



Local Agency Formation Commission  
for the County of Los Angeles

**Voting Members**

Donald Dear

Chair

Gerald McCallum

1st Vice-Chair

Margaret Finlay

2nd Vice-Chair

Kathryn Barger

John Lee

Robert Lewis

John Mirisch

Holly Mitchell

Francine Oschin

**Alternate Members**

Anthony Bell

Michael Davitt

Mel Matthews

Hilda Solis

Vacant

(City of Los Angeles)

Vacant

(Public Member)

**Staff**

Paul Novak

Executive Officer

Adriana Romo

Deputy Executive Officer

Amber De La Torre

Doug Dorado

Adriana Flores

Taylor Morris

Alisha O'Brien

80 South Lake Avenue

Suite 870

Pasadena, CA 91101

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[www.lalafco.org](http://www.lalafco.org)

**LOCAL AGENCY FORMATION COMMISSION**

Wednesday, April 12<sup>th</sup>, 2023

9:00 a.m.

**Room 381-B**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Los Angeles 90012

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Entrance to the Commission Meetings requires entry through security screening at any of the public entrances to the Kenneth Hahn Hall of Administration (KHHA):

- 225 N. Hill Street (first floor of KHHA)
- Civic Mall/ Grand Park, between KHHA and the Civil Court Building (second floor of the KHHA)

Entrance through any other exterior door of the KHHA is prohibited (all other entrances are locked) due to County of Los Angeles security restrictions.

\*\*\*\*\*

A person with a disability may contact the LAFCO office at (626)204-6500 at least 72 hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

This meeting is also available for members of the public to attend virtually by phone or web access as follows:

**FOR MEMBERS OF THE PUBLIC**

**TO LISTEN BY TELEPHONE AND PROVIDE PUBLIC COMMENT DIAL:**

**1-213-306-3065**

**Access Code: 2592-052-5442 (English)**

**Password: 782542**

**OR**

**OR TO LISTEN VIA WEB AND PROVIDE COMMENT:**

<https://lacountyboardofsupervisors.webex.com/lacountyboardofsupervisors/j.php?MTID=m6cfc845231cd8974fd6d2cdffb2df07c>

**Password: public**

**OR**

**TO PROVIDE WRITTEN PUBLIC COMMENT:** Any interested person may submit written opposition or comments by email at [info@lalafco.org](mailto:info@lalafco.org) prior to the conclusion of the Commission Meeting or by mail to the LAFCO Office at 80 S. Lake Avenue, Suite 870, Pasadena, CA 91101, no later than 5:00 p.m.

on the business day preceding the date set for hearing/proceedings in order to be deemed timely and to be considered by the Commission.

The entire agenda package and any meeting related writings or documents provided to a majority of the Commissioners after distribution of the agenda package, unless exempt from disclosure pursuant to California Law, are available at [www.lalafco.org](http://www.lalafco.org)

**1. CALL MEETING TO ORDER**

- a. Commissioner(s) request to participate remotely pursuant to Government Code § 54953.(f)(2): Commissioner Mel Matthews request to participate remotely for the April 12, 2023 Meeting (today) and the May 10, 2023 Meeting.

**2. PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIR DEAR**

**3. DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)**

**4. SWEARING-IN OF SPEAKER(S)**

**5. PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on any items, including those items that are on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Public comments are limited to three minutes.

**6. CONSENT ITEM(S)**

*All matters are approved by one motion unless held by a Commissioner or member(s) of the public for discussion or separate action.*

- a. Approve Minutes of March 8, 2023
- b. Approve Operating Account Check Register for the month of March, 2023
- c. Receive and file Update on Pending Proposals.
- d. Information Item(s) – Government Code §§ 56751 & 56857.  
(None)
- e. Miscellaneous Communications  
(None)
- f. Annexation No. 2021-10 to the City of Bradbury, and California Environmental Quality Act (CEQA) exemption.
- g. Legislative Update
- h. Executive Officer Written Update  
(None)

**7. PUBLIC HEARING(S)**

- a. Recommended Final Budget for Fiscal Year 2023-24

8. **PROTEST HEARING(S)**

(None)

9. **OTHER ITEMS**

- a. Status of the Commission Ad Hoc Committee for the Selection of an Alternate Public Member
- b. Revised Fee Reduction/Waiver Policy
- c. Report to the Commission concerning the City Selection Committee
- d. Other Post-Employment Benefits Actuarial Study as of June 30, 2022

10. **REQUESTED POSITION(S) ON LEGISLATION**

- a. Request to Support AB 1753

11. **COMMISSIONERS REPORT**

Commissioners' questions for staff, announcements of upcoming events and opportunity for Commissioners to briefly report on their LAFCO-related activities since last meeting.

12. **EXECUTIVE OFFICER'S REPORT**

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

13. **PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on items not on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Speakers are reminded of the three-minute time limitation.

14. **FUTURE MEETINGS**

May 10, 2023  
June 14, 2023  
July 12, 2023

15. **ADJOURNMENT**

# LAFCO

Local Agency Formation Commission  
for the County of Los Angeles

**DRAFT**

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## MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES

March 8, 2023

Present:

Donald Dear, Chair

Margaret Finlay  
John Lee  
Robert Lewis  
Gerard McCallum  
John Mirisch  
Holly Mitchell

Anthony Bell, Alternate  
Mel Matthews, Alternate

Paul Novak, Executive Officer  
Tiffani Shin, Legal Counsel

Absent:

Kathryn Barger  
Francine Oschin

Michael Davitt, Alternate  
Hilda Solis, Alternate

Vacant:

City of Los Angeles, Alternate Member  
Alternate General Public Member

## 1 CALL MEETING TO ORDER

The meeting was called to order at 9:13 a.m. as both an in-person and virtual meeting.

The Executive Officer (EO) indicated that Commissioner Finlay was attending today's meeting remotely. The Commission moved to Agenda Item No. 9.e.

## 9 OTHER ITEMS

The following item was called for consideration:

- e. Commissioner Request to Participate Remotely (Rescheduled from the cancelled February 8, 2023 Meeting).

The EO summarized the staff report on this item.

The Commission took the following action:

- Approved Second Vice Chair and Commissioner Finlay's request to participate at today's meeting and the May 10, 2022 meeting, remotely.

MOTION:	Mirisch	SECOND:	McCallum	APPROVED:	8-0-0
AYES:	Bell (Alt. for Oschin), Finlay, Lee, Lewis, McCallum, Mirisch, Mitchell, Dear				
NOES:	None.				
ABSTAIN:	None.				
ABSENT:	Barger, Oschin				

Commissioner Finlay thanked the Commission.

Commissioner Mitchell announced today was International Women's Day.

The Commission returned to Agenda Item No. 2.

## 2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Dear.

## 3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

The EO read an announcement, asking if any Commissioners had received a campaign contribution that would require disclosure or any other issue requiring recusal from any item on today's agenda (None).

## ANNOUNCEMENT

The EO announced that, consistent with State law, the agenda for today's meeting was posted at the Kenneth Hahn Hall of Administration on Wednesday, March 1, 2023.

## 4 SWEARING-IN OF SPEAKER(S)

The EO swore in members of the audience who planned to testify (None).

## 5 PUBLIC COMMENT

(None).

## 6 CONSENT ITEM(S)

The Commission took the following actions under Consent Item(s):

- a. Approved Minutes of January 11, 2023.
- b. Approved Operating Account Check Register for the month of December 2022, January 2023, and February 2023.
- c. Received and filed update on Pending Proposals.
- d. Information Item(s) – Government Code §§ 56751 & 56857.
  - i. Received and Filed Annexation No. 2023-01 to the Los Angeles County Waterworks District No. 40, Antelope Valley.
- e. Miscellaneous Communications –
  - i. Letter of January 18, 2023, Special District Risk Management Authority (SDRMA) Chief Member Services Officer Ellen Doughty to Commission Chair Don Dear (Rescheduled from the cancelled February 8, 2023 Meeting).

MOTION:	Finlay	SECOND:	Mirisch	APPROVED:	8-0-0
AYES:	Bell (Alt. for Oschin), Finlay, Lee, Lewis, McCallum, Mirisch, Mitchell, Dear				
NOES:	None.				
ABSTAIN:	None.				
ABSENT:	Barger, Oschin				

## 7 PUBLIC HEARING(S)

The following item was called up for consideration:

- a. Proposed Filing Fee Schedule (Rescheduled from the cancelled February 8, 2023 Meeting).

The EO summarized the staff report on this item.

The public hearing was opened to receive testimony on this item.

There being no additional testimony and no written opposition, nor e-mails, submitted prior to the close of the public hearing (beyond those published as an attachment to the staff report), the public hearing was closed.

Commissioner Dear asked why fees are increasing. The EO indicated that LAFCO has not adjusted fees since 2006, and that existing fees do not cover the costs for staff to process, review, and analyze proposals. The EO noted that increasing fees is intended to recover costs and to include incremental fee increases (adjust for inflation) in accordance with the Consumer Price Index. He also noted that the proposed fees are consistent with fixed fees charged by other LAFCOs.

The Commission took the following actions:

- Adopted the Resolution Making Determinations Approving the Schedule of Filing Fees; Resolution No. 2023-01RMD;
- Directed staff to notify representatives of Los Angeles County and the cities and independent special districts in Los Angeles County of the new Schedule of Filing Fees, and further inform said agencies that the schedule will take effect on July 1, 2023;
- Directed staff to post the Schedule of Filing Fees to the LAFCO website prior to July 1, 2023;
- Directed staff to adjust fees annually by the amount of the increase in the Consumer Price Index (for Urban Wage Earners and Clerical Workers published by the U.S. Bureau of Labor Statistics for the Los Angeles-Long Beach-Anaheim Area) (CPI Index), to amend the fee schedule accordingly each year on July 1<sup>st</sup>; and to provide advance notification to representatives of the County of Los Angeles and the cities and independent special districts in Los Angeles County; and
- Directed staff to conduct a thorough review and analysis of the existing calculations of tasks, hours expended, and burdened labor rates, to identify the then-current costs beyond the increases tied to the CPI Index, and make a recommendation to the Commission if any changes to the filing fee schedule are warranted, every five years, beginning in July-

August of 2028.

MOTION: McCallum                      SECOND: Lee                      APPROVED: 8-0-0  
AYES: Bell (Alt. for Oschin), Finlay, Lee, Lewis, McCallum, Mirisch, Mitchell,  
Dear  
NOES: None.  
ABSTAIN: None.  
ABSENT: Barger, Oschin

## 7 PUBLIC HEARING(S)

The following item was called up for consideration:

### b. Proposed Draft Budget for Fiscal Year 2023-24.

Adriana Romo, Deputy Executive Officer (DEO), summarized the staff report on this item.

The public hearing was opened to receive testimony on this item.

There being no testimony and no written opposition, nor e-mails, submitted prior to the close of the public hearing, the public hearing was closed.

The Commission took the following actions:

- Approve the Proposed Draft Budget for Fiscal Year 2023-24;
- Pursuant to Government Code Section 56381, directed staff to forward the Proposed Budget for Fiscal Year 2023-24 to the County of Los Angeles, as well as the 88 cities and 51 independent special districts in Los Angeles County, for their comment; and
- Set April 12, 2023, for hearing on adoption of the Recommended Final Budget for Fiscal Year 2023-24.

MOTION: Mitchell                      SECOND: Finlay                      APPROVED: 8-0-0  
AYES: Bell (Alt. for Oschin), Finlay, Lee, Lewis, McCallum, Mirisch, Mitchell,  
Dear  
NOES: None.  
ABSTAIN: None.  
ABSENT: Barger, Oschin



## 7 PUBLIC HEARING(S)

The following item was called up for consideration:

- c. Annexation No. 2021-02 to the Los Angeles County Waterworks District No. 40, Antelope Valley.

The EO summarized the staff report on this item.

The public hearing was opened to receive testimony on this item.

There being no testimony and no written opposition, nor e-mails, submitted prior to the close of the public hearing, the public hearing was closed.

The Commission took the following action:

- Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 2021-02 to the Los Angeles County Waterworks District No. 40. Antelope Valley; Resolution No. 2023-02RMD.

MOTION: McCallum                      SECOND: Finlay                      APPROVED: 8-0-0  
AYES: Bell (Alt. for Oschin), Finlay, Lee, Lewis, McCallum, Mirisch, Mitchell,  
Dear  
NOES: None.  
ABSTAIN: None.  
ABSENT: Barger, Oschin

## 8 PROTEST HEARING(S)

(None).

## 9 OTHER ITEMS

The following item was called for consideration:

- a. Fiscal Year 2022-23 Mid-Year Budget Status Report (Rescheduled from the cancelled February 8, 2023 Meeting).

The DEO summarized the staff report on this item.

The Commission took the following action:

- Received and filed the Mid-Year Budget Status Report for FY 2022-23.

MOTION: Bell                      SECOND: Finlay                      APPROVED: 8-0-0  
AYES: Bell (Alt. for Oschin), Finlay, Lee, Lewis, McCallum, Mirisch, Mitchell,  
Dear  
NOES: None.  
ABSTAIN: None.  
ABSENT: Barger, Oschin

The Commission moved to Agenda Item No. 12.b.

## 12 EXECUTIVE OFFICER'S REPORT

### b. Verbal Update.

The EO noted that for the April 12<sup>th</sup> meeting, there are two (2) items which are expected to take some time to consider. First is an annexation which will include public testimony; the second is the proposed interviews of finalists for the Alternate Public Member. The Commission directed the EO to keep the annexation on the April 12<sup>th</sup> meeting and move the Alternate Public Member interviews to the May 10<sup>th</sup> meeting.

Commissioner Lewis indicated that he will not attend the May meeting, in person, as he will attend the 2023 Association of California Water Agencies (ACWA) Conference. He will join remotely, based on his availability.

The Commission did not make a motion on this item.

The Commission returned to Agenda Item No. 9.b.

## 9 OTHER ITEMS

The following item was called for consideration:

- b. Fiscal Year 2022-23 Mid-Year Investment Status Report (Rescheduled from the cancelled February 8, 2023 Meeting).

The DEO summarized the staff report on this item.

The Commission took the following action:

- Received and filed the Fiscal Year 2022-23 Mid-Year Investment Report.

MOTION: McCallum      SECOND: Finlay      APPROVED: 8-0-0  
AYES: Bell (Alt. for Oschin), Finlay, Lee, Lewis, McCallum, Mirisch, Mitchell,  
Dear  
NOES: None.  
ABSTAIN: None.  
ABSENT: Barger, Oschin

## 9 OTHER ITEMS

The following item was called for consideration:

- c. Procurement and Reporting Policy Annual Report for 2022 (Rescheduled from the cancelled February 8, 2023 Meeting).

The EO summarized the staff report on this item.

The Commission took the following action:

- Received and filed the Procurement and Reporting Annual Report for 2022.

MOTION: Mirisch      SECOND: Bell      APPROVED: 8-0-0  
AYES: Bell (Alt. for Oschin), Finlay, Lee, Lewis, McCallum, Mirisch, Mitchell,  
Dear  
NOES: None.  
ABSTAIN: None.  
ABSENT: Barger, Oschin

## 9 OTHER ITEMS

The following item was called for consideration:

- d. Alternate Public Member Recruitment (Rescheduled from the cancelled February 8, 2023 Meeting).

The DEO summarized the staff report on this item.

The Commission took the following actions:

- Chair Dear, on Wednesday, March 8, 2023, appointed three (3) members to an Ad Hoc Committee of the Commission to screen the initial round of applicants, as follows:
  - Commissioner Matthews (Special District representative)
  - Commissioner Finlay (City representative)
  - Commissioner Barger (Board of Supervisors representative)

- Directed staff to agendize the Ad Hoc Committee to identify Alternate Public Member finalists and to make recommendations for a group of no more than eight (8) finalists for consideration by the Commission;
- Directed staff to move the date to interview finalists from the meeting of the Commission on Wednesday, April 12, 2023 to Wednesday, May 10, 2023 and to so notify all applicants; and
- Directed staff to move the date to appoint an Alternate Public Member from the meeting of the Commission on Wednesday, May 10, 2023 to the meeting of Wednesday, June 14, 2023.

MOTION: Lewis                      SECOND: Mitchell                      APPROVED: 8-0-0  
AYES: Bell (Alt. for Oschin), Finlay, Lee, Lewis, McCallum, Mirisch, Mitchell,  
Dear  
NOES: None.  
ABSTAIN: None.  
ABSENT: Barger, Oschin

## 10 LEGISLATION

The following item was called up for consideration:

### a. Legislative Update.

The EO indicated that, going forward, the Legislative Update will appear on future agendas under “Consent Item(s)” (Agenda Item No. 6), unless a legislative item requires discussion, thereby, that item will be agendized as Agenda Item No. 10.a. The Commission had no objections.

Commissioner Mirisch requested that the Commission take a support position regarding the City Selection Committee conducting appointments in a virtual format instead of in-person meetings, due to quorum issues.

Commissioner McCallum asked that the EO to report back to Commission, at next month’s meeting, providing information regarding the City Selection Committee appointment process.

[Commissioner Lee left at 9:50 a.m.]

The EO Responded by noting that staff will research the issues concerning the City Selection Committee, and provided a written staff report to the Commission at the April 12, 2022 meeting.

The Commission took the following actions:

- Received and filed the Legislative Update; and
- Directed the Executive Officer to report back to Commission providing background and demographic information pertaining to the City Selection Committee appointment process.

MOTION: Mitchell                      SECOND: Bell                      APPROVED: 7-0-0  
AYES: Bell (Alt. for Oschin), Finlay, Lewis, McCallum, Mirisch, Mitchell,  
Dear  
NOES: None.  
ABSTAIN: None.  
ABSENT: Barger, Lee, Oschin

#### 11 COMMISSIONERS' REPORT

(None).

#### 12 EXECUTIVE OFFICER'S REPORT

- a. Written Update.
- b. Verbal Update.

The EO summarized the staff report on this item.

The EO indicated that, going forward, the Executive Officer's Written Report will appear on future agendas under "Consent Item(s)" (Agenda Item No. 6). The Commission had no objection.

The Commission took the following action:

- Received and filed the Executive Officer's Written and Verbal Report.

MOTION: Mitchell                      SECOND: Lewis                      APPROVED: 7-0-0  
AYES: Bell (Alt. for Oschin), Finlay, Lewis, McCallum, Mirisch, Mitchell,  
Dear  
NOES: None.  
ABSTAIN: None.  
ABSENT: Barger, Lee, Oschin

#### 13 PUBLIC COMMENT

(None).

14 FUTURE MEETINGS

April 12, 2023

May 10, 2023

June 14, 2023

15 ADJOURNMENT MOTION

Commissioner Dear adjourned the in-person and virtual meeting at 10:07 a.m.

Respectfully submitted,

Paul Novak, AICP  
Executive Officer

10:57 AM

03/29/23

Cash Basis

# LA LAFCO

## Register Report

### March 2023

Type	Date	Num	Name	Paid Amount	Balance
<b>Mar 23</b>					
Bill Pmt -Check	03/01/2023	11511	ATT	-279.90	-279.90
Bill Pmt -Check	03/01/2023	11512	CALAFCO'	-1,920.00	-2,199.90
Bill Pmt -Check	03/01/2023	11513	Canon Financial Ser...	-222.93	-2,422.83
Bill Pmt -Check	03/01/2023	11514	CTS Clouds LLC	-1,035.00	-3,457.83
Bill Pmt -Check	03/01/2023	11515	FedEx	-23.53	-3,481.36
Bill Pmt -Check	03/01/2023	11516	LACERA	-19,590.07	-23,071.43
Bill Pmt -Check	03/01/2023	11517	ODP Business Solut...	-237.35	-23,308.78
Bill Pmt -Check	03/01/2023	11518	Quadiant Finance U...	-200.00	-23,508.78
Bill Pmt -Check	03/01/2023	11519	SP Plus Corporation	-630.00	-24,138.78
Bill Pmt -Check	03/01/2023	11520	Total Compensation...	-630.00	-24,768.78
Bill Pmt -Check	03/01/2023	11521	County Counsel	-22,502.76	-47,271.54
Bill Pmt -Check	03/01/2023	11522	Deltacare	-153.84	-47,425.38
Bill Pmt -Check	03/01/2023	11523	The Lincoln National	-319.76	-47,745.14
Check	03/01/2023	11524	Holly Mitchell*	-136.48	-47,881.62
Check	03/01/2023	WIRE	TRPF 80 South Lak...	-10,929.02	-58,810.64
Bill Pmt -Check	03/07/2023	11525	FedEx	-46.19	-58,856.83
Bill Pmt -Check	03/07/2023	11526	Certified Records M...	-1,205.74	-60,062.57
Bill Pmt -Check	03/07/2023	11527	LACERA-OPEB	-1,693.01	-61,755.58
Check	03/15/2023	DD	Federal Tax Deposit	-6,639.83	-68,395.41
Check	03/15/2023	DD	State Income Tax	-1,923.00	-70,318.41
Check	03/15/2023	DD	Ambar De La Torre	-2,581.86	-72,900.27
Check	03/15/2023	DD	Douglass S Dorado	-3,750.65	-76,650.92
Check	03/15/2023	DD	Adriana L Flores	-1,529.95	-78,180.87
Check	03/15/2023	DD	Taylor J Morris	-2,467.66	-80,648.53
Check	03/15/2023	DD	Paul A Novak	-6,159.75	-86,808.28
Check	03/15/2023	DD	Alisha O'Brien	-2,699.79	-89,508.07
Check	03/15/2023	DD	Adriana Romo	-3,966.84	-93,474.91
Bill Pmt -Check	03/15/2023	11528	Wells Fargo-Elite C...	0.00	-93,474.91
Bill Pmt -Check	03/15/2023	11529	Wells Fargo-Elite C...	-159.10	-93,634.01
Bill Pmt -Check	03/15/2023	11530	Charter Communica...	-447.90	-94,081.91
Bill Pmt -Check	03/15/2023	11531	County of Los Angel...	-361.47	-94,443.38
Bill Pmt -Check	03/15/2023	11532	FedEx	-74.30	-94,517.68
Bill Pmt -Check	03/15/2023	11533	ODP Business Solut...	-797.24	-95,314.92
Bill Pmt -Check	03/15/2023	11534	Total Compensation...	-630.00	-95,944.92
Bill Pmt -Check	03/15/2023	11535	Yvonne Green CPA	-137.50	-96,082.42
Bill Pmt -Check	03/15/2023	11536	MetLife*	-903.00	-96,985.42
Check	03/15/2023	DD	Paychex	-169.76	-97,155.18
Bill Pmt -Check	03/20/2023	11537	RSG, Inc.	-3,300.00	-100,455.18
Bill Pmt -Check	03/23/2023	11539	Canon Financial Ser...	-366.29	-100,821.47
Check	03/23/2023	11538	Canon Financial Ser...	0.00	-100,821.47
Bill Pmt -Check	03/29/2023	11540	ATT	-280.19	-101,101.66
Bill Pmt -Check	03/29/2023	11541	LACERA	-19,637.68	-120,739.34
Bill Pmt -Check	03/29/2023	11542	ODP Business Solut...	-576.34	-121,315.68
Bill Pmt -Check	03/29/2023	11543	SP Plus Corporation	-630.00	-121,945.68
Bill Pmt -Check	03/29/2023	11544	The Lincoln National	-319.76	-122,265.44
Check	03/30/2023	DD	Federal Tax Deposit	-6,827.80	-129,093.24
Check	03/30/2023	DD	State Income Tax	-1,923.00	-131,016.24
Check	03/30/2023	DD	Ambar De La Torre	-2,581.85	-133,598.09
Check	03/30/2023	DD	Douglass S Dorado	-3,750.66	-137,348.75
Check	03/30/2023	DD	Adriana L Flores	-1,529.94	-138,878.69
Check	03/30/2023	DD	Taylor J Morris	-2,467.66	-141,346.35
Check	03/30/2023	DD	Paul A Novak	-6,159.76	-147,506.11
Check	03/30/2023	DD	Alisha O'Brien	-2,699.79	-150,205.90
Check	03/30/2023	DD	Adriana Romo	-4,003.40	-154,209.30
Check	03/30/2023	DD	Anthony E Bell	-138.53	-154,347.83
Check	03/30/2023	DD	Donald Dear	-138.53	-154,486.36
Check	03/30/2023	90269...	Margaret E Finlay	-138.52	-154,624.88
Check	03/30/2023	DD	John S Lee	-138.53	-154,763.41
Check	03/30/2023	DD	Robert W Lewis	-138.52	-154,901.93
Check	03/30/2023	DD	Melvin L Matthews	-138.53	-155,040.46
Check	03/30/2023	DD	Gerard McCallum II	-138.53	-155,178.99
Check	03/30/2023	DD	John A Mirisch	-138.53	-155,317.52
Check	03/30/2023	DD	Holly J Mitchell	-134.20	-155,451.72
Check	03/30/2023	DD	Paychex	-231.42	-155,683.14
Check	03/31/2023	DD	ADP	-39.37	-155,722.51
<b>Mar 23</b>				<b>-155,722.51</b>	<b>-155,722.51</b>

