the subject proposal is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15319 (a) of the California Environmental Quality Act Guidelines, the Commission hereby finds the annexation to be categorically exempt.
- (6) The Commission directs staff to file a Notice of Exemption under Section 15062 of the California Environmental Quality Act Guidelines.
- (7) The Commission waives conducting authority proceedings, since satisfactory proof has been given that the subject property is uninhabited, that all landowners within the affected territory have given their written consent to the proposal, and that all affected agencies that will gain or lose territory as a result of the proposal have not submitted written opposition to the waiver of conducting authority proceedings [Government Code §56663].
- (8) **This annexation shall not be recorded until all LAFCO fees have been paid and until fees necessary for filing with the State Board of Equalization have been submitted to the Executive Officer.**
- (9) **This annexation shall not be recorded until a map and legal description consistent with this approval and suitable for filing with the State Board of Equalization have been submitted to the LAFCO Executive Officer.**

This resolution was adopted on May 21, 2008.

AYES:

NOES:

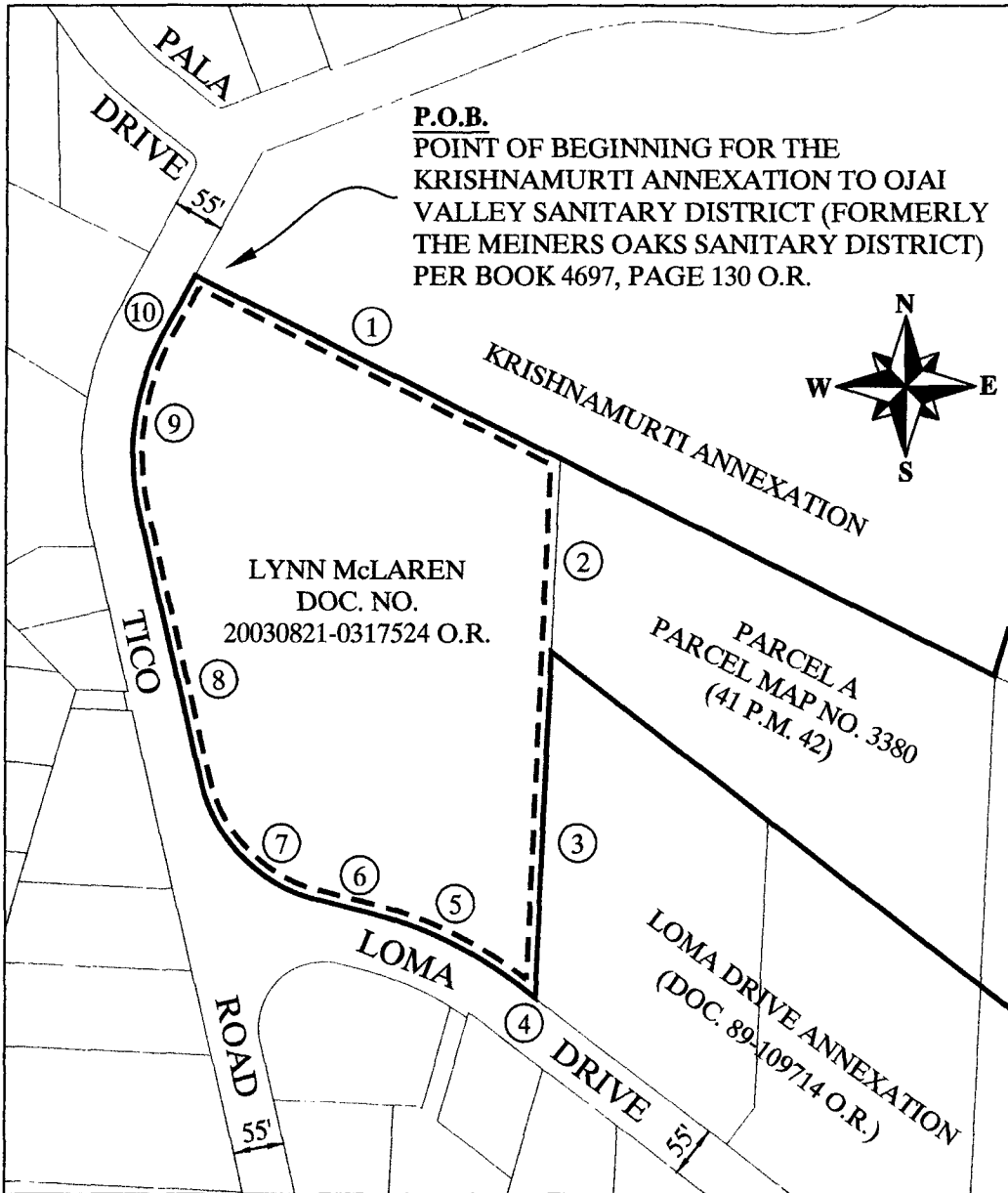
ABSTAINS:

Dated: _____

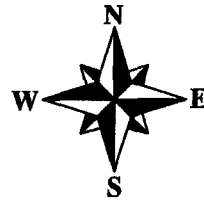
Chair, Ventura Local Agency Formation Commission

Attachments. Exhibit A

Copies: Ojai Valley Sanitary District
Ventura County Assessor
Ventura County Auditor
Ventura County Surveyor
Ventura County Planning
Ventura County Elections – Registrar of Voters



P.O.B.
 POINT OF BEGINNING FOR THE
 KRISHNAMURTI ANNEXATION TO OJAI
 VALLEY SANITARY DISTRICT (FORMERLY
 THE MEINERS OAKS SANITARY DISTRICT)
 PER BOOK 4697, PAGE 130 O.R.



LYNN McLAREN
 DOC. NO.
 20030821-0317524 O.R.

PARCEL A
 PARCEL MAP NO. 3380
 (41 P.M. 42)

LOMA DRIVE ANNEXATION
 (DOC. 89-109714 O.R.)

MAPS

Moore Associates Professional Services
 79 Daily Drive, #226
 Camarillo CA 93010
 (805) 504-3663

Disclaimer. For assessment purposes only.
 This description of land is not a legal property
 description as defined in the Subdivision Map
 Act and may not be used as the basis for an
 offer for sale of land described.

	BEARING	DISTANCE
1	S 65°16'23" E	436.42'
2	S 01°00'00" W	204.40'
3	S 01°00'00" W	367.64'
4	N 54°01'00" W	20.20'
6	N 77°26'00" W	64.30'
8	N 14°43'40" W	290.18'
10	N 27°27'20" E	67.95'

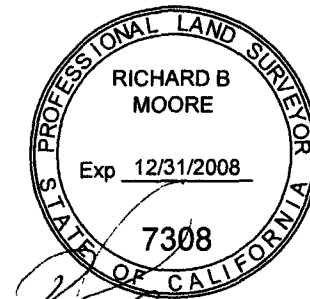
	DELTA	RADIUS	LENGTH
5	23°25'00"	430.00'	175.74'
7	62°42'20"	170.00'	186.05'
9	42°11'00"	270.00'	198.78'

±5.50 ACRES

SCALE 1" = 200'



————— EXISTING DISTRICT BOUNDARY
 - - - - - PROPOSED ANNEXATION BOUNDARY



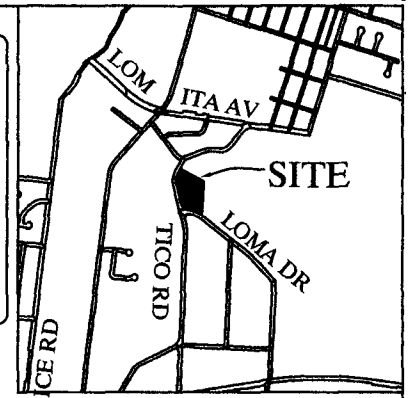
OJAI VALLEY SANITARY DISTRICT ANNEXATION
 McLAREN - PARCEL A
 (OVSD 2008-01)

PARCEL 1 OF PARCEL MAP NO. 2827,
 BEING A PART OF LOT 1, MIRA MONTE SUBDIVISION NO. 1,
 RANCHO OJAI,
 COUNTY OF VENTURA, STATE OF CALIFORNIA,

