

Shasta LAFCO

Local Agency Formation Commission of Shasta County

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MINUTES

Regular Meeting – April 5, 2007

(These Minutes are not intended to be a verbatim transcription of the proceedings and discussion associated with the business on the Commission's agenda; rather, what follows is a summary of the order of business and general nature of testimony, Commission deliberation, and action taken.)

CALL TO ORDER/ROLL CALL/INTRODUCTIONS

Chair Miller called the meeting to order at 10:00 a.m. at Redding City Hall, 777 Cypress Avenue, Redding, California. Commissioners Kehoe, Webster, Miller, Dickerson, Gover, Baugh and Langfield were present. No Commissioners were absent. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

Chair Miller announced that items 8ai (Cottonwood Fire Protection District Final MSR) and 11a (discussion regarding the scheduling of special meetings by Commissioner Langfield) were being pulled from today's agenda .

PLEDGE OF ALLEGIANCE

Commissioner Baugh led the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment submitted.

MINUTES

The minutes of February 15, 2007 were presented and discussed. An amendment was made to show Commissioner Langfield as absent upon that meeting date. By motion made and seconded (Webster, Kehoe), the Commission approved the February 15, 2007 minutes as amended. Commissioners Langfield & Baugh abstained.

The Executive Committee minutes of March 22, 2007 were presented and reviewed. By motion made and seconded (Kehoe, Webster), the Commission approved the March 22, 2007 Executive Committee minutes as presented. Commissioners Langfield & Baugh abstained.

LEGISLATIVE REPORT

Ms. Mickelson presented the Commissioners with a current legislative report. She is not recommending taking any action at this time as these bills are currently in the draft stages and numerous changes will likely occur in the coming weeks.

BUDGET & FISCAL AFFAIRS:

FY 2006-07 3rd Quarter Claims Register

The Claims registers were presented for review and adoption. Commissioner Baugh pointed out that there were some items shown on the Year-to-Date Register that were not shown on the 3rd Quarter Register. Staff concurred and committed to making the corrections. By motion made and seconded (Dickerson, Baugh) the Commission approved the Claims Register with corrections as noted.

Consideration of Checking Account Statement

Ms. Mickelson presented the most current bank statement for review. Ms. Mickelson stated that she had inadvertently purchased gas for her vehicle while away on business with the LAFCO debit card. Ms. Mickelson will pay back the amount debited from the LAFCO account and have the item noted by the bank as a memo entry for clarity of records. By motion made and seconded (Gover, Kehoe) the Commission approved the Tri Counties bank statement as presented.

Authorize Additional Transfer of Budgeted Retirement funds to 403b Administrator

Ms. Mickelson informed the Commission that the previous payroll provider was not able to process the request for direct deposited funds as directed by the Commission within the remaining time of their contract. Therefore, Ms. Mickelson requested that an additional transfer of \$697.20 of budgeted retirement funds, for three unpaid pay periods, be approved.

By motion made and seconded (Webster, Baugh) the Commission approved an additional transfer of \$697.20 to Oppenheimer Funds.

Consider Response to RFP for Audit Services

The Executive Officer explained that in years past, LAFCO was audited as a County Department. Now that LAFCO is operating independent of the County structure, an independent audit is necessary.

A joint RFP for auditing services with three other LAFCOs (El Dorado, Placer, and Yuba) was circulated. It called for a qualified independent Certified Public Accounting firm to audit the LAFCOs' financial statements for the fiscal year ending June 30, 2007, with options for extensions for the fiscal years ending June 30, 2008 and June 30, 2009. The audits are to be conducted in accordance with auditing standards generally accepted in the

United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (GASB Statement #34). The agencies further requested that the selected firm provide advice on how LAFCO can comply with the requirements of GASB #45. While the RFP was issued jointly and the four LAFCO executive officers had to agree to grant their contract to a single respondent, each LAFCO must approve its own contract.