AGENDA ITEM NO. 6.c. April 12th, 2023						
PENDING PROPOSALS As of April 4th, 2023						
		LAFCO Designation Number	Applicant	Description	Status	Est. Date of Completion
1	DD	Annexation 2006-12 to Los Angeles County Waterworks District No. 40, Antelope Valley	Land Resource Investors	Annex 20 acres of vacant land located at the northeast corner of Avenue J and 37th Street East, City of Lancaster. Will be developed into 80 single family homes.	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-22	5/16/2006 Unknown
2	DD	Annexation No. 2006-46 to Los Angeles County Waterworks District No. 40, Antelope Valley	Los Angeles County Waterworks District No. 40, Antelope Valley	Annex 1,567 acres of vacant land located near Lake Elizabeth Road and Avenue S in the city of Palmdale. Will be developed into 313 single family home.	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-23	10/5/2006 Unknown
3	DD	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40, Antelope Valley	Behrooz Haverim/Kamyar Lashgari	Annex 20.62 acres of vacant land located south of Avenue H between 42nd Street West and 45th Street West in the City of Lancaster. To be developed into single family homes	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-24	12/1/2006 Unknown
4	DD	Annexation 2008-13 to Los Angeles County Waterworks District No. 40	Lancaster School Dist.	Annex 20.47 acres of vacant land located 2 miles west of the Antelope Valley fhw. And the nearest paved major streets are ave. H. And Ave. I, in the City of Lancaster. For future construction of a school.	Application complete, missing BOE fees to place on agenda for approval. Emailed district for fees on 4-18-17	9/22/2008 Unknown
5	DD	Reorganization 2010-04 Los Angeles County Waterworks District No. 29	Malitex Partners, LLC	Detach 88 acres of vacant land from the Las Virgenes Municipal Water District and annex same said territory to Los Angeles County Waterworks District No 29 and West Basin Municipal Water District. The project includes future construction of three homes and dedicates open space. The project site is located north of Pacific Coast Highway at the end of Murphy Way, in the unincorporated area adjacent to Malibu.	Notice of Filing sent 07-15-10. Incomplete filing: CEQA. EIR on hold 4-14-15. Applicant requested to keep this file open, pending details how to proceed with the project 04/29/15.	6/9/2010 Unknown
6	DD	City of Palmdale Annexation 2010-05	City of Palmdale	49.6 acres located adjacent to residential properties to the southwest, southeast, and separated by the Amargosa Creek to the north.	Notice of Filing sent 1-3-11 Incomplete filing: property tax transfer resolution, insufficient CEQA, unclear pre-zoning ordinance, approved map and legal. Need to include DUC .	10/25/2010 Unknown
7	DD	Reorganization No. 2014-03 to the City of Calabasas	City of Calabasas	176± acres immediately north of and adjacent to the 101 freeway between the City of Calabasas and Hidden Hills.	Notice of Filing sent 1-8-15. Incomplete filing: property tax transfer resolution and approved map and legal.	12/10/2014 Unknown
8	DD	Annexation No. 2015-10 to the City of Agoura Hills	City of Agoura Hills	117 acres uninhabited territory. Located northeast and southwest of Chesebro Road directly north of the Highway 101	Notice of Filing sent 11-3-15 Incomplete filing: property tax transfer resolution.	11/2/2015 Unknown
9	DD	Reorganization No. 2016-01 to the Las Virgenes Municipal Water District	Las Virgenes Municipal Water District	Detachment from West Basin Municipal Water District, and annexation to the Las Virgenes Municipal Water District. Both districts require SOI amendments. The territory consists of 26 single-family homes, generally located south of Cairnloch Street, west of Summit Mountain Way, all within the City of Calabasas.	Notice of Filing sent 04-19-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	2/22/2016 Unknown
10	DD	Annexation No. 2017-09 to the Wilmington Cemetery District	Wilmington Cemetery District	inhabited territory around Wilmington	Notice of Filing sent 6-10-17 Incomplete filing: property tax transfer resolution	7/10/2017 Unknown



		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
11	DD	Annexation No. 2018-12 to the City of Agoura Hills	City of Agoura Hills	82.58± acres of inhabited territory to the City of Agoura Hills. Area A of the affected territory is generally located east of the intersection of Liberty Canyon Road and Agoura Road and Area C is generally located west of the intersection of Liberty Canyon Road and Revere Way, in Los Angeles County unincorporated territory adjacent to the City of Agoura Hills	Notice of Filing sent 11-20-18 Incomplete filing: property tax transfer resolution, CEQA, map of limiting addresses, pre-zoning, register voter labels, approved map and geographic description.	11/19/2018	Unknown
12	DD	Reorganization No. 2019-01 to the City of Rancho Palos Verdes	Rajendra Makan	1.17± acres of uninhabited territory located along Re Le Chardlene, east of the intersection of Chandeleur and Rue Le Charlene, in the City of Los Angeles.	Notice of Filing Sent 5-14-19 Incomplete filing: property tax transfer resolution and approved map and legal.	5/14/2019	Unknown
13	DD	Formation No. 2019-06 of the Lower Los Angeles River Recreation and Park District	City of South Gate	inhabited territory, along the Los Angeles River between Vernon and Long Beach	TTR/Auditor's determination, plan for services, and approved map and geographic description.	10/2/2019	Unknown
14	DD	Annexation No. 2021-02 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Andrew J Eliopoulos	annex 6.58± acres of vacant land to Los Angeles County Waterworks District No 40 for retail water services. The affected territory is located north of Eliopoulos Ranch Drive between Yianni Court and Marina Court, in the City of Palmdale	March Agenda	6/1/2021	Apr-2023
15	DD	Formation No. 2019-04 of the Acton/Agua Dulce Garbage Disposal District	County of Los Angeles	150,982 acres of inhabited territory. The affected territory is located in the unincorporated county area of Acton and Agua Dulce	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
16	DD	Formation No. 2019-05 East Antelope Valley Garbage Disposal District	County of Los Angeles	459,925 acres of inhabited territory. The affected territory is located in the unincorporated county area of the Antelope Valley, east of state route 14.	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
17	DD	Formation No. 2019-06 of the West Antelope Valley Garbage Disposal District	County of Los Angeles	293,394 acres of inhabited territory. The affected territory is located in the unincorporated county area of the Antelope Valley, west of state route 14.	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
18	DD	Formation No. 2021-07 of the Quartz Hill Garbage Disposal District	County of Los Angeles	6,575 acres of inhabited territory. The affected territory is located in the unincorporated county area of Quartz Hill	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
19	AD	Annexation 433 to District no. 14	Los Angeles County Sanitation Districts	81 Acres of uninhabited territory. The affected territory is located on 40th street East approximately 800 feet south of Avenue L, all within the City of Palmdale.	Notice of Filing Sent 11-4-21 Incomplete filing: property tax transfer resolution.	11/4/2021	Unknown
20	AOB	Reorganization No. 2021-03 for the Artesia Cemetery District, the Downey Cemetery District, and the Little Lake Cemetery District	Artesia Cemetery District, and behalf of Downey Cemetery District and Little Lake Cemetery District	Reorganization of territory located within Cities of Bell Gardens, Belflower, Cerritos, Downey, La Mirada, Lakewood, Paramount, Santa Fe Springs, South Gate; and Los Angeles County unincorporated territory (South Whittier).	Notice of Filing Sent 12-22-21 Incomplete filing: property tax transfer resolution.	12/20/2021	Unknown
21	DD	Annexation No. 2021-10 to the City of Bradbury	City of Bradbury	66± acres of uninhabited territory. The affected territory is located along Royal Oaks Drive North between Braewood Drive and Woodlyn Lane, adjacent to the City of Bradbury.	April agenda	11/29/2021	May-2023

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
22	DD	Annexation No. 2021-09 to the City of Whittier	City of Whittier	58± acres of inhabited territory. The affected territory is located along Whittier Blvd. between Interstate 605 and Sorensen Ave, adjacent to the City of Whittier.	Notice of Filing sent 12-22-21 Incomplete filing: property tax transfer resolution, limiting addresses map and list, approved map and geographic description, and BOE fees	12/13/2021	Unknown
23	DD	Reorganization No. 2019-04 to the City of La Verne	Saint George Properties, LLC	19.44± acres of uninhabited territory. The affected territory is located north of Baseline Road and Japonica Avenue, adjacent to the City of La Verne.	Notice of Filing sent 12-22-21 Incomplete filing: property tax transfer resolution, BOE fees and 2nd application submittal	12/21/2021	Unknown
24	DD	Reorganization No. 2021-11 to the City of Los Angeles	Television City Studios, LLC	.64± acres of uninhabited territory. The affected territory is located south of the intersection of Beverly Blvd and Genesee Ave, surrounded by the City of Los Angeles.	Notice of Filing sent 3-9-22: property tax transfer resolution, limiting address map & list, pre-zoning ordinance, and BOE fees	12/29/2021	Unknown
25	AOB	Annexation No. 2022-01 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Royal Investors, LLC	30± acres of uninhabited territory. The affected territory is generally located at northwest corner of 40th Street East and Lancaster Boulevard, within the City of Lancaster.	Notice of Filing Sent 02-01-22 Incomplete filing: property tax transfer resolution, approved map and geographic description	1/20/2022	Unknown
26	AD	Annexation 434 to District no. 14	Los Angeles County Sanitation Districts	40.26 acres of uninhabited territory. The affected territory is located on the southwest corner of 20th Street West and Avenue D, all within Unincorporated Los Angeles County.	Notice of Filing Sent 05-17-22 Incomplete filing: property tax transfer resolution.	5/16/2022	Unknown
27	AD	Annexation 102 to District no. 20	Los Angeles County Sanitation Districts	2.56 acres of uninhabited territory. The affected territory is located on the south side of Avenue L approximately 400 feet east of 60th Street East, all within the City of Palmdale.	Notice of Filing Sent 05-17-22 Incomplete filing: property tax transfer resolution.	5/17/2022	Unknown
28	AD	Annexation 763 to District no. 21	Los Angeles County Sanitation Districts	0.44 acres of uninhabited territory. The affected territory is located on the east side of Mountain Avenue approximately 100 feet south of Sage Street, all within unincorporated Los Angeles County.	Notice of Filing Sent 05-17-22 Incomplete filing: property tax transfer resolution.	5/18/2022	Unknown
29	AD	Annexation 766 to District no. 21	Los Angeles County Sanitation Districts	2.75 acres of uninhabited territory. The affected territory is located on the southwest corner of San Jose Hills Road and Atterbury Drive, all within the City of Walnut.	Notice of Filing Sent 05-17-22 Incomplete filing: property tax transfer resolution.	5/19/2022	Unknown
30	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1109	Los Angeles County Sanitation Districts	1.6 acres of uninhabited territory. The affected territory is located on Sloan Canyon Road approximately 350 feet north of Meadow Grass Drive, all within Unincorporated Los Angeles County.	Notice of Filing Sent 05-17-22 Incomplete filing: property tax transfer resolution.	5/20/2022	Unknown
31	AD	Annexation 58 to District no. 2	Los Angeles County Sanitation Districts	7.37 acres of uninhabited territory. The affected territory is located on the northwest corner of Marianna Avenue and Worth Street, all within the City of Los Angeles.	Notice of Filing Sent 09-29-22 Incomplete filing: property tax transfer resolution. Notice of Filing sent not sent.	9/27/2022	Unknown
32	DD	Annexation No. 2022-06 to the Los Angeles County Waterworks District No. 40, Antelope Valley	New Anaverde, LLC	1,553 acres of uninhabited territory. The affected territory is generally located southeast of the intersection of Elizabeth Lake Road and Ranch Center Drive.	Need better map and geographic description to start. Incomplete filing: property tax transfer resolution, NOD, LLC documentation, approved map and geographic description.	9/29/2022	Unknown
33	AD	Annexation 767 to District no. 21	Los Angeles County Sanitation Districts	0.32 acres of uninhabited territory. The affected territory is located on the east side of Garey Avenue approximately 100 feet south of White Oak Drive, all within unincorporated Los Angeles County.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
34	AD	Annexation 440 to District no. 22	Los Angeles County Sanitation Districts	1.1 acres of uninhabited territory. The affected territory is located on the south side of Holt Avenue approximately 350 feet east of Grand Avenue, all within the City of West Covina.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
35	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1107	Los Angeles County Sanitation Districts	9.68 acres of uninhabited territory. The affected territory is located on the west side of Sierra Highway at Soledad Canyon Road, all within the City of Santa Clarita.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
36	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1108	Los Angeles County Sanitation Districts	4.41 acres of uninhabited territory. The affected territory is located on the east side of Alderbrook Drive approximately 100 feet north of Oak Orchard Road, all within the city of Santa Clarita.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
37	AD	Annexation 769 to District no. 21	Los Angeles County Sanitation Districts	2.36 acres of uninhabited territory. The affected territory is located on the east side of Fruit Street approximately 600 feet north of Foothill Boulevard, all within the City of La Verne.	Notice of Filing Sent 10-25-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
38	AD	Annexation 439 to District no. 22	Los Angeles County Sanitation Districts	4.29 acres of uninhabited territory. The affected territory is located on Winston Avenue approximately 200 feet south of Lemon Avenue, all within the City of Bradbury.	Notice of Filing Sent 10-25-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
39	AD	Annexation 765 to District no. 21	Los Angeles County Sanitation Districts	0.75 acres of uninhabited territory. The affected territory is located on the south side of Annelien Street approximately 300 feet east of Hacienda Boulevard, all within unincorporated Los Angeles County.	Notice of Filing Sent 11-22-22 Incomplete filing: property tax transfer resolution.	11/21/2022	Unknown
40	AD	Annexation 438 to District no. 22	Los Angeles County Sanitation Districts	0.98 acres of uninhabited territory. The affected territory is located on Cameron Avenue approximately 160 feet south of Navaro Lane, all within the City of West Covina.	Notice of Filing Sent 11-22-22 Incomplete filing: property tax transfer resolution.	11/21/2022	Unknown
41	DD	Detachment No. 2022-08 from Los Angeles County Waterworks District No. 36, Val Verde	Claremont Homes, Inc.	73 acres of uninhabited territory. The affected territory is located southwest corner of Mandolin Canyon Road and Sloan Canyon Road, all within unincorporated Los Angeles County (Castaio)	Received application packet 3-15-23 Notice of Filing sent 4-3-23 Incomplete filing: property tax transfer resolution	12/13/2022	Unknown
42	AD	Annexation 437 to District no. 14	Los Angeles County Sanitation Districts	1.257 acres of uninhabited territory. The affected territory is located on the southeast corner of Market Street and Enterprise Parkway, all within the City of Lancaster.	Notice of Filing Sent 03-08-23 Incomplete filing: property tax transfer resolution.	1/23/2023	Unknown
43	AD	Annexation 441 to District no. 22	Los Angeles County Sanitation Districts	1.185 acres of uninhabited territory. The affected territory is located on Rancho Del Monico Road approximately 200 feet east of Banna Avenue, all within the City of Covina.	Notice of Filing Sent 03-14-23 Incomplete filing: property tax transfer resolution.	3/14/2023	Unknown
44	AD	Annexation 770 to District no. 21	Los Angeles County Sanitation Districts	1.226 acres of uninhabited territory. The affected territory is located on the southeast corner of Padua Avenue and Lamonette Street, all within the City of Claremont.	Notice of Filing Sent 03-14-23 Incomplete filing: property tax transfer resolution.	3/14/2023	Unknown
45		Annexation No. 2023-01 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Robert Sarkissian	The application proposes to annex approximately 78.97± acres of uninhabited territory to the Los Angeles County Waterworks District No. 40, Antelope Valley. The affected territory is located southwest of the intersection of Blackbird Way and Lockheed Way, in the City of Palmdale.	Notice of Filing sent 2-15-23 Incomplete filing: property tax transfer resolution, map and geographic description	2/15/2023	Unknown
46	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1115	Los Angeles County Sanitation Districts	62.093 acres of uninhabited territory. The affected territory is located on the south side of Bouquet Canyon Road north of Nickie Lane, all within the City of Santa Clarita.	Incomplete filing: property tax transfer resolution is missing.	4/4/2023	Unknown

**Staff Report**

**April 12, 2023**

**Agenda Item No. 6.f.**

**Annexation No. 2021-10 to the City of Bradbury**

**PROPOSAL SUMMARY:**

Size of Affected Territory:	.66± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	City of Bradbury
Resolution:	November 16, 2021
Application Filed with LAFCO:	November 29, 2021
Certificate of Filing	March 13, 2023
Location:	The affected territory is located along Royal Oaks Drive North between Braewood Drive and Woodlyn Lane.
City/County:	Los Angeles County unincorporated territory adjacent to the City of Bradbury (City).
Affected Territory:	The affected territory consists of portions of publicly-owned right-of-way. The topography is flat.
Surrounding Territory:	Surrounding the affected territory is residential uses.
Landowner/Real Party/ Parties of Interest:	City of Bradbury
Registered Voters:	Zero (0) registered voters as of November 29, 2021.
Purpose/Background:	The City of Bradbury states the annexation is necessary to place all portions of publicly owned right-of-way within the same jurisdiction. This would allow the City to have control of the entire right-of-way along its southerly boundary in the vicinity of Royal Oaks Drive North.

Jurisdictional Changes:	The jurisdictional changes that result from this proposal include annexation to the City of Bradbury and withdrawal from Los Angeles County Road District No. 5.
Within SOI:	Yes
Waiver of Public/Protest Hearing	Pursuant to Government Code § 56662(a), the Commission may waive notice and the public hearing for the annexation because the proposal meets all of the following criteria: the affected territory is uninhabited; no affected local agency has submitted a written demand for a hearing within ten (10) days referenced in Government Code § 56662(c); and all owners of land within the affected territory have given their written consent to the proposal. Staff has therefore agendized the Proposal on the Commission "Consent Item(s)" section of the Agenda as Agenda Item 6.f.
California Environmental Quality Act (CEQA) Clearance:	The proposal is categorically exempt from CEQA pursuant to State CEQA Guidelines § 15061(b)(3) because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. A Categorical Exemption was adopted by City of Bradbury, as lead agency, on November 16, 2021. The proposal is also categorically exempt from CEQA pursuant to § 15320 because it consists of a reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.
Additional Information:	Staff communicated early on with City representatives, suggesting that the City should annex the remainder of the existing County unincorporated island (the Royal Oaks retirement community) to avoid any service related issues and to create the most logical boundary. City representatives have considered the additional territory but have not reached out to staff to modify their proposal.

Staff received a letter dated March 31, 2023, from the City of Bradbury requesting recusal of 2nd Vice-Chair Margaret Finlay, stating conflict of interest issues, see attached.

Pursuant to Government Code § 56325, while serving on the Commission, all Commission Members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.

On March 14, 2023, the City Council for the City of Duarte adopted Resolution No. 23-04, a resolution to initiate proceedings to annex territory to the City of Duarte and amend their sphere of influence. Staff is anticipating an application packet to be submitted from the City of Duarte that will include a portion of Annexation No. 2021-10 to the City of Bradbury. As of today, the City of Duarte has only provided the resolution to initiate preceding and map and geographic description.

## **CERTIFICATE OF FILING**

Pursuant to Government Code § 56020.6, a Certificate of Filing (COF) is “the document issued by the executive officer that confirms an application for a change of organization or reorganization has met submission requirements and is accepted for filing.”

Upon reviewing the proposal for completeness, and pursuant to the requirements of Government Code § 56658, the Executive Officer issued the COF to the applicant on March 13, 2023. In conjunction with the issuance of the COF, the Executive Officer set the date of consideration as Wednesday, April 12, 2023.

## **FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE § 56668:**

### ***a. Affected population, territory and adjacent areas:***

The existing population is 0 residents as of November 29, 2021. The population density issue does not apply because the affected territory is unpopulated.

The estimated future population is 0 residents (no anticipated change).

The affected territory is .66+/- acres. The affected territory consists of portions of publicly-owned right-of-way.

The assessed valuation is \$0 as of November 29, 2021.

The per capita assessed valuation issue does not apply because the affected territory is unpopulated.

On February 28, 2023, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a corresponding property tax transfer resolution

The topography of the affected territory is flat.

There are no natural boundaries within or adjacent to the affected territory.

There are no drainage basins on or near the affected territory.

The affected territory is surrounded by populated areas on all sides.

The affected territory is likely to experience no growth in the next ten years. The adjacent areas are likely to experience no growth in the next ten years.

### ***b. Governmental Services and Controls:***

The affected territory includes publicly-owned right-of-way which require limited organized governmental services such as traffic enforcement and road maintenance.



The present cost and adequacy of government services and controls in the area are acceptable. The probable effect of the proposed action and of alternative courses of action on the cost and adequacy of services and controls in the affected territory and adjacent areas is minimal.

Municipal Services	Current Service Provider	Proposed Service Provider
Animal Control	Los Angeles County Department of Animal Care and Control	Los Angeles County Department of Animal Care and Control (under contract to the City of Bradbury)
Fire and Emergency Medical	Consolidated Fire Protection District of Los Angeles County (CFPD)	Consolidated Fire Protection District of Los Angeles County (under contract to the City of Bradbury)
Flood Control	Los Angeles County Flood Control District	Same
Library	Los Angeles County Library District	Same
Mosquito & Vector Control	San Gabriel Valley Mosquito and Vector Control District	Same
Park and Recreation	Los Angeles County Department of Parks & Recreation	City of Bradbury
Planning	Los Angeles County Department of Regional Planning	City of Bradbury
Police Protection	Los Angeles Sheriff Department (LASD)	Los Angeles Sheriff Department (under contract to the City of Bradbury)
Road Maintenance	Los Angeles County Department of Public Works	City of Bradbury
Solid Waste	Private Hauler under franchise to the County of Los Angeles	Private Hauler under franchise to the under contract to the City of Bradbury
Street Lighting	Los Angeles County Department of Public Works	City of Bradbury
Water	Upper San Gabriel Valley Municipal Water District	Same



	(wholesaler) and California American Water Company (retailer)	
Wastewater	County Sanitation District No. 15 of Los Angeles County	Same

The County will continue to provide animal control, fire and emergency medical, flood control, library, and police; the San Gabriel Valley Vector Control District will continue to provide mosquito and vector control services; the Upper San Gabriel Valley Municipal Water District and California American Water Company will continue to provide water services; and County Sanitation District No. 15 of Los Angeles County will continue to provide wastewater services. The County and special districts will continue to provide adequate services and maintain current service levels.

Upon approval of the annexation request, the City of Bradbury will provide park and recreation, planning, road maintenance, and street lighting, water services as well as solid waste services directly or through contracts. The City will continue to provide adequate services and maintain current service levels.

Potential enhanced services may be financed by general fund revenues, developer impact fees, community facilities districts, bonds, assessments, grants, and/or user fees.

**c. *Proposed Action and Alternative Actions:***

The proposed action will have no effect on adjacent areas. The proposed action will have no effect on mutual social and economic interests. The proposal has no impact on the governmental structure of the County.

The effect of alternate actions on mutual social and economic interests and on the local governmental structure of the County is minimal.

**d. *Conformity with Commission Policies on Urban Development and Open Space, and Conformity with Open Space Land Conversion Policies in Government Code § 56377:***

The proposal does not conflict with any Commission-adopted policies on urban development and open space conversion.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code § 56377.

**e. *Agricultural Lands:***

There are no effects on agricultural lands, as defined by Government Code § 56016. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotation program, or land enrolled in an agricultural subsidy or set-aside program. According to the

California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka “Williamson Act”) contract nor in a Farmland Security Zone (California Land Conservation Act 2020-2021 Status Report).

**f. *Boundaries:***

The boundaries of the affected territory have been clearly defined by the applicant, conform to lines of assessment or ownership, and have been reviewed and approved by LAFCO's GIS/Mapping Technician.

The affected territory in this proposed change of organization is contiguous to the existing jurisdictional boundary of the City of Bradbury. “Contiguous” means territory that abuts or shares a common boundary with territory within a local agency.

The proposal does not create islands or corridors of unincorporated territory but, an island of unincorporated territory already exists. The proposal will decrease the size of the existing island of unincorporated territory by .66± acres.

**g. *Regional Transportation Plan:***

The Southern California Associated Governments (SCAG) adopted its 2020-2045 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code § 65080. The closest highway to the annexation is part of the RTP and SCS’s State Highway improved program. The closest highway in the RTP/SCS is the Interstate 210 Foothill Freeway, which is approximately one-half mile from the affected territory.

