

BUTTE LOCAL AGENCY FORMATION COMMISSION
Minutes of November 1, 2012

1. CALL TO ORDER

Chair Leverenz called the meeting to order at 9:00 a.m., on November 1, 2012, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

Present: Commissioners Scott Lotter (City), Larry Duncan (Special District), Bill Connelly (County), Jerry Fichter (City), Chair Carl Leverenz (Public), and Alternate Commissioner Greg Steel (Public)

Absent: Commissioners Mark Sweany (Special District), Steve Lambert (County), and Alternate Commissioners Ann Schwab (City), Kim Yamaguchi (County), and Loren Gill (Special District)

Others Present: Stephen Lucas, LAFCO Executive Officer
Stephen Betts, LAFCO Deputy Executive Officer
Jill Broderson, LAFCO Management Analyst
Joy Stover, LAFCO Commission Clerk
P. Scott Browne, LAFCO Counsel

2. CONSENT AGENDA

2.1 Approval of the Minutes of October 10, 2012

Commissioner Lotter made a motion to approve the Consent Agenda approving the minutes. The motion was seconded by Commissioner Fichter.

The motion was carried by the following vote:

AYES: Commissioners Lotter, Duncan, Connelly, Fichter and Chair Leverenz

NOES: None

ABSENT: Commissioners Sweany and Lambert

ABSTAINS: None

3. NOTICED PUBLIC HEARINGS – None

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda – None

4.2 Consideration of Establishing a Second Tier Rate within the California Public Employee Retirement System (CalPERS) for New Employees.

Jill Broderson stated this item is before Commission, per Budget Committee direction. To comply with Government Code §7507, Ms. Broderson informed the Commission that the future annual costs or benefit change of the proposed contract amendment are to be made public at a public meeting at least two weeks prior to adoption of the final Resolution. Therefore, Ms. Broderson reported that should the Commission adopt the proposed Resolution of Intention to open a second tier rate (2% @ 60, One-Year Calculation for Final Compensation), the employer rate would be 8.311% of the reportable earnings for local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of the amended contract.

Commissioner Duncan asked if most agencies are modifying plans to 2% @ 60, as he heard most people are modifying their retirement plans to 62, and on up to 72.

In following the Budget Committee's direction to open a second tier (2% @ 60), Ms. Broderson mentioned that with the recent passage of the Pension Reform Act, an additional tier (2 @ 62) will automatically become effective on January 1, 2013 and will be applicable to those hired after January 1, 2013.

Chair Leverenz opened the hearing to the public. Seeing no interest or response, Chair Leverenz closed the public portion of the hearing.

Jill Broderson stated that should the Commission approve the Resolution of Intention at today's meeting, the final resolution would be placed on the Commission's December agenda for final adoption, with an effective date of December 8, 2012.

Commissioner Lotter made a motion to adopt a Resolution of Intent No. 07 2012/13 to open a second tier rate within the Commission's current CalPERS contract. The motion was seconded by Commissioner Duncan.

The motion was carried by the following roll call vote:

AYES: Commissioners Lotter, Duncan, Connelly, Fichter and Chair Leverenz

NOES: None

ABSENT: Commissioners Sweany and Lambert

ABSTAINS: None

4.3 Adoption of 2013 LAFCo Regular Meeting Calendar

Steve Lucas stated two regularly scheduled meetings were changed due to conflicts and asked if any of the Commissioners wanted to make changes to the suggested dates for July and September. No responses received.

Chair Leverenz opened this item to the public. No response received and the public portion was closed.

The 2013 Butte LAFCo Regular Meeting Calendar was accepted as submitted.

4.4 Discussion of Extension of Sewer Service and Annexation Plan for the City of Chico.

Steve Lucas summarized the staff report, provided an update and identified the primary areas being focused on at this time. Staff would like to focus on the DUC areas as these are the areas that would most benefit from the full range of municipal city services.

Chair Leverenz questioned the section in the letter from the City of Chico that references allowing the City of Chico to connect other unincorporated parcels, outside of the DUC areas, to sewer without individual approval from LAFCO.

Steve Lucas stated that a master sewer service extension agreement would need to be authorized to allow the sewer connections.

Chair Leverenz stated in this master agreement he wants to make sure it is limited to existing structures instead of new construction.

Steve Lucas stated he envisions the focus to be on existing developed properties that want to connect to sewer and any new development will have to be something that comes under an annexation proposal.

Chair Leverenz opened this item to the public.

Fritz McKinley, Building and Development Services Director for the City of Chico, stated he agrees with the summary the LAFCo Executive Officer provided. He stated the City has contacted four different consultants to obtain a financial analysis regarding what the cost will be & how long the analysis will take. Staff contacted the County regarding utilizing CSA 114 funds for the analysis the City Manager and the County has scheduled a meeting to discuss this. The timing of the analysis is somewhere between one to two months. Staff is focusing on the Chapman and Mulberry areas. City staff is in agreement that this will be the first step and then the City will prepare the financial analysis of the remaining 12 areas.

Chair Leverenz stated he would encourage LAFCo staff and City staff to put together a skeleton plan now so that when the timing decisions are made it will be a smooth transition.

Commissioner Duncan asked if the Stewart Avenue area is also being included.

Fritz McKinley stated the motion by the City of Chico Internal Affairs Committee made to the Chico City Council is to include the Chapman, Mulberry and Stewart Avenue areas.

No further responses were received and the public portion was closed.

No Action was taken on this item.

5. PUBLIC COMMENTS NOT ON THE AGENDA – None

6. REPORTS AND COMMUNICATION

6.1 Executive Officer's Report –

Steve Lucas summarized the Executive Officer's report. There was discussion regarding the expiration of one regular Special District Commissioner term and one alternate term. The Butte County Special Districts Association has been notified and will initiate an election. A legislative update was provided. Steve Lucas recommended the Commission allow the Executive Officer to promote legislature to allow 1) LAFCOs access to Strategic Growth Council Grants for the preparation of MSR/SOI studies and 2) extend or remove the island annexation law sunset date of January 1, 2014.

Commissioner Connelly stated he supports this but feels the acreage factor is ambiguous and other criteria should be considered such as the economic status of the people, how long the island has existed and maybe tie it together with the DUC criteria. There was general consensus regarding removing or modifying the acreage factor and adding the DUC type criteria.


6.2 Correspondence – None

7. ADMINISTRATION – None

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:40 a.m. to the **Thursday, December 6, 2012** regularly scheduled meeting.

LOCAL AGENCY FORMATION COMMISSION



By: **Stephen Lucas, Executive Officer**