JANUARY 31, 2008

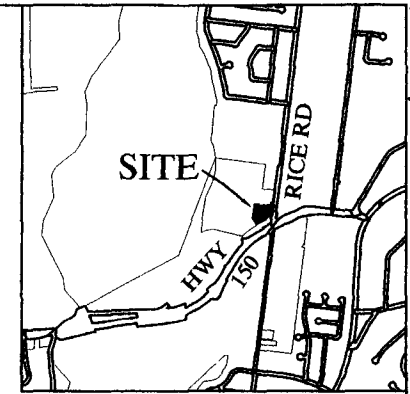
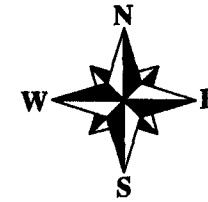
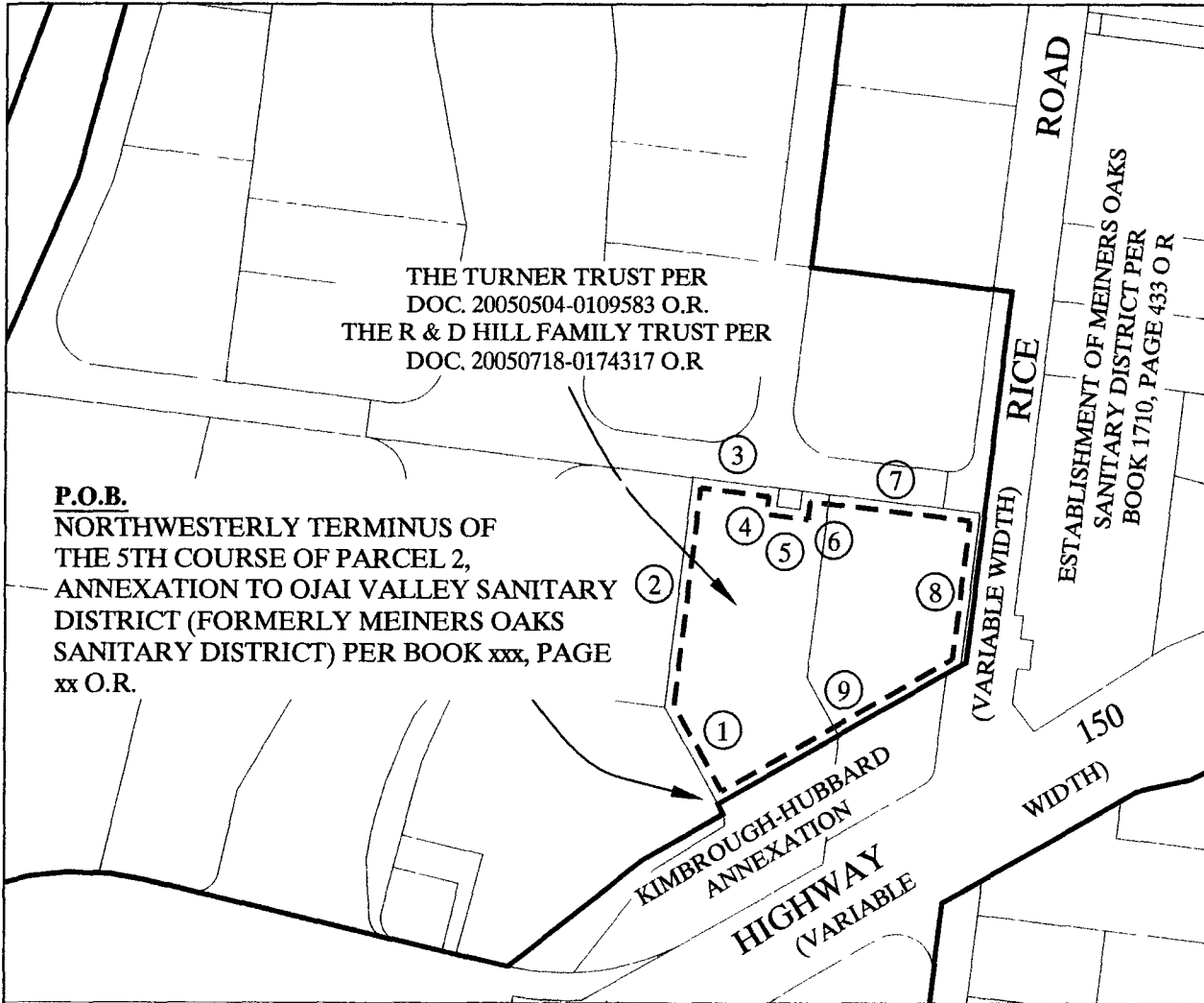
PER 24 P.M. 98

SHEET 1 OF 1



VICINITY MAP
 NOT TO SCALE

EXHIBIT A



VICINITY MAP
NOT TO SCALE

SCALE. 1" = 200'



	BEARING	DISTANCE
1	N 30°19' W	119.00'
2	N 06°00' E	250.00'
3	S 84°00' E	95.00'
4	S 06°00' W	20.00'
5	S 84°00' E	25.00'
6	N 06°00' E	20.00'
7	S 84°00' E	205.00'
8	S 06°00' W	158.81'
9	S 59°41' W	315.88'

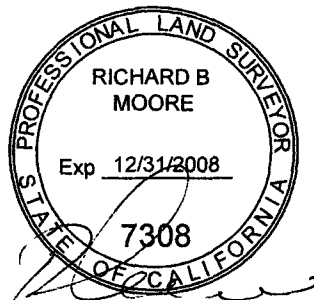
±1.95 ACRES

Disclaimer: For assessment purposes only.
This description of land is not a legal property
description as defined in the Subdivision Map
Act and may not be used as the basis for an
offer for sale of land described.

————— EXISTING DISTRICT BOUNDARY
- - - - - PROPOSED ANNEXATION BOUNDARY

MAPS

Moore Associates Professional Services
79 Daily Drive, #226
Camarillo CA 93010
(805) 504-3663



OJAI VALLEY SANITARY DISTRICT ANNEXATION
McLAREN - PARCEL B
(OVSD 2008-01)

PORTIONS OF LOTS A, 4 & 5 OF FOREST RIVER PARK
SUBDIVISION NO. 1, BEING A PART OF TRACT "B",
RANCHO SANTA ANA,
COUNTY OF VENTURA, STATE OF CALIFORNIA,

JANUARY 31, 2008

PER 19 M.R. 27

SHEET 1 OF 1

EXHIBIT A



STAFF REPORT

Meeting Date: May 21, 2008
(Consent)

Agenda Item 8

TO: LAFCO Commissioners
FROM: Kim Uhlich, Executive Officer
SUBJECT: Budget Report – 3rd Quarter FY 2007-2008

RECOMMENDATION:

Receive and file the third quarter budget report for fiscal year 2007-2008.

DISCUSSION:

LAFCO policies and procedures require the Executive Officer to provide the Commission with quarterly budget reports.

With on-going assistance and support from the County Auditor-Controller’s Office, staff has prepared the attached report reflecting expenditures and revenues as of March 31, 2008. No adjustments or transfers between major account code series or from contingencies are necessary or recommended. Overall expenditures are below the budget (approximately 56% of budget at 75% of the fiscal year). Staff continues to closely monitor the budget in terms of actual expenditures and revenues each month.

The next quarterly budget report for fiscal year 2007-08 will be provided as soon as the information is available.

COMMISSIONERS AND STAFF

COUNTY: Linda Parks Kathy Long <i>Alternate:</i> Steve Bennett	CITY: Janice Parvin John Zaragoza, Chair <i>Alternate:</i> Carl Morehouse	SPECIAL DISTRICT: Ted Grandsen George Lange, Vice Chair <i>Alternate:</i> Bill Lotts	PUBLIC: Kenneth M. Hess <i>Alternate:</i> Louis Cunningham
EXECUTIVE OFFICER: Kim Uhlich	SENIOR ANALYST Kai Luoma	OFFICE MGR/CLERK: Debbie Schubert	LEGAL COUNSEL: Leroy Smith

Agenda Item 9

STAFF REPORT

Meeting Date: May 21, 2008

TO: LAFCO Commissioners

FROM: Kim Uhlich, Executive Officer

SUBJECT: Moreland & Associated, Inc. Audit of LAFCO Financial Statements for FY 2006-2007

RECOMMENDATION:

Receive and file the material submitted by Moreland & Associates, Inc. in conjunction with their audit of LAFCO's financial statements for Fiscal Year 2006-07.

DISCUSSION:

As the Ventura LAFCO's responsibilities and staffing levels have evolved over time in response to the Legislature's major updates to LAFCO law in 2000, the budget has increased commensurately both in terms of revenues and expenditures. Although LAFCOs are not required by law to prepare audits or comprehensive annual financial reports as are counties, cities and special districts, the Commission approved a contract with Moreland & Associates in October, 2007 to perform an audit of LAFCO's financial statements for Fiscal Year 2006-07.

COMMISSIONERS AND STAFF

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Moreland & Associates has since completed their work and issued the following documents:

- Transmittal Letter – a cover letter from Moreland & Associates, Inc., outlining their professional responsibilities and accounting practices (Attachment 1).
- Ventura LAFCO Financial Statements dated June 30, 2007 – a review of LAFCO's financial activities and major fund for FY 2006-07 (Attachment 2).
- Report on Internal Control over Financial Reporting and Compliance (Management Letter) – a report identifying deficiencies in internal control over financial reporting along with management's responses.

A representative from Moreland & Associates will attend the meeting to present their findings and answer any questions that the Commission may have.

Attachments:

- (1) Moreland & Associates Transmittal Letter
- (2) LAFCO 2006-07 Financial Statements
- (3) Report on Internal Control over Financial Reporting and Compliance



Agenda Item 10

STAFF REPORT

Meeting Date: May 21, 2008

TO: LAFCO Commissioners
FROM: Kim Uhlich, Executive Officer
SUBJECT: Amendment to Commissioner’s Handbook – Division 2 – Operational Policies, Chapter 3 – Internal Processing of Financial Transactions

RECOMMENDATION:

Approve the attached policy requiring Executive Officer approval of all financial transactions processed by staff.

BACKGROUND:

At the October 17, 2007 LAFCO meeting, the Commission approved a contract with Moreland & Associates, Inc, to perform an audit of LAFCO’s financial statements for Fiscal Year 2006-07. Moreland & Associates has since completed the audit and a representative from Moreland is scheduled to present their findings to the Commission at the May 21, 2008 meeting.

Among the many changes to LAFCO law enacted as part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, LAFCOs were granted the authority to establish and manage their own budgets. Since then, the responsibility to receive cash payments and process other financial transactions has fallen to LAFCO staff with assistance from the offices of the County Auditor-Controller and Treasurer pursuant to the Commission’s Memorandum of Agreement with the County. All of these transactions are required to be carried out in conformance with the County’s fiscal management policies.

COMMISSIONERS AND STAFF

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EXECUTIVE OFFICER: Kim Uhlich	SENIOR ANALYST Kai Luoma	OFFICE MGR/CLERK: Debbie Schubert	LEGAL COUNSEL: Leroy Smith

DISCUSSION:

Notwithstanding the fact that LAFCO staff have always operated in full compliance with the County's fiscal management requirements, Moreland's Internal Control over Financial Reporting and Compliance report (Attachment 1) highlights a need to adopt internal policies that will further enhance our efforts to ensure accurate reporting of LAFCO's finances. More specifically, the Moreland report identified two areas of deficiency:

1. lack of segregation of duties when processing cash deposits and/or payment requests
2. lack of Executive Officer approval prior to journal voucher processing

Prior to concluding the audit and finalizing their report on Internal Control over Financial Reporting and Compliance, Moreland provided staff with the opportunity to respond to the findings and indicate how the deficiencies would be corrected. As reflected in the report, staff immediately initiated specific procedures to tighten internal controls concerning financial transactions and indicated that these procedures would also be forwarded to the Commission as a formal policy recommendation (Attachment 2).