**h. *Consistency with Plans:***

The proposal is consistent with the existing County General Plan designation of publicly-owned-right-of-way.

The affected territory is not within the boundaries of any Specific Plan.

Pre-zoning was not adopted for the affected territory. Publicly-owned rights-of way are not zoned in the City of Bradbury nor the County of Los Angeles.

**i. *Sphere of Influence:***

The affected territory is within the Sphere of Influence of the City of Bradbury.

**j. *Comments from Public Agencies:***

Staff received comments on December 2, 2022, from the County of Los Angeles with general questions/concerns on the proposal. Kevin Kearney, City Manager for the City of Bradbury indicated in an email on February 1, 2023, that the city has addressed comments made by the County.

Staff also received comments on December 16, 2021, from the Los Angeles County Sanitation Districts verifying the affected territory is within County Sanitation District No. 22 of Los Angeles County and the annexation will have no effect on facilities.

***k. Ability to Provide Services:***

The affected territory is currently served by the County of Los Angeles.

The City of Bradbury currently provides municipal services to a residential community of nearly 2.0 square miles in size, with a population of approximately 882 residents. The annexation would add approximately 0.66± acres to its service area. The annexation represents a very modest increase to the city's size, and City representatives have indicated the City has the ability to provide services to the affected territory once the annexation is complete.

***l. Timely Availability of Water Supplies:***

There are no known issues regarding water supply or delivery. The affected territory is within the boundaries of the Upper San Gabriel Valley Municipal Water District (wholesale water) and the California American Water Company (retail water). Should the annexation be approved, the water service providers would not change.

***m. Regional Housing Needs:***

The proposed annexation has no impact on the achievement of a fair share of regional housing needs of the City or County. The County and City have agreed to a Regional Housing Needs Assessment (RHNA) allocation transfer of zero (0) units from the County to the City.

***n. Comments from Landowners, Voters, or Residents:***

Staff did not receive any significant comments from landowners, voters, or residents.

***o. Land Use Designations***

The proposal is consistent with the existing County General Plan designation of publicly-owned-right-of-way.

The proposal is consistent with the existing County zoning designations. Publicly-owned rights-of-way are not zoned in the City of Bradbury nor the County of Los Angeles.

***p. Environmental Justice:***

The proposal makes no representations on exclusions of peoples of any race, culture, income and/or national origins with respect to the location of public facilities and public services, to ensure a healthy environment for all people such that the effects of the pollution are not disproportionately borne by any particular populations or communities.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory according to data obtained and extracted from the Census Bureau of the

United States Department of Commerce 2016-2020 American Community Survey (ACS).  
Describe if there are any DUCs.

**q. *Hazard Mitigation Plan:***

The County of Los Angeles All-Hazard Mitigation Plan (approved February 13, 2019) establishes the County's emergency policies and procedures in the event of a disaster and addresses allocation of resources and protection of the public in the event of an emergency.

The Safety Element of the General Plan for the County of Los Angeles (approved October 6, 2015) addresses reduction of the potential risk of death, injuries, and economic damages resulting from natural and man-made hazards.

The affected territory is not within a Very High Fire Hazard Zone pursuant to maps published by the California Department of Forestry and Fire Protection (Cal Fire). The affected territory is not within the maps that identify State Responsibility Area. Both the County of Los Angeles All-Hazard Mitigation Plan and the Safety Element of the General Plan include information relating to mitigation and management of wildfire and fire hazard severity zones.

**ADDITIONAL FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT  
CODE § 56668.3:**

**a) *District Annexation or City Detachment:***

The proposed action involves a city annexation; therefore, Government Code § 56668.3 does not apply.

**ADDITIONAL FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT  
CODE § 56744 AND 56375(m):**

Pursuant to Government Code §56375(m), the Commission waives the restrictions of Government Code §56744 because the application of the of the restrictions would be detrimental to the orderly development of the community; and, the area that would be enclosed by the annexation cannot reasonably be annexed to another city or incorporated as a new city, noting that the Commission included this area when it adopted the City of Bradbury Sphere of Influence in 1975, and again when the Commission reconfirmed the City of Bradbury Sphere of Influence in 2004 and 2012; and, since the filing of Annexation No. 2021-10 to the City of Bradbury, and for at least ten (10) years prior, no city has filed a proposal with LAFCO to annex this area.

**REGIONAL GROWTH CONSIDERED PURSUANT TO GOVERNMENT  
CODE § 56668.5:**

The Southern California Associated Governments (SCAG) adopted its 2020-2045 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code § 65080.

Regional growth goal and policies were a consideration of the proposed action.

**ADDITIONAL INFORMATION/OTHER MATTERS (RELEVANT TO THE PROPOSAL):**

Staff communicated early on with City representatives, suggesting that the City should annex the remainder of the existing County unincorporated island (the Royal Oaks Manor retirement community) to avoid any service related issues and to create the most logical boundary. City representatives have considered the additional territory but have not reached out to staff to modify their proposal.

Staff received a letter dated March 31, 2023, from the City of Bradbury requesting recusal of 2nd Vice-Chair Margaret Finlay, stating conflict of interest issues, see attached. Pursuant to Government Code § 56325, while serving on the Commission, all Commission Members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.

On March 14, 2023, the City Council for the City of Duarte adopted Resolution No. 23-04, a resolution to initiate proceedings to annex territory to the City of Duarte and amend their sphere of influence. Staff is anticipating an application packet to be submitted from the City of Duarte that will include a portion of Annexation No. 2021-10 to the City of Bradbury. As of today, the City of Duarte has only provided the resolution to initiate preceding.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:**

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines § 15061(b)(3) because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. A Categorical Exemption was adopted by City of Bradbury, as lead agency, on November 16, 2021. The proposal is also categorically exempt from CEQA pursuant to § 15320 because it consists of a reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.

**DETERMINATIONS WITHOUT NOTICE AND HEARING, AND WAIVER OF PROTEST PROCEEDINGS:**

Pursuant to Government Code § 56662(a), the Commission may make determinations upon the proposed annexation without notice and hearing and may waive protest hearings for the reasons set forth herein. The territory is uninhabited. To date, no affected local agency has submitted a written demand for notice and hearing during the 10-day period referenced in Government Code § 56662(c). Furthermore, the proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed annexation; because the affected territory involves publicly-owned right-of-way, there is no landowner, per se, consistent with Government Code § 56048(c). Based thereon, the Commission may make determinations on the proposed annexation without notice and hearing, and the Commission may waive protest proceedings.

**CONCLUSION:**

Staff has determined the proposal as a logical and reasonable extension of City of Bradbury which will be for the interest of landowners and/or present and/or future inhabitants within the City and within the annexation territory.

**RECOMMENDED ACTION:**

1. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 2021-10 to the City of Bradbury.

**RESOLUTION NO. 2023-00RMD  
RESOLUTION OF THE LOCAL AGENCY FORMATION  
COMMISSION FOR THE COUNTY OF LOS ANGELES  
MAKING DETERMINATIONS APPROVING AND ORDERING  
"ANNEXATION NO. 2021-10 TO THE CITY OF BRADBURY"**

WHEREAS, the City of Bradbury (City) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with § 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the City, and withdrawal from Los Angeles County Road District No. 5, all within the County of Los Angeles (County); and

WHEREAS, the proposed annexation consists of approximately 0.66± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 2021-10 to the City of Bradbury"; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the principal reason for the proposed annexation is to place all portions of publicly owned right-of-way within the same jurisdiction; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a written report, including his recommendations therein; and

WHEREAS, the Commission has determined that the proposed annexation ("Proposal") meets all of the criteria for the Commission to make a determination without notice and hearing and waive protest proceedings entirely, pursuant to Government Code § 56662; and



WHEREAS, the Executive Officer set the item for consideration for April 12, 2023 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, on April 12, 2023, this Commission considered the Proposal and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, with respect to Annexation No. 2021-10 to the City of Bradbury, finds the annexation is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3) because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The proposal is also categorically exempt from CEQA pursuant to Section 15320 because it consists of a reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.
2. Pursuant to Government Code § 56662(a), the Commission hereby finds and determines that:
  - a. The territory encompassed by the annexation is uninhabited; and



- b. Pursuant to Government Code §§ 56658(b)(1) and 56662(c), the Executive Officer has given the required mailed notice to each affected agency of the application to initiate proceedings for the proposed annexation, and no affected local agency has submitted a written demand for notice and hearing during the 10-day period following the notice; and
- c. The proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed annexation; because the affected territory involves publicly-owned right-of-way, there is no landowner, per se, consistent with Government Code § 56048(c).

Based thereon, pursuant to Government Code § 56662(a), the Commission may, and hereby does, make determinations on the proposal without notice and hearing, and the Commission may, and hereby does, waive protest proceedings entirely.

- 3. The application of the of the restrictions in Government Code §56744 would be detrimental to the orderly development of the community; and, the area that would be enclosed by the annexation cannot reasonably be annexed to another city or incorporated as a new city, noting that the Commission included this area when it adopted the City of Bradbury Sphere of Influence in 1975, and again when the Commission reconfirmed the City of Bradbury Sphere of Influence in 2004 and 2012; and, since the filing of Annexation No. 2021-10 to the City of Bradbury, and for at least ten (10) years prior, no city has filed a proposal with LAFCO to annex this area. Based thereon, and pursuant to Government Code §56375(m), the Commission may, and hereby does, waive the restrictions of Government Code §56744.

4. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
5. The affected territory consists of 0.66± acres, is uninhabited, and is assigned the following short form designation: "Annexation No. 2021-10 to the City of Bradbury".
6. Annexation No. 2021-10 to the City of Bradbury is hereby approved, subject to the following terms and conditions:
  - a. The City of Bradbury agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
  - b. The effective date of the annexation shall be the date of recordation of the Certificate of Completion with the Los Angeles County Registrar-Recorder/County Clerk.
  - c. Recordation of the Certificate of Completion shall not occur prior to the conclusion of the 30-day reconsideration period provided under Government Code § 56895.
  - d. All fees due to LAFCO, the County of Los Angeles (including, but not limited to, fees owed to the County Assessor and/or the Registrar-Recorder/County Clerk), and the State of California Board of Equalization; shall be paid by the Applicant, in full, prior to LAFCO's filing the Certificate of Completion. Failure to pay any

and all fees due to LAFCO, the County of Los Angeles, and the State Board of Equalization, within one year of the Commission approval of this change of organization/reorganization, will result in the change of organization/reorganization being terminated pursuant to Government Code §57001 unless, prior to expiration of that year, the Commission authorizes an extension of time for that completion.

- e. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the City.
- f. The regular County assessment roll shall be utilized by the City.
- g. The affected territory will be taxed for any existing general indebtedness, if any, of the City.
- h. Annexation of the affected territory described in Exhibits "A" and "B" to the City.
- i. The map and geographic description of the affected territory shall comply with all requirements of LAFCO, the Los Angeles County Registrar-Recorder/County Clerk, and the State of California Board of Equalization. If LAFCO, the Los Angeles County Registrar-Recorder/County Clerk, and/or the State of California Board of Equalization require changes, the map and geographic description shall be revised and all associated costs shall be the responsibility of the applicant.
- j. Withdrawal of affected territory from Los Angeles County Road District No. 5.
- k. Upon the effective date of the annexation, all right, title, and interest of the County, including but not limited to, the underlying fee title or easement where owned by the County, in any and all sidewalks, trails, landscaped areas, street

lights, property acquired and held for future road purposes, open space, signals, storm drains, storm drain catch basins, local sanitary sewer lines, sewer pump stations and force mains, water quality treatment basins and/or structures, and water quality treatment systems serving roadways and bridges shall vest in the City.

- I. Upon the effective date of the annexation, the City shall be the owner of, and responsible for, the operation, maintenance, and repair of all of the following property owned by the County: public roads, adjacent slopes appurtenant to the roads, street lights, traffic signals, mitigation sites that have not been accepted by regulatory agencies but exist or are located in public right-of-way and were constructed or installed as part of a road construction project within the annexed area, storm drains and storm drain catch basins within street right-of-way and appurtenant slopes, medians and adjacent property.
- m. Upon the effective date of the annexation, the City shall do the following: (1) assume ownership and maintenance responsibilities for all drainage devices, storm drains and culverts, storm drain catch basins, appurtenant facilities (except regional Los Angeles County Flood Control District (LACFCD) facilities for which LACFCD has a recorded fee or easement interest and which have been accepted into the LACFCD system), site drainage, and all master plan storm drain facilities that are within the annexation area and are currently owned, operated and maintained by the County ; (2) accept and adopt the County of Los Angeles

Master Plan of Drainage (MPD), if any, which is in effect for the annexation area. Los Angeles County Department of Public Works Department (LACDPW) should be contacted to provide any MPD which may be in effect for the annexation area. Deviations from the MPD shall be submitted to the Chief Engineer of LACFCD/Director of LACDPW for review to ensure that such deviations will not result in diversions between watersheds and/or will not result in adverse impacts to LACFCD's flood control facilities; (3) administer flood zoning and Federal Emergency Management Agency floodplain regulations within the annexation area; (4) coordinate development within the annexation area that is adjacent to any existing flood control facilities for which LACFCD has a recorded easement or fee interest, by submitting maps and proposals to the Chief Engineer of LACFCD/Director of LACDPW, for review and comment.

n. Except to the extent in conflict with "a" through "n", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code § 57325) shall apply to this annexation.

7. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the City of Bradbury.
8. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Government Code § 56882.
9. The Executive Officer is directed to transmit a copy of this resolution to the City, upon the City's payment of the applicable fees required by Government Code § 54902.5 and

prepare, execute and file a certificate of completion with the appropriate public agencies,  
pursuant to Government Code § 57200, *et seq.*

10. Pursuant to Government Code § 56883, the Executive Officer may make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

PASSED AND ADOPTED this 12<sup>th</sup> day of April 2023.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0

**LOCAL AGENCY FORMATION COMMISSION  
FOR THE COUNTY OF LOS ANGELES**

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**Paul A. Novak, AICP  
Executive Officer**



## CITY of BRADBURY

*Incorporated July 26, 1957*

### Elected Officials

#### *Mayor*

Bruce Lathrop, District 4

#### *Mayor Pro-Tem*

Richard G. Barakat, District 3

#### *Councilmember*

Richard T. Hale, Jr., District 1

#### *Councilmember*

D. Montgomery Lewis, District 2

#### *Councilmember*

Elizabeth Bruny, District 5

March 31, 2023

Local Agency Formation Commission  
for the County of Los Angeles  
ATTN: Donald Dear, Chair  
80 South Lake Avenue, Suite 870  
Pasadena, California 91101

### Staff

#### *City Manager*

Kevin Kearney

#### *City Clerk*

Claudia Saldana

#### *Management Analyst*

Sophia Musa

#### *City Attorney*

Cary Reisman

#### *Building Inspector*

Mark Handler

#### *City Engineer*

David Gilbertson

#### *City Planner*

Jim Kasama

#### *Finance Director*

Suresh Malkani

### **RE: Annexation No. 2021-10 to the City of Bradbury – Conflict of Interest**

Dear Chairman Dear:

This letter is regarding Second Vice Chair Margaret Finlay's actions that present a conflict-of-interest and an appearance of impropriety regarding LAFCO's upcoming consideration of Bradbury's application for Annexation No. 2021-10. Ms. Finlay, who is the area LAFCO representative for Bradbury as well as Duarte and other neighboring cities, has demonstrated impermissible bias in favor of Duarte, where she is a member of the City Council, and against Bradbury. Her recent actions call into question her ability to unbiasedly represent the interests of the citizens of Bradbury. It is the desire of the City of Bradbury that she recuse herself during the hearing and vote of the City's annexation application and that she refrain from attempting to influence that decision.

The City of Bradbury first submitted an annexation application to the Los Angeles Formation Commission for the County of Los Angeles toward the end of 2021 for a portion of Royal Oaks Drive North road and the adjoining trail. The City has for decades maintained the entire Royal Oaks Drive North road and adjoining trail, including a maintained walking path, vegetation, irrigation system, and fencing. As such, it only made sense that the City work toward



annexing the road and trail when we discovered that a portion of it was located in unincorporated Los Angeles County.

The City of Duarte's City Council meeting on December 13, 2022 was the first formal action the City of Duarte took to explore an annexation that would directly conflict with Bradbury's annexation efforts of the Royal Oaks Drive North road and adjoining trail. The minutes from that meeting reflect that the entire City Council, including Second Vice Chair Finley (who was Duarte's Mayor at the time) directed Duarte staff to further research impacts to Duarte's own un-commenced annexation efforts that the Bradbury annexation might present.

The March 14, 2023 Duarte City Council meeting further demonstrated Ms. Finley's conflicts. The entire City Council, including Second Vice Chair Finley, voted to adopt a resolution which initiates their own annexation efforts of the Royal Oaks Drive North road and adjoining trail. As the resolution's accompanying staff report outlines, the resolution does not commit Duarte to actually ever move forward with its own annexation; rather, the resolution's purpose is, as the Duarte Mayor stated during the public meeting: "So that LAFCO can reconsider Bradbury's application." Preceding the Duarte City Council's adoption of the resolution, Second Vice Chair Finley publicly stated her intentions for the upcoming LAFCO meeting:

"We can ask that maybe your (*Bradbury's*) application can be tabled. Not 'No' but maybe table it until we (*Duarte*) can do a little bit more work on it."

Immediately after Second Vice Chair Finley's comments, the Duarte Mayor Pro Tem appeared uncomfortable and had to step in by saying, "that is not a part of what we are voting for". Another Duarte Councilmember asked if Second Vice Chair Finley was on the LAFCO Commission, and when she replied that she is, commented that there "seems like there's a lot of conflict."

The actions of Second Vice Chair Finley clash with best practices in fairness, impartiality, and non-biased decision making. The Institute of Local Government (ILG) educates and empowers local officials in California, and has partnerships with the California State Association of Counties, the League of California Cities and the California Special Districts Association. The ILG recommends, in its *Fair Process Requirements in Adjudicative Decision-Making* publication, that decision-makers remain "reasonably impartial, noninvolved" before a hearing occurs. It also states that decision-makers cannot "be strongly biased against or in favor of one set of parties in the proceeding." Second Vice Chair Finley has already publicly expressed bias and unfairness against the City of Bradbury's application. Additionally, Second Vice Chair Finley's partisan statements were made in a televised and recorded forum. Such actions undermine her ability to ensure fairness in the upcoming LAFCO proceedings.

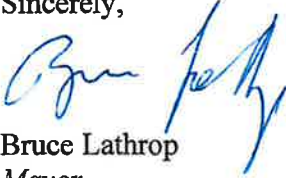
Finally in this regard, even if Second Vice Chair Finley's participation in these proceedings in spite of her bias in favor of Duarte and against Bradbury did not constitute an actual conflict of interest or due process violation, her continued participation creates an appearance of impropriety. In fairness to the citizens of Bradbury, she should refrain from participating in, or influencing, these proceedings.



It is therefore the desire of the City of Bradbury that Second Vice Chair Finley recuse herself (or that the Commission order her recusal) during the hearing and vote on the City's annexation application, and that she refrain from attempting to influence the result.

Thank you very much.

Sincerely,

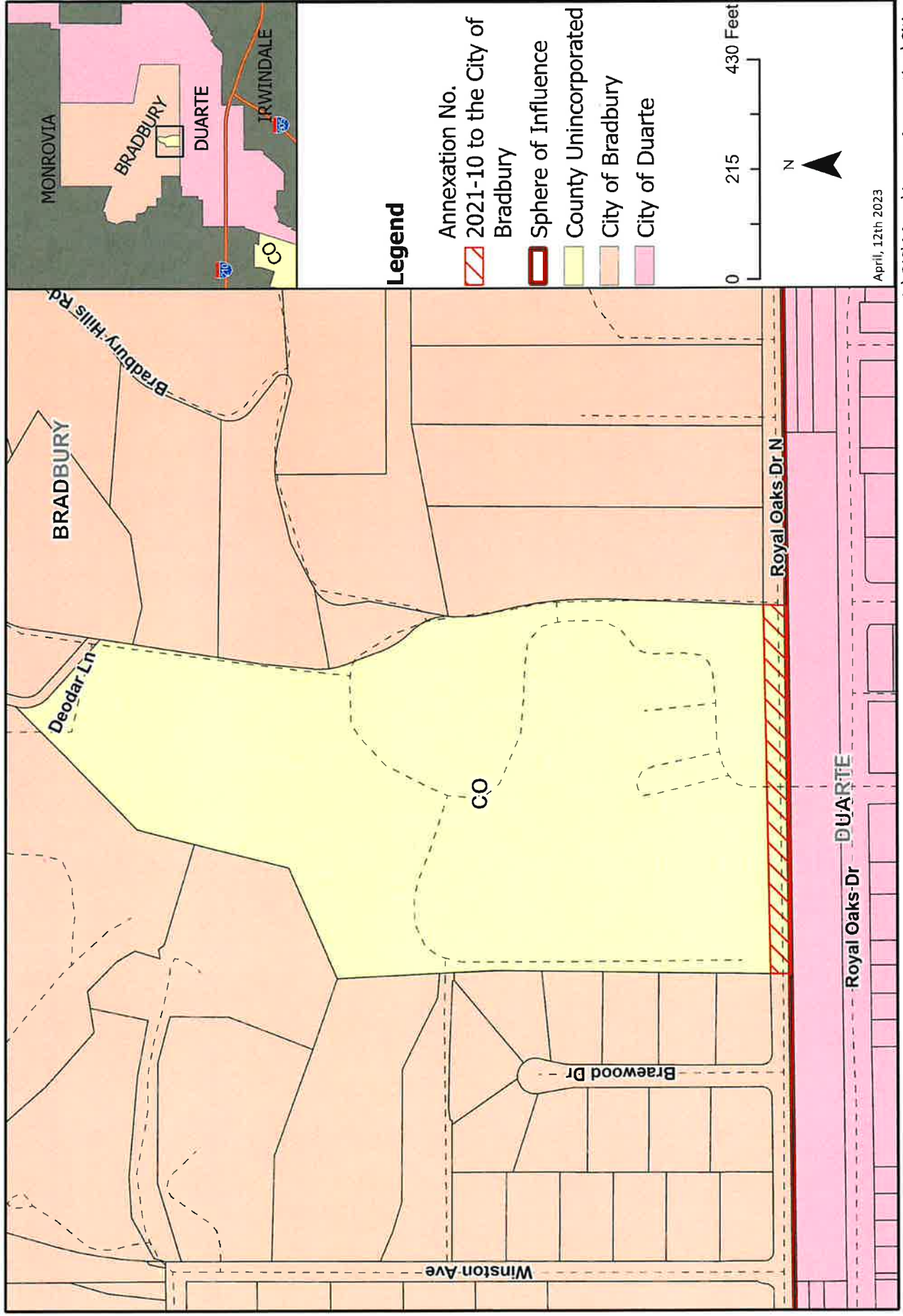


Bruce Lathrop  
Mayor

CC: Paul Novak, *LA LAFCO Executive Director*  
Kevin Kearney, *Bradbury City Manager*  
Cary Reisman, *Bradbury City Attorney*

# LAFCO Annexation No. 2021-10 to the City of Bradbury

Local Agency Formation Commission  
for the County of Los Angeles



April, 12th 2023

L:\GIS\Maps\Latest Annexation\Cities

## **Staff Report**

**April 12, 2023**

**Agenda Item No. 6.g.**

### **Legislative Update**

#### **Legislation:**

- **AB 1753 (Assembly Local Government Committee):** The annual Omnibus Bill, sponsored by CALAFCO, was introduced on March 2, 2023. The bill has been referred to the Assembly Local Government Committee, but it has not yet been assigned a hearing date.
- **AB 1460 (Bennett):** This bill, which was introduced on February 17<sup>th</sup>, is potentially of interest because the introduction mentions the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Staff will report back when more information is available.
- **SB 411 (Portantino), SB 537 (Becker), AB 557 (Hart), AB 817 (Pacheco), and AB 1379 (Papan):** These bills address related issues concerning the Ralph M. Brown Act, open meetings, and teleconference meetings. Collectively, they represent the evolution of these issues resulting from similar legislation adopted in the 2021-22 Legislative Session. Staff will monitor these bills and report back as more information about each is available.

#### **Recommended Action:**

Staff recommends that the Commission:

1. Receive and file the Legislative Update.

## **Staff Report**

**April 12, 2023**

### **Agenda Item No. 7.a.**

#### **Recommended Final Budget for Fiscal Year 2023-24**

**Background:** In accordance with Government Code § 56381, the Commission must adopt a proposed and final budget, annually, following noticed public hearings.

**Final Budget:** The proposed budget for this year (Fiscal Year 2023-24) is \$1,776,842. The final budget before you today represents a slight increase over last year's adopted budget.