Moreland & Associates, Inc. submitted the most qualified offer to LAFCO for audit services. Moreland & Associates has extensive local agency experience and is familiar with general LAFCO operations since it currently prepares the financial statements for Orange, Riverside and San Bernardino LAFCOs. Should Shasta LAFCO grant the two year extension, the costs would increase at a moderate rate over the course of the two-year period. Shasta LAFCO Counsel has reviewed the contract. Staff recommended the approval of the contract and for the Commission to authorize the Chairman to sign it.

By motion made and seconded (Kehoe, Langfield) the Commission approved the contract with Moreland & Associate, Inc. to provide audit services.

Consideration and Adoption of 2007-08 Draft Budget as Required by Government Code Section 56381(c)(Action): Ms. Mickelson presented the Commission with a Proposed Draft Budget for the fiscal year 2007-08. After much discussion of the budget, specifically the proposed increases to the City/County/Special District apportionment; Commissioner Langfield made the motion to adopt the 2006-07 Final Budget as the 2007-08 Draft Budget. Commissioner Langfield then accepted an amendment to add the formation of an Ad Hoc Budget Committee to discuss necessary changes and then provide a report back to the Commission prior to Final Budget adoption. Commissioner Dickerson then provided the second to the amended motion. Discussion followed. A vote was taken and failed for lack of a majority.

Discussion followed. By motion made and seconded (Kehoe, Baugh) the Commission approved the 2007-08 Draft Budget as prepared by staff and asked the Chair to appoint an Ad Hoc Budget committee to review and provide input to the full Commission prior to Final Budget adoption. The motion passed by a count of 6-1, Commissioner Langfield opposing.

Chair Miller asked for volunteers to work on the Budget Ad Hoc committee with staff. Commissioner Langfield and Commissioner Gover agreed to serve on the committee.

MUNICIPAL SERVICE REVIEWS:

Burney Fire Protection District Administrative Draft

Ms. Mickelson presented the Administrative Draft MSR for Burney FPD. Chief Robert May was present and gave a summation of the Burney FPD. He noted that he had reviewed the Administrative Draft and found it to

be correct. Chief May also provided his opinion the Municipal Service Reviews and Sphere of Influence reviews should be done simultaneously.

Ms. Mickelson asked the Commission to approve the Administrative Draft as presented and to direct staff to circulate the document for review of affected agencies and ask the Burney Fire Protection District Board to approve, if they desired. By motion made and seconded (Gover, Baugh) the Commission approved the Burney Fire Protection District Administrative Draft MSR.

Commissioner Kehoe asked if a letter of appreciation with the Chair's signature is sent to the Special Districts upon completion of the Municipal Service Review. The Executive Officer stated that previously staff had signed the appreciation letter, but will now ask the Chair to sign on behalf of the Commission.

Municipal Services Reviews: Status Report

Ms. Mickelson gave the Commission an updated chart that showed each of the required MSRs and their current status of completion. Chair Miller asked what would be done with the Special Districts who haven't provided any information as a response to the Request for Information. Ms. Mickelson stated that staff could produce a limited MSR with public information. Or the Commission could decide, via future policy adoption, to take a different course of action. The Executive Officer agreed to put it on a future agenda when those entities were the only remaining MSRs to complete.

CHANGES OF ORGANIZATIONS AND/OR REORGANIZATION

Public Hearing to Consider the Reorganization and Sphere Amendment of The Shasta Mosquito and Vector Control District (East & West); LAFCO File #07-01

The Executive Officer presented a proposal to annex two large and separate areas to the Shasta Mosquito and Vector Control District. The application was submitted by the District by way of resolution. It consists of two distinct areas: an area east of the District encompassing Shingletown and Viola; and an area west of the District encompassing Ono, Igo, French Gulch, Lakehead, the I-5 Corridor and the Castella area. The purpose of the reorganization is to provide mosquito and vector control services.