Attachments:

1. Internal Control and Compliance Report (Moreland & Associates, Inc.)
2. Resolution Adopting Policy on Internal Processing of Financial Transactions



STAFF REPORT

Meeting Date: May 21, 2008

Agenda Item 12

TO: LAFCO Commissioners

FROM: Kim Uhlich, Executive Officer

SUBJECT: *Recommended* Final Budget – Fiscal Year 2008 - 2009

RECOMMENDATION:

Staff recommends that the Commission adopt the attached resolution:

1. Finding that a 22.5% decrease in the Proposed Budget for FY 2008-09 as compared to the FY 2007-08 Adopted Budget will not result in reductions in staffing or program costs to such an extent that the Commission would be impeded from fulfilling the purpose and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act and;
2. Adopting the Proposed Budget for Fiscal Year 2008-09 including an increase in the Designation for Subsequent Year Financing in the amount of \$42,000 and;
3. Certifying that the Commission has reviewed its fee schedule pursuant to Section 2.3.3.1 of the Commissioner’s Handbook and finding that no fee increases are necessary at this time.

COMMISSIONERS AND STAFF

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Alternate:
Louis Cunningham

EXECUTIVE OFFICER:
Kim Uhlich

SENIOR ANALYST
Kai Luoma

OFFICE MGR/CLERK:
Debbie Schubert

LEGAL COUNSEL:
Leroy Smith

BACKGROUND:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires that each LAFCO adopt a proposed budget by May 1 and a Final budget by June 15. The Commission adopted a Proposed FY 2008-09 Budget on April 16, 2008. The hearing on the Final Budget for FY 2008-09 is scheduled for May 21, 2008. The attached *Recommended* Final Budget consists of a Budget Message and a line item budget of expenditures and revenue (Attachment 1).

Prior to the May 21 hearing, the *Recommended* Final Budget will be transmitted to the County and each city and independent special district in the County for review and comment. Pursuant to state law, comments may be provided at any time prior to action on a Final Budget.

DISCUSSION:

The *Recommended* Final Budget contains minor changes from the Proposed Budget adopted in April. Since the April meeting, LAFCO staff received final reports and audited financial statements from Moreland & Associates, Inc., for FY 2006-07. The audit of the balance sheet for LAFCO's deposit fund indicated a discrepancy in fund balance of approximately \$2,854. This amount represents interest revenue earned on application fee deposits held in trust for the period from 2001 to June 30, 2006, which was never before reflected on LAFCO's financial statements. Combined with the interest revenue earned during the audit period (July 1, 2006 through June 30, 2007), the total prior years trust fund interest earnings amount to approximately \$3,411. Based on consultation with staff from the County Auditor-Controller's Office, LAFCO staff will request that this additional interest revenue be transferred to the Designation for Subsequent Year Financing account (account code 5070).

Assuming the actual Fund Balance is equal to or exceeds the projected actual Fund Balance after the close of FY 2007-08, the additional allocation of \$42,000 to Designation for Subsequent Year Financing account (account code 5070) adopted as part of the Proposed Budget plus the \$3,411 of accrued interest on the trust fund deposits would increase the 5070 account balance to a minimum of \$124,746, which would represent approximately 17.0% of the *Recommended* Final Budget and would result in a 31.7% reduction in the amount of revenue collected from other agencies for FY 2008-09 as compared to the current year.

The other change reflected in the *Recommended* Final Budget is an increase in projected interest revenue (account code 8911) of \$300. This amount represents the additional interest revenue earned on the trust fund deposits for the current fiscal year through May, 2008. Before the end of May and based on consultation with staff from the County Auditor-Controller's Office, LAFCO staff will permanently close the trust fund and transfer the balance to a separate balance sheet in LAFCO's general fund. Since there is no longer any need to maintain two separate funds, as was required when

LAFCO's operations were funded from the County budget, it makes sense to combine the two funds.

As with the Proposed Budget, the FY 2008-09 *Recommended* Final Budget reflects an overall decrease of approximately 22.5% as compared to the Adopted Budget for 2007-08. Pursuant to Government Code Section 56381(a), the Commission's proposed and final budgets must be at least 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 its purpose and the programs set forth in LAFCO law. With respect to staffing, programs and services, the *Recommended* Final Budget for FY 2008-09 proposes no reductions from existing levels, and the minor decrease in expenditures for services and supplies would not adversely impact service levels. Staff thus recommends that the Commission adopt the attached resolution (Attachment 1) reflecting these facts and containing the necessary findings.

Included with the *Recommended* Final Budget for informational purposes only are the estimated allocation percentages for the cities and the independent special districts that together with the County are responsible for the majority of LAFCO's revenue. The estimated allocation percentages are based on the 2004-2005 State Controller Reports for cities and the 2005-06 Report for special districts. These are the most current Reports available, but it is probable that the State will issue an updated Report for FY 2005-06 for the cities before the end of June. To the extent this occurs, the County Auditor-Controller will update the percentage share allocations.

The Commission has a policy to annually review the LAFCO fee schedule as a part of the budget process. In light of the downturn in the national economy that will likely continue to affect development activity in the County, an increase in LAFCO fees may result in the submittal of fewer applications. Coupled with the fact that the *Recommended* Final Budget is lower than the Adopted 2007-08 Budget, it is recommended that the Commission make no changes to the fee schedule for FY 2008-09. In reality, a fee "freeze" would equate to a cost *reduction* (in current dollars) for applicants. Nevertheless, staff projects that the volume of applications will still be lower than previous years. Although the recommended action would also result in a slight reduction of revenue, fees comprise only about 9% of total revenue so the overall budgetary impact would not be significant.

Attachment: (1) Resolution Adopting Proposed Budget – FY 2008-09

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION ADOPTING A FINAL BUDGET
FOR FISCAL YEAR 2008-09**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) requires each Local Agency Formation Commission (LAFCO) to adopt an annual budget; and

WHEREAS, at a minimum, the adopted budget must 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 the Cortese-Knox-Hertzberg Local Government Reorganization Act, and

WHEREAS, the Commission desires to adopt a Final Budget for Fiscal Year 2008-09 that is lower than the adopted Fiscal Year 2007-08 Budget; and

WHEREAS, the public and other governmental agencies had an opportunity to comment and the Commission considered adoption of a Final Budget for Fiscal Year 2008-09; and

WHEREAS, California Government Code Section 56383 allows for a Local Agency Formation Commission to establish a schedule of fees for the costs of proceedings; and

WHEREAS, the Commission has adopted a policy to review its fee schedule annually as a part of the budget adoption process; and

WHEREAS, Section 2.3.3.1 of the Commissioners Handbook states that LAFCO will review its fee schedule annually as a part of the annual budget process; and

WHEREAS, the Commission determines that fees should be based on actual processing costs plus the costs of necessary indirect and administrative functions; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Ventura Local Agency Formation Commission hereby:

- (1) Adopts the *Recommended* Final Budget for the 2008-2009 Fiscal Year as set forth in Exhibit A attached hereto; and

- (2) Finds the *Recommended* Final Budget as set forth in Exhibit A attached hereto will not result in reductions in staffing or program costs to such an extent that the Commission would be impeded from fulfilling the purpose and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act; and
- (3) Directs the Executive Officer to forward the *Recommended* Final Budget, as adopted, to all the independent special districts, cities and the County pursuant to Government Code Section 56381.
- (4) Finds that no changes to the fee schedule are necessary at this time.

This resolution was adopted on May 21, 2008.

AYES:

NOES:

ABSTAINS:

Dated: _____
Chair, Ventura Local Agency Formation Commission

Attachments: Exhibit A



Ventura
Local Agency Formation Commission

RECOMMENDED
FINAL BUDGET

Fiscal Year
2008-2009

Proposed May 21, 2008



BUDGET MESSAGE

***Recommended* Final Budget - Fiscal Year 2008-2009**

Meeting Date: May 21, 2008

Introduction

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq*) (CKH) requires each Local Agency Formation Commission (LAFCO) to adopt a Proposed Budget by May 1 of each year and a Final Budget by June 15 of each year. The Ventura LAFCO adopted a Proposed Budget for Fiscal Year (FY) 2008-09 at a hearing held on April 16, 2008. A public hearing to consider action on this *Recommended* Final Budget for FY 2008-09 is scheduled for May 21, 2008. Once adopted, the Final Budget will be used by the County Auditor-Controller to collect revenues as necessary from the County, cities and independent special districts.

The Ventura LAFCO Commissioner's Handbook, the compendium of the Ventura LAFCO's policies and procedures, contains budget policies in Section 2.3.1 *et seq*. This *Recommended* Final Budget was prepared in accordance with these policies. Major goals continue to be minimizing expenditures while fulfilling basic functions, and providing for effective and efficient compliance with mandates.

LAFCO and the County of Ventura entered into a Memorandum of Agreement effective July 1, 2001. While LAFCO is an independent agency, the Memorandum of Agreement provides for the County to provide personnel, support services, offices and materials as requested by LAFCO. All of the personnel, support services, offices and materials to be requested of the County for FY 2008-09 are part of this *Recommended* Final Budget. Budget information is formatted using County of Ventura account descriptions and codes.

This Budget Message highlights LAFCO's major responsibilities, reviews the major work accomplishments and budget information for the first three quarters of FY 2007-08, sets forth a basic work plan for FY 2008-09, and provides background and explanatory information about the anticipated expenditures and revenues in this *Recommended* Final FY 2008-09 Budget.

Note that this Budget Message contains changes to revenues and fund balance since the adoption of the Proposed Budget for FY 2008-09. Although the *Recommended* Final Budget net cost is equal to the Proposed Budget adopted by the Commission on April 16, 2008, the Beginning Fund Balance for FY 2008-09 has increased to reflect a \$300 increase in Projected Actual Interest Earnings. As a result, Total Revenue and Total Other Government Agencies Revenue has decreased by \$300. In addition,

Designation for Subsequent Year Financing has increased by \$3,411, which reflects interest revenue from LAFCO's trust fund accumulated between 2001 and 2007.

