

M E M O R A N D U M

TO: Local Agency Formation Commission
FROM: Stephen Lucas, Executive Officer
SUBJECT: **Agenda Item 6.1 - Executive Officer's Report**
DATE: January 28, 2015 for the meeting of February 5, 2015

ADMINISTRATION:

1. The financial report as of January 27, 2015 is provided as Exhibit 1 to this report.

CALAFCO:

1. The Executive Officer (as the Moderator) and Legal Counsel (as panelist) participated in the CALAFCO University class "*LAFCO & the Law: Avoiding the Legal Pitfalls and Potholes of CKH*" on December 8, 2014. It was very well attended and received high marks for content.

PROJECT NOTES:

1. Staff met with City of Biggs in January to kick-off discussions concerning the City's Municipal Service Review and Sphere of Influence Update. The City is expected to formally submit the request within the next week.
2. Staff has been assisting the Buzztail Community Services District prepare an application for the divestiture of domestic water services and the corresponding update to its MSR and SOI Plans. An application is expected to be submitted within the month.

GENERAL NOTES:

1. The City of Oroville has formally requested the Commission consider a review and update of its island annexation policies. Specifically, a revision of the definition of "substantially surrounded territory" from 75% to greater than 50% (Exhibit 3). Staff is providing this correspondence via the Executive Officer's Report to gauge the Commission's interest in considering the request. If interested, Staff will prepare a report and bring the item back at a future meeting consideration and potential action.

APPLICATION ACTIVITY See Exhibit 2

		2014/15				%
		Adopted	Special Projects	Total	As of 1/27/2015	
Exhibit 1 - FINANCIAL REPORT						
Funding Sources:						
101001	Fund Balance	7,654.00	-	7,654.00	-	0%
4410101	Interest	5,000.00	-	5,000.00	2,650.14	53%
4410103	*Unrealized Gain/Loss	-	-	-	86.55	
4547970	County Funding	251,423.00	-	251,423.00	251,423.00	100%
4547971	Cities Funding	251,423.00	-	251,423.00	251,423.00	100%
4547972	Special Districts' Funding	55,872.00	-	55,872.00	55,866.00	100%
4617230	Filing Fees	35,000.00	-	35,000.00	16,101.43	46%
4712523	Miscellaneous - Revenue	-	-	-	86.39	
47112537	Miscellaneous - Refunds	-	-	-	165.77	
4711308	SOI Trust Fund Transfers	21,638.00	-	21,638.00	-	0%
4712531	Reimbursement of P/Y Expenditures	-	-	-	-	
Total Funding Sources		628,010.00	-	628,010.00	577,802.28	92.01%
Expenditures:						
511	Salaries & Wages	304,612.00	-	304,612.00	167,379.63	55%
518	Employee Benefits	138,411.00	-	138,411.00	78,416.19	57%
523	Communications	3,902.00	-	3,902.00	1,942.92	50%
526	Household Expense	750.00	-	750.00	-	0%
527	General Insurance	4,096.00	-	4,096.00	3,648.08	89%
528	Compensation Insurance	2,300.00	-	2,300.00	999.23	43%
533	Memberships	4,167.00	-	4,167.00	3,488.00	84%
535	Office Expense	6,313.00	-	6,313.00	684.09	11%
536	Professional & Specialized Services	63,507.00	-	63,507.00	13,862.50	22%
537	Publications & Legal Notices	1,900.00	-	1,900.00	551.30	29%
538	Rents & Leases - Buildings	24,122.00	-	24,122.00	7,748.20	32%
539	Rents & Leases - Equipment	300.00	-	300.00	150.00	50%
541	Special Departmental Expense	3,500.00	-	3,500.00	39.00	1%
542	Data Processing	6,680.00	-	6,680.00	-	0%
543	Transportation & Travel	19,750.00	-	19,750.00	9,632.75	49%
544	Utilities	3,700.00	-	3,700.00	1,446.23	39%
580	Appropriation for Contingencies	30,000.00	-	30,000.00	-	0%
101001	Appropriation for Reserve	10,000.00	-	10,000.00	-	0%
Total Expenditures		628,010.00	-	628,010.00	289,988.12	46.18%

* Unrealized gain/loss is based on cash @ years' end and is a requirement of audited financial statements. Figure is booked and reversed in new year.

