



LOCAL AGENCY FORMATION COMMISSION  
FOR LOS ANGELES COUNTY

MINUTES OF THE MEETING OF THE LOCAL AGENCY  
FORMATION COMMISSION OF THE COUNTY OF LOS ANGELES  
FINDING, TERMS & CONDITIONS SUB-COMMITTEE

NOVEMBER 8, 2001

HENRI F. PELLISSIER  
CHAIRMAN

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JERRY GLADBACH

STAFF  
LARRY J. CALEMINE  
EXECUTIVE OFFICER

JUNE D. SAVALA  
EXECUTIVE ASSISTANT

Present: James DiGiuseppe  
Carol Herrera  
William Wentworth  
Zev Yaroslavsky, Chairman

Larry J. Calemine, Executive Officer  
John Krattli, Legal Counsel

Absent:

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1. The election of a sub-committee chairperson was called up for consideration:

After some discussion, and on the motion of Commissioner Herrera, unanimously carried, Commissioner Yaroslavsky was named Chair of the sub-committee.

2. The Executive Officer introduced Craig Hoshijima of PFM to give a brief review of the issues raised in the draft CFA as they relate to the Findings, Terms & Conditions phase of Special Reorganization. Including but not limited to, provision of services on a contractual basis, setting rates for said contracts and services, transfer of assets and liabilities.

The Executive Officer (EO) gave a brief overview of the negotiation meetings held to date. The EO indicated that typically when a territory incorporates the County provides the services during the transition period and the new city has up to five years to repay the county for those interim services. However, in the case of Special Reorganization the City of Los Angeles is not in the position to advance 1 billion dollars in the provision of services, or a quarter of its' total budget without it impacting their budget and the provision of those services. The EO stated that of course the main concern on behalf of the city was the method of reimbursement, i.e., how and when would these monies be repayed to the City of Los Angeles. The EO then turned the discussion over to legal counsel.

Mr. Krattli discussed the following issues at length as they relate to Findings, Terms & Conditions for Special Reorganization:

- a. What agreements can the negotiation sessions produce prior to the LAFCO Commission's final action.
- b. Counsel strongly recommends that the commission give weight to those agreements.
- c. Discussion of the agreements and disagreements on revenue and expenses.
- d. The effective date of incorporation as it relates to contracting for services.
- e. The length of the transition period.
- f. Cost of services during transition and the question of repayment.

County counsel also indicated that before rendering any opinion on any of these issues that he has requested comments from the legal representatives of both the applicants and the city attorney's office. The comments are due by November 14, 2001. Counsel indicated that there would be heavy concentration on the transfer of assets and making a determination of what legal parameters should guide the Commission's final action.

Commissioner Yaroslavsky requested clarification of the role staff expects the sub-committee to play is setting terms and conditions.

The EO gave the following report:

- a. Staff in conjunction with county counsel will develop a checklist of action items.
- b. That checklist will be further developed into a matrix of Findings, Terms & Conditions with appropriate recommendations for each.

The EO indicated that with these tools it was hoped that the sub-committee could assist staff in developing recommendations for the full commission.

Commissioner Yaroslavsky requested a deadline for the sub-committee's recommendations. The EO responded that recommendations to the full commission were due by the end of January 2002. The EO then introduced Michael Nadol who serves as LAFCO facilitator in the negotiation meetings between the city and the applicants for Special Reorganization.

Mr. Nadol's comments were as follows:

- a. The meetings were off to a productive start given the nature of the subject matter, and the fact that these meetings are being held in a public forum.
- b. No major arguments between the parties involved, and all parties were able to sharpen their understanding of how much is required to narrow down the issues to try and move more expeditiously to a conclusion.
- c. The major areas of discussion have been who collects the revenue and how does it flow back to the new city, service agreements, and who's responsible for what during the transition period.
- d. Today's discussion will revolve around the division of assets and liabilities and concentrating on moving through the issues to reach a consensus.

The EO then gave a brief report on where staff was in regards to the council districts of the proposed valley city. Including the fact that public hearings have been scheduled for the east and west valley areas.

Commissioner Yaroslavsky commented on what a great job staff has been doing in keeping the both the sub-committee and the full commission informed and any assistance staff could provide in breaking down the mass of information into a more manageable format for the sub-committee would be greatly appreciated.

3. During the public comment period, Michael Finnegan of the LA Times requested that LAFCO notify the LA Times via fax of any future sub-committee meetings. Commissioner Yaroslavsky indicated that he was uncomfortable with having LAFCO staff placed in the position of "If we fax it to one media entity, we would set precedent for faxing to all," placing an unnecessary burden on staff since the agendas are posted publicly and are available in a timely fashion on LAFCO's website. Commissioner Yaroslavsky went on to say that since Mr. Finnegan was present at this meeting he would have sufficient notice of when the next sub-committee meeting would be held.
4. The next meeting of the sub-committee was set for November 19, 2001 at 2:00 p.m.

The meeting adjourned at 9:47 a.m.

Respectfully submitted,



Larry J. Calemine  
Executive Officer