To increase clarity and to assist readers who may not be familiar with accounting terminology, a glossary is now included as an appendix to the Budget Message.

Major LAFCO Responsibilities

(Asterisk indicates new responsibilities as of January 1, 2001)

- Act on proposals for incorporation of cities; formation, dissolution, consolidation and merger of special districts; and annexation and detachment of territory to and from cities and special districts.
- Establish spheres of influence for cities and special districts.
- Update spheres of influence for cities and special districts every 5 years.*
- Conduct municipal service reviews prior to or in conjunction with the establishment or update of spheres of influence.*
- Perform special studies relating to services and make recommendations about consolidation, mergers or other governmental changes to improve services and reduce operational costs.
- Act on requests for out-of-agency contracts for extensions of services (now applicable to contracts between two public agencies*).
- Function as either a responsible or lead agency under the California Environmental Quality Act.
- Serve as the conducting authority for the determination of protests relating to proposals for incorporation, formation, and subsequent boundary changes.*
- Provide public information about LAFCO and public noticing of pending LAFCO actions.
- Establish and maintain a web site.*
- Adopt written policies and procedures.*
- Hire an Executive Officer and Legal Counsel.*
- Adopt an annual budget.*

FY 2007-2008 in Review

Fiscal Year 2007–2008 was the seventh year that the Ventura LAFCO was required to adopt its own budget, independent of the County, and to address new mandates pursuant to the CKH. The experience of actual revenues and expenditures from prior years helped to better establish baselines for discretionary expenditures. Based on information through the end of March 2008, total projected actual expenditures for FY 2007-08 should be approximately \$245,438 (25.8%) less than the adopted budget. Salaries and employee benefits are projected to be approximately \$110,191 (16.8%)

less than the adopted budget. This is primarily due to the fact that the Office Assistant position has been vacant, a lower than estimated debt service payment on the County's pension obligation bond, and overestimates of "buy-down" expenses associated with the retirement of the former Executive Officer. Due to on-going fiscal prudence, actual services and supplies expenditures are projected to be approximately \$48,950 (23.4%) less than the adopted budget. As part of the Commission's action on the Proposed Budget approved April 16, 2008, staff recommend consideration of a one-time additional designation of \$42,000 from the FY 2007-08 Fund Balance to the Designation for Subsequent Year Financing account (account code 5070). As is explained further in the FY 2008-2009 Financing Sources Section of this report, the purpose of this recommendation is to expedite the Commission's goal to augment the 5070 account until the total balance reaches at least 25% of the current year budget in order to enhance LAFCO's ability to cover future unanticipated expenses. Including the proposed additional designation from the Fund Balance, the anticipated savings in salaries/benefits and services/supplies will contribute to a projected available Fund Balance for FY 2008-09 of \$180,738, which is \$46,876 (35.1%) more than the Fund Balance adopted as a part of the FY 2007-08 budget (\$133,562).

Actual revenue for FY 2007-08 is now projected to be approximately \$22,700 (2.8%) less than that reflected in the Adopted Budget. The County, the cities and the independent special districts all paid their respective shares of the net operating expenditures as apportioned by the County Auditor-Controller pursuant to the CKH (account code 9372). Based on applications filed as of the end of March, projected actual revenues from charges for LAFCO services (account code 9772) are approximately \$27,000 (31.0%) less than the \$87,000 Adopted Budget. However, the projected actual interest revenue is \$16,000, which is approximately \$4,000 (33.3%) more than the Adopted Budget.

The following work plan was adopted as a part of the FY 2007-08 budget:

- Complete the process to hire a new Executive Officer and, as necessary, fill other authorized staff positions.
- Complete all municipal service reviews and sphere of influence reviews/updates and establish a work plan for these mandates for the 2008 – 2013 cycle.
- Maintain and enhance operations with a focus on: communication with the Commission, cities, districts and the public; budget monitoring and information; staff training and development; and enhanced records management.
- Complete an audit of the LAFCO fund for FY 2006-07, and establish policies and procedures to have annual or biennial audits in the future.
- Update and revise the Commissioner's Handbook and consider policy additions consistent with the mission and purpose of LAFCO.
- Increase public awareness about the mission, purpose and function of LAFCO.

Substantial progress has been made on each of these work plan items. The Commission has approved an employment contract with Kim Uhlich to serve as the LAFCO Executive Officer following the retirement of Everett Millais. Shortly thereafter, a new LAFCO Analyst was hired to fill the Deputy Executive Officer position vacated by Kim Uhlich. Staff is currently in the process of reviewing a list of qualified candidates in anticipation of filling the vacant half-time Office Assistant II position before the end of this fiscal year.

The completion of the municipal service reviews (MSR) and sphere of influence (SOI) reviews/update for the Camarillo Health Care District, the Fillmore-Piru Memorial District, the Oxnard Harbor District and the Ventura Port District along with the sphere of influence reviews/updates for the three cemetery districts and Ventura County Service Area No. 33 marked the end of the final phase of the 2002-2007 sphere review and update cycle. To cap off the completion of this first cycle, a summary report was presented to the Commission reflecting LAFCO's actions associated with the MSR and SOI review/update process for ten cities and 50 special districts. A work plan for the 2008-2013 cycle will be presented to the Commission for action before the end of this fiscal year.

Positive communications have been maintained with all cities and districts. Staff continues to attend and participate in various meetings of municipal advisory/neighborhood councils and other neighborhood meetings, the local chapter of the special districts association, the Association of Water Agencies, city/county planning association, and other groups. Staff continues to take advantage of training and professional development opportunities, including CALAFCO University courses and annual CALAFCO staff workshops. Staff is continuing to work with the County Information Technology Services Division to develop a formal records management system that will be able to digitally archive LAFCO records and interconnect case files with maps based on geo-database information.

The Commission approved a contract with Moreland & Associates, Inc. to perform an audit of LAFCO's financial statements and activities for the fiscal year ended 2007. The resulting report will be presented to the Commission for action before the end of this fiscal year.

In the first quarter of this fiscal year staff recommended, and the Commission adopted, a number of substantive and non-substantive revisions to the Commissioner's Handbook. Staff is continuing to work on potential policy provisions for Commission consideration with the intention of presenting additional policy amendment recommendations for action before the end of this fiscal year.

FY 2008- 09 Work Plan

The Ventura LAFCO Commissioner's Handbook provides that LAFCO will annually review and adopt a work plan as a part of the budget development process. For FY 2008-09, the recommended work plan maintains the focus on municipal service reviews and sphere of influence updates, carries forward the update and possible revisions to the Commissioner's Handbook and is otherwise similar to the work plan for this year.

- Initiate municipal service reviews and sphere of influence reviews/updates consistent with the time table in the 2008 – 2013 Service Review and Sphere of Influence Update Work Plan scheduled for Commission action on May 21, 2008.
- Maintain and enhance operations with a focus on: communication with the Commission, the County, cities, districts and the public; budget monitoring and information; staff training and development; and enhanced records management.
- Update and revise the Commissioner's Handbook and consider policy additions consistent with the mission and purpose of LAFCO.
- Increase public awareness about the mission, purpose and function of LAFCO.

Staff believes that the items listed above are realistic provided the number and/or complexity of proposals filed do not increase significantly.

FY 2008-09 Proposed Budget Expenditures

The expense portion of the budget is divided into three main sections, the Employee Salary and Benefits section (1000 series account codes), the Services and Supplies section (2000 series account codes), and Contingencies (account code 6101). Including a 10% contingency, the *Recommended* Final Budget reflects an overall expenditure decrease of approximately 22.5% in comparison with the FY 2007-08 Adopted Budget. This is due both to decreases in both the Salary/Employee Benefits and Services/Supplies portions of the budget.

Salary and Employee Benefits

Notwithstanding the fact that salaries and employee benefits comprise 63.8% of the total expenditures (substantially more if contingencies are not included) expenditures for salaries and benefits are proposed to decrease by approximately 28.3% from \$653,993 to \$468,960 as compared to FY 2007-08. This decrease is primarily the result of anomalous expenditures in FY 2007-08 associated with the retirement of the Executive Officer (e.g., account codes 1107, 1121 and 1128). It should be noted that retirement-related expenditures were also somewhat overestimated due to the complexities in calculating the certain costs (e.g., costs associated with "buy downs" of accrued leave).

Therefore, a portion of the budgeted amount for retirement-related costs was not expended and thus is reflected as part of the *Recommended* Final Budget Fund Balance.

The remainder of the decrease in proposed expenditures for salaries and benefits is due to the fact that LAFCO's share of the County's pension bond debt (account code 1126) was paid off in December, 2007. Correspondingly, the 1126 account decreased from \$57,100 for the current year to zero for the *Recommended* Final Budget.

The *Recommended* Final Budget includes prospective merit increases within existing salary ranges and a 4% cost of living adjustment for all allocated positions as of January 2009 (i.e. for one-half of the fiscal year). Cost of living adjustments would automatically occur based on action by the Board of Supervisors relating to management, confidential clerical and other unrepresented County employees. If the Board of Supervisors does not authorize any adjustments for management, confidential clerical and other unrepresented County employees during FY 2008-09, then no such adjustments will occur for the LAFCO positions.

