



**BUTTE LOCAL AGENCY FORMATION COMMISSION
Draft Minutes of September 6, 2018**

(A complete voice recording of the Commission's meetings can be obtained from www.buttelafo.org)

1. CALL TO ORDER

Chair Leverenz called the meeting to order at 9:00 a.m., September 6, 2018, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

Commissioners Present: Scott Lotter (City), Jack Kiely (Special District), Nathan Wilkinson (City), Steve Lambert (County), Chair Carl Leverenz (Public) & Al McGreehan (Alternate - Special District)

Alternate Commissioners Present: Greg Steel (Public)

Commissioners Absent: Bill Connelly (County)

Alternate Commissioners Absent: Larry Wahl (County) & Bruce Johnson (City)

Others Present: Stephen Lucas, LAFCO Executive Officer
Joy Stover, LAFCO Commission Clerk
P. Scott Browne, LAFCO Legal Counsel

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2. CONSENT AGENDA

2.1 Approval of the Minutes of August 3, 2018

Chair Leverenz asked if there were any changes or modifications to the minutes. None stated.

Commissioner McGreehan made a motion to approve the Consent Agenda approving the August 3, 2018 minutes. The motion was seconded by Commissioner Wilkinson.

The motion was carried by the following vote:

AYES: Lotter, Kiely, McGreehan, Wilkinson, Lambert and Chair Leverenz
NOES: None
ABSENT: Commissioner Connelly
ABSTAINS: None

3. NOTICED PUBLIC HEARINGS

3.1 17-04 – Public Review Draft Municipal Service Review and Sphere of Influence Plan for the City of Chico

Steve Lucas stated the staff report outlines the fundamental points identified during the MSR/SOI process. The City of Chico adopted a General Plan some years ago where the City identified certain areas for growth within the City urban zoning area. This Sphere of Influence update is to conform the City's Sphere of Influence (SOI) Plan with their adopted General Plan. The City's original SOI Plan was adopted in 1985.

Jennifer Stephenson, Policy Consulting Associates, provided a PowerPoint presentation, which included a historical review of the City of Chico since its incorporation and the current status of the City. There were nine services reviewed during the MSR; airport, fire services, parks and recreation, parks and street tree services, law enforcement, solid waste, street maintenance and transportation, stormwater, and wastewater services..

Chair Leverenz wanted to confirm if the agency preparing the MSR/SOI received their information, opinions and data from various members of City staff.

Jennifer Stephenson stated they did make use of City documents and staff but also made use of online tools as well as information from regulating agencies as well.

Chair Leverenz stated he wanted to focus a little bit on public safety and public works. It was indicated that the City as far as police protection is concerned, is currently not providing an adequate coverage but they are trending towards doing that. He asked if this was correct.

Jennifer Stephenson stated the City has not returned to levels that were seen pre-recession yet, but they are trending towards and are on the upswing to be able to meet that service level.

Chair Leverenz asked if this was the same for the current level of service for fire protection services, but they are also trending up.

Jennifer Stephenson stated that is correct. Based on the service adequacy indicators we did determine that the City is meeting minimum standards of adequate services.

Chair Leverenz stated there appears to be an \$8 million dollar shortfall in funding on an annual basis for road maintenance.

Jennifer Stephenson stated this is not entirely a shortfall. There is a need for additional funding, but not at this entire amount.

Chair Leverenz stated the rating for public works, based on previous reviews, appears to be going down.

Jennifer Stephenson stated she would say public works was one of the hardest hit amongst those services provided, but this is not unlike just about every other city in the state.

Chair Leverenz stated his concern is should LAFCo be talking to the city about studying some of these areas for growth or wait another five years for another MSR and see where they are with what they have.

Jennifer Stephenson stated the City does need time to pre-plan for the infrastructure necessary and the funding necessary to bring in the development to ensure that there is sustainable financing for things like roads. By limiting their SOI, you are not enabling them to pre-plan appropriately farther out.

Commissioner Wilkinson stated Jennifer Stevenson made mention that the City police and fire services have been trending back upward, but his interpretation of the situation has been the opposite. The City has been leveraging its mutual aid with Cal Fire more than they have in the past.

Commissioner Lotter stated it was indicated that the compost solid waste facility is adequate, but the information he received was that the facility was shut down and now they are filling the landfill with green waste every day.