#### **Local Agency Apportionment**

The local agency apportionment consists of the annual assessments levied upon the County of Los Angeles, the City of Los Angeles, the other cities in Los Angeles County, and the independent special districts in Los Angeles County. The final budget anticipates no increase to the LAFCO apportionment to the amount collected in the current fiscal year (FY 2022-23).

#### **Comments from funding agencies**

In accordance with state law, the Proposed Draft Budget for FY 2023-24 was transmitted to the Los Angeles County Board of Supervisors, to each city within Los Angeles County, and to each independent special district within Los Angeles County on March 13, 2023, by electronic mail. At that time, LAFCO notified each recipient agency that the Commission would consider approval of the Final Budget for FY 2023-24 at its April 12th, 2023 public hearing. Since preparation of this staff report, staff received a few emailed responses confirming receipt of the Commission's proposed annual budget, and one inquiry from a city representative, which staff addressed to the satisfaction of the inquiring party. Should staff receive any additional inquiries after the agenda and staff report have been posted, staff will email the Commission or summarize verbally at the April 12, 2023 Commission meeting.

#### **Recommended action:**

1. Open the budget hearing, receive public comments, and close the budget hearing;
2. Adopt the attached Recommended Final Budget for Fiscal Year 2023-24; and
3. Direct the Executive Officer to transmit the adopted Final Budget to local agencies and other parties as required by law.

Enclosures: 1) Proposed Draft Budget for Fiscal Year 2023-24

FISCAL YEAR 2023-24 RECOMMENDED FINAL BUDGET					
ACCT. #	ACCOUNT NAME	ADOPTED FINAL BUDGET FY 2022-23	PROPOSED DRAFT BUDGET FY 2023-24	RECOMMENDED FINAL BUDGET FY 2023-24	% Variance From FY 2022-23 Budget to Rec Final FY 2023-24
		*Adopted 4/13/22	*Approved 3/8/23		
EXPENSES					
50000	Salaries and Employee Benefits				
50001	Employee Salaries	\$ 787,300	\$ 870,000	\$ 870,000	10.5%
50015	Employer Paid Pension Contribution	186,600	208,200	208,200	11.6%
50016	Accrued vacation and sick cashout	13,000	13,000	13,000	0.0%
50017	Commissioner Stipends	20,000	20,000	20,000	0.0%
50018	Worker's Compensation Insurance	10,500	11,000	11,000	4.8%
50019	Insurance (Health, Disability, Life)	139,000	148,683	148,682	7.0%
50020	Payroll Taxes	17,000	17,000	17,000	0.0%
50022	OPEB - Existing Retirees	21,000	21,000	21,000	0.0%
Total Salaries & Employee Benefits		\$ 1,194,400	\$ 1,308,883	\$ 1,308,882	9.6%
50000A	Office Expense				
50025	Rent	\$ 138,182	\$ 133,500	\$ 133,500	-3.4%
50026	Communications	10,000	10,000	10,000	0.0%
50027	Supplies	8,000	6,000	6,000	-25.0%
50029	Computer Software	6,200	8,000	8,000	29.0%
50030	Equipment lease	5,000	5,500	5,500	10.0%
50031	Employee & Guest Parking Fees	8,000	8,600	8,600	7.5%
50032	Property/Liability Insurance	20,000	22,500	22,500	12.5%
50033	Agency Membership Dues	14,156	15,200	15,200	7.4%
50040	Information Technology/Programming	9,000	10,000	10,000	11.1%
50052	Legal Notices	4,000	3,000	3,000	-25.0%
50054	Postage	4,000	3,000	3,000	-25.0%
50056	Printing/Copy Charges	4,400	3,000	3,000	-31.8%
50057	Conferences/Travel - Commissioners	10,000	10,000	10,000	0.0%
50058	Conference/Travel - Staff	10,000	10,000	10,000	0.0%
50060	Auto Reimbursement	7,000	7,000	7,000	0.0%
50061	Various Vendors	11,000	11,000	11,000	0.0%
50065	Miscellaneous - Other	7,500	7,500	7,500	0.0%
50067	Computer-Copier-Misc Equipment	2,000	2,000	2,000	0.0%
Total Office Expenses		\$ 278,438	\$ 275,800	\$ 275,800	-0.9%
50000C	Professional Services				
50076	Legal services	80,000	80,000	80,000	0.0%
50077	Accounting & Bookkeeping	20,000	20,000	20,000	0.0%
50077.2	Audit/Financial Statements	8,005	8,160	8,160	1.9%
50077.1	Payroll Service	6,000	9,000	9,000	50.0%
50078	Contract Services	5,000	5,000	5,000	0.0%
50081	Municipal Service Reviews	160,000	70,000	70,000	-56.3%
Total Professional Services		\$ 279,005	\$ 192,160	\$ 192,160	-31.1%
TOTAL EXPENDITURES		\$ 1,751,843	\$ 1,776,843	\$ 1,776,842	1.43%
20020	OPEB Liability - Reserves	\$ -			
Total Contingencies and Reserves Set Aside		\$ -	\$ -	\$ -	
Total Appropriations		\$ 1,751,843	\$ 1,776,843	\$ 1,776,842	1.4%



FISCAL YEAR 2023-24 RECOMMENDED FINAL BUDGET					
ACCT. #	ACCOUNT NAME	ADOPTED FINAL BUDGET FY 2022-23	PROPOSED DRAFT BUDGET FY 2023-24	RECOMMENDED FINAL BUDGET FY 2023-24	% Variance From FY 2022-23 Budget to Rec Final FY 2023-24
		*Adopted 4/13/22	*Approved 3/8/23		
40000	REVENUES				
40005	Filing Fees	\$ 100,000	\$ 120,000	\$ 120,000	20.0%
40006	Processing Fees	-	-	-	-
40007	Interest Income	10,000	15,000	15,000	50.0%
40008	Other Income	-	-	-	-
	<b>Total Revenues</b>	<b>\$ 110,000</b>	<b>\$ 135,000</b>	<b>\$ 135,000</b>	<b>22.7%</b>
	<b>NET OPERATING COSTS</b>	<b>\$ 1,641,843</b>	<b>\$ 1,641,843</b>	<b>\$ 1,641,842</b>	<b>0.0%</b>
	<b>Local Agency Apportionment</b>	<b>FY 2022-23 Final Budget Estimates*</b>			
40001	City of Los Angeles	252,595	252,595	252,595	0.0%
40002	County of Los Angeles	631,479	631,479	631,479	0.0%
40003	Other Cities (87)	378,884	378,884	378,884	0.0%
40004	Special Districts	378,884	378,884	378,884	0.0%
	<b>Total Local Agency Apportionment</b>	<b>\$ 1,641,843</b>	<b>\$ 1,641,843</b>	<b>\$ 1,641,842</b>	<b>0.0%</b>

\*Estimates based on FY 2021-22 Billing. Invoices for FY 2022-23 are generated by the County Auditor Controller's Office.

## Staff Report

March 8, 2023

### Agenda Item No. 7.b.

#### Proposed Draft Budget for Fiscal Year 2023-24

##### **Background**

Government Code Section 56381 requires the Commission to adopt a proposed budget for the upcoming fiscal year (July 1 to June 30) by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup> of each year. The Commission is further required to hold a noticed public hearing for both the proposed and final budget, and to distribute copies of the proposed and final budget to the County of Los Angeles, the eighty-eight (88) cities in Los Angeles County, and the fifty-one (51) independent special districts in Los Angeles County. The public hearing notice for the March 8, 2023 and April 12, 2023 meetings for the budget were posted in the Daily Journal on February 3, 2023.

##### **Proposed Draft Budget**

The Final Budget for the current fiscal year, FY 2022-23, was adopted at \$1,751,843 by the Commission on April 13, 2022. The Draft Budget for FY 2023-24 proposes a negligible increase over last year's adopted budget, to \$1,776,843.

##### **Proposed Assessments**

The overall Proposed Draft Budget for FY 2023-24 anticipates no increase to the LAFCO apportionment collected in the current fiscal year (FY 2022-23).

The proposed budget includes a placeholder for Municipal Service Reviews (MSRs), increased costs from insurance rate premiums, scheduled salary increases affected by CPI, and additional costs in various budgetary categories associated with historical and recent rate inflation increases.

*Further explanation on budget categories of interest is included below.*

##### **Expenditures**

*There are three expenditure categories in the LAFCO Budget, consisting of Salaries and Benefits, Office Expenses, and Professional Services. Over the current year adopted budget (FY 2022-23), the Proposed Draft Budget includes an increase in Salaries and Benefits of approximately 9.6%, an Office Expense decrease of nearly 1%, and a Professional Service decrease of approximately 31%. Overall, the proposed expenditures result in a 1.43% increase over last year's budget.*

**Employee Salaries (50001):** The proposed amount accounts for current salaries, merit increases, as well as contractually-required cost of living increases (anticipated at this time to be five-percent), which will take effect July 1, 2023.

**Employer Paid Pension Contributions (50015):** As a LACERA participatory agency, LAFCO is subject to employer paid pension contribution rate increases, which LACERA

will provide LAFCO in fall of 2023. A placeholder of increased employer contribution rates of 1% is included in the proposed budget.

Insurance (Health, Disability, Life) (50019): This account includes health, disability, and life insurance, and is subject to increases outside of the Commission's control.

Payroll Taxes (50020): Payroll are a percentage of salaries. This budget line item was increased to reflect current salaries as well as contractually-required cost of living increases which will take effect on July 1, 2023.

Other Post-Employment Benefits (OPEB)—Existing Retirees (50022): The proposed budget for FY 2023-24 reflects actual OPEB invoices for the current fiscal year.

Rent (50025): In June of 2021, the Commission approved a lease extension for LAFCO's current office space at 80 South Lake Avenue in Pasadena. The lease extension provided a three-month rent abatement (for the months of December 2021, January 2022, and February 2022) and a credit of common area charges through December of 2022. FY 2023-24 normalizes rent and CAM charges through the remaining term of the lease.

Property/Liability Insurance (50032): Due to litigation and a higher concentration of claims filed in the Los Angeles area, LAFCO's premium is increasing by approximately 10.65% in FY 2023-24 compared to the current fiscal year (2022-23).

Information Technology/Programming (50040): Expenses in this category are primarily for the routine maintenance of office computer equipment. In addition, a nominal amount is included for services required outside of the routine monthly maintenance. Recent activity is causing LAFCO to increase its cybersecurity and expend additional resources to protect LAFCO's network system.

Audit/Financial Statements (50077.2): The cost is consistent with the amount quoted for auditing services, approved previously by the Commission.

Contract Services (50078): This account is used for miscellaneous services for various contracts. An OPEB Valuation is included in the proposed budget.

Municipal Service Reviews (MSRs) (50081): The proposed budget includes a placeholder, in the event LAFCO retains a consultant to prepare an MSR or MSRs.

### **OPEB Liability**

OPEB Liability – Reserves (20020): Due to the volatility of current investments and declining rates of return over the 2022-23 FY, through quarters III and IV of 2022, LAFCO is not proposing additional reserve contributions to LAFCO's OPEB Trust fund until the existing fund investments begin to stabilize.



## **Revenues**

**Filing Fees (4005):** Given the impending change to LAFCO's fee structure, which takes effect on July 1, 2023, staff anticipates an increase in the filing fee revenue.

**Interest Income (40008):** This account is used for interest income earned for funds held in the County of Los Angeles Treasury.

## **Local Agency Apportionment**

With respect to the assessments upon the County of Los Angeles, the City of Los Angeles, the other eighty-seven (87) cities, and the fifty-one (51) independent special districts within the County of Los Angeles, staff proposes no change to the LAFCO apportionment collected in the current fiscal year (FY 2022-23).

Staff notes that the County Auditor-Controller allocates LAFCO apportionments upon public agencies based upon annual revenues reported in each agency's Annual Report submitted to the State Controller's Office. For this reason, and because reported revenues change on an annual basis, an individual agency's apportionment may change slightly, even in years when the overall LAFCO appointment remains unchanged.

**Conclusion:** The Proposed Draft Budget for FY 2023-24 would allow the Commission to fulfill its purpose and statutory obligations in the upcoming fiscal year.

*Going forward, however, the Commission may need to address the increasing Compensated Absences balance of long-term employees, beginning in FY 2023-24. Any time an employee separates due to retirement, or to accept a position elsewhere, LAFCO must convert any accrued leave balances to compensation. To circumvent a significant impact to a single year budget, the Commission should establish a Compensated Absences Reserve in the near future.*

## **Staff Recommendation:**

1. Open the budget hearing, receive public comments, and close the budget hearing;
2. Approve the attached Proposed Draft Budget for Fiscal Year 2023-24;
3. Pursuant to Government Code Section 56381, direct staff to forward the Proposed Budget for Fiscal Year 2023-24 to the County of Los Angeles, as well as the 88 cities and 51 independent special districts in Los Angeles County, for their comment; and
4. Set April 14, 2023, for hearing on adoption of the Recommended Final Budget for Fiscal Year 2023-24.

Enclosure: Proposed Draft Budget for Fiscal Year 2023-24 Spreadsheet

FISCAL YEAR 2023-24 PROPOSED DRAFT BUDGET					
ACCT. #	ACCOUNT NAME	ADOPTED FINAL BUDGET FY 2022-23	PROJECTED YEAR END (PYE) 2022-23	PROPOSED DRAFT BUDGET FY 2023-24	% Variance From FY 2022-23 Budget to Proposed FY 2023-24
*Adopted 4/13/22					
<b>EXPENSES</b>					
<b>50000</b>	<b>Salaries and Employee Benefits</b>				
50001	Employee Salaries	\$ 787,300	\$ 799,500	\$ 870,000	10.5%
50015	Employer Paid Pension Contribution	186,600	174,720	208,200	11.6%
50016	Accrued vacation and sick cashout	13,000	13,000	13,000	0.0%
50017	Commissioner Stipends	20,000	18,300	20,000	0.0%
50018	Worker's Compensation Insurance	10,500	8,878	11,000	4.8%
50019	Insurance (Health, Disability, Life)	139,000	148,393	148,683	7.0%
50020	Payroll Taxes	17,000	15,180	17,000	0.0%
50022	OPEB - Existing Retirees	21,000	20,316	21,000	0.0%
<b>Total Salaries &amp; Employee Benefits</b>		<b>\$ 1,194,400</b>	<b>\$ 1,198,287</b>	<b>\$ 1,308,883</b>	<b>9.6%</b>
<b>50000A</b>	<b>Office Expense</b>				
50025	Rent	\$ 138,182	\$ 125,176	\$ 133,500	-3.4%
50026	Communications	10,000	10,000	10,000	0.0%
50027	Supplies	8,000	6,000	6,000	-25.0%
50029	Computer Software	6,200	8,161	8,000	29.0%
50030	Equipment lease	5,000	5,305	5,500	10.0%
50031	Employee & Guest Parking Fees	8,000	8,595	8,600	7.5%
50032	Property/Liability Insurance	20,000	20,000	22,500	12.5%
50033	Agency Membership Dues	14,156	13,521	15,200	7.4%
50040	Information Technology/Programming	9,000	10,660	10,000	11.1%
50052	Legal Notices	4,000	2,800	3,000	-25.0%
50054	Postage	4,000	3,000	3,000	-25.0%
50056	Printing/Copy Charges	4,400	2,139	3,000	-31.8%
50057	Conferences/Travel - Commissioners	10,000	7,000	10,000	0.0%
50058	Conference/Travel - Staff	10,000	15,802	10,000	0.0%
50060	Auto Reimbursement	7,000	6,708	7,000	0.0%
50061	Various Vendors	11,000	14,519	11,000	0.0%
50065	Miscellaneous - Other	7,500	5,000	7,500	0.0%
50067	Computer-Copier-Misc Equipment	2,000	2,000	2,000	0.0%
<b>Total Office Expenses</b>		<b>\$ 278,438</b>	<b>\$ 266,386</b>	<b>\$ 275,800</b>	<b>-0.9%</b>
<b>50000C</b>	<b>Professional Services</b>				
50076	Legal services	80,000	80,000	80,000	0.0%
50077	Accounting & Bookkeeping	20,000	20,000	20,000	0.0%
50077.2	Audit/Financial Statements	8,005	8,005	8,160	1.9%
50077.1	Payroll Service	6,000	9,190	9,000	50.0%
50078	Contract Services	5,000	-	5,000	0.0%
50081	Municipal Service Reviews	160,000	93,285	70,000	-56.3%
<b>Total Professional Services</b>		<b>\$ 279,005</b>	<b>\$ 210,480</b>	<b>\$ 192,160</b>	<b>-31.1%</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,751,843</b>	<b>\$ 1,675,153</b>	<b>\$ 1,776,843</b>	<b>1.43%</b>
20020	OPEB Liability - Reserves	\$ -			
<b>Total Contingencies and Reserves Set Aside</b>		<b>\$ -</b>			
<b>Total Appropriations</b>		<b>\$ 1,751,843</b>	<b>\$ 1,675,153</b>	<b>\$ 1,776,843</b>	<b>1.4%</b>

FISCAL YEAR 2023-24 PROPOSED DRAFT BUDGET					
ACCT. #	ACCOUNT NAME	ADOPTED FINAL BUDGET FY 2022-23	PROJECTED YEAR END (PYE) 2022-23	PROPOSED DRAFT BUDGET FY 2023-24	% Variance From FY 2022-23 Budget to Proposed FY 2023-24
*Adopted 4/13/22					
<b>40000</b>	<b>REVENUES</b>				
40005	Filing Fees	\$ 100,000	\$ 80,000	\$ 120,000	20.0%
40006	Processing Fees	-	-	-	-
40007	Interest Income	10,000	25,000	15,000	50.0%
40008	Other Income	-	200	-	-
	<b>Total Revenues</b>	<b>\$ 110,000</b>	<b>\$ 105,200</b>	<b>\$ 135,000</b>	<b>22.7%</b>
	<b>NET OPERATING COSTS</b>	<b>\$ 1,641,843</b>	<b>\$ 1,569,953</b>	<b>\$ 1,641,843</b>	<b>0.0%</b>
	<b>Local Agency Apportionment</b>	<b>FY 2022-23 Final Budget Estimates*</b>			
40001	City of Los Angeles	252,595	252,595	252,595	0.0%
40002	County of Los Angeles	631,479	631,479	631,479	0.0%
40003	Other Cities (87)	378,884	378,884	378,884	0.0%
40004	Special Districts	378,884	378,884	378,884	0.0%
	<b>Total Local Agency Apportionment</b>	<b>\$ 1,641,843</b>	<b>\$ 1,641,843</b>	<b>\$ 1,641,843</b>	<b>0.0%</b>

\*Estimates based on FY 2021-22 Billing. Invoices for FY 2022-23 are generated by the County Auditor Controller's Office.

## **Staff Report**

**April 12, 2023**

### **Agenda Item No. 9.a.**

#### **Status of the Commission Ad Hoc Committee for the Selection of an Alternate Public Member**

Government Code Section 56326(f) states that the “other members of the commission may also appoint one alternate” public member [emphasis added]. The Alternate Public Member may serve and vote in place of the regular Public Member when that member is absent or disqualifies himself or herself from participating in a Commission meeting.

Until recently, the Alternate Public Member was David Lesser, who was serving a four-year term that would expire in May of 2024. Mr. Lesser submitted a resignation letter, on December 5, 2022, indicating that he was elected to the Manhattan Beach City Council on December 13, 2022.

Government Code Section 56331 prohibits “an officer or employee of the county or any city or district with territory in the county” from serving as a public member or alternate public member. Upon becoming a Manhattan Beach City Councilmember, Mr. Lesser became an “officer or employee” of the City of Manhattan Beach and became ineligible to serve as the Alternate Public Member of the Commission.

The remaining term of office for Alternate Public Member expires on May 1, 2024. Thereafter, the term of office is four (4) years, with no restrictions against the incumbent seeking re-appointment.

The deadline to submit an application to the LAFCO office was 5:00 p.m. on Monday, March 13, 2023. Staff has received fourteen (14) applications; plus, one (1) additional application was received after the 5:00 p.m. deadline, to fill the vacancy for the Alternate Public Member. The application that did not meet the deadline is not being considered.

At the March 8, 2023 meeting, Chair Dear appointed three (3) members to an Ad Hoc Committee of the Commission to screen the initial round of applicants, as follows:

- Commissioner Matthews (Special District representative)
- Commissioner Finlay (City representative)
- Commissioner Barger (Board of Supervisors representative)

The Ad Hoc Committee will meet on April 24, 2023 and select up to eight (8) finalists for interviews to be conducted during the May 10, 2023 Commission meeting. The Commission will receive a list of finalists with each respective application at the May 10, 2023 meeting.

The Commission, with the exception of the current Public Member will appoint an Alternate Public Member at its June 14, 2023 meeting.

**Recommended Action:**

- Receive and file the Status Report of the Ad Hoc Committee's progress in the selection of the Alternate Public Member. Direct staff to agendaize the interview of selected finalists for the May 10, 2023 Commission Meeting.

## **Staff Report**

**April 12, 2023**

### **Agenda Item No. 9.b.**

#### **Revised Fee Reduction/Waiver Policy**

The Commission adopted a Fee Reduction/Waiver Policy on June 8, 2011.

Staff is asking the Commission to amend the policy (see strikethrough/underline version, attached). The proposed amendments are

1. “When LAFCO staff requests that an applicant add territory—in addition to the affected territory originally proposed in a change of organization or reorganization—the Commission has delegated authority to the Executive Officer to waive or reduce any associated incremental increase in the required filing fee.”

LAFCO staff works with applicants to create more logical and regular boundaries, in furtherance of LAFCO’s mission, as defined by the Legislature. For certain proposals, an applicant will request annexation of territory which, in staff’s opinion, would create an irregular or illogical boundary. In those instances, staff requests that an applicant include an adjacent parcel or parcels—often, publicly-owned land (open space, sewer or water district pump stations or tanks, railroad tracks, and road rights-of-way) or vacant land—to create a more logical boundary. Because LAFCO filing fees increase, incrementally, based upon the acreage of the affected territory, the addition of additional territory can increase the amount of the required filing fee. Given that territory is being added at LAFCO’s request, staff feels that it is unfair to burden the applicant with additional filing fees. In one instance, an applicant argued that imposing additional filing fee would constitute a gift of public funds.

2. In several instances, change “\$2,500” to “\$5,600” for filing fee thresholds relative to fee waivers.

The existing thresholds for fee waivers reflect LAFCO’s lowest filing fee (currently \$2,500). Given a new filing fee schedule that will take effect on July 1, 2023, the lowest filing fee will be \$5,600. The proposed revision will bring the fee waiver policy into conformance with the filing fee schedule approved at your March 8<sup>th</sup> Meeting.

#### **Recommended Action:**

1. Adopt the attached draft Fee Reduction/Waiver Policy, as amended; and
2. Direct the Executive Officer to post the amended policy on the Commission web-site.



Fee Reduction/Waiver Policy  
(Adopted June 8, 2011)  
***(PROPOSED DRAFT -- Amended April 12, 2023)***

The Commission or the Executive Officer may reduce or waive a fee, service charge, or deposit (hereafter, “fee” or “fees”). Any fee reduction or waiver request must be submitted in writing, providing the reason(s) why the payment of fees would be detrimental to the public interest and any other basis for the request consistent with this policy. The requestor must make all statements in support of the application under penalty of perjury. The Executive Officer may develop standardized fee waiver request forms for this purpose.

The Commission has delegated authority to the Executive Officer to waive or reduce fees in an amount of ~~\$2,500~~ \$5,600 or less, and only for requests from a private party (not from a public agency). Fee waiver or fee reduction requests of more than ~~\$2,500~~ \$5,600 require approval by the Commission.

When LAFCO staff requests that an applicant add territory—in addition to the affected territory originally proposed in a change of organization or reorganization—the Commission has delegated authority to the Executive Officer to waive or reduce any associated incremental increase in the required filing fee.

Consistent with the provisions of Section 56383(d) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, and in order to grant a fee waiver or fee reduction, the Commission or Executive Officer must make a finding that the payment would be detrimental to the public interest. Upon receipt of a written request, the Commission or Executive Officer may also consider whether:

- Payment would cause a substantial economic hardship upon the applicant;
- The application is consistent with recommendations in a Municipal Service Review (“MSR”) adopted by LAFCO; and
- The application advances the principles of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 relative to logical boundaries.

Applicants interested in securing a fee waiver or fee reduction shall submit a letter to the Executive Officer requesting the waiver. The letter shall indicate how payment of the fee would be detrimental to the public interest, and further identify any of the above-referenced factors.