No change in the number of authorized positions is proposed. The currently authorized classifications are reflected in the following table:

Title	FY 2007 - 08	FY 2008 - 09
Executive Officer	1	1
Analyst/Deputy Executive Officer	1	1
Office Manager/Clerk of the Commission	1	1
Office Assistant II	.5	.5
Total Authorized Positions	3.5	3.5

Services and Supplies

The *Recommended* Final Budget for supplies and services is approximately 4.5% less than the Adopted Budget for the current fiscal year. Most of the service and supplies account codes are based on County charges and are decreasing overall due to basic decreases in costs. The major changes to expenditures for Services and Supplies are:

- A decrease in the amount budgeted for County GIS expenses (account code 2214) from \$35,000 in the current year to \$19,500 for FY 2008-09. Most of the customized GIS applications designed to expedite and enhance LAFCO-related analyses have been completed, so GIS expenditures for the next fiscal year reflects an anticipated decrease in GIS application development costs.
- A decrease in the amount budgeted for professional services (account code 2199) from \$20,000 in the current year to \$10,000 for FY 2008-09. This item was increased for the current fiscal year to reflect audit-related expenses, which are not proposed for FY 2008-09. The remaining \$10,000 amount reflects a

continuation of database development services equivalent to that budgeted for the current fiscal year.

- A decrease in the amount budgeted for Public Works charges (account code 2197) from \$15,000 in the current year to \$10,000 for FY 2008-09, due to the increasing use of customized geospatial mapping and analysis applications purchased in 2007.
- An increase in Indirect Cost Recovery charges (account code 2158). These cost recovery charges are for County services provided primarily by the General Services Agency, Auditor-Controller and Chief Executive Officer, including Human Resources. These charges have fluctuated significantly during the last several years. In FY 2004-05 LAFCO actually received a credit of \$18,569. In FY 2005-06 the charge was \$13,829. The current fiscal year charge is \$21,529. For FY 2008-09 the charge will be \$27,500. The Auditor-Controller's staff has indicated that this fairly represents costs accrued by LAFCO under the County's indirect cost recovery system for services provided two years ago by various County agencies and departments, but it remains a cost over which LAFCO has little control as long as LAFCO relies on the County for services.
- For the Proposed Budget, expenses related to computer equipment are to be assigned to account code 2293 pursuant to County Budget Guidelines. Approximately \$11,000 is budgeted to replace three computers and ancillary hardware.
- An increase of \$3,000 for Information Technology (IT) professional services (account code 2192) to reflect additional expenses related to installation of new computer hardware.

Contingencies

The Commission's budget policies indicate that the budget should provide for contingencies equaling 10% of total expenditures, unless the Commission deems that a different amount is appropriate. Thus, as the overall expenditures changes, the amount to be budgeted for contingencies changes. The *Recommended* Final Budget contains \$66,857 for contingencies, a decrease of approximately 22.5% compared to FY 2007-08.

Financing Sources

Potential financing sources consist of the following: Miscellaneous Revenues, including interest earnings and charges for services (e.g. account codes 8911 and 9772); Designation for Subsequent Year Financing (account code 5070); Fund Balance (account code 5040); and Other Governmental Agencies, which includes revenues collected from the County, cities and independent special districts (account code 9372).

Miscellaneous Revenue

Miscellaneous revenue includes interest earnings and charges for service, primarily application fees. Overall, Proposed Miscellaneous Revenue for FY 2008-09 is

anticipated to be \$33,750 (33.8%) less than the amount in the Adopted FY 2007-08 Budget.

Projected interest revenue (account code 8911) has been increased by \$300 from the Proposed Budget adopted by the Commission on April 16, 2008. This amount reflects interest revenue earned on money held in LAFCO's trust fund during the current fiscal year and is described in more detail in the Designation for Subsequent Year Financing Section.

Based on a lower than expected number of applications received last year and the most recent economic projections signaling a continued downturn in the overall economy, the *Recommended* Final Budget anticipates a decrease in LAFCO applications as compared with projections reflected in the Adopted FY 2007-08 Budget, but an increase in interest earnings to correct for the underestimate of interest earnings for the current budget. More specifically, the \$50,000 in proposed revenue from application fees for FY 2008-09 (account code 9772) is approximately 42.5% less than the Adopted Budget and the proposed interest earnings of \$16,000 (account code 8911) is \$4,000 (33.3%) more than the Adopted Budget.

The Commission has a policy to annually review the LAFCO fee schedule as a part of the budget process. In light of current unfavorable economic conditions that appear to have dampened development activity throughout parts of the County and the state, raising filing fees might result in a decrease in application filings below the number that would otherwise occur. Coupled with the fact that the *Recommended* Final Budget is lower than the Adopted 2007-08 Budget, it is recommended that the Commission make no changes to the fee schedule for FY 2008-09. In reality, a fee "freeze" would equate to an actual cost *reduction* (in current dollars) for applicants. Nevertheless, staff projects that the volume of applications will be lower than previous years. Although the recommended action would also result in a slight reduction of revenue, fees comprise only about 9% of total revenue so the overall budgetary impact would not be significant.

Designation for Subsequent Year Financing

On May 17, 2006, the Commission approved an amendment to the Commissioner's Handbook, Section 2.3.1.4 "Contingency and Designation Accounts", which states that any monies in excess of the projected fund balance amount in the budget shall be deposited in an account designated for subsequent year financing (account code 5070). This account is intended to function as the Commission's "reserve" account for unanticipated, extraordinary expenses over and above the annual amount budgeted for contingencies. The Commissioners' Handbook also provides that the 5070 account should be augmented until the balance is equal to at least 25% of the current year budget. In accordance with this policy, the Commission has approved the transfer of revenues in excess of the projected fund balance to the 5070 account following the close of each fiscal year since 2005-06. In November 2007, after the close of the 2006-07 fiscal year, \$15,205 was available in addition to what had been budgeted as Fund

Balance for FY 2007-08 and was designated for subsequent year financing. The current total in this account is \$79,335, which represents approximately 10.8% of the *Recommended* Final budget. None of this amount is proposed to be expended in FY 2008-09.

Including a 10% contingency, the *Recommended* Final Budget reflects an overall expenditure decrease of approximately 22.5% in comparison with the FY 2007-08 Adopted Budget. This is due both to decreases in both the Salary/Employee Benefits and Services/Supplies portions of the budget. In light of this relatively significant decrease in projected expenditures and the Commission's policy seeking to augment the Designation for Subsequent Year Financing account, the *Recommended* Final Budget includes a one-time additional designation of \$42,000 of FY 2007-08 Fund Balance (account code 5040) to Designation for Subsequent Year Financing (5070 account).

The *Recommended* Final Budget also reflects an additional credit of \$3,411 in accumulated interest revenue earned on money held in LAFCO's trust fund between 2001 and 2007. This revenue was identified in the audit of LAFCO's financial statements for FY 2006-07. Since 2001 when LAFCO became independent from County oversight and began collecting filing fees, these fees have been deposited to a separate trust account. As part of the process of finalizing change of organization proposals, the amount due to LAFCO is transferred from the trust fund to LAFCO's operating fund and any remaining unspent portion of the fee deposit is refunded to the applicant. However, the interest that was accumulated in the trust account balance was never transferred to the operating fund. Based on consultation with staff from the County Auditor-Controller's Office, this accumulated interest will be transferred to the 5070 account.

Assuming the actual Fund Balance is equal to or exceeds the projected actual Fund Balance after the close of FY 2007-08, an allocation of \$42,000 plus the \$3,411 of accrued interest on the trust fund deposits would increase the 5070 account balance to a minimum of \$124,746, which would represent approximately 17.0% of the *Recommended* Final Budget.

Unlike the annual transfers of excess projected fund balance revenues to the 5070 account, the additional designation to the 5070 account reflected in the Proposed Budget directly impacts the fund balance projections and, consequently, increases the amount of revenue collected from other agencies. Without any additional designation to the 5070 account, the total revenue collected from other agencies for FY 2008-09 would be approximately 35% less than that reflected in the Adopted Budget for the current year. Including the additional designation of \$42,000 to account 5070 would result in a 31.7% reduction in the amount of revenue collected from other agencies for FY 2008-09 as compared to the current year.

Fund Balance

Section 56381(c) of the CKH provides, “If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year’s budget.” Including the proposed \$42,000 additional designation from the projected FY 2007-08 Fund Balance, approximately \$180,738 is projected to be available at the end of the current fiscal year. This is a direct result of FY 2007-08 expenditures being less than projected. The retention of these funds reduces the amount of revenue needed to be collected from other governmental agencies for FY 2008-09, as discussed in the following paragraph.

Revenues from Other Governmental Agencies (the County, Cities and Independent Special Districts)

Pursuant to the CKH, costs for LAFCO operations, net of charges for service, are apportioned one-third to the County, one-third to the cities, and one-third to the independent special districts. The CKH describes how the County Auditor-Controller is to make this apportionment and collect revenues once LAFCO adopts a Final Budget.

Expenditures are projected to decrease by approximately 22.5% overall, but the amount of revenue projected to be collected from the County, cities and independent special districts will decrease approximately 31.7%. As a share of the total budget, it is within the range reflected in the budgets for the last several years as shown in the table below. This table shows how the amount of revenue from Other Governmental Agencies (the County, cities and independent special districts) has fluctuated since LAFCO first adopted an independent budget in June 2001:

Year	Adopted Budget – Total Finance Sources & Revenue	Amount of Revenue from Other Governmental Agencies	Percent of Total Revenue from Other Governmental Agencies
FY 2001-02	\$548,737	\$468,737	85%
FY 2002-03	\$719,131	\$568,503	79%
FY 2003-04	\$641,215	\$390,699	61%
FY 2004-05	\$702,503	\$472,997	67%
FY 2005-06	\$723,226	\$361,874	50%
FY 2006-07	\$830,154	\$621,617	75%
FY 2007-08	\$949,269	\$715,957	75%
FY 2008-09¹	\$735,422	\$488,684	66%

Not formally a part of the budget, but Included for general information are the percentage shares of the Other Governmental Agencies revenue for each of the cities

¹ Based on FY 2008-09 *Recommended* Final Budget

and the independent special districts based on the 2004-2005 State Controller Reports for cities and the 2005-06 Report for special districts. These are the most current Reports available, but it is probable that the State will issue an updated Report for FY 2005-06 for the cities before the end of June. To the extent this occurs, the County Auditor-Controller will update the percentage share allocations. Once LAFCO adopts a Final Budget the law requires the County Auditor-Controller to use the latest available State Controller Report as the basis for collecting revenue from cities and independent special districts.