Mark Orme, City Manager for the City of Chico, stated he appreciates the opportunity to come before the Commission today. He wanted to remark on how proud of the City of Chico he is from where we came from. What the City has done over the last 5 years has been miraculous. He stated the item before the Commission today is an important planning effort for the City and we appreciate the Commission's consideration of this request. The City has been working diligently over the last 5 years to improve the City's relationship with LAFCO. Mark Orme provided an overview of actions taken over the last 5 years. While there continues to be staffing and funding challenges to provide the infrastructure and services we would like to provide and the community deserves. We and most governments in general, are living in a new normal that requires a difficult balancing of priorities. This is due to fundamentally broken systems at many levels of government, but one with the right management can still achieve success. The City staffing has increased in the police department. City staffing in the fire department has decreased. That leveraging of working with the County is vitally important but we are still meeting the needs of our community.

Chair Leverenz asked if there has been any discussion or is the City prepared to consider joining the district the County is discussing to provide fire service if in fact it provides a more cost effective way to provide fire coverage.

Mark Orme stated the County CAO & himself have an open dialogue. The City looks at every opportunity that presents itself. However, the City has a fantastic fire department. They are optimally serving our community in a way that is unprecedented because of the staff model that we currently have. These men and women are incredible but obviously we are always looking for opportunities to enhance revenues.

There was discussion regarding the Public Works road maintenance and efforts the City is looking into to generate more funding.

Brendan Ottoboni, Director of Public Works and Engineering for the City of Chico, stated he wanted to speak to the concerns regarding the infrastructure & public works being voiced. There are two different components. We have new infrastructure to meet growing needs and also our existing inventory. After the release of this report, on June 5, 2018 our council adopted a new development impact fee program. That took 3 years to bring to fruition and resulted in about a 35% increase in development. We are wrapping up our final year of a 20 year nitrate project installing new sewer infrastructure. We have

also been successful in our grant funding to address some new infrastructure needs of our community.

Richard Harriman, resident of the City of Chico, has lived in Chico off and on since 1985. He is a resident who has a street problem. We were annexed in 2007 just after we purchased our home. He is here today as he feels this is premature at this time, based on the documentation that has been presented today. The staff is providing 3 options and he would prefer option 2 or 3 being approved.

Chair Leverenz explained the SOI simply allows the City of Chico to plan for that area and any development would be a project under CEQA and would require an environmental analysis.

Brendan Vieg, Deputy Director for the City of Chico Community Development Department, stated he was the project manager for the City's General Plan and he wanted to speak regarding results from that process. The General Plan identified areas where the City needs to plan for development. The City needs the opportunity to have these areas within our sphere to make sure we are going to have land adequate to meet our next wave as we are moving forward.

Bill Brouhard, a resident of Chico & Butte County for about forty years and during much of that time he has been an advocate for quality planning, job creation and an advocate and ardent supporter of the Green Line. All of his planning and development has occurred on grazing land. Bill Brouhard stated he is owner and co-owner of the special plan area #5. In general, the special planning areas have a high expectation of the community. In this particular area there are a lot of guidelines and policies that need to be address. It is our preference to develop in the City due to the availability of services. Bill Brouhard stated he would encourage LAFCo to move forward with this action and encourage the City to continue to address their very dynamic challenges and solutions that are facing all of the cities in the state.

Elizabeth Devereaux stated she was on the General Plan Task Force in 1994 and we had included in the General Plan this ring transportation corridor within the inner city of Chico, which encouraged mixed use development like wide sidewalks, etc. Development is always overtaking pristine land. There are huge areas of the inner city, where mixed use development should occur hasn't been given the right incentives. She would like to see if are ways of moving forward with plans that don't exacerbate the problems that we already have.

Chair Leverenz stated the Commission is being asked to approve the Sphere of Influence for the City of Chico, but LAFCo has no control over land use. All the Commission can do is to give the City the authority to do the planning.

Tasha Levinson, Oroville resident but a Butte County resident for this purpose, stated as with all the government agencies she really wants LAFCO to be thinking in terms of sustainability as part of anything you are doing. Do you really want to allow more growth if you really are not able to take care of what you have. Clearly there is concern regarding police, fire and road maintenance.

Leo Depaola, Community Development Director for the City of Chico, stated a SOI increase allows the City to help plan for the future. In the Doe Mill area, there is a proposed class one bike path that creates a wild land urban development buffer that allows for fire access along the perimeter of the development they are proposing. Land absorption study was brought up and talks about the availability of projects to be able to

be done. Land assembly is very important for development. The City has a blended vacancy rate of less than 2%.