For a fee waiver or reduction request of ~~\$2,500~~ \$5,600 or less from a private party (not a public agency), the Executive Officer shall provide all Members and Alternates on the Commission (via e-mail) advance notice of his or her intent to issue a fee waiver or reduction. If, within 10 calendar days from the date the email was sent, a Member or Alternate so requests, the matter shall be placed on the next Commission agenda for consideration by the Commission. Absent such a request, the Executive Officer may grant the fee waiver or reduction.

For a fee waiver or reduction request of more than ~~\$2,500~~ \$5,600, the request will be calendared on the next available regular meeting of the Commission agenda, subject to scheduling requirements for Commission meetings.

The Executive Officer will notify all applicants in writing of the decision regarding fee reduction or waiver request.

## **Staff Report**

**April 12, 2023**

### **Agenda Item No. 9.c.**

#### **Report to the Commission concerning the City Selection Committee**

At the March 8<sup>th</sup> Meeting, Commissioner Mirisch identified quorum issues encountered by the Los Angeles County City Selection Committee. Commissioner Mirisch expressed a desire to see State legislation introduced to enable the Los Angeles County City Selection Committee to meet virtually.

##### State Law

State law (Government Code § 50270 *et seq.*, excerpts attached) creates “a city selection committee[,] the purpose of which shall be to appoint city representatives to boards, commissions, and agencies as required by law.” The members of a city selection committee in each county are the mayors of each city within that county. The Clerk of the respective county Board of Supervisors staffs the city selection committee in that county.

##### Los Angeles County City Selection Committee (CSC)

Celia Zavala, County Executive Officer of the Board of Supervisors, and her staff provide administrative support to the CSC. The Los Angeles County website includes a page devoted to the CSC, which includes background information and recent agendas (excerpts attached). A Chair and Vice Chair preside over meetings of the CSC. The current Chair of the CSC is Beverly Hills Councilmember John Mirisch, and the current Vice Chairman is Manhattan Beach Mayor Pro Tem Richard Montgomery.

The CSC appoints members to:

- Local Agency Formation Commission for the County of Los Angeles (Cities Voting Members/Alternate).
- Los Angeles County Affordable Housing Solutions Agency (North County/San Fernando Valley, San Gabriel Valley, Southeast, and Southwest Corridor sector representatives).
- Los Angeles County Hazardous Waste Management Advisory Committee.
- Los Angeles County Library Commission (by Supervisorial District).
- Los Angeles County Metropolitan Transportation Authority (North County/San Fernando Valley, San Gabriel Valley, Southeast Long Beach, and Southwest Corridor sector representatives).
- Los Angeles County Redevelopment Agencies Consolidated Oversight Board.



- Measure R Oversight Committee Independent Taxpayers Oversight Committee of Metro.
- South Coast Air Quality Management District (Eastern and Western Regions).

The CSC also nominates potential appointees to the State of California Coastal Commission, for consideration by the appointing authorities (the Governor, Assembly Speaker, and Senate Rules Committee).

#### CSC Quorum Issues

Due to the large number of cities, the vast geography, lengthy driving times, and the fact that elected officials have busy schedules, reaching a CSC quorum is a significant challenge. Over the past few years, several CSC meetings have been canceled in advance, or terminated at the meeting, due to the lack of a quorum. Several years ago, the Alternate City Member of the Commission (LAFCO) “held over” (as allowed under State law) for thirteen (13) months of a four (4) year term, during which time four (4) separate CSC meetings were canceled due to lack of a quorum. More recently, a 10:00 a.m. CSC meeting was delayed—for ninety (90) minutes—until the forty-fifth (45<sup>th</sup>) member arrived, having been called from a prior engagement and driven to the meeting by a fellow mayor.

Prior to the COVID-19 pandemic, the CSC met in person, usually in the morning, at a city hall centrally located within Los Angeles County (i.e., South Pasadena City Hall). Because the composition of voting members may vary (depending on what appointment is under consideration), the quorum/vote may change depending on the individual agenda item. Many actions require the presence of forty-five (45) city representatives to reach a quorum amongst the eight-eight (88) cities.

During the COVID-19 pandemic, and under temporary relaxed meeting requirements, the CSC met virtually (via Zoom, WebEx, or equivalent). According to CSC members and staff, the meetings were efficient, and achieving a quorum was substantially easier than in-person meetings.

#### Previous Legislation

On February 18, 2021 (2021-22 Session of the Legislature), Assemblymember Jesse Gabriel introduced AB 1053, which, amongst other changes, would have allowed city selection committees to meet virtually. Given objections, the bill was amended to apply exclusively to the Los Angeles County City Selection Committee.

The California Association of Local Agency Formation Commissions (CALAFCO) opposed the original bill, given objections raised by several LAFCOs. CALAFCO removed its opposition once the bill was amended to apply exclusively to Los Angeles County City Selection Committee.

AB 1053 did not pass in 2021, and it was amended to become a two-year bill. In 2022, the bill did not clear the policy committee deadline, and it became a two-year bill.

CSC: Outreach

CSC staff stated that agendas are posted electronically and at the site of the meeting location. They also noted that “agendas are distributed to everyone who has requested to be part of our email distribution list and including the current City Selection Committee members (Mayors) and their staff.”

CSC: Demographic Data of Appointments

Staff of the CSC reports that “we currently do not collect any demographic data” relative to CSC appointees.”

**Recommended Action:**

Staff recommends that the Commission consider the issues identified in this staff report, and:

1. Direct staff to draft a letter, to be signed by Chair Dear, to Assembly Speaker Anthony Rendon and Senate President Pro Tem Toni Atkins, with copies to the Los Angeles County delegation (those assemblymembers and senators whose districts include portions of Los Angeles County), asking that the Legislature introduce, consider, and adopt legislation to authorize the Los Angeles County City Selection Committee to meet virtually;

**OR**

2. Receive and file the Report to the Commission concerning the City Selection Committee

## City Selection Committees

### California Government Code

#### Title 5 (Local Agencies), Division 1 (Cities and Counties), Part 1 (Powers and Duties Common to Cities and Counties), Chapter 1 (General), Article 11 (City Selection Committees) [emphases added]

#### **50270.**

In any county in which two or more cities are incorporated there is hereby created a city selection committee the purpose of which shall be to appoint city representatives to boards, commissions, and agencies as required by law. The membership of each such city selection committee shall consist of the mayor of each city within the county.

#### **50270.5.**

As used in this article, "clerk" means the clerk of a county or the legislative body thereof. Where the office of county clerk is separate from the office of clerk of the board of supervisors, "clerk" means the clerk of the board of supervisors.

#### **50271.**

(a) When the mayor is unable to attend a meeting of a city selection committee, the mayor shall designate another member of the city's legislative body to attend and vote at the meeting as the mayor's representative.

(b) For the city selection committee in the County of Los Angeles, the following shall apply when the mayor or the mayor's designated member is unable to attend a meeting of the city selection committee:

(1) The vice mayor or mayor pro tempore shall serve as the voting member and shall be entitled to one vote.

(2) (A) In the absence of the mayor and the vice mayor or mayor pro tempore, the next ranking council member shall serve as the voting member and shall be entitled to one vote.

(B) The ranking council member shall be determined by seniority of service on the council.

#### **50272.**

Representatives of a majority of the number of cities within a county entitled to representation on the city selection committee shall constitute a quorum of the committee; provided, however, that a majority vote of the representatives of the number of cities within a county entitled to representation on the committee is necessary to appoint representatives to boards, commissions, or agencies. Whenever a quorum is not present at a meeting of any city selection committee,

the meeting shall be postponed or adjourned to a subsequent time and place, as determined by the chairman.

**50273.**

In order to provide for initial organization of a city selection committee pursuant to this article, an organizational meeting of each committee shall be held within 60 days after the effective date of this article. The clerk of each county shall act as temporary chairman of the city selection committee.

As temporary chairman of the city selection committee, the clerk shall fix a time and place for the organizational meeting of the committee and shall give notice of such date and time to the mayor of each city incorporated within the county.

Each selection committee shall meet on the date and at the time designated by the clerk. After the organizational meeting, a selection committee shall meet on such dates and at such times as it may determine or as are required by law.

**50274.**

(a) At the first organizational meeting of a city selection committee held pursuant to Section 50273, it shall select from among its members a permanent chairman and vice chairman, and such other officers as it deems necessary. The term of office of the chairman and vice chairman shall be not less than one year nor more than four years as determined in the rules and regulations adopted by a city selection committee pursuant to Section 50275. At least 60 days prior to the expiration of the term of office of the chairman and vice chairman, or as otherwise provided in the rules and regulations adopted by a city selection committee pursuant to Section 50275, the city selection committee shall meet and select a successor to the chairman and to the vice chairman.

(b) The officers of the County of San Mateo's City Selection Committee may be the same as San Mateo County's Council of Cities. Any person elected to serve as chairman, vice chairman, or officer may serve his or her entire term of office on San Mateo County's City Selection Committee, provided that the person continues to serve on a city council. If a city selection committee officer is not a mayor, that person may preside, but not vote on any matters before San Mateo County's City Selection Committee unless authorized pursuant to Section 50271.

**50275.**

In order to carry out the provisions and purposes of this article, a city selection committee shall formulate and adopt rules and regulations to govern the conduct of their meetings and the selection of city representatives. Such rules and regulations shall include, but not be limited to, the term of office of the chairman and vice chairman of the city selection committee, such term to be not less than one year nor more than four years, the time and place of the committee's regular meetings, a procedure for nominating and selecting city representatives, and the manner in which voting by the city selection committee shall be conducted.

**50276.**

The clerk of each county shall act as the permanent secretary and recording officer of the city selection committee organized within such county. All meetings of a city selection committee shall be conducted in the presence of the clerk of the county in which the committee is organized or his deputy. All votes and action taken by a city selection committee shall be recorded in writing by the secretary of the committee. The written record of any vote or action taken by the selection committee shall include the name of each member voting and how he voted. Written records and minutes of a selection committee's secretary are public records.

**50277.**

A city selection committee shall conduct regular meetings at the times specified by it in its rules and regulations, and shall also meet upon the call of its chairman. The chairman of a selection committee may call a special meeting of the committee at any time, and the chairman shall call a special meeting of the selection committee upon the written request of 50 percent of the members of the city selection committee. When a chairman is required to call a special meeting of a city selection committee pursuant to this section, such a meeting shall be called and held within 60 days after receipt of such written request. Within three weeks prior to the date fixed for a special meeting of the committee, the chairman of the committee shall notify the committee secretary of the date, time, and place of the special meeting.

**50278.**

At least two weeks prior to the date of any meeting of a city selection committee, the secretary of the committee shall give notice of the meeting to each member of the committee. The secretary shall also give reasonable notice to each member of a selection committee of the time, date, and place to which a meeting of the committee is continued.

**50279.**

Members of a city selection committee shall serve without compensation.



## **Los Angeles County City Selection Committee Website Excerpts**

Members of the LA County City Selection Committee include the Mayor of each city within Los Angeles County. Each city appoints an elected official as a delegate to the City Selection Committee; it usually is the Mayor. The term of office for each Member of the LA County City Selection Committee coincides with City Mayor terms, and the Committee meets three or four times a year, at the call of the Chairman. Their duties are to appoint City representatives to such Boards, Commissions and Agencies as may be required by law, i.e., LAFCO, South Coast Air Quality Management District, Los Angeles County Metropolitan Transportation Authority, Los Angeles County Hazardous Waste Management Advisory Committee; and to nominate for appointment Members to the California Coastal Commission.

Nominations for the City Selection Committee appointees to the MTA are made by the Sector Subcommittees for the Sectors whose representatives' terms are expiring. The cities assigned to one of the four regions in Los Angeles County (North County/San Fernando Valley, San Gabriel Valley, Southeast Long Beach and Southwest Corridor) shall meet as a Sector Subcommittee. Each candidate with a majority weighted vote will then be nominated from that Sector for consideration for appointment to the MTA.

## **Staff Report**

**April 12, 2023**

### **Agenda Item No. 9.d.**

#### **Other Post-Employment Benefits Actuarial Study as of June 30, 2022**

In March of 2020, the Commission directed staff to undergo a formal bidding process and select an actuarial firm to perform an Alternative Measurement Method (AMM) actuarial valuation report to determine the Commission's financial liability and ongoing annual costs for Other Post-Employment Benefits (OPEB). Consistent with the Commission's Procurement Policy, staff selected Total Compensation Solutions (TCS) to prepare biannual and annual valuations to comply with the Governmental Accounting Standards Board (GASB) Standards.

TCS prepared the accompanying actuarial study, showing an increase in the Commission's Total OPEB Liability (TOL) from \$842,648 as of June 30, 2021, to \$988,711 as of June 30, 2022. The increase is attributable to a decrease in the discount rate and changes in assumptions (inclusive of economic and demographic assumptions). As referenced in the study, *the discount rate is the assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.* To offset the OPEB liability, the Commission maintains its OPEB investments in the California Employee Retirement Benefit Trust (CERBT) fund. As of March of 2023, the Commission's CERBT fund balance was \$622,621, providing funding for approximately 63% of LAFCO's TOL.

The Actuarial Study is a component of the Commission's Audited Financial Statements and affects the Commission's overall net position. At this time, the Actuarial Study of Retiree Health Liabilities Under GASB 74/75, Valuation Date of June 30, 2022, is being provided to the Commission for its consideration.

#### **Recommended Action:**

Staff recommends that the Commission:

1. Receive and file the enclosed "Local Agency Formation Commission for the County of Los Angeles Actuarial Study of Retiree Health Liabilities Under GASB 74/75, Valuation Date: June 30, 2022".

**Total Compensation Systems, Inc.**

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**Local Agency Formation Commission for the  
County of Los Angeles  
Actuarial Study of  
Retiree Health Liabilities Under GASB 74/75  
Roll-forward Valuation  
Valuation Date: June 30, 2021  
Measurement Date: June 30, 2022  
For Fiscal Year-End: June 30, 2023**

*Prepared by:  
Total Compensation Systems, Inc.*

*Date: March 8, 2023*



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## Total Compensation Systems, Inc.

### Local Agency Formation Commission for the County of Los Angeles Actuarial Study of Retiree Health Liabilities

#### PART I: EXECUTIVE SUMMARY

##### A. Introduction

This report was produced by Total Compensation Systems, Inc. for Local Agency Formation Commission for the County of Los Angeles to determine the liabilities associated with its current retiree health program as of a June 30, 2022 measurement date and to provide the necessary information to determine accounting entries for the fiscal year ending June 30, 2023. This report may not be suitable for other purposes such as determining employer contributions or assessing the potential impact of changes in plan design.

Different users of this report will likely be interested in different sections of information contained within. We anticipate that the following portions may be of most interest depending on the reader:

- A high level comparison of key results from the current year to the prior year is shown on this page.
- The values we anticipate will be disclosed in the June 30, 2023 year-end financials are shown on pages 2 and 3.
- Additional accounting information is shown on page 12 and Appendices C and D.
- Description and details of measured valuation liabilities can be found beginning on page 10.
- Guidance regarding the next actuarial valuation for the June 30, 2023 measurement date is provided on page 13.

##### B. Key Results

LAFCO uses an Actuarial Measurement Date that is 12 months prior to its Fiscal Year-End. This means that these actuarial results measured as of June 30, 2022 will be used on a look back basis for the June 30, 2023 Fiscal Year-End.

Key Results	Current Year	Prior Year
	<i>June 30, 2022 Measurement Date for June 30, 2023 Fiscal Year-End</i>	<i>June 30, 2021 Measurement Date for June 30, 2022 Fiscal Year-End</i>
Total OPEB Liability (TOL)	\$988,711	\$842,648
Fiduciary Net Position (FNP)	\$610,445	\$470,630
Net OPEB Liability (NOL)	\$378,266	\$372,018
Service Cost ( <i>for year following</i> )	\$39,024	\$33,504
Estimated Pay-as-you-go Cost ( <i>for year following</i> )	\$20,305	\$19,946
GASB 75 OPEB Expense ( <i>for year ending</i> )	\$20,916	\$8,591

Refer to results section beginning on page 10 or the glossary on page 26 for descriptions of the above items.

Key Assumptions	Current Year	Prior Year
	<i>June 30, 2022 Measurement Date for June 30, 2023 Fiscal Year-End</i>	<i>June 30, 2021 Measurement Date for June 30, 2022 Fiscal Year-End</i>
Valuation Interest Rate	6.25%	6.75%
Expected Rate of Return on Assets	6.25%	6.75%
Long-Term Medical Trend Rate	4.00%	4.00%
Projected Payroll Growth	2.75%	2.75%

## Total Compensation Systems, Inc.

The following table shows the “pay as you go” projection of annual payments for the employer share of retiree health costs. Although actual payments are certain to vary from those shown below, these projections can be useful for planning purposes. See page 11 for amounts below broken out by employee classification, if applicable.

<i>Year Beginning July 1</i>	<i>Projected Benefit Payments</i>
2021	\$19,946
2022	\$20,305
2023	\$21,403
2024	\$22,684
2025	\$25,305
2026	\$26,835
2027	\$29,946
2028	\$34,222
2029	\$34,294
2030	\$39,429

### C. Summary of GASB 75 Accounting Results

#### 1. Changes in Net OPEB Liability

The following table shows the reconciliation of the June 30, 2021 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2022 NOL. A more detailed version of this table can be found on page 12.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
<b>Balance at June 30, 2021 Measurement Date</b>	<b>\$842,648</b>	<b>\$470,630</b>	<b>\$372,018</b>
Service Cost	\$33,504	\$0	\$33,504
Interest on TOL / Return on FNP	\$57,336	(\$60,066)	\$117,402
Employer Contributions	\$0	\$219,946	(\$219,946)
Benefit Payments	(\$19,946)	(\$19,946)	\$0
Administrative Expenses	\$0	(\$119)	\$119
Experience (Gains)/Losses	\$0	\$0	\$0
Changes in Assumptions	\$75,169	\$0	\$75,169
Other	\$0	\$0	\$0
Net Change	\$146,063	\$139,815	\$6,248
<b>Actual Balance at June 30, 2022 Measurement Date</b>	<b>\$988,711</b>	<b>\$610,445</b>	<b>\$378,266</b>

## Total Compensation Systems, Inc.

### 2. Deferred Inflows and Outflows

Changes in the NOL arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the scheduled future recognition. A reconciliation of these balances can be found on page 12 while the complete deferral history is shown beginning on page 23.

<b>Balances at June 30, 2023 Fiscal Year-End</b>	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
Differences between expected and actual experience	\$51,605	(\$84,059)
Changes in assumptions	\$91,294	(\$257,487)
Differences between projected and actual return on assets	\$66,076	\$0
<b>Total</b>	<b>\$208,975</b>	<b>(\$341,546)</b>

<b>To be recognized fiscal year ending June 30:</b>	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
2024	\$39,636	(\$71,162)
2025	\$39,920	(\$71,162)
2026	\$39,243	(\$71,162)
2027	\$41,709	(\$58,306)
2028	\$20,603	(\$50,620)
Thereafter	\$27,864	(\$19,134)
<b>Total</b>	<b>\$208,975</b>	<b>(\$341,546)</b>

### 3. OPEB Expense

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, administrative expenses, and change in TOL due to plan changes, adjusted for deferred inflows and outflows. OPEB expense can also be derived as change in net position, adjusted for employer contributions, which can be found on page 12.

<b>To be recognized fiscal year ending June 30, 2023</b>	<i>Expense Component</i>
Service Cost	\$33,504
Interest Cost	\$57,336
Expected Return on Assets	(\$38,514)
Administrative Expenses	\$119
Recognition of Experience (Gain)/Loss Deferrals	(\$1,545)
Recognition of Assumption Change Deferrals	(\$45,491)
Recognition of Investment (Gain)/Loss Deferrals	\$15,507
Employee Contributions	\$0
Changes in Benefit Terms	\$0
<b>Net OPEB Expense for fiscal year ending June 30, 2023</b>	<b>\$20,916</b>

### 4. Adjustments

The above OPEB expense includes all deferred inflows and outflows except any contributions after the measurement date. Contributions from July 1, 2022 to June 30, 2023 minus prior contributions after the measurement date of \$220,353 should also be reflected in OPEB expense. June 30, 2023 deferred outflows should include contributions from July 1, 2022 to June 30, 2023.

### 5. Trend and Interest Rate Sensitivities

The following presents what the Net OPEB Liability would be if it were calculated using a discount rate assumption or a healthcare trend rate assumption one percent higher or lower than the current assumption.

<b>Net OPEB Liability at June 30, 2022 Measurement Date</b>	<i>Discount Rate</i>	<i>Healthcare Trend Rate</i>
1% Decrease in Assumption	\$555,544	\$198,562
Current Assumption	\$378,266	\$378,266
1% Increase in Assumption	\$235,048	\$624,596

## Total Compensation Systems, Inc.

### D. Description of Retiree Benefits

Following is a description of the current retiree benefit plan:

	<i>Hired Before June 30, 2014</i>	<i>Hired After June 30, 2014</i>
Benefit types provided***	Medical, Dental, Vision, & \$5,000 death benefit	Medical, Dental, Vision, & \$5,000 death benefit
Duration of Benefits	Lifetime	Lifetime
Required Service	Varies by plan*	Varies by plan*
Minimum Age	Varies by plan*	Varies by plan*
Dependent Coverage	Yes	Self-paid
Commission Contribution %	Varies by service**	Varies by service**
Commission Cap	Pro-rated benchmark plan**	Pro-rated benchmark plan**

\*Plan A-D eligibility: Age 50 with 10 years of commission service or any age with 30 years of commission service or age 70 regardless of service.

Plan E eligibility: Age 55 with 10 years of commission service

Plan G eligibility: Age 52 with 5 years of commission service

\*\*LAFCO contributes 40% of the lesser of the benchmark plan and the elected plan at 10 years of service, plus 4% per additional year of service up to 100% at 25 years of service. Participants reaching Medicare age also receive a contribution for Medicare Part B premiums.

\*\*\*Employees hired prior to January 1, 2013 fall under LACERA's Plan D. Employees hired after January 1, 2013 fall under Plan G. Those who were hired by LAFCO from a retirement system with a reciprocity agreement will be eligible for eligible for OPEB benefits under Plan D if they entered the prior retirement system prior to 2013.

This valuation does not reflect any cash benefits paid unless the cash benefits are limited to be used for or reimburse the retiree's cost of health benefits and TCS was made aware of the existence of such cash benefits. Costs and liabilities attributable to cash benefits paid to retirees are reportable under applicable Governmental Accounting Standards Board (GASB) Standards.

### E. Summary of Valuation Data

Because this is a roll-forward valuation, this report is based on census data previously provided to us as of June, 2021 for the June 30, 2021 full valuation. Distributions of participants by age and service can be found on page 17. For non-lifetime benefits, the active count below excludes employees for whom it was not possible to receive retiree benefits (e.g. employees who were already older than the maximum age to which benefits are payable or who will not accrue the required service prior to reaching the maximum age).

	<b>Valuation Year</b>
	<i>June 30, 2021 Valuation Date</i>
	<i>June 30, 2022 Measurement Date</i>
<b>Active Employees eligible for future benefits</b>	
Count	6
Average Age	46.3
Average Years of Service	13.5
<b>Retirees currently receiving benefits</b>	
Count	3
Average Age	71.0

We were not provided with information about any terminated, vested employees.

## Total Compensation Systems, Inc.

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### F. Certification

The actuarial information in this report is intended solely to assist LAFCO in complying with Governmental Accounting Standards Board Accounting Statement 74 and 75 and, unless otherwise stated, fully and fairly discloses actuarial information required for compliance. Nothing in this report should be construed as an accounting opinion, accounting advice or legal advice. TCS recommends that third parties retain their own actuary or other qualified professionals when reviewing this report. TCS's work is prepared solely for the use and benefit of LAFCO. Release of this report may be subject to provisions of the Agreement between LAFCO and TCS. No third party recipient of this report product should rely on the report for any purpose other than accounting compliance. Any other use of this report is unauthorized without first consulting with TCS.

This report is for fiscal year July 1, 2022 to June 30, 2023, using a measurement date of June 30, 2022. The calculations in this report have been made based on our understanding of plan provisions and actual practice at the time we were provided the required information. We relied on information provided by LAFCO. Much or all of this information was unaudited at the time of our evaluation. We reviewed the information provided for reasonableness, but this review should not be viewed as fulfilling any audit requirements. We relied on the following materials to complete this study:

- We used paper reports and digital files containing participant demographic data from the Commission personnel records.
- We used relevant sections of collective bargaining agreements provided by the Commission.

All costs, liabilities, and other estimates are based on actuarial assumptions and methods that comply with all applicable Actuarial Standards of Practice (ASOPs). Each assumption is deemed to be reasonable by itself, taking into account plan experience and reasonable future expectations and in combination represent our estimate of anticipated experience of the Plan.