The CKH continues to provide the ability for the cities and independent special districts in each County to determine an alternate apportionment method. To date, however, neither the cities nor the special districts have agreed on any alternate apportionment methodology. This means that the City of Oxnard, as the city with the largest gross revenue, and Calleguas Municipal Water District, the largest special district in terms of gross revenue, will continue to pay the largest respective shares of the city and special district portion of LAFCO revenue.

Conclusion

The Ventura LAFCO is continuing to exercise fiscal prudence. The Commission and its staff understand the economic realities of the time and the constraints on local government revenues. The Commission's budgeting process has come a long way in the last eight years. Systems and policies are now in place to ensure best practices and proper oversight. Mandates are being met and basic services provided with a highly trained staff that seeks to limit discretionary expenditures. The *Recommended* Final Budget for FY 2008-09 was prepared and is being recommended consistent with the Commission's policies and the knowledge and experience gained from prior years.

Respectfully submitted,



Kim Uhlich
Executive Officer

Appendix Glossary of Terms

ANNUAL (OPERATING) BUDGET: A financial plan that outlines proposed expenditures for the coming fiscal year and estimated revenues which will be used to finance them.

ASSET: Anything owned, including money, investments and property.

AUDIT: A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in its financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities.

BALANCE SHEET: A basic financial statement, and presentation of an entity's net assets and liabilities on a specified date. A balance sheet is usually accompanied by appropriate disclosures that describe the basis of accounting used in its preparation. Also known as a statement of financial condition.

BUDGET: A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them.

BUDGET MESSAGE: A written overview of the budget from the LAFCO Executive Officer that discusses the major budget items and LAFCO's present and future financial condition.

CONTINGENCY: A budgetary expenditure allowance to cover unanticipated expenditures or revenue shortfalls during the fiscal year (LAFCO Budget Account Code 6101). The Ventura LAFCO Commissioner's policies provide that the annual budget include an allocation of 10% of total operating expenses for contingencies, unless the Commission deems a different amount appropriate. Transfers from the contingency account require prior approval of the Commission.

DEFICIT: An excess of expenditures or expenses over revenues.

DESIGNATION FOR SUBSEQUENT YEAR FINANCING: An account into which any difference between projected fund balance and actual fund balance at the close of each fiscal year is transferred (LAFCO Budget Account Code 5070). Pursuant to Ventura LAFCO Commissioner's policies, this account is considered as a reserve account to cover extraordinary expenses and that monies in this account shall not be used for any current year expenses or considered as a financing source for on-going operations without the prior approval of the Commission. The policies further provide that this account should be augmented, as funds may be available, until it contains an amount

equal to at least 25% of the current year budget. Once the account equals at least 25% of the current year budget any remaining funds in excess of the projected fund balance amount in the budget may be appropriated for any allowed expense at the Commission's discretion.

EXPENDITURE: Disbursements of cash for the cost of a service, supply or asset.

FINANCIAL STATEMENT: Presentation of financial data including balance sheets, income statements and statements of cash flow, or any supporting statement that is intended to communicate an entity's financial position at a point in time and its results of operations for a period then ended.

FISCAL YEAR: The 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

FUND BALANCE: The difference between a fund's current assets and its current liabilities. With regard to a LAFCO budget, Government Code Section 56381(c) provides, "If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget."

FUND: A complete accounting entity reflecting financial transactions, both receipts and expenditures, of money that is set up to carry out a special function or attain objectives in accordance with established laws, policies, and regulations. The fund concept also applies to budget activities.

GIS: Geographic Information System.

INCOME STATEMENT: Summary of the effect of revenues and expenses over a period of time.

INTEREST: Interest income earned as idle funds are invested with a goal of protecting each investment while achieving the highest rate of return.

INTERNAL CONTROL: Process designed to provide reasonable assurance regarding achievement of various management objectives such as the reliability of financial reports.

INTERNAL SERVICE FUND: A fund that accounts for the provision of services by various County departments on a cost reimbursement basis.

LIABILITIES: Amounts owed for items received, services rendered, expenses incurred, assets acquired, and amounts received but as yet unearned.

LINE-ITEM BUDGET: A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each.

OBJECT: An individual expenditure account.

RESERVE: An account used either to set aside budgeted revenues that are not required for expenditures in the current budget year, or to earmark revenues for a specific future purpose.

REVENUES: Total amounts available during the fiscal year for appropriation including estimated revenues, fund transfers and beginning fund balances.

VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
RECOMMENDED FINAL BUDGET
FY 2008 - 2009
May 21, 2008

Account Code	Adopted Budget FY 07-08	Adjusted Budget FY 07-08	Projected Actual FY 07-08	Proposed Budget FY 08-09 (4/16/08)	Recommended Final Budget FY 08-09 (5/21/08)	Adopted Budget FY 08-09
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EXPENDITURES

Salaries and Employee Benefits							
Regular Salaries	1101	305,528	305,528	274,600	306,000	306,000	
Supplemental Payments	1106	11,375	11,375	10,160	12,330	12,330	
Term/Buydown	1107	79,100	79,100	80,252	20,000	20,000	
Retirement Contribution	1121	123,000	123,000	81,330	55,000	55,000	
OASDI Contribution	1122	19,750	19,750	15,170	19,000	19,000	
FICA-Medicare	1123	5,750	5,750	5,410	5,100	5,100	
POB Debt Sevice	1126	57,100	57,100	38,300	0	0	
Mgmt. Retirement HC	1128	5,100	5,100	3,700	3,200	3,200	
Group Insurance	1141	26,000	26,000	20,350	25,780	25,780	
Life Ins/Dept Heads & Mgt	1142	415	415	300	400	400	
State Unemployment Ins	1143	0	0	0	0	0	
Management Disability Ins	1144	2,175	2,175	1,920	2,300	2,300	
Workers Compensation	1165	5,200	5,200	3,810	8,000	8,000	
401k Plan	1171	13,500	13,500	8,500	11,850	11,850	
Total Salaries and Emp. Benefits		653,993	653,993	543,802	468,960	468,960	0
Services and Supplies							
Telephone Charges - Non ISF	2032	600	600	100	0	0	
Voice/Data -ISF	2033	5,000	5,000	4,000	5,000	5,000	
Telecom-Radio ISF	2034	200	200	0	0	0	
General Insur Allocation	2071	1,700	1,700	1,700	1,305	1,305	
Facil/Matls Sq Ft Alloc-ISF	2125	15,000	15,000	15,000	15,600	15,600	
Maintenance	2128	700	700	100	700	700	
Memberships & Dues	2141	5,500	5,500	5,500	6,500	6,500	
Education Allowance	2154	4,000	4,000	2,500	5,000	5,000	
Indirect Cost Recovery (County Cost Allocation Plan charges)	2158	21,529	21,529	21,529	27,500	27,500	
Books & Publications	2172	700	700	600	700	700	
Office Supplies	2173	4,000	4,000	2,000	3,500	3,500	

VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
RECOMMENDED FINAL BUDGET
FY 2008 - 2009
May 21, 2008

Account Code	Adopted Budget FY 07-08	Adjusted Budget FY 07-08	Projected Actual FY 07-08	Proposed Budget FY 08-09 (4/16/08)	Recommended Final Budget FY 08-09 (5/21/08)	Adopted Budget FY 08-09
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Services and Supplies
Cont.

Mail Center-ISF	2174	2,600	2,600	2,300	3,000	3,000	
Purchasing Charges-ISF	2176	500	500	260	400	400	
Graphics Charges-ISF	2177	7,400	7,400	6,000	7,400	7,400	
Copy Machine Chgs-ISF	2178	700	700	700	400	400	
Misc Office Expense	2179	6,000	6,000	6,000	6,000	6,000	
Stores-ISF	2181	4,000	4,000	4,040	4,500	4,500	
Board Member Fees	2191	4,500	4,500	3,500	4,500	4,500	
Information Technology- ISD Data Ctr/Svs Contracts	2192	2,500	2,500	2,500	5,500	5,500	
ISD-ISF Other Professional & Specialized Services	2195	0	0	0	0	0	
Public Works Charges	2197	15,000	15,000	6,000	10,000	10,000	
Other Prof & Spec Service	2199	20,000	20,000	9,000	10,000	10,000	
GSA Special Services	2205	600	600	100	600	600	
County GIS Expense	2214	35,000	35,000	25,000	19,500	19,500	
Public And Legal Notices	2261	5,000	5,000	5,000	5,000	5,000	
Records Storage Charges	2283	0	0	0	500	500	
Computer Equip <\$5000	2293	0	0	0	11,000	11,000	
Spec Dept xo4 (Assessor/Legal Counsel)	2304	20,000	20,000	18,000	20,000	20,000	
Trans Ch ISF-Tranport	2251	0	0	0	0	0	
Private Vehicle Mileage	2522	8,250	8,250	6,000	6,500	6,500	
Conference & Seminars Exp.	2523	18,000	18,000	12,600	19,000	19,000	
Total Services and Supplies		208,979	208,979	160,029	199,605	199,605	0
Contingencies							
Contingencies	6101	86,297	86,297	0	66,857	66,857	
Total Contingencies		86,297	86,297	0	66,857	66,857	0
TOTAL EXPENDITURES		949,269	949,269	703,831	735,422	735,422	0

VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
RECOMMENDED FINAL BUDGET
FY 2008 - 2009
May 21, 2008

Account Code	Adopted Budget FY 07-08	Adjusted Budget FY 07-08	Projected Actual FY 07-08	Proposed Budget FY 08-09 (4/16/08)	Recommended Final Budget FY 08-09 (5/21/08)	Adopted Budget FY 08-09
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FINANCING SOURCES