Exhibit 2 - APPLICATION ACTIVITY								
<i>Project Status As of Jan. 28, 2015</i>								
File	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCO Hearing Date	Certificate of Completion	SBE Submittal Date	Additional Comments
11-06	Butte County	CSA No. 114 - Expansion of Powers	02/02/11	N/A	pending	N/A	N/A	Incomplete - On Hold
11-22	Oroville	SOI Plan Update	06/21/12	N/A	11/06/14	N/A	N/A	Approved. Completing process
13-21	Chico	Ext. of Services - 1420 Boucher St.	02/07/13	N/A		N/A	N/A	Incomplete - Ck for Fees Returned
14-02	Chico	Boucher Street Annexation No. 06	11/13/13	02/03/14	04/01/14	12/03/14		Need TRA Assignment - CSA Issue
14-16	Oroville	Acacia Avenue Annexation No. 5	06/24/14	07/14/14	08/07/14	01/13/15		Waiting for Recorded Cert of Compl.
15-03	Butte County	CSA No 4 Expansion of Powers	10/06/14	10/13/14	pending			In progress
15-04	Oroville	South Oroville Annexation No. 1	10/27/14	12/09/14	02/05/15			Need Map & Legal Description
15-05	Oroville	Lower Wyandotte Annexation No. 4	10/27/14	12/09/14	pending			Need Map & Legal Description
15-06	Chico	Ext. of Services - 2174 Mulberry St.		N/A				On hold-Invalid Emergency Appl.
15-07	SFWPA	Railroad Ave. Annexation No. 2	12/15/14	01/07/15	02/05/15			Processing
SP-57	LAFCo	Gateway at Butte Creek						Consultation



City of Oroville

COMMUNITY DEVELOPMENT DEPARTMENT

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Donald Rust
DIRECTOR

January 22, 2015

Butte LAFCo Commissioners
1453 Downer Street, Suite C
Oroville, CA 95965-4950

Dear Commissioners,

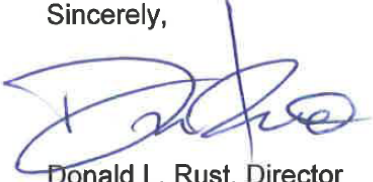
For some time the City of Oroville has reviewed its boundaries and taken incremental steps in trying to create logical boundaries and eliminate existing islands. At their November 15, 2011 meeting, the City Council adopted a Resolution authorizing the initiation of application by the City of Oroville requesting the Butte LAFCo take proceedings for the annexation of seven island areas. In August of 2012, six of the seven island annexations were approved by Butte LAFCo. In support of the Butte LAFCo policies and procedures section 2.11.2, the City continues its efforts to create logical boundaries and eliminate previously existing islands or other illogical boundaries.

Per the Butte LAFCO policy and procedures section 4.1.7, the elimination of island areas are encouraged for various listed reasons. Section 4.1.8.2, as part of the definitions used utilized for making a determination concerning island annexations, islands must meet a criteria of being "substantially surrounded" by incorporated territory. Of the three measures identified in this section that could qualify a potential island as "substantially surrounded," one is the requirement for greater than 75% of the total length of the external boundary of the proposed area to be contiguous to incorporated territory. As this greater than 75% measure is not prescribed by State law but has been selected by the Butte LAFCo Commission through a policy decision, the authority of amending this is held by the Butte LAFCo Commission.

The City of Oroville is respectfully requesting the Commission reconsider the aforementioned greater than 75% standard be lowered for qualifying an area that is "substantially surrounded" as an island. In review of the current City boundaries, there are many areas that have a greater amount of contiguous boundary to City limits than unincorporated County property. The City would ideally like the greater than 75% measure to be reduced to greater than 50%. However, any consideration in the reduction of the measure would greatly assist the City in creating what we believe to be more logical boundaries through the elimination of areas that have a greater percentage of their outer boundaries contiguous to existing City limits.

If you have any questions regarding the information contained in this letter please contact Donald Rust at (530) 538-2433 or at rustdl@cityoforo.org. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Rust', with a large, stylized flourish extending from the end of the signature.

Donald L. Rust, Director
Community Development Department