The areas proposed for annexation are certain, and abide by parcel lines. The areas proposed are within the County-wide Sphere of Influence. The District is willing to provide service. By way of a landowner survey (6,600 surveys for approximately 8,000 landowners), the District has identified these areas as desiring services as delineated in the Plan for Service. Ms. Mickelson asked that the Conducting Authority Hearing be waived since this annexation was going to go to a weighted election. Mr. William Hazeleur, General Manager of the Shasta Mosquito and Vector Control District also gave a brief presentation of the proposed annexation.

Chair Miller opened the Public Hearing at 11:05 a.m. There were no requests to speak. Chair Miller closed the Public Hearing at 11:06 a.m.

By motion made and seconded (Baugh, Gover) the Commission unanimously approved the Shasta Mosquito & Vector Control District (East & West) Annexation and adopted Resolution No. 07-05.

Public Hearing to Consider the Environmental Review and the Foxwood Annexation and Sphere Amendment to the Shasta Community Services District, Detachment from the Centerville Community Services District by Concurrent Action; LAFCO File #07-02

The Executive Officer presented a proposal to detach a small parcel from Centerville CSD, annex that same parcel to the Shasta Community Services District, as well as concurrently amend the Sphere of Influence of each District. The application was originally submitted by the District by way of resolution. Due to some issues with the CEQA process, it was then withdrawn and submitted via petition by the landowner. The purpose of the reorganization is to provide water and fire suppression services to the remainder of the Foxwood Estates Subdivision, the majority of which is already located within Shasta CSD.

The areas proposed for detachment, annexation and Sphere amendment are certain and abide by parcel lines. The Shasta CSD has declared their willingness to provide service. Centerville CSD has provided their consent to the detachment. The Executive Officer recommends approval of the reorganization. Counsel Johnson did recommend an addition to the language in the resolution regarding CEQA adoption. She asked that the statement of "Recognizes that Shasta LAFCO as the lead agency for the reorganization, conducted an Environmental Review for the reorganization under the California Environmental Quality Act (CEQA) and determined that a Negative Declaration was the appropriate Environmental Review document for this reorganization and hereby adopts the proposed Negative Declaration," be added to the Resolution as presented.

Chair Miller opened the Public Hearing at 11:13 a.m. Mr. Phil Browning from Centerville CSD, noted that item 8 under Conclusions and Recommendations of the Staff report should be removed. Ms. Mickelson stated that she would do so. Chair Miller closed the Public Hearing at 11:15 a.m.

By motion made, seconded (Gover, Kehoe) the Commission unanimously approved the Foxwood Annexation and adopted Resolution No. 07-06 with changes per Counsel Johnson's recommendation.

Report on Upcoming Proposals

The Executive Officer provided a brief report to the Commissioner regarding upcoming and expected proposals. No action was taken.

OPERATIONS & ADMINISTRATION:

FPPC Form 700 Distribution and Instructions

Ms. Mickelson informed the Commissioners that the Form 700 had been due on the preceding Monday, April 2nd. She noted that there had been some confusion over the County Commissioners' reports, however, she felt that it had been straightened out and that LAFCO would soon receive the required documents.

COMMISSIONER ANNOUNCEMENTS

Commissioner Webster announced that former LAFCO Commissioner Patricia Clark's husband had passed away unexpectedly the previous evening. Ms. Mickelson said that she would send a card on behalf of the Shasta LAFCO.

STAFF ANNOUNCEMENTS

Ms. Mickelson announced that the next Special Meeting will be May 3rd and held at the Shasta Board of Supervisors' Chambers.

Ms. Mickelson also announced that the LAFCO office would be closed April 9-13, as the staff would be attending the CALAFCO Staff Workshop in Newport Beach.

ADJOURNMENT

There being no further business, Chairman Miller adjourned the meeting at 11:20 a.m.

Jessica Smith
Clerk to the Commission

Date