Fund Balance	5040	133,562	133,562	133,562	180,438	180,738	
Subsequent Year Financing/Reserves	5070	90,342	79,335	124,746	121,335	124,746	
Miscellaneous Revenue							
Interest Earnings	8911	12,000	12,000	16,300	16,000	16,000	
(charges for LAFCO services)	9772	87,000	87,000	60,000	50,000	50,000	
CALAFCO for E.O. expenses)	9772	750	750	750	0	0	
Total Miscellaneous Revenue		99,750	99,750	77,050	66,000	66,000	0
Other Governmental Agencies							
Other Gov't Agencies (County of Ventura)	9372	238,652	238,652	238,652	162,995	162,895	0
Other Gov't Agencies (Cities)	9372	238,652	238,652	238,652	162,995	162,895	0
Other Gov't Agencies (Indep. Special Districts)	9372	238,652	238,652	238,652	162,995	162,895	0
Total Other Government Agencies Revenue		715,957	715,957	715,957	488,984	488,684	0
Total Revenue		815,707	815,707	793,007	554,984	554,684	0
TOTAL FINANCE SOURCES & REVENUE		949,269	949,269	926,569	735,422	735,422	0
Projected Fund Balance				222,738			
Less: Increase in Designation for Subsequent Yr Financing				(42,000)			
PROJECTED FUND BALANCE, Available for FY 2008-09				180,738			

**LAFCO NET OPERATING EXPENSES
GOV'T CODE 56381 (b) (1)**

Recommended FINAL BUDGET FOR BUDGET YEAR 2008 - 2009

ALLOCATION - CITIES

SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, FY 04/05

CITY	TOTAL		ALLOCATION
	REVENUE	PERCENTAGE	
	PER REPORT		\$ 162,995
1 Camarillo	\$ 55,856,103	6.76%	\$ 11,013
2 Fillmore	12,778,478	1.55%	2,520
3 Moorpark	25,164,249	3.04%	4,962
4 Ojai	7,812,430	0.95%	1,540
5 Oxnard	296,752,086	35.89%	58,511
6 Port Hueneme	23,600,937	2.85%	4,653
7 San Buenaventura	129,272,355	15.64%	25,490
8 Santa Paula	22,884,847	2.77%	4,512
9 Simi Valley	118,129,079	14.29%	23,292
10 Thousand Oaks	134,411,774	16.26%	26,502
TOTAL	\$ 826,662,338	100.00%	\$ 162,995

- (1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third 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.
- (2) This is the most current SCO Report available, but the SCO has signified that it will issue the updated report for FY 2005-06 for the cities before the end of June. To the extent the updated report is available, the percentage share allocations will correspondingly be recalculated.

LAFCO NET OPERATING EXPENSES
GOV'T CODE 56381.5 (b) (1)

Recommended FINAL BUDGET FOR BUDGET YEAR 2008- 2009

ALLOCATION - SPECIAL DISTRICTS

SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY 05/06

NAME	TOTAL		ALLOCATION
	REVENUE PER REPORT	PERCENTAGE (See Note 2)	
1 Bardsdale Public Cemetery	\$ 157,402	0.079%	\$ 128
2 Bell Canyon Comm. Services Dist.	\$ 392,180	0.196%	319
3 Calleguas Municipal Water Dist.	\$ 91,635,468	45.703%	74,491
4 Camarillo Health Care Dist.	\$ 3,208,948	1.600%	2,609
5 Camrosa Water Dist.	\$ 10,715,550	5.344%	8,711
6 Casitas Municipal Water Dist.	\$ 13,351,363	6.659%	10,854
7 Channel Island Beach CSD	\$ 2,992,470	1.492%	2,433
8 Conejo Recreation & Park Di:	\$ 13,764,411	6.865%	11,190
9 El Rancho Simi Public Cemetery Dist.	\$ 120,295	0.060%	98
10 Fillmore-Piru Memorial Dist.	\$ 159,343	0.079%	130
11 Fox Canyon Groundwater Mgmt. Agency	\$ 524,673	0.262%	427
12 Hidden Valley Municipal Water Dist.	\$ 40,908	0.020%	33
13 Meiners Oaks County Water Dist.	\$ 664,163	0.331%	540
14 Montalvo Municipal Impv. Dist.	\$ 580,224	0.289%	472
15 Ojai Valley Sanitary Dist.	\$ 6,796,038	3.390%	5,525
16 Ojai Water Conservation Dist.	\$ 5,745	0.003%	5
17 Oxnard Drainage Dist. No. 1	\$ 50,312	0.025%	41
18 Oxnard Drainage Dist. No. 2	\$ 194,830	0.097%	158
19 Oxnard Harbor Dist.	\$ 13,228,744	6.598%	10,754
20 Piru Public Cemetery Dist.	\$ 4,273	0.002%	3
21 Pleasant Valley Co. Water Dist.	\$ 2,271,203	1.133%	1,846
22 Pleasant Valley Rec & Parks	\$ 5,681,290	2.834%	4,619
23 Rancho Simi Rec & Park Dist	\$ 12,601,445	6.285%	10,244
24 Saticoy Sanitary Dist.	\$ 318,064	0.159%	259
25 United Water Conservation D	\$ 13,290,528	6.629%	10,804
26 Ventura Co. Resource Conserv. Dist.	\$ 59,670	0.030%	49
27 Ventura Port District	\$ 6,603,234	3.293%	5,368
28 Ventura River County Water Dist.	\$ 1,088,179	0.543%	885
TOTAL	\$200,500,953	100.000%	\$ 162,995

- (1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The independent special districts share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. An independent special district's total revenue shall be calculated for nonenterprise activities as total revenues for general purpose transactions less aid from other governmental agencies and for enterprise activities as total operating and nonoperating revenues less revenue category other governmental agencies, as reported in the most recent edition of the "Special Districts Annual Report" published by the Controller, or by an alternative method approved by a majority of the agencies, representing a majority of their combined populations.
- (2) No independent special district shall be apportioned a share of more than 50 percent of the total independent special district's share of the commission's operational costs, without the consent of the district. The share of the remaining districts shall be increased on a proportional basis so that the total amount for all districts equal the share apportioned by the auditor to independent special districts.



STAFF REPORT

Meeting Date: May 21, 2008

LAFCO CASE

NAME & NO: LAFCO 08-03 City of Camarillo Reorganization – Camarillo Farms
Parcels A-D

PROPOSAL: To annex twenty parcels and portions of the Anacapa Drive and
Mission Drive rights of way to the City of Camarillo and the
Camarillo Sanitary District and to detach the same parcels from the
Ventura County Resource Conservation District for the purpose of
providing City services.

SIZE: Approximately 11.85 acres.

LOCATION: Located generally north of the City of Camarillo within an area
bounded by Mission Drive to the west, Anacapa Drive to the east,
Catalina Drive to the north and city limits to the south.

The proposal area is within the spheres of influence of the City of
Camarillo and the Camarillo Sanitary District, and is also within the
boundaries of the Calleguas Municipal Water District, the Camarillo
Health Care District, Fox Canyon Groundwater Conservation
District, and Pleasant Valley Recreation and Parks District.

The site is within the City of Camarillo's CURB boundary.

PROPONENT: City of Camarillo by resolution.

NOTICE: This matter has been noticed as prescribed by law.

COMMISSIONERS AND STAFF

COUNTY:
Linda Parks
Kathy Long
Alternate
Steve Bennett

CITY:
Janice Parvin
John Zaragoza, Chair
Alternate
Carl Morehouse

SPECIAL DISTRICT:
Ted Grandsen
George Lange, Vice Chair
Alternate:
Bill Lotts

PUBLIC:
Kenneth M Hess
Alternate.
Louis Cunningham

EXECUTIVE OFFICER:
Kim Uhlich

SENIOR ANALYST
Kai Luoma

OFFICE MGR/CLERK:
Debbie Schubert

LEGAL COUNSEL:
Leroy Smith

PARCEL INFORMATION:

Parcel	Address	APN	Property Owner
A	324 Mission Dr.	150-0-040-095	Miller Larry R-Sylvia C
	362 Mission Dr.	150-0-040-135	Haldeman Daniel
	354 Mission Dr.	150-0-040-125	Kraft Susan R
	336 Mission Dr.	150-0-040-285	Jensen Tr
	340 Mission Dr.	150-0-040-275	Wood Kathleen
	326 Mission Dr.	150-0-040-255	Thompson John-Glendolyn Trust
	348 Mission Dr.	150-0-040-115	Kraft Susan
	280 Mission Dr	150-0-040-075	Williams Michael E-Evelyn Tr
	291 Anacapa Dr.	150-0-040-485	Ch United Methodist
	363 Anacapa Dr.	150-0-040-295	Ch United Methodist
	254 Mission Dr.	150-0-050-215	Kroll G Michael-Mary K Tr
	260 Mission Dr.	150-0-050-135	Bailey John T-Dona M Trust
B	141 Anacapa Dr.	150-0-060-065	Trude Gregory A-Patricia A
	125 Anacapa Dr.	150-0-060-075	Sowers Beverly A
	117 Anacapa Dr.	150-0-060-085	Loft Brian E-Kimberly K Tr
	161 Anacapa Dr.	150-0-050-055	Cumalat John D Trust
	No address	150-0-050-065	Ringer Linda L
C	206 Mission Dr.	150-0-050-105	Hail John W-Lora G Trust
D	426 Mission Dr.	150-0-040-455	Tabor Sam H-Rhita J Tr
	412 Mission Dr.	150-0-040-465	Morsette Michel D-Lynda J

RECOMMENDATIONS

Adopt the attached resolution (LAFCO 08-03) making determinations and approving the City of Camarillo Reorganization – Camarillo Farms

GENERAL ANALYSIS

1. Land Use

Site Information

Parcel	Land Use		County Zoning / Prezoning	County / City General Plan
	Existing	Approved		
A	Single family residences, church	NA	R1-10 (single family residential – 10,000 square foot minimum lot size) / R-1-10 (single family residential – 10,000 square foot minimum lot size)	Existing Community / Low Density Residential
B	Single family residences	NA	R1-10 / R-1-10	Existing Community / Low Density Residential
C	Single family residence	NA	R1-10 / R-1-10	Existing Community / Low Density Residential
D	Single family residences	NA	R1-10 / R-1-10	Existing Community / Low Density Residential

No changes are proposed to the land use, zoning, or County or City General Plan designations as part of this proposal.