Brendon Ottoboni, City of Chico Director of Public Works Engineering, stated if this is not considered to be development within the City, the development could then proceed in the County and to County standards, ultimately to be considered to be annexed into the City, then we exacerbate our problems we have with our annexations and the services then that the county would be able to provide on the outside of our community.

Chair asked if there was anyone else wanted to be heard. As no more responses were received, Chair Leverenz closed the public portion of the hearing.

Steve Lucas stated staff is recommending approval of this item. Fundamentally speaking, from a LAFCO perspective, our job is to look into the future and see if there is an opportunity here for the City to expand in a way that is reasonable, meaningful, logical, and efficient and still create a compact urban form. The maps provided indicate that the City's past actions and their current proposal remain consistent with those fundamental core concepts. It is not our job to replace our judgment for what is adequate for that city. It is their City Council that is elected to determine what is adequate for their City. From a LAFCO perspective, we are fortunate in a sense that the City has brought forth a project that is very reasonable that is supported by their internal planning concepts and they should probably be given the opportunity to continue to plan in that direction.

There was discussion as to how often the Commission can decide to update the MSR for the agencies.

Commissioner Wilkinson stated he feels LAFCo has voiced their concerns and the City is aware of the Commission's concerns and if they come back for an annexation request and those concerns have not been addressed then that is the moment when those concerns are addressed. This is just for planning purposes.

Commissioner Lotter moved to approve Option 1 which is the recommendation of the staff, The motion was seconded by Commissioner Wilkinson. LAFCO Attorney Scott Browne stated there have been some issues raised, he would suggest this be a motion of intent and we bring this item back with any additional findings that we determine appropriate to recommend at the next meeting. Commission Lotter amended his motion to be a motion of intent to adopt the recommended resolution.

Commissioner Lambert stated the County has already stated they are OK with the development of area 3. It makes more sense for this area to be in the City.

Commissioner McGreehan asked if staff would need 30 days to come back based on this motion of intent if it passes today, to augment the findings as we can look at that before we take the final action.

The motion of intent is to adopt the resolution to allow the staff to modify the resolution to reflect what has occurred today and make whatever finding the staff feels is appropriate.

The motion of intent was carried by the following roll call vote:

AYES: Lotter, Kiely, McGreehan, Wilkinson, Lambert and Chair Leverenz
NOES: None
ABSENT: Connelly

ABSTAINS: None

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda – None

4.2 Response to the 2017/18 Butte Grand Jury Report Regarding the City of Oroville

Commissioner McGreehan made a motion to approve the Butte LAFCO response. The motion was seconded by Commissioner Kiely.

The motion was carried by the following vote:

AYES: Lotter, Kiely, McGreehan, Wilkinson, Lambert and Chair Leverenz

NOES: None

ABSENT: Connelly

ABSTAINS: None

4.3 Update of Conflict of Interest Code

Chair Leverenz asked if the current 700 form will be changing.

Steve Lucas responded no.

Commissioner Lotter made a motion to adopt Resolution No 03 2018/19 approving the Butte LAFCo Conflict of Interest Code. The motion was seconded by Commissioner Wilkinson.

The motion was carried by the following vote:

AYES: Lotter, Kiely, McGreehan, Wilkinson, Lambert and Chair Leverenz

NOES: None

ABSENT: Connelly

ABSTAINS: None

5. Public Comment on Items not on the Agenda

No comments received.

6. Reports and Communications

6.1 Executive Officer's Report.

Steve Lucas summarized the Executive Officer's Report and provided updates. Steve Lucas stated the Board of Supervisors has decided to move forward with creating a county service area structure as an alternative method of providing fire protection.

Commissioner Lambert asked how much LAFCo staff time/cost will be associated with this project.

Steve Lucas stated he estimated the cost for LAFCo staff time at \$15,000 to \$20,000, depending on how well this project goes forward.

6.2 Correspondence

7. ADMINISTRATION

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:24 a.m. to the next LAFCO meeting to be determined at a later date due to conflict with the October 4, 2018 scheduled meeting.

LOCAL AGENCY FORMATION COMMISSION

By: Stephen Lucas, Executive Officer

Minutes prepared by Joy Stover, Commission Clerk