

Shasta LAFCO

Shasta Local Agency Formation Commission

1737 Yuba Street, Suite B, Redding, CA 96001

Phone: (530) 242-1112 Fax: (530) 242-1113 Web: www.shasta.lafco.ca.gov

MINUTES

Special Meeting – February 07, 2008

(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

Chairman Webster called the meeting to order at 10:00 a.m. at Redding City Hall, 777 Cypress Ave, Redding, CA. Commissioners Kehoe, Webster, Gover, Baugh, Fust, Haynes and Farr were present. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

PLEDGE OF ALLEGIANCE

Commissioner Haynes led the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment submitted.

MINUTES

The minutes of November 15, 2007 were presented. By motion made and seconded (Fust, Baugh) the Commission approved the November 15, 2007 minutes as presented. Commissioner Haynes abstained.

The Executive Committee minutes of January 24, 2008 were presented and reviewed. No action was required as this was an information only item.

BUDGET & FISCAL AFFAIRS:

Consideration of Checking Account Statement

Ms. Mickelson presented three months worth of bank statements for review. Ms. Mickelson informed the Commission that the Service Charges shown on all three of the bank statements in the amount of \$10.95 have been reversed and should be reflected as such on the next bank statement. By motion

made and seconded (Baugh, Kehoe) the Commission approved the Tri Counties bank statements dated 10/17/07, 11/18/07 & 12/17/07 as presented.

FY 2007-08 2nd Quarter Claims Register

The Claims Register was presented for review and adoption. By motion made and seconded (Baugh, Kehoe) the Commission approved the Claims Register.

FY 2006-07 Charges for County Auditor Services

Ms. Mickelson pointed out to the Commission that since LAFCO became fully independent in operation and administration the Commission opted to continue a contractual agreement with the Shasta County Auditor's office for services related to deposits and claims. At the time, Shasta LAFCO staff met with then-Auditor Rick Graham, members of his staff, as well as a LAFCO Commissioner. With assistance from the Auditor, an estimated cost of \$1,200 was agreed to as an appropriate budget figure for such services in 2006-07. The agreement also stipulated that the actual cost of services provided would be billed to LAFCO in January of the following year. In January of 2008, as per the agreement, LAFCO received the bill for FY 2006-07 services, totaling \$5,106. Because the invoice was so much higher than the estimated costs, the Executive Officer asked staff from the Shasta County Auditor's office to be present at today's meeting to help the Commission, as well as LAFCO staff, understand how the actual costs were derived. Commissioner Kehoe asked Counsel Johnson if he needed to recuse himself from the item. Counsel Johnson stated that he did not, since the County Auditor has an independent contract for services with LAFCO.

Ms. Jenkins from the Shasta County Auditor's office then spoke to the Commission in regard to the 2006-07 bill. She explained that the County prepares a cost plan every year that has to be approved by the State Controller. Once a cost plan is approved by the State Controller they then calculate the amount to be billed to each department based on their usage. This is a percentage amount that varies from year to year. She explained that the Auditor's office charges per line on a claim. This is due to the fact that it takes more time to process a claim with 50 lines verses a claim with just one line. Journal entries are charged at 8 lines per transaction due to amount of time it takes to process the journal entry.

Connie Regnell, Shasta County Auditor/Controller, stated that the fee increase that was passed on to all departments was due to two major factors. 1) The cost of the new IFAS 7i accounting software that is now being used by the Shasta County Auditors office. The approximate cost of this software and all related charges is around \$900,000. 2) The fact that Shasta County Child Support Services not longer uses the Auditor's services. This impacts all departments and independent agencies who utilize the Auditor's office since they pay a percentage of the total cost plan created by the County.

Commissioner Kehoe asked Ms. Regnell if