Conformity with Plans

The proposal area is within the sphere of influence of the City of Camarillo, therefore the City’s General Plan takes precedence according to LAFCO policies.

The City’s General Plan designation is “Low Density Residential” Prior to initiating the reorganization request, the City prezoned the proposal area to ensure that the City’s zoning would be consistent with its General Plan and the

existing residential/church uses. The existing uses in the proposal area are therefore consistent with the City's General Plan and zoning designations.

Surrounding Land Uses and Zoning and General Plan Designations

Generally, adjacent properties to the west and south of the proposal area are within the City boundaries and are predominately characterized by low density single family residential uses. The City's zoning, land use and general plan designations reflect the single-family nature of this area.

The areas to the north and east of the proposal area are unincorporated and are predominately characterized by low density single family residential uses. The County's zoning designation for this adjoining area is 'R1-10,000 sq. ft.' (single family residential with a 10,000 square foot minimum lot size) and the General Plan designation is 'existing community'

Topography, Natural Features and Drainage

The proposal area is relatively flat and gently slopes to the south. There are scattered non-native trees and landscaping throughout. No other natural features are apparent.

2. Impact on Prime Agricultural Land, Agriculture, and Open Space

Prime Agricultural Land and Agriculture

Neither the proposal area nor the adjacent area is considered Prime Agricultural Land pursuant to Government Code Section 56064. There are no commercial agricultural uses within or adjacent to the proposal area.

Open Space

Neither the proposal area nor the adjacent area is considered open space pursuant to Government Code Sections 56059 and 65560. Thus, the proposal will not impact open space lands.

3. Population

With the exception of the church, each lot in the proposal area contains one single-family residence. According to the County of Ventura Registrar of Voters, there are more than 12 registered voters in the proposal area. As such, the proposal area is considered to be inhabited under the provisions of LAFCO law relating to protest proceedings.

4. Services and Controls – Need, Cost, Adequacy and Availability

Service provision will be:

City of Camarillo

Upon annexation the City has represented that the full range of City services, including drainage and street maintenance will be provided. There will be no change in providers of fire protection/paramedic or recreation services, currently undertaken by the Ventura County Fire Protection District and the Pleasant Valley Recreation and Park District, respectively. Under contract with the City, the Ventura County Sheriff's Department will provide police services upon annexation.

City utility services will be paid for through connection fees and user charges. Other City services may be funded through a combination of taxes, fees, grants and other revenues.

Camarillo Sanitary District

Upon the completion of proceedings, the Sanitary District has represented that each lot will be able to connect to the District's sanitary sewer system and that District services can be extended immediately upon request of the property owners. The property owners will be required to finance all necessary improvements and connections to the District's facilities. On-going maintenance and operational costs will be financed by residential user fees.

Other Services

There will be no change in water service, which is currently provided by the Pleasant Valley Mutual Water Company. The proposal area is in the Pleasant Valley School District (grades K - 8) and the Oxnard Union High School District (grades 9 – 12).

5. Boundaries and Lines of Assessment

County Surveyor review and certification of the map and legal description as being accurate and sufficient for the preparation of a Certificate of Completion pursuant to Government Code Section 57201 and for filing with the State Board of Equalization is in progress but has not been completed as of the date this report was finalized. The attached Resolution includes a condition that predicates recordation of the proposal (completion of reorganization proceedings) upon the approval of an acceptable map and legal description

6. Assessed Value, Tax Rates and Indebtedness

According to the County Assessor, the proposal area is in tax rate areas 75005 and 75036. At this time, the Assessor is unable to determine to what tax rate area(s) the proposal area will be assigned, as upon annexation the tax rate areas are subject to change by the County and/or state.

7. Environmental Impact of the Proposal

Staff has determined that the proposal is categorically exempt pursuant to Section 15319(a) [annexation of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning and the extension of services will have the capacity to serve only the existing structures] of the California Environmental Quality Act Guidelines. As the purpose of the annexation is primarily to extend sewer service to existing residential development and existing legal lots and the sewer laterals are intended to accommodate existing land uses or uses allowed by the current zoning regulations, staff believes that the proposal is exempt from CEQA.

8. Regional Housing Needs

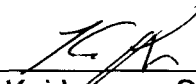
No additional housing opportunities will be created or eliminated as a result of this proposal. In addition, the annexation proposal area is developed consistent with the City's General Plan. Therefore, the proposal will have no adverse effect on the fair share of the regional housing needs for the County.

9. Environmental Justice

Staff has determined that approval of the proposal would not result in the unfair treatment of any person based on race, culture, or income with respect to the provision of city services to the proposal area.

ALTERNATIVE ACTIONS AVAILABLE:

- A. If the Commission, following public testimony and review of the materials submitted, determines that further information is necessary, a motion to continue the proposal should state specifically the type of information desired and specify a date certain for further consideration.
- B. If the Commission, following public testimony and review of materials submitted, wishes to deny or modify this proposal, a motion to deny or modify should include direction that the matter be continued to the next meeting and that staff prepare a new report consistent with the evidence submitted and the anticipated decision.

BY: 
Kai Luoma, Senior analyst

Attachments. (1) Vicinity Map *
(2) LAFCO 08-03 Resolution



* LAFCO makes every effort to offer legible map files with the online- and printed versions of our reports, however sometimes the need to reduce oversize original maps and/or other technological/software factors can compromise readability. Original maps are available for viewing at the LAFCO office by request.

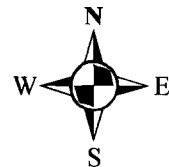
ATTACHMENT 1



Vicinity Map
LAFCO 08-03 - City of Camarillo Annexation
Camarillo Farms - Parcels A-D

Legend

-  Annexation Area
-  City of Camarillo



ATTACHMENT 2

LAFCO 08-03

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION MAKING DETERMINATIONS
AND APPROVING THE CITY OF CAMARILLO
REORGANIZATION – CAMARILLO FARMS - PARCELS
A-D; ANNEXATION TO THE CITY OF CAMARILLO AND
THE CAMARILLO SANITARY DISTRICT AND
DETACHMENT FROM THE VENTURA COUNTY
RESOURCE CONSERVATION DISTRICT**

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the Ventura Local Agency Formation Commission pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (Section 56000 of the California Government Code); and

WHEREAS, at the times and in the manner required by law, the Executive Officer gave notice of the proposal as required by law, and

WHEREAS, the proposal was duly considered on May 21, 2008 and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the proposal including, but not limited to, the LAFCO Staff Report and recommendation, the environmental determination, Sphere of Influence and applicable local plans and policies; and

WHEREAS, not all landowners within the affected territory have consented to the proposal; and

WHEREAS, the affected territory has more than twelve registered voters and is considered inhabited; and

WHEREAS, information satisfactory to the Commission has been presented that no subject or affected agencies have submitted written opposition to the proposal; and

WHEREAS, the Commission finds the proposal to be in the best interest of the landowners and present and future inhabitants within the City of Camarillo and within the affected territory, and the organization of local governmental agencies within Ventura County,

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Ventura Local Agency Formation Commission as follows:

- (1) The LAFCO Staff Report and Recommendation for approval of the proposal dated May 21, 2008, is adopted.
- (2) Said reorganization is hereby approved subject to conducting authority proceedings as prescribed in Government Code Sections 57000 to 57090.
- (3) The boundaries of the proposal are found to be definite and certain as approved and set forth in Exhibit A attached hereto and made a part hereof.
- (4) The subject proposal is assigned the following distinctive short form designation: **LAFCO 08-03 CITY OF CAMARILLO REORGANIZATION – CAMARILLO FARMS - PARCELS A-D.**
- (5) In accordance with staff's determination that the subject proposal is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15319 (a) of the California Environmental Quality Act Guidelines, the Commission hereby finds the annexation to be categorically exempt.
- (6) The Commission directs staff to file a Notice of Exemption under Section 15062 of the California Environmental Quality Act Guidelines.
- (7) The Commission determines that the project is in compliance with Government Code § 56741 as the territory to be annexed is located within one county and is contiguous with the boundaries of the City of Camarillo
- (8) The affected territory is inhabited as defined by Government Code §56046.
- (9) The Executive Officer is hereby directed to conduct protest proceedings in accordance with Government Code Section 57050.
- (10) The Commission hereby delegates to the Executive Officer the authority to determine the amount of protests pursuant to Government Code Section 57075(b).
- (11) The subject territory shall be liable for all taxes, charges, fees or assessments that are levied on similar properties within the City of Camarillo and within current Camarillo Sanitary District boundaries.

- (12) This reorganization shall not be recorded until all LAFCO fees have been paid and until fees necessary for filing with the State Board of Equalization have been submitted to the Executive Officer.**
- (13) This annexation shall not be recorded until a map and legal description consistent with this approval and suitable for filing with the State Board of Equalization have been submitted to the LAFCO Executive Officer.**

This resolution was adopted on May 21, 2008.

AYES:

NOES:

ABSTAINS:

Dated: _____

Chair, Ventura Local Agency Formation Commission

Attachments Exhibit A




Copies: City of Camarillo
Camarillo Sanitary District
Ventura County Assessor
Ventura County Auditor
Ventura County Surveyor
Ventura County Planning
Ventura County Elections-Registrar of Voters
Southern California Gas Co.
Southern California Edison Co.
Ventura County Sheriff – EOC
Ventura County Fire Protection District
Ventura County Resource Conservation District
U.S Bureau of Reclamation, South-Central California Area Office (SCCAO)

EXHIBIT A

Proposed Annexation Area



Legend

-  City boundary
-  Parcels
-  Subject parcels

ALTERNATIVE 3 = 20 PARCELS
TOTALING APPROXIMATELY 11.85 AC.