This report contains estimates of the Plan's financial condition and future results only as of a single date. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. This valuation cannot predict the Plan's future condition nor guarantee its future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. Determining results using alternative assumptions (except for the alternate discount and trend rates shown in this report) is outside the scope of our engagement.

Future actuarial measurements may differ significantly from those presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the measurement methodology (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. We were not asked to perform analyses to estimate the potential range of such future measurements.

The signing actuary is independent of LAFCO and any plan sponsor. TCS does not intend to benefit from and assumes no duty or liability to other parties who receive this report. TCS is not aware of any relationship that would impair the objectivity of the opinion.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and has been prepared in accordance with generally accepted actuarial principles and practices and all



## **Total Compensation Systems, Inc.**

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applicable Actuarial Standards of Practice. I meet the Qualifications Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Luis Murillo".

Luis Murillo, ASA, MAAA  
Actuary  
Total Compensation Systems, Inc.  
(805) 496-1700

## Total Compensation Systems, Inc.

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### PART II: LIABILITIES AND COSTS FOR RETIREE BENEFITS

#### A. Introduction.

We calculated the actuarial present value of projected benefit payments (APVPBP) separately for each participant. We determined eligibility for retiree benefits based on information supplied by LAFCO. We then selected assumptions that, based on plan provisions and our training and experience, represent our best prediction of future plan experience. For each participant, we applied the appropriate assumption factors based on the participant's age, sex, length of service, and employee classification.

The actuarial assumptions used for this study are summarized beginning on page 14.

#### B. Liability for Retiree Benefits.

For each participant, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent LAFCO uses contribution caps, the influence of the trend factor is further reduced. We multiplied each year's benefit payments by the probability that benefits will be paid; i.e. based on the probability that the participant is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the participant is not eligible. The participant is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's benefit payments and the probability the benefit will be paid equals the expected cost for that year. We multiplied the above expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan. Finally, we discounted the expected cost for each year to the measurement date June 30, 2022 at 6.25% interest.

For any *current retirees*, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 100%).

The value generated from the process described above is called the actuarial present value of projected benefit payments (APVPBP). We added APVPBP for each participant to get the total APVPBP for all participants which is the estimated present value of all future retiree health benefits for all *current* participants. The APVPBP is the amount on June 30, 2022 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last participant dies or reaches the maximum eligibility age. However, for most actuarial and accounting purposes, the APVPBP is not used directly but is instead apportioned over the lifetime of each participant as described in the following sections.



## Total Compensation Systems, Inc.

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### C. Actuarial Accrual

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly (via an “implicit rate subsidy”).

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method” and uses the APVPBP to develop expense and liability figures. Furthermore, the APVPBP should be accrued over the working lifetime of employees.

In order to accrue the APVPBP over the working lifetime of employees, actuarial cost methods apportion the APVPBP into two parts: the portions attributable to service rendered prior to the measurement date (the past service liability or Total OPEB Liability (TOL) under GASB 74 and 75) and to service after the measurement date but prior to retirement (the future service liability or present value of future service costs). Of the future service liability, the portion attributable to the single year immediately following the measurement date is known as the normal cost or Service Cost under GASB 74 and 75.

The service cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. The actuarial cost method mandated by GASB 75 is the “entry age actuarial cost method”. Under the entry age actuarial cost method, the actuary determines the service cost as the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. Under GASB 75, the service cost is calculated to be a level percentage of each employee’s projected pay.

### D. Actuarial Assumptions

The APVPBP and service cost are determined using several key assumptions:

- The current ***cost of retiree health benefits*** (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the service cost.
- The “***trend***” ***rate*** at which retiree health benefits are expected to increase over time. A higher trend rate increases the service cost. A “cap” on Commission contributions can reduce trend to zero once the cap is reached thereby dramatically reducing service costs.
- ***Mortality rates*** varying by age and sex (and sometimes retirement or disability status). If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.
- ***Employment termination rates*** have the same effect as mortality inasmuch as higher termination rates reduce service costs. Employment termination can vary considerably between public agencies.
- The ***service requirement*** reflects years of service required to earn full or partial retiree benefits. While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

## Total Compensation Systems, Inc.

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- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase service costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the **real** rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds rated AA or higher. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

### E. Total OPEB Liability

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. If all actuarial assumptions are exactly met and an employer expensed the service cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the Total OPEB Liability (TOL). The excess of TOL over the value of plan assets is called the Net OPEB Liability (NOL). Under GASB 74 and 75, in order for assets to count toward offsetting the TOL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

Changes in the TOL can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. Change in the TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience. GASB 75 allows certain changes in the TOL to be deferred (i.e. deferred inflows and outflows of resources).

Under GASB 74 and 75, a portion of actuarial gains and losses can be deferred as follows:

- Investment gains and losses are deferred five years.
- Experience gains and losses are deferred over the Expected Average Remaining Service Lives (EARS�) of plan participants. In calculating the EARS�, terminated employees (primarily retirees) are considered to have a working lifetime of zero. This often makes the EARS� quite short.
- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the EARS�.
- Liability changes resulting from plan changes, for example, cannot be deferred.

## Total Compensation Systems, Inc.

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### **F. Valuation Results**

This section details the measured values of the concepts described on the previous pages. Because this is a roll-forward valuation, the results shown in this section do not match the overall results as of the measurement date.

#### **1. Actuarial Present Value of Projected Benefit Payments (APVPBP)**

##### **Actuarial Present Value of Projected Benefit Payments as of June 30, 2021 Valuation Date**

	<i><u>Total</u></i>
Active: Pre-65 Benefit	\$239,492
Post-65 Benefit	\$841,974
Subtotal	\$1,081,466
Retiree: Pre-65 Benefit	\$45,840
Post-65 Benefit	\$220,620
Subtotal	\$266,460
Grand Total	\$1,347,926
Subtotal Pre-65 Benefit	\$285,332
Subtotal Post-65 Benefit	\$1,062,594

#### **2. Service Cost**

The service cost represents the value of the benefit earned during a single year of employment. It is the APVPBP spread over the expected working lifetime of the employee and divided into annual segments. We applied an "entry age" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated service cost.

##### **Service Cost Valuation Year Beginning July 1, 2021**

	<i><u>Total</u></i>
# of Eligible Employees	6
First Year Service Cost	
Pre-65 Benefit	\$8,262
Post-65 Benefit	\$29,718
Total	\$37,980

Accruing retiree health benefit costs using service costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. While the service cost for each employee is targeted to remain level as a percentage of covered payroll, the service cost as a dollar amount would increase each year based on covered payroll. Additionally, the overall service cost may grow or shrink based on changes in the demographic makeup of the employees from year to year.

## Total Compensation Systems, Inc.

### 3. Total OPEB Liability and Net OPEB Liability

If actuarial assumptions are borne out by experience, the Commission will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability. We calculated the Total OPEB Liability (TOL) as the APVPBP minus the present value of future service costs. To the extent that benefits are funded through a GASB 74 qualifying trust, the trust's Fiduciary Net Position (FNP) is subtracted to get the NOL. The FNP is the value of assets adjusted for any applicable payables and receivables as shown in the table on page 15.

#### **Total OPEB Liability and Net OPEB Liability as of June 30, 2021 Valuation Date**

	<i><b>Total</b></i>
Active: Pre-65 Benefit	\$140,562
Active: Post-65 Benefit	\$506,319
Subtotal	\$646,881
Retiree: Pre-65 Benefit	\$45,840
Retiree: Post-65 Benefit	\$220,620
Subtotal	\$266,460
Subtotal: Pre-65 Benefit	\$186,402
Subtotal: Post-65 Benefit	\$726,939
Total OPEB Liability (TOL)	\$913,341
Fiduciary Net Position as of June 30, 2021	\$470,630
Net OPEB Liability (NOL)	\$442,711

### 4. "Pay As You Go" Projection of Retiree Benefit Payments

We used the actuarial assumptions shown in Appendix C to project the Commission's ten year retiree benefit outlay. Because these cost estimates reflect average assumptions applied to a relatively small number of participants, estimates for individual years are certain to be *in*accurate. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the Commission's share of retiree health costs.

<i><b>Year Beginning July 1</b></i>	<i><b>Total</b></i>
2021	\$19,946
2022	\$20,305
2023	\$21,403
2024	\$22,684
2025	\$25,305
2026	\$26,835
2027	\$29,946
2028	\$34,222
2029	\$34,294
2030	\$39,429

## Total Compensation Systems, Inc.

### G. Additional Reconciliation of GASB 75 Results

The following table shows the reconciliation of the June 30, 2021 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2022 NOL. For some plans, it will provide additional detail and transparency beyond that shown in the table on Page 2.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
<b>Balance at June 30, 2021</b>	<b>\$842,648</b>	<b>\$470,630</b>	<b>\$372,018</b>
Service Cost	\$33,504	\$0	\$33,504
Interest on Total OPEB Liability	\$57,336	\$0	\$57,336
Expected Investment Income	\$0	\$38,514	(\$38,514)
Administrative Expenses	\$0	(\$119)	\$119
Employee Contributions	\$0	\$0	\$0
Employer Contributions to Trust	\$0	\$200,000	(\$200,000)
Employer Contributions as Benefit Payments	\$0	\$19,946	(\$19,946)
Benefit Payments from Trust	\$0	\$0	\$0
Expected Benefit Payments from Employer	(\$19,946)	(\$19,946)	\$0
<b>Expected Balance at June 30, 2022</b>	<b>\$913,542</b>	<b>\$709,025</b>	<b>\$204,517</b>
Experience (Gains)/Losses	\$0	\$0	\$0
Changes in Assumptions	\$75,169	\$0	\$75,169
Changes in Benefit Terms	\$0	\$0	\$0
Investment Gains/(Losses)	\$0	(\$98,580)	\$98,580
Other	\$0	\$0	\$0
Net Change during 2022	\$146,063	\$139,815	\$6,248
<b>Actual Balance at June 30, 2022*</b>	<b>\$988,711</b>	<b>\$610,445</b>	<b>\$378,266</b>

\* May include a slight rounding error.

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for LAFCO is shown beginning on page 23. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

#### Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2023

	<i>Beginning Balance</i>	<i>Change Due to New Deferrals</i>	<i>Change Due to Recognition</i>	<i>Ending Balance</i>
Experience (Gains)/Losses	(\$33,999)	\$0	\$1,545	(\$32,454)
Assumption Changes	(\$286,853)	\$75,169	\$45,491	(\$166,193)
Investment (Gains)/Losses	(\$16,997)	\$98,580	(\$15,507)	\$66,076
Deferred Balances	(\$337,849)	\$173,749	\$31,529	(\$132,571)

The following table shows the reconciliation of Net Position (NOL less the balance of any deferred inflows or outflows). When adjusted for contributions, the change in Net Position is equal to the OPEB expense shown previously on page 3.

#### Preliminary OPEB Expense Fiscal Year Ending June 30, 2023

	<i>Beginning Net Position</i>	<i>Ending Net Position</i>	<i>Change</i>
Net OPEB Liability (NOL)	\$372,018	\$378,266	\$6,248
Deferred Balances	(\$337,849)	(\$132,571)	\$205,278
Net Position	\$709,867	\$510,837	(\$199,030)
Adjust Out Employer Contributions			\$219,946
OPEB Expense			\$20,916

## Total Compensation Systems, Inc.

### H. Procedures for Future Valuations

GASB 74/75 require annual measurements of liability with a full actuarial valuation required every two years. This means that for the measurement date one year following a full actuarial valuation, a streamlined “roll-forward” valuation may be performed in place of a full valuation. The following outlines the key differences between full and roll-forward valuations.

	Full Actuarial Valuation	Roll-Forward Valuation
Collect New Census Data	Yes	No
Reflect Updates to Plan Design	Yes	No
Update Actuarial Assumptions	Yes	Typically Not
Update Valuation Interest Rate	Yes	Yes
Actual Assets as of Measurement Date	Yes	Yes
Timing	4-6 weeks after information is received	1-2 weeks after information is received
Fees	Full	Reduced
Information Needed from Employer	Moderate	Minimal
Required Frequency	At least every two years	Each year, unless a full valuation is performed

The majority of employers use an alternating cycle of a full valuation one year followed by a roll-forward valuation the next year. However, a full valuation may be required or preferred under certain circumstances. Following are examples of actions that could cause the employer to consider a full valuation instead of a roll-forward valuation.

- The employer adds or terminates a group of participants that constitutes a significant part of the covered group.
- The employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- The employer considers or puts in place an early retirement incentive program.
- The employer desires the measured liability to incorporate more recent census data or assumptions.

We anticipate that the next valuation we perform for LAFCO will be a full valuation with a measurement date of June 30, 2023 which will be used for the fiscal year ending June 30, 2024.



## Total Compensation Systems, Inc.

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### PART III: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The Commission should carefully review these assumptions and methods to make sure they reflect the Commission's assessment of its underlying experience. It is important for LAFCO to understand that the appropriateness of all selected actuarial assumptions and methods are LAFCO's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 74 and 75, applicable actuarial standards of practice, LAFCO's actual historical experience, and TCS's judgment based on experience and training.

#### **A. ACTUARIAL METHODS AND ASSUMPTIONS:**

**ACTUARIAL COST METHOD:** GASB 74 and 75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP and present value of future service costs are determined on a participant by participant basis and then aggregated.

**SUBSTANTIVE PLAN:** As required under GASB 74 and 75, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by LAFCO regarding practices with respect to employer and employee contributions and other relevant factors.



## Total Compensation Systems, Inc.

### **B. ECONOMIC ASSUMPTIONS:**

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

**INFLATION:** We assumed 2.50% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

**INVESTMENT RETURN / DISCOUNT RATE:** We assumed 6.25% per year net of expenses. This is based on assumed long-term return on employer assets. We used the “Building Block Method”. (See Appendix C, Paragraph 53 for more information). Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

**TREND:** We assumed 4.00% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

**PAYROLL INCREASE:** We assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), this assumption is only used to determine the accrual pattern of the Actuarial Present Value of Projected Benefit Payments.

**FIDUCIARY NET POSITION (FNP):** The following table shows the beginning and ending FNP numbers that were provided by LAFCO.

#### **Fiduciary Net Position as of June 30, 2022**

	<b><u>06/30/2021</u></b>	<b><u>06/30/2022</u></b>
Cash and Equivalents	\$0	\$0
Contributions Receivable	\$0	\$0
Total Investments	\$470,630	\$610,445
Capital Assets	\$0	\$0
Total Assets	\$470,630	\$610,445
Benefits Payable	\$0	\$0
Fiduciary Net Position	\$470,630	\$610,445

## Total Compensation Systems, Inc.

### **C. NON-ECONOMIC ASSUMPTIONS:**

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35). See Appendix C, Paragraph 52 for more information.

#### ***MORTALITY***

<b><i>Participant Type</i></b>	<b><i>Mortality Tables</i></b>
General Employees	Society of Actuaries Pub-2010 Mortality for Active Employees with MP-2019 Projection to 2025 Society of Actuaries Pub-2010 Mortality for Retired Employees with MP-2019 Projection to 2025

#### ***RETIREMENT RATES***

<b><i>Employee Type</i></b>	<b><i>Retirement Rate Tables</i></b>
Miscellaneous	LACERA Retirement Plan D

#### ***COSTS FOR RETIREE COVERAGE***

Actuarial Standard of Practice 6 (ASOP 6) Section 3.7.7(c)(3) provides that unadjusted premium may be used as the basis for retiree liabilities if retiree premium rates are not subsidized by active premium rates. We evaluated active and retiree rates and determined that there is not likely to be a subsidy between active and retiree rates. Therefore, retiree liabilities are based on actual employer contributions. Liabilities for active participants are based on the first year costs shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any Commission contribution caps.

<b><i>Participant Type</i></b>	<b><i>Future Retirees Pre-65</i></b>	<b><i>Future Retirees Post-65</i></b>
General Employees	\$26,239	\$15,980

#### ***PARTICIPATION RATES***

<b><i>Employee Type</i></b>	<b><i>&lt;65 Non-Medicare Participation %</i></b>	<b><i>65+ Medicare Participation %</i></b>
Miscellaneous	90%	90%

#### ***TURNOVER***

<b><i>Employee Type</i></b>	<b><i>Turnover Rate Tables</i></b>
Miscellaneous	LACERA Turnover

#### ***SPOUSE PREVALENCE***

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

#### ***SPOUSE AGES***

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

## Total Compensation Systems, Inc.

### PART IV: APPENDICES

#### APPENDIX A: DEMOGRAPHIC DATA BY AGE

##### ELIGIBLE ACTIVE EMPLOYEES BY AGE AND SERVICE

		<i>Under 5</i>	<i>5 – 9</i>	<i>10 – 14</i>	<i>15 – 19</i>	<i>20 – 24</i>	<i>25 – 29</i>	<i>30 – 34</i>	<i>Over 34</i>
	<i>Total</i>	<i>Years of</i>	<i>Years of</i>	<i>Years of</i>	<i>Years of</i>	<i>Years of</i>	<i>Years of</i>	<i>Years of</i>	<i>Years of</i>
		<i>Service</i>	<i>Service</i>	<i>Service</i>	<i>Service</i>	<i>Service</i>	<i>Service</i>	<i>Service</i>	<i>Service</i>
Under 25	0								
25 – 29	0								
30 – 34	0								
35 – 39	1				1				
40 – 44	2	1	1						
45 – 49	2				2				
50 – 54	0								
55 – 59	1			1					
60 – 64	0								
65 and older	0								
Total	6	1	1	1	3	0	0	0	0

##### ELIGIBLE RETIREES BY AGE AND EMPLOYEE CLASS

<i>Age</i>	<i>Total</i>
Under 50	0
50 – 54	0
55 – 59	0
60 – 64	1
65 – 69	1
70 – 74	0
75 – 79	0
80 – 84	0
85 – 89	1
90 and older	0
Total	3

### APPENDIX B: ADMINISTRATIVE BEST PRACTICES

It is outside the scope of this report to make specific recommendations of actions LAFCO should take to manage the liability created by the current retiree health program. The following items are intended only to allow the Commission to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of LAFCO's practices, it is possible that LAFCO is already complying with some or all of these suggestions.

- We suggest that LAFCO maintain an inventory of all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, LAFCO should determine whether the benefit is material and subject to GASB 74 and/or 75.
- Under GASB 75, it is important to isolate the cost of retiree health benefits. LAFCO should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – *even on a retiree-pay-all basis* – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, LAFCO should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- LAFCO should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for Commission-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.
- Several assumptions were made in estimating costs and liabilities under LAFCO's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Part III of this report for a summary of assumptions.) For example, LAFCO should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for LAFCO to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

## Total Compensation Systems, Inc.

### APPENDIX C: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The Commission should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the Commission in complying with GASB 74/75 disclosure requirements:

**Paragraph 50:**                    **Information about the OPEB Plan**

Most of the information about the OPEB plan should be supplied by LAFCO. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	3
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	6
Total Number of participants	9

\*We were not provided with information about any terminated, vested employees

**Paragraph 51:**                    **Significant Assumptions and Other Inputs**

Shown in Part III.

**Paragraph 52:**                    **Information Related to Assumptions and Other Inputs**

The following information is intended to assist LAFCO in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following are the tables the mortality assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Mortality Table	Society of Actuaries Pub-2010 Mortality for Active Employees with MP-2019 Projection to 2025
Disclosure	The mortality assumptions are based on the Society of Actuaries Pub-2010 Mortality for Active Employees with MP-2019 Projection to 2025.

Mortality Table	Society of Actuaries Pub-2010 Mortality for Retired Employees with MP-2019 Projection to 2025
Disclosure	The mortality assumptions are based on the Society of Actuaries Pub-2010 Mortality for Retired Employees with MP-2019 Projection to 2025.

## Total Compensation Systems, Inc.

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52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

### Retirement Tables

Retirement Table	LACERA Retirement Plan D
Disclosure	The retirement assumptions are based on the Los Angeles County Employees' Retirement Association Retirement Plan D table.

### Turnover Tables

Turnover Table	LACERA Turnover
Disclosure	The turnover assumptions are based on the Los Angeles County Employees' Retirement Association Turnover table.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	\$198,562	\$378,266	\$624,596

### Paragraph 53:

### Discount Rate

The following information is intended to assist LAFCO to comply with Paragraph 53 requirements.

53.a: A discount rate of 6.25% was used in the valuation. The interest rate used in the prior valuation was 6.75%.

53.b: We assumed that all contributions are from the employer.

53.c: We used historic 34 year real rates of return for each asset class along with our assumed long-term inflation assumption to set the discount rate. We offset the expected investment return by investment expenses of 50 basis points.

53.d: The interest assumption does not reflect a municipal bond rate.

53.e: Not applicable.

53.f: Following is the assumed asset allocation and assumed rate of return for each.

## Total Compensation Systems, Inc.

### CERBT - Strategy 2

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	40.0000	7.5450
All Fixed Income	43.0000	4.2500
Real Estate Investment Trusts	8.0000	7.2500
All Commodities	4.0000	7.5450
Treasury Inflation Protected Securities (TIPS)	5.0000	3.0000

We looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. We used geometric means.

53.g: The following table shows the Net OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation.

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB Liability	\$555,544	\$378,266	\$235,048

### Paragraph 55:

### Changes in the Net OPEB Liability

Please see reconciliation on pages 2 or 12.

### Paragraph 56:

### Additional Net OPEB Liability Information

The following information is intended to assist LAFCO to comply with Paragraph 56 requirements.

56.a: The valuation date is June 30, 2021.

The measurement date is June 30, 2022.

56.b: We are not aware of a special funding arrangement.

56.c: The interest assumption changed from 6.75% to 6.25%.

56.d: There were no changes in benefit terms since the prior measurement date.

56.e: Not applicable

56.f: To be determined by the employer

56.g: To be determined by the employer

56.h: Other than contributions after the measurement, all deferred inflow and outflow balances are shown on page 12 and in Appendix D

56.i: Future recognition of deferred inflows and outflows is shown in Appendix D

### Paragraph 57:

### Required Supplementary Information

57.a: Please see reconciliation on pages 2 or 12. Please see the notes for Paragraph 244 below for more information.

57.b: These items are provided on pages 2 and 12 for the current valuation, except for covered payroll, which should be determined based on appropriate methods.

57.c: We have not been asked to calculate an actuarially determined contribution amount. We assume the Commission contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 34 years.

57.d: We are not aware that there are any statutorily or contractually established contribution requirements.



## **Total Compensation Systems, Inc.**

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**Paragraph 58:**                    **Actuarially Determined Contributions**

We have not been asked to calculate an actuarially determined contribution amount. We assume the Commission contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 34 years.

**Paragraph 244:**                **Transition Option**

Prior periods were not restated due to the fact that prior valuations were not rerun in accordance with GASB 75. It was determined that the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified.

## Total Compensation Systems, Inc.

### APPENDIX D: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

#### EXPERIENCE GAINS AND LOSSES

##### Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Experience Gains and Losses (Measurement Periods)

Measurement Period	Experience (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2021	Amounts to be Recognized in OPEB Expense after 2022	2022	2023	2024	2025	2026	2027	Thereafter
2017-18	\$19,000	7.2	\$7,902	\$8,464	\$2,634	\$2,634	\$2,634	\$2,634	\$562		
2018-19	\$78,365	8.9	\$26,418	\$43,141	\$8,806	\$8,806	\$8,806	\$8,806	\$8,806	\$7,917	
2019-20	(\$4,971)	8.9	(\$1,118)	(\$3,294)	(\$559)	(\$559)	(\$559)	(\$559)	(\$559)	(\$559)	(\$499)
2020-21	(\$105,617)	8.5	(\$12,426)	(\$80,765)	(\$12,426)	(\$12,426)	(\$12,426)	(\$12,426)	(\$12,426)	(\$12,426)	(\$18,635)
2021-22	\$0	0	\$0	\$0	\$0						
<b>Net Increase (Decrease) in OPEB Expense</b>			<b>\$20,776</b>	<b>(\$32,454)</b>	<b>(\$1,545)</b>	<b>(\$1,545)</b>	<b>(\$1,545)</b>	<b>(\$1,545)</b>	<b>(\$3,617)</b>	<b>(\$5,068)</b>	<b>(\$19,134)</b>

## Total Compensation Systems, Inc.

### CHANGES OF ASSUMPTIONS

#### Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Changes of Assumptions (Measurement Periods)

Measurement Period	Changes of Assumptions	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2021	Amounts to be Recognized in OPEB Expense after 2022	2022	2023	2024	2025	2026	2027	Thereafter
2017-18	(\$118,000)	7.2	(\$49,071)	(\$52,572)	(\$16,357)	(\$16,357)	(\$16,357)	(\$16,357)	(\$3,501)		
2018-19	(\$372,195)	8.9	(\$125,460)	(\$204,915)	(\$41,820)	(\$41,820)	(\$41,820)	(\$41,820)	(\$41,820)	(\$37,635)	
2020-21	\$32,653	8.5	\$3,842	\$24,969	\$3,842	\$3,842	\$3,842	\$3,842	\$3,842	\$3,842	\$5,759
2021-22	\$75,169	8.5	\$0	\$66,325	\$8,844	\$8,844	\$8,844	\$8,844	\$8,844	\$8,844	\$22,105
Net Increase (Decrease) in OPEB Expense			(\$170,689)	(\$166,193)	(\$45,491)	(\$45,491)	(\$45,491)	(\$45,491)	(\$32,635)	(\$24,949)	\$27,864

## Total Compensation Systems, Inc.

### INVESTMENT GAINS AND LOSSES

#### Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Investment Gains and Losses (Measurement Periods)

Measurement Period	Investment (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2021	2022	Amounts to be Recognized in OPEB Expense after 2022	2023	2024	2025	2026	2027	Thereafter
2017-18	(\$2,000)	7.2	(\$831)	(\$277)	(\$892)	(\$277)	(\$277)	(\$277)	(\$61)		
2018-19	(\$1,447)	5	(\$870)	(\$290)	(\$287)	(\$287)					
2019-20	\$3,412	5	\$1,366	\$683	\$1,363	\$683	\$680				
2020-21	(\$21,622)	5	(\$4,325)	(\$4,325)	(\$12,972)	(\$4,325)	(\$4,325)	(\$4,322)			
2021-22	\$98,580	5	\$0	\$19,716	\$78,864	\$19,716	\$19,716	\$19,716	\$19,718		
<b>Net Increase (Decrease) in OPEB Expense</b>			<b>(\$4,660)</b>	<b>\$15,507</b>	<b>\$66,076</b>	<b>\$15,510</b>	<b>\$15,794</b>	<b>\$15,117</b>	<b>\$19,655</b>	<b>\$0</b>	<b>\$0</b>

## Total Compensation Systems, Inc.

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### **APPENDIX E: GLOSSARY OF RETIREE HEALTH VALUATION TERMS**

Note: The following definitions are intended to help a *non-actuary* understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

<u>Actuarial Cost Method:</u>	A mathematical model for allocating OPEB costs by year of service. The only actuarial cost method allowed under GASB 74/75 is the entry age actuarial cost method.
<u>Actuarial Present Value of Projected Benefit Payments:</u>	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation or measurement date.
<u>Deferred Inflows/Outflows of Resources:</u>	A portion of certain items that can be deferred to future periods or that weren't reflected in the valuation. The former includes investment gains/losses, actuarial gains/losses, and gains/losses due to changes in actuarial assumptions or methods. The latter includes contributions made to a trust subsequent to the measurement date but before the statement date.
<u>Discount Rate:</u>	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.
<u>Fiduciary Net Position:</u>	Net assets (liability) of a qualifying OPEB "plan" (i.e. qualifying irrevocable trust or equivalent arrangement).
<u>Implicit Rate Subsidy:</u>	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees and the employer is expected, in the long run, to pay the underlying cost of retiree benefits.
<u>Measurement Date:</u>	The date at which assets and liabilities are determined in order to estimate TOL and NOL.
<u>Mortality Rate:</u>	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
<u>Net OPEB Liability (NOL):</u>	The Total OPEB Liability minus the Fiduciary Net Position.
<u>OPEB Benefits:</u>	Other Post Employment Benefits. Generally, medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>OPEB Expense:</u>	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Service Cost plus interest on the Total OPEB Liability (TOL) plus change in TOL due to plan changes minus projected investment income; all adjusted to reflect deferred inflows and outflows of resources.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower service cost and a TOL. The participation rate often is related to retiree contributions.

## Total Compensation Systems, Inc.

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<u>Pay As You Go Cost:</u>	The projected benefit payments to retirees in a given year as estimated by the actuarial valuation. Actual benefit payments are likely to differ from these estimated amounts. For OPEB plans that do not pre-fund through an irrevocable trust, the Pay As You Go Cost serves as an estimated amount to budget for annual OPEB payments.
<u>Retirement Rate:</u>	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with the service requirement to reflect both age and length of service). The more likely employees are to retire early, the higher service costs and actuarial accrued liability will be.
<u>Service Cost:</u>	The annual dollar value of the “earned” portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.
<u>Service Requirement:</u>	The proportion of retiree benefits payable under the OPEB plan, based on length of service and, sometimes, age. A shorter service requirement increases service costs and TOL.
<u>Total OPEB Liability (TOL):</u>	The amount of the actuarial present value of projected benefit payments attributable to participants’ past service based on the actuarial cost method used.
<u>Trend Rate:</u>	The rate at which the employer’s share of the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher service costs and TOL.
<u>Turnover Rate:</u>	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce service costs and TOL.
<u>Valuation Date:</u>	The date as of which the OPEB obligation is determined by means of an actuarial valuation. Under GASB 74 and 75, the valuation date does not have to coincide with the statement date, but can’t be more than 30 months prior.

## **Staff Report**

**April 12, 2023**

### **Agenda Item No. 10.a.**

#### **Requested Position on Legislation**

##### **Request to Support AB 1753**

The California Association of Local Agency Formation Commissions (CALAFCO) is the sponsor of AB 1753, the annual “Omnibus Bill.” AB 1753 was introduced by the Assembly Local Government Committee (ALGC) on March 2, 2023 (copy attached).

As it has done every year, and based upon ideas solicited by various LAFCO, and endorsed by the CALAFCO Board of Directors and Legislative Committee, the Executive Director has submitted potential language to the ALGC. The proposed items must be reviewed by the Chair of ALGC, the ALGC committee consultant, and Legislative Counsel prior to introduction.

As introduced, AB 1753 includes two proposed amendments to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act):

1. A proposal to amend Government Code Section 56882 to change the word “mail” to “transmit” relative to certain required notices (suggested by Napa LAFCO Executive Officer Brendon Freeman, Orange LAFCO Executive Officer Carolyn Emery, and LA LAFCO Executive Officer Paul Novak). This amendment would allow for notice to be delivered to stakeholders by alternative methods, such as e-mail.
2. A proposal to amend Government Code Section 56658 (suggested by Ventura LAFCO Executive Officer Kai Luoma) to clarify that the property tax transfer process must be completed before a LAFCO Executive Officer issues the Certificate of Filing (essentially, a determination that a proposal is complete and ready to be considered by the Commission).

The recommended changes would assist LAFCOs in implementing the Act. Letters of support for the annual Omnibus Bill are critical to garnering support from various committees as well as the support of the full Assembly and Senate, as well as the Governor. The Commission has routinely supported prior Omnibus Bills in prior years.

##### **Recommended Action:**

Staff recommends that the Commission:

1. Take a “SUPPORT” position relative to AB 1753, and authorize the Chair to sign letters documenting this position, and direct staff to convey this support the Governor, legislators, and other stakeholders.



**ASSEMBLY BILL****No. 1753****Introduced by Committee on Local Government**

March 2, 2023

An act to amend Sections 56658 and 56882 of the Government Code, relating to local government.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1753, as introduced, Committee on Local Government. Local government: reorganization.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. The act requires a petitioner or legislative body desiring to initiate proceedings for a change of organization or reorganization to submit an application to the executive officer of the principal county. The act specifies when an application is complete and acceptable for filing, and requires the executive officer to immediately issue a certificate of filing when an application is accepted for filing, as specified.

Upon the filing of an application or a resolution pursuant to the act, but prior to the issuance of a certificate of filing, existing law requires the executive officer to give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdiction change is located, as specified. Existing law prohibits the executive officer from issuing a certificate pursuant to the provisions described above until resolutions are adopted by specified counties and cities in which they agree to accept the exchange of property tax revenues. Existing law authorizes a county and any local agency within

the county to develop and adopt a master property tax transfer agreement, as specified.

This bill would, if applicable, prohibit the executive officer from accepting for filing an application for change or organization or reorganization and issuing a certificate of filing pursuant to the provisions described above, and would provide that an application is not deemed accepted for filing pursuant to the provisions described above, if an agreement for the exchange of property tax revenues has not been adopted pursuant to the provisions described above.

The act requires a local agency formation commission, after a hearing on a proposed change of organization, to, within 35 days of the hearing, adopt a resolution making determinations approving or disapproving the proposal, with or without conditions, as specified. The act requires the executive officer to mail a copy of the resolution to specified persons or entities.

This bill would recast that provision to require the executive officer to transmit a copy of the resolution to specified persons or entities, and would require the executive officer to confirm receipt by the intended recipient through electronic read receipt or other means if the executive officer transmits a copy of the resolution using email or electronic means.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 56658 of the Government Code is
- 2 amended to read:
- 3 56658. (a) Any petitioner or legislative body desiring to initiate
- 4 proceedings shall submit an application to the executive officer of
- 5 the principal county.
- 6 (b) (1) Immediately after receiving an application and before
- 7 issuing a certificate of filing, the executive officer shall give mailed
- 8 notice that the application has been received to each affected local
- 9 agency, the county committee on school district organization, and
- 10 each school superintendent whose school district overlies the
- 11 affected territory. The notice shall generally describe the
- 12 application and the affected territory. The executive officer shall
- 13 not be required to give notice pursuant to this subdivision if a local

1 agency has already given notice pursuant to subdivision (c) of  
2 Section 56654.

3 (2) It is the intent of the Legislature that an application for  
4 incorporation or disincorporation shall be processed in a timely  
5 manner. With regard to an application that includes an  
6 incorporation or disincorporation, the executive officer shall  
7 immediately notify all affected local agencies and any applicable  
8 state agencies by mail and request the affected agencies to submit  
9 the required data to the commission within a reasonable timeframe  
10 established by the executive officer. Each affected agency shall  
11 respond to the executive officer within 15 days acknowledging  
12 receipt of the request. Each affected local agency and the officers  
13 and departments thereof shall submit the required data to the  
14 executive officer within the timelines established by the executive  
15 officer. Each affected state agency and the officers and departments  
16 thereof shall submit the required data to the executive officer within  
17 the timelines agreed upon by the executive officer and the affected  
18 state departments.

19 (3) If a special district is, or as a result of a proposal will be,  
20 located in more than one county, the executive officer of the  
21 principal county shall immediately give the executive officer of  
22 each other affected county mailed notice that the application has  
23 been received. The notice shall generally describe the proposal  
24 and the affected territory.

25 (c) Except when a commission is the lead agency pursuant to  
26 Section 21067 of the Public Resources Code, the executive officer  
27 shall determine within 30 days of receiving an application whether  
28 the application is complete and acceptable for filing or whether  
29 the application is incomplete.

30 (d) *(1) If applicable, the executive officer shall not accept for*  
31 *filing an application for a change of organization or reorganization*  
32 *and issue a certificate of filing pursuant to subdivision (f) and an*  
33 *application shall not be deemed accepted for filing pursuant to*  
34 *subdivision (e) if an agreement for the exchange of property tax*  
35 *revenues has not been adopted pursuant to paragraph (6) of*  
36 *subdivision (b) or subdivision (d) of Section 99 of the Revenue and*  
37 *Taxation Code.*

38 (2) The executive officer shall not accept an application for  
39 filing and issue a certificate of filing for at least 20 days after giving  
40 the mailed notice required by subdivision (b). The executive officer

1 shall not be required to comply with this subdivision in the case  
2 of an application which meets the requirements of Section 56662  
3 or in the case of an application for which a local agency has already  
4 given notice pursuant to subdivision (c) of Section 56654.

5 (e) If the appropriate fees have been paid, an application shall  
6 be deemed accepted for filing if no determination has been made  
7 by the executive officer within the 30-day period. An executive  
8 officer shall accept for filing, and file, any application submitted  
9 in the form prescribed by the commission and containing all of  
10 the information and data required pursuant to Section 56652.

11 (f) When an application is accepted for filing, the executive  
12 officer shall immediately issue a certificate of filing to the  
13 applicant. A certificate of filing shall be in the form prescribed by  
14 the executive officer and shall specify the date upon which the  
15 proposal shall be heard by the commission. From the date of  
16 issuance of a certificate of filing, or the date upon which an  
17 application is deemed to have been accepted, whichever is earlier,  
18 an application shall be deemed filed pursuant to this division.

19 (g) If an application is determined not to be complete, the  
20 executive officer shall immediately transmit that determination to  
21 the applicant specifying those parts of the application which are  
22 incomplete and the manner in which they can be made complete.

23 (h) Following the issuance of the certificate of filing, the  
24 executive officer shall proceed to set the proposal for hearing and  
25 give published notice thereof as provided in this part. The date of  
26 the hearing shall be not more than 90 days after issuance of the  
27 certificate of filing or after the application is deemed to have been  
28 accepted, whichever is earlier. Notwithstanding Section 56106,  
29 the date for conducting the hearing, as determined pursuant to this  
30 subdivision, is mandatory.

31 SEC. 2. Section 56882 of the Government Code is amended  
32 to read:

33 56882. (a) The executive officer shall ~~mail~~ *transmit* a copy of  
34 the resolution adopted by the commission making determinations  
35 addressed to each of the following persons or entities:

36 (a)

37 (1) The proponents, if any, where the proceedings for change  
38 of organization were initiated by petition.

39 (b)

1     (2) Each affected local agency whose boundaries would be  
2     changed by the proposal.

3     ***(b) If the executive officer transmits a copy of the resolution***  
4     ***using email or electronic means, the executive officer shall confirm***  
5     ***receipt by the intended recipient through electronic read receipt***  
6     ***or other means.***

O



#### **Voting Members**

Donald Dear  
Chair

Gerald McCallum  
1st Vice-Chair

Margaret Finlay  
2nd Vice-Chair

Kathryn Barger  
John Lee  
Robert Lewis  
John Mirisch  
Holly Mitchell  
Francine Oschin

#### **Alternate Members**

Anthony Bell  
Michael Davitt  
Mel Matthews  
Hilda Solis  
Vacant  
(City of Los Angeles)  
Vacant  
(Public Member)

#### **Staff**

Paul Novak  
Executive Officer

Adriana Romo  
Deputy Executive Officer

Amber De La Torre  
Doug Dorado  
Adriana Flores  
Taylor Morris  
Alisha O'Brien

80 South Lake Avenue  
Suite 870  
Pasadena, CA 91101  
Phone: 626.204.6500  
Fax: 626.204.6507

[www.lalafco.org](http://www.lalafco.org)

Effective, January 1, 2023, consistent with AB 2647, any written comments received less than 72 hours prior to a meeting for an agenda item must be posted on the Commission's website. Please click below to view the comments submitted for the current agenda.

<https://lalafco.org/wp-content/uploads/documents/20230411114036.pdf>

# Royal Oaks

COMMUNITY DEVELOPMENT

Honorable Commissioners of the LA County LAFCO,

I serve as the Executive Director of Royal Oaks, a Continuing Care Retirement Community (CCRC) and licensed Residential Care Facility for the Elderly (RCFE) owned and operated by HumanGood, a not-for-profit senior housing provider. I am submitting these comments on agenda item 6.f. of your April 12 meeting and I ask that these comments, along with the referenced attachments, be included and made part of the public record for this item.

Royal Oaks is an 18-acre property that opened its doors to older adults in 1957 and is currently home to around 250 residents, including 199 registered voters. Since the incorporation of the Cities of Bradbury and Duarte in the 1950s, Royal Oaks has remained as an unincorporated island property in LA County, completely surrounded on all sides by incorporated areas in the cities of Bradbury and Duarte. When we learned of Bradbury's application to annex the roughly 700-foot sliver of County Road south of our property and thus cutting us off from the city of Duarte, we began investigating the pros and cons of remaining as an unincorporated island property indefinitely along with the implications of Bradbury's application.

Unfortunately, the city of Bradbury has actively denied our request to annex our property but its proposal to annex the road to the south of us would effectively eliminate any opportunity for our property to join the city of Duarte.

We concluded that it would benefit our entire community in both the short and long-term to be annexed into either Bradbury or Duarte to allow for more local control and deeper connection with a city. From a business perspective, for example, seeking land use and development permits for property or building enhancements would be much more convenient if we were able to work with our local city rather than navigate the complexities and distance of the county permitting process. From a mission perspective, a connection to a local city allows us to support and promote resident engagement with a local community that is difficult to accomplish while operating on a county island. Moreover, our residents already are part of the local community and frequent local businesses and institutions. After bringing this issue to our Royal Oaks Resident Council, we received significant interest in pursuing an annexation into either the City of Bradbury or City of Duarte for these reasons.

HumanGood already operates another CCRC/RCFE in Duarte called Westminster Gardens, which has more than 150 residents and has been in operation for more than 80 years. We also operate three affordable housing senior communities in Duarte. However, because Royal Oaks is in the Bradbury sphere of influence, and has been since the city's incorporation, we first approached the City Manager of Bradbury in the summer of 2022 asking if Bradbury would consider annexing Royal Oaks along with the sliver of county road they had already applied to



annex. The City Manager of Bradbury brought the topic and options to the Bradbury City Council for discussion during their August 16 Council meeting. A copy of the August 16 meeting minutes are attached to this letter. You will see on pages 5-6 of the attached minutes, the Bradbury City Council unanimously voted (with one absence) "to withdraw our application with LAFCO for the annexation of a portion of Royal Oaks Trail and to send a letter to the County to ask them to maintain the trail in front of the Manor." "The Manor" is in reference to Royal Oaks.

After that vote, we began working with the City Manager and City Council Members in Duarte towards an application for annexation of the full County island, including both the road and Royal Oaks property, into Duarte. A few months later, we were surprised to learn that Bradbury had not withdrawn their application as they had publicly stated and voted they would. This galvanized our residents and accelerated our organization's efforts to work with Duarte to present an alternative annexation application to LAFCO so the Residents of Royal Oaks would not be permanently stranded within unincorporated LA County. On March 14, 2023, the City Council of Duarte voted unanimously to submit a resolution of annexation to LAFCO of the full County Island including the road and Royal Oaks. That resolution was subsequently filed with LAFCO by the City of Duarte staff.

I share this backstory so you can understand why we are strongly requesting your denial or delay of your consideration of the application by the City of Bradbury to annex the sliver of road that provides the only connection our community has to Duarte. Annexing the road in front of our property into Bradbury would foreclose any opportunity we may have to join Duarte.

We care so deeply about this because we see the degree to which our Residents care about belonging to, being a part of and participating in local government. We believe the right thing to do is to give them a chance to finally be a part of a city and not just another property in unincorporated LA County. Operating a not-for-profit senior living community in LA County presents complexities that would be simplified by allowing us to annex into a city, which prompted our annexation efforts in the first place. Bradbury expressly refused to annex us and Duarte has welcomed us with open arms. We therefore respectfully request that you either deny or, at a minimum, delay consideration of the Bradbury application while we continue to pursue annexation into Duarte.

Finally, and more technically, we have reviewed the language of the Cortese-Knox-Hertzberg Act of 2000, specifically, Government Code Section 56375 and have the following comments:

1. We do not believe the sliver of road Bradbury seeks to annex meets the definition of "surrounded or substantially surrounded by the city to which the annexation is proposed" considering the fact that the sliver of road is entirely south of Royal Oaks which would remain an unincorporated island under the Bradbury application. At

best, there is only a tiny fraction of the road that could be considered contiguous with the City of Bradbury, if any at all.

2. Even if the road Bradbury seeks to annex were to meet this criteria, which we believe is questionable, California Government Code Section 56375.3 states the "commission shall approve" an annexation request of an unincorporated island property, and waive protest proceedings, if *all* of the following are true:

- a. The annexation is proposed by resolution adopted by the affected City. In our case, the City of Duarte, during its March 14 public hearing, adopted a resolution of annexation that includes the entire unincorporated island and not just the road.
- b. The unincorporated island property does not exceed 150 acres. Our community is approximately 18 acres.
- c. The proposed annexation includes the entirety of an unincorporated island located within the limits of a city. Duarte is proposing annexing all of our property along with the road, all of which constitutes an unincorporated island within the limits of the City. Bradbury is only proposing to annex the road, excluding our community.
- d. The unincorporated island is surrounded or substantially surrounded by the city to which annexation is proposed and adjacent cities. Our property shares borders with both Duarte and Bradbury and therefore meets this requirement.
- e. The property proposed for annexation is substantially developed. Our community is built out and has been in place since 1957.
- f. The property that is subject to the proposed annexation is not prime agricultural land. We are a residential community and therefore this requirement is met.
- g. The property subject to the proposed annexation will benefit from the change of organization. For all of the reasons previously stated, our community and our residents will benefit greatly from being part of a local city as opposed to the unincorporated county.
- h. The final requirements, that the target property is not a gated community that receives services via a community services district, and the need for a property tax transfer agreement that does not affect existing master tax sharing agreements, are both met in conjunction with our request to become part of Duarte.

3. We believe that Royal Oaks, a not-for-profit senior living community made up of older adults mostly in their eighties, constitutes a "disadvantaged unincorporated community that is contiguous to the area of proposed annexation" per California Government Code 56375(8)(A). California Government Code Section 56375(8)(A) prohibits a LAFCO commission approving certain annexation applications unless the application, or a separate application, requests annexation of the disadvantaged unincorporated community into the same city. We ask the LAFCO commission to

carefully consider the resident profile of our community and why Bradbury wishes to annex only the road, and not our community, into its city.

Thank you for your service to the County of Los Angeles and thank you for considering our request to deny or delay the Bradbury annexation application that would leave our residents stranded on a County Island. We are diligently working with the city of Duarte to put forward a complete annexation application that will include the entire island, and we look forward to working with LAFCO staff on that application in the coming months.

Sincerely,

A handwritten signature in black ink, appearing to be 'AS' followed by a long horizontal flourish.

Andrew Smith  
Executive Director, Royal Oaks and Westminster Gardens  
HumanGood Communities

**MINUTES OF A REGULAR MEETING OF THE  
CITY COUNCIL OF THE CITY OF BRADBURY  
HELD ON TUESDAY, AUGUST 16, 2022  
AT THE BRADBURY CIVIC CENTER  
600 WINSTON AVENUE, BRADBURY, CA 91008**

**CALIFORNIA GOVERNMENT  
CODE SECTION 54953(e)(1):**

*Pursuant to California Government Code Section 54953(e)(1), the City is allowing Councilmembers, Staff and the public to participate in this meeting by means of a Zoom video or telephone call. Participants will be able to hear the entire proceedings and be able to speak during Public Comment, Public Hearing, and other authorized times. Members of the public must maintain silence and mute their microphones and telephones except during those times.*

**MEETING CALLED TO ORDER:**

The Regular Meeting of the City Council of the City of Bradbury was called to order by Mayor Lathrop at 7:00 p.m. followed by the Pledge of Allegiance.

**ROLL CALL:**

**PRESENT:** Mayor Lathrop, Mayor Pro-Tem Barakat, Councilmembers Hale and Bruny

**ABSENT:** Councilmember Lewis

**STAFF:** City Manager Kearney, City Attorney Reisman, City Clerk Saldana and Management Analyst Musa

**COUNCILMEMBER LEWIS EXCUSED:**

Mayor Pro-Tem Barakat made a motion to excuse Councilmember Lewis from the meeting. Councilmember Hale seconded the motion, which carried.

**APPROVAL OF AGENDA:**

Councilmember Hale made a motion to approve the agenda to proceed with City business. Mayor Pro-Tem Barakat seconded the motion, which carried unanimously.

**DISCLOSURE OF ITEMS REQUIRED BY  
GOV. CODE SECTION 1090 & 81000  
ET SEQ.:**

In compliance with the California Political Reform Act, each City Councilmember has the responsibility to disclose direct or indirect potential for a personal financial impact as a result of participation in the decision-making process concerning agenda items.

City Attorney Reisman stated that he was not aware of any potential conflicts of interest.

**PUBLIC COMMENT:**

None

**CONSENT CALENDAR:**

All items on the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion unless a Councilmember requests otherwise, in which case the item will be removed and considered by separate action. All Resolutions and Ordinances for Second Reading on the Consent Calendar are deemed to "waive further reading and adopt."

- A. Minutes: Regular Meeting of July 19, 2022
- B. Resolution No. 22-22: Demands & Warrants for August 2022
- C. Monthly Investment Report for the month of July 2022

**MOTION TO APPROVE  
CONSENT CALENDAR:**

Councilmember Hale made a motion to approve the Consent Calendar as presented. Mayor Pro-Tem Barakat seconded the motion, which was carried by the following roll call vote:

**APPROVED:**

AYES: Mayor Lathrop, Mayor Pro-Tem Barakat,  
Councilmembers Hale and Bruny

NOES: None

ABSENT: Councilmember Lewis

Motion passed 4:0

**APPROVAL OF CONSULTANT  
AGREEMENT WITH DE NOVO PLANNING  
GROUP FOR UPDATE OF THE SAFETY  
CHAPTER OF THE HEALTH AND SAFETY  
ELEMENT OF THE GENERAL PLAN:**

City Manager Kearney stated that Government Code Section 65302(g) regulating General Plans requires the City to update its Safety Element (the Safety Chapter of the Health and Safety Element) with the revision of the Housing Element.

California Government Code Section 65302(g) relating to Safety Elements of the General Plan has been amended to include analysis of additional topics, including those related to wildfires and climate adaptation and resiliency. While the recent hazard mitigation plan addresses many of the wildfire requirements, it does not address climate adaptation and resiliency. Staff does not have the expertise to prepare this update.

The City reached out to two consultants that it has been working before with to obtain a proposal for the update of the Safety Chapter of the Health & Safety Element. Only De Novo Planning Group provided a response. De Novo is a well-respected planning firm that has prepared Safety Element updates for a number of cities (i.e. Gardena and Hawthorne).

**PROPOSAL:**

De Novo has provided a proposal for \$37,250. The project is billed on the time expended, but it is a "not-to-exceed contract." Staff has checked with other cities updating their Safety Element as to costs and it is in line with those cities.

**RECOMMENDATION:**

It is recommended that the City Council approve the Agreement between the City of Bradbury and De Novo Planning Group, Inc. for services to update the City's Safety Element at a not-to-exceed amount of \$37,250.

**DISCUSSION:**

City Manager Kearney stated that this discussion was continued from the July meeting and staff supplied the City Council with more information, such as:

- City of Los Angeles: Safety Element Background & Summary of Amendments;
- Introducing SB 379: Climate Adaptation and Resiliency Strategies; and
- SCAG: Southern California Climate Adaptation Framework

Perry Banner from De Novo Planning Group was online to answer questions about the Safety Element Update.

Councilmember Hale asked how long the process takes. City Manager Kearney stated that the time table is in De Novo's proposal.

City Manager Kearney stated that the City Council approves the Safety Element, not the HCD (Department of Housing and Community Development).

There will be two public hearings: one with the City Council and one with the Planning Commission. Community input can be taken at the regular City Council meeting and regular Planning Commission meeting.

**MOTION TO APPROVE AGREEMENT  
WITH DE NOVO PLANNING GROUP:**

Councilmember Hale made a motion to approve the Professional Services Agreement with De Novo Planning Group, Inc. for the Preparation of an Update to the Safety Chapter of the Safety Element of the General Plan at a not-to-exceed amount of \$37,250. Mayor Pro-Tem Barakat seconded the motion, which was carried by the following roll call vote:

**APPROVED:**

AYES: Mayor Lathrop, Mayor Pro-Tem Barakat, Councilmembers Hale and Bruny

NOES: None

ABSENT: Councilmember Lewis

Motion passed 4:0

**PRESENTATION - AN UPDATE BY  
CALIFORNIA AMERICAN WATER ON  
THE LEMON AVENUE RESERVOIR:**

City Manager Kearney stated that California American Water (Cal-Am) has been coordinating with City Staff on the demolition, filling, and landscaping of the Lemon Avenue reservoir. At the February 2022 City Council meeting, Cal-Am presented plans that included estimates of 26,000 cubic yards of import soil transported by approximately 3,250 haul trucks to fill the Reservoir. It was assumed soils import and grading would take place over 25 days, which translated to about 130 trucks per day. The City Council commented that the import of soils seemed excessive, especially since Cal-Am did not have immediate plans to develop the site. Since the February meeting, Cal-Am has revised their plans and reduced the volume of import. The initial estimates of 26,000 cubic yards of import soil has now been reduced to approximately 15,000 cubic yards.

**HAUL ROUTE:**

The current haul route from the project site is west on Lemon Avenue, then south of Mountain Avenue to the 210 Freeway. The route passes by the Wild Rose Elementary School in Monrovia, and an additional assessment would need to be conducted on the health risks.

**LONG-TERM PLANS FOR  
RESERVOIR SITE:**

It is unknown at this time what will happen to the Reservoir site in the long term. Cal-Am has conducted a study on system-wide storage, and the results of the study suggested it as a site for additional water storage. However, Staff has been told that

the timeline associated with the construction of such water storage is unknown.

**CAL-AM REPRESENTATIVES:**

(Name), Civil Engineer, and Brandon (Name), Landscape Architect, were online to make the presentation and answer questions from the City Council.

**DISCUSSION:**

Councilmember Hale stated that he is not comfortable with the project, because he is concerned that Cal-Am will fill the site and then put a new tank on top. Councilmember Hale also was concerned about the traffic and the nearby school. Maybe Cal-Am should to post a bond for the road.

Councilmember Hale stated that he wants to see the plans and asked if our City Engineer, David Gilbertson, could look at them as well.

Councilmember Hale stated that he built a tank for Cal-Am in the past which included landscaping. As soon as the tank was finished, Cal-Am shut off the water and all of the landscaping died. He does not want that to happen again.

The Cal-Am Representatives stated that the current site is getting watered, but right now water conservation is necessary. Other than that, is Cal-Am going in the right direction?

**ACTION TAKEN:**

City Manager Kearney stated that he will set up a meeting between Cal-Am, the City Engineer and Councilmember Hale to look at the finalized plans for the Lemon Water Reservoir.

**PRESENTATION BY SOUTHERN CALIFORNIA EDISON ON WILDFIRE MITIGATION EFFORTS:**

Jeanette Soriano, Government Relations Manager, and Albert Diaz, District Manager of Monrovia, gave a presentation on Wildfire Mitigation Efforts by Southern California Edison.

The topics of the Power Point Presentation included:

- 2021 Wildfire Season
- SCE's Wildfire Mitigation Activities
- Public Safety Power Shutoffs (PSPS)
- Reducing the Need for PSPS
- PSPS Communications
- Customer Programs and Resources

Edison provided Council and Staff with a sample of Insulated Wire.

**DISCUSSION:**

Mayor Lathrop inquired if the City could use its Rule 20A money to pay for insulated wire in the City of Bradbury. Ms. Soriano stated that this would be a great idea, but that the Rule 20A program is for undergrounding utilities only and that the PUC is retiring the Rule 20A program soon.



**DISCUSSION OF THE ANNEXATION  
OF THE ROYAL OAKS RETIREMENT  
COMMUNITY:**

City Manager Kearney stated that the City of Bradbury redistricted in 2021. As part of the process, the City Council directed Staff to annex a portion of Royal Oaks Drive North, directly below the Retirement Community ("Manor"), which was found to be in Los Angeles County territory. Such an annexation would ensure that Bradbury's District Three meets regulations regarding district contiguity. Staff recently learned of a Duarte Councilmember's desire to annex the Retirement Community, which would affect Bradbury's current District map and annexation efforts of a portion of Royal Oaks Drive North.

**ANALYSIS:**

It is Staff's understanding that since the incorporation of Bradbury in 1957, the Retirement Community has always been an unincorporated parcel of land belonging to Los Angeles County. The Retirement Community has a lot size of approximately 17.71 acres and the County Assessor's map shows the property divided by three legal lot lines (pursuant to the Subdivision Map Act).

The following are current resident estimates of the Retirement Community in comparison to Bradbury:

Population:

City of Bradbury - 925

Retirement Community – 260

Number of registered Voters:

City of Bradbury - 650

Retirement Community – 199

City Staff recently met with the Manor's Executive Director to better understand the Community and its desire for annexation.

**OPTIONS:**

City Manager Kearney stated that there are a few options the City Council can explore in response to a potential City of Duarte annexation of the Retirement Community:

1. The City of Bradbury could annex the entire Retirement Community;
2. The City of Duarte could annex the majority of the Retirement Community and Bradbury could annex a side and/or northern most section;
3. The City of Duarte could annex the entire Retirement Community;
4. The City of Bradbury could continue with its current annexation plan through LAFCO since an application is already pending.

**FINANCIAL ANALYSIS:**

A Bradbury annexation of the Retirement Community is unlikely to produce significant property tax revenue since the property belongs to a non-profit organization. After credits for the claimed, non-profit exemption, initial estimates assume City property tax revenues to be approximately \$500 a year. There could be additional future revenue sources for planning reviews and building permits.

**INFORMAL CONTRACT WITH  
BEAR DEMOGRAPHICS:**

Staff has entered into an informal contract with Bear Demographics and Research, Inc. for a not-to-exceed amount of \$2,500 to provide initial consulting services on an hourly basis to advise Staff on a potential annexation and/or redistricting.

**RECOMMENDATION:**

This item is a review of the background on the 2021 redistricting, the efforts to annex a portion of Royal Oaks Dive North, and options for the City Council to explore if the City of Duarte were to annex the Retirement Community. It is recommended that the City Council direct Staff on how to proceed.

**DISCUSSION:**

Mayor Lathrop stated that he is not in favor of annexing the entire Retirement Community.

Mayor Pro-Tem Barakat felt that the City does not need to do anything about the redistricting.

Councilmember Hale also does not want to annex the entire Manor, because the residents would make up an entire district.

Mayor Lathrop inquired if Duarte can annex the Manor. Andrew Westall from Bear Demographics replied that is up to LAFCO.

Councilmember Bruny was also not in favor of annexing the Manor.

**PUBLIC COMMENT:**

Mr. Andrew Smith, Executive Director of the Royal Manor, stated that they prefer a full annexation by either the City of Bradbury or the City of Duarte. They don't want to be part of Los Angeles County.

**MOTION:**

Councilmember Hale made a motion for Bradbury to continue with its current annexation plan through LAFCO and to let Duarte annex the Manor. Mayor Pro-Tem Barakat seconded the motion.

**COMMENT FROM LAFCO:**

Paul Novak of LAFCO stated that under the current law cities must be contiguous. In our scenario the City of Duarte is not contiguous with the Manor. The City Council needs to amend its motion to explore other option, because the Duarte Mesa does not touch Royal Oaks Drive North.

**MORE DISCUSSION:**

Mayor Pro-Tem Barakat stated that Duarte Councilmember Margaret Finley wants Duarte to annex the Manor. Mayor Pro-Tem Barakat suggested to let Duarte or the County maintain Royal Oaks Trail.

Mayor Lathrop said let Duarte do what they want to do.

**AMENDED MOTION:**

Councilmember Hale amended his motion for the City of Bradbury to do nothing, to withdraw our application with LAFCO for the annexation of a portion of Royal Oaks Trail and to send a letter to the County to ask them to maintain the trail in front of the Manor. Mayor Pro-Tem Barakat seconded the motion, which was carried by the following roll call vote:

**APPROVED:**

AYES: Mayor Lathrop, Mayor Pro-Tem Barakat,  
Councilmembers Hale and Bruny

NOES: None

ABSENT: Councilmember Lewis

Motion passed 4:0

**DISCUSSION ON THE UPCOMING  
RETIREMENT OF THE CITY CLERK:**

City Manager Kearney stated that this is an ongoing discussion about the planned retirement of City Clerk Claudia Saldana in the spring of 2023, and the challenges associated with filling her position. This is an informal discussion with no formal recommended actions. Rather, this item seeks input from the City Council on how they would like to proceed. It is expected that there will be multiple discussions on this item in the next few months.

The City Clerk's position has expanded with the City's needs since she started working for the City in June of 1988. Today Claudia's position has three main functions. These roles and responsibilities are equivalent in other cities to 1) City Clerk, 2) Accounting Technician, and 3) Executive Assistant to the City Manager.

City Manager Kearney stated the City Council discussed this item at the July 2022 meeting and requested additional job descriptions for both the positions of City Clerk and Accounting Technician. The City Council additionally requested the most recent Bradbury job announcement for the Management Analyst.

Mayor Lathrop stated that the City should outsource payroll and some of the light accounting could be done by the Management Analyst. City Manager Kearney stated that the Management Analyst position was not recruited for accounting tasks. City Manager Kearney also stated that he asked the current Management Analyst if she would be willing to take over some of Claudia's responsibilities and she declined.

Councilmember Bruny inquired about what the part-time Finance Director's responsibilities are. City Manager Kearney replied that the Finance Director's responsibilities are different from the tasks that Claudia is doing. The Finance Director prepares the City's financial reports, completes reports required by the State Controller's Office, prepares Journal Entries, manages investments (CDs) for the City, and is the main liaison for City audits. It would not make sense to have the Finance Director take over Claudia's responsibilities as he gets paid \$87/hour, because he is a CPA. On top of that, the Finance Director is at the office only once a week for half a day and may not be available to dedicate more time to Bradbury. This was an informal discussion and the City Council took no formal action. It is expected that there will be more discussions regarding this item over the next few months.

**NO ACTION TAKEN:**

**DISCUSSION ON THE USE OF  
CAL RECYCLE FUNDS:**

Management Analyst Musa stated that the City received \$5,000 from the CalRecycle Beverage Container Recycling/County Payment Program. At the April City Council Meeting, Staff was directed to contact the City of Duarte about partnering and installing a water refill station on the Duarte portion of Royal Oaks Trail. City Staff identified an old water refill station that needs to be replaced but the proposal was complicated due to an existing partnership between Duarte and a third-party organization in regards to a plaque that would be placed on the water refill station stating that it was a donation from the City of Bradbury. Since then, the City of Duarte has designated two more potential locations for a water refill station to be installed.

**RECOMMENDATION:**

It is recommended that the City Council review both potential locations and approve one of the proposed areas for the installation of a water refill station for the City of Duarte at a not-to-exceed amount of \$7,500.

**DISCUSSION:**

Mayor Pro-Tem Barakat suggested to place the water refill station near the bridge on Royal Oaks Trail. Mayor Pro-Tem Barakat also stated that there is no water refill station on Mount Olive Drive.

**DIRECTION TO STAFF:**

The City Council directed Staff to identify possible locations for a water refill station in the City of Bradbury and to report back at the next City Council meeting.

**DISCUSSION AND UPDATE ON  
BRADBURY NIGHT OUT:**

Bradbury Night Out (BNO) is an annual event to celebrate the City's anniversary and National Night Out. This year's Bradbury Night Out took place on July 28, 2022. Management Analyst Musa reported that we had over 26 service providers hosting a booth and three food vendors. Residents enjoyed the variety of vendors present, especially the Wildlife Learning Center, which brought several animals, including a porcupine, armadillo, hedgehog, owl and more. One of the highlights of BNO was the attendance of Los Angeles County Supervisor Kathryn Barger.

The City allocated \$10,000 for the event but only spent \$7,000. Based on the feedback received from residents and vendors, the main challenge was long wait times for food and event parking. Staff hopes to improve the parking situation and will consider hiring a different food vendor for next year's event.

**MATTERS FROM THE CITY MANAGER:**

City Manager Kearney stated that the CSO contract with the City of Monrovia should be ready soon and that we may have to call a Special Meeting before the regular September City Council Meeting to adopt the contract.

**MATTERS FROM THE CITY ATTORNEY:**

City Attorney Reisman stated that he enjoyed Bradbury Night Out and that he bonded with an owl (Zeus from the Wildlife Learning Center).

**MATTERS FROM THE CITY COUNCIL:**

**MAYOR LATHROP:** Nothing to report

**COUNCILMEMBER BARAKAT:** Nothing to report

**COUNCILMEMBER HALE:** Nothing to report

**COUNCILMEMBER LEWIS:** Not present

**COUNCILMEMBER BRUNY:** Nothing to report

**ITEMS FOR FUTURE AGENDAS:** None

**CLOSED SESSION**


**PUBLIC COMMENT REGARDING  
CLOSED SESSION ONLY:** None

**RECESS TO CLOSED SESSION:** The City Council adjourned to a Closed Session to discuss:

**A. Appointment of Temporary Public Employee**  
Government Code Section 54957(b)(1)  
Title: Management Analyst

**REPORT FROM CLOSED SESSION:** City Attorney Reisman reported that the City Council met in Closed Session to discuss the matter regarding the Management Analyst. No formal votes were taken or required.

**ADJOURNMENT:** At 9:15 p.m. Mayor Lathrop adjourned the meeting to a regular meeting to be held on Tuesday, September 20, 2022 at 7:00 p.m.

  
\_\_\_\_\_  
**MAYOR – CITY OF BRADBURY**

**ATTEST:**

  
\_\_\_\_\_  
**CITY CLERK – CITY OF BRADBURY**

**CITY OF DUARTE**

**MINUTES OF THE REGULAR JOINT MEETING OF THE CITY COUNCIL,  
THE DUARTE HOUSING AUTHORITY, AND THE DUARTE COMMUNITY  
FACILITIES FINANCING AUTHORITY**

**TUESDAY, MARCH 14, 2023  
7:00 PM – Regular Session**

**1. CALL TO ORDER**

Mayor Schulz called the meeting to order at 7:20 p.m.

**ROLL CALL:**

Councilmembers Present: Finlay, Kang, Lewis, Truong, Garcia, Martin Del Campo, Schulz  
Councilmembers Absent: None  
Staff Present: Daniel Jordan, City Manager  
Thai Viet Phan, City Attorney  
Kristen Petersen, Assistant City Manager / Director of  
Administrative Services  
Craig Hensley, Director of Community Development  
Manuel Enriquez, Director of Parks and Recreation  
Brian Villalobos, Director of Public Safety Services  
Victoria Rocha, Assistant to the City Manager  
Albert Nuñez, Management Aide  
Salina Bautista, Permit Technician  
Annette Juarez, City Clerk

**2. PLEDGE TO THE FLAG**

The flag salute was led by Joanne Waldon.

**3. ADOPTION OF THE AGENDA**

Moved by Councilmember Finlay, seconded by Mayor Pro-Tem Truong, and carried by the following vote of the Council to adopt the agenda.

AYES: FINLAY, KANG, LEWIS, TRUONG, GARCIA, MARTIN DEL CAMPO,  
SCHULZ  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: NONE

**4. SPECIAL ITEMS**

**A. Azusa Connects Autism Walk**

Heather Rietta shared a few words regarding the Azusa Connects organization and invited the Duarte City Council and members of the community to join them on April 2, 2023, for their first annual Autism Awareness and Acceptance Walk in the City of Azusa.

**B. Community Development Department Update**

Community Development Director Hensley provided a department update. He reported on upcoming public outreach for the Safe Routes to School project, annual concrete repairs, annual pavement repairs, and striping and marking repairs.

**C. Parks and Recreation Department Update**

Parks and Recreation Director Enriquez provided a department update. He reported on the upcoming Spring festivities and the underwater Easter Egg Hunt.

**5. ANNOUNCEMENTS OF UPCOMING COMMUNITY EVENTS**

Joanna Gee, from Duarte Library, announced upcoming library programs and events.

Assistant to the City Manager Rocha announced upcoming City events.

Jennifer Santana, from the Upper San Gabriel Valley Water District, provided a brief update on the water levels in the water basin.

**6. ORAL COMMUNICATIONS – ITEMS NOT ON THE AGENDA**

Councilmember Garcia requested for the council meeting to adjourn in memory of Carmen Calabro.

Doris Anderson shared her concerns regarding improvements for Duarte Library.

Steve Hernandez expressed appreciation for Duarte Library and the City.

Lino Paras expressed his concerns regarding the cost of water and unhoused individuals in the downtown area.

**7. CONSENT CALENDAR**

- A. Motion to read all Resolutions and ordinances presented for consideration by Title only and waive further reading. (CC/HA/FA)
- B. Approval of absence(s) of City Councilmember(s) from the City Council meeting.
- C. Approval of Minutes – February 28, 2023 Special Meeting and February 28, 2023 Regular Meeting (CC/HA/FA)
- D. Approval of Warrants – March 14, 2023 (CC/HA/FA)
- E. Receive and file the Community Development Department Status Report for March 2023.
- F. Receive and file the Parks and Recreation Department Status Report for March 2023.
- G. Approval of an Amended Professional Services Agreement with LPA, Inc. for an Aquatic Preliminary Assessment at the Fitness Center, as previously ratified at the City Council Meeting held on January 24, 2023.
- H. Award of Contract for FY 2022-23 Annual Concrete Repair Project No. 23-7 to Ruiz Concrete and Paving, Inc. in the amount of \$141,715.00.
- I. Award of Contract for FY 2022-23 Annual Asphalt Repair Project No. 23-8 to Ruiz Concrete and Paving, Inc. in the amount of \$48,510.00.
- J. Award of Contract for FY 2022-23 Annual Striping and Marking Project No. 23-9 to WGJ Enterprises, Inc. dba PCI in the amount of \$32,017.20.
- K. Removed from the agenda for discussion.
- L. Approval of Proclamation Declaring March 2023 as Red Cross Month.

Moved by Councilmember Finlay, seconded by Councilmember Lewis, and carried by the following vote of the Council to approve Items 7A-7J and 7L of the Consent Calendar.

AYES: FINLAY, KANG, LEWIS, TRUONG, GARCIA, MARTIN DEL CAMPO,  
SCHULZ  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: NONE



## **8. ITEMS REMOVED FROM CONSENT CALENDAR FOR DISCUSSION**

### **K. Authorization of One-Time Appreciation Pay**

Councilmember Garcia thanked the city employees who worked through the pandemic.

Moved by Councilmember Finlay, seconded by Councilmember Kang, and carried by the following vote of the Council to approve Item 7K of the Consent Calendar authorizing a budget amendment of \$145,000 to the General Fund for one-time payments of up to \$5,000 for each current full-time employee who worked for the City of Duarte during the 25-month period of the COVID-19 pandemic between March 2020 and March 2022.

AYES: FINLAY, KANG, LEWIS, TRUONG, GARCIA, MARTIN DEL CAMPO,  
SCHULZ

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

## **9. PUBLIC HEARINGS**

None.

## **10. BUSINESS ITEMS**

### **A. Resolution of Application to annex to the City of Duarte the territory encompassing Royal Oaks Retirement Community**

Andrew Smith, Royal Oaks Executive Director, thanked Staff for working on this effort and expressed why the City of Duarte should annex Royal Oaks.

Joanne Walden expressed her opinions on why the City of Duarte should annex Royal Oaks.

Jim Lawler shared that the City of Duarte has had a long history with Royal Oaks and he expressed his opinions on why the City should annex Royal Oaks.

Bradbury City Manager Kevin Kearney expressed his concerns regarding the complexities of annexation and responsibilities of maintenance.

Bradbury City Councilmember Barakat shared inquired about the City of Duarte's interest in potentially annexing Royal Oaks.

City Manager Jordan gave an overview of the resolution of application for potential annexation of Royal Oaks.

In response to questions posed by Council, City Manager Jordan clarified that Bradbury's application presented to the Local Agency Formation Commission (LAFCO) only includes the 720 sq. ft of county-owned street in front of Royal Oaks.

Discussion ensued regarding potential impacts of annexing Royal Oaks and why Bradbury has not annexed the area in previous years.

Mayor Schulz called for a five-minute recess.

Councilmember Garcia announced that out of an abundance of caution, he will recuse himself from discussing and voting on Business Item 10A - Resolution of Application to annex to the City of Duarte the territory encompassing Royal Oaks Retirement Community.

Mayor Schulz clarified that the resolution being discussed is for interest and informational purposes only.

Moved by Mayor Schulz, seconded by Councilmember Martin Del Campo, and carried by the following vote of the Council to adopt Resolution No. 23-04, authorizing the submittal of an application to the Local Agency Formation Commission for the County of Los Angeles (LAFCO) requesting the annexation to the City of Duarte of the territory encompassing Royal Oaks Retirement Community.

AYES: FINLAY, KANG, LEWIS, TRUONG, MARTIN DEL CAMPO, SCHULZ  
NOES: NONE  
ABSTAIN: GARCIA  
ABSENT: NONE

**11. CONTINUATION OF ORAL COMMUNICATIONS**

None.

**12. ITEMS FROM CITY COUNCIL/SUCCESSOR AGENCY/HOUSING AUTHORITY/  
FINANCING AUTHORITY MEMBERS AND CITY MANAGER/EXECUTIVE  
DIRECTOR**

Councilmember Martin Del Campo expressed gratitude for her fellow Councilmembers and their expertise.

Mayor Pro-Tem Truong expressed gratitude for the community, staff members, and the Council.

Councilmember Finlay shared gratitude for unvengeful people.

Councilmember Garcia showed appreciation for staff and the City Attorney. He expressed his sympathy for Carmen Calabro's family.

Councilmember Lewis shared that he was grateful to be a Councilmember, even if the job is not always easy.

Councilmember Kang requested staff to bring back a status report for the town center medians and the Teen Center boxing ring. He applauded Mayor Schulz for doing a great job at the Duarte Fashion Show.

Mayor Schulz shared that she was grateful for everyone. She requested that staff work on a work-force program to help students obtain jobs.

**13. ADJOURNMENT**

At 9:30 p.m. the City Council adjourned the meeting in memory of Carmen Calabro.

  
Jody Schulz, Mayor

  
Annette Juarez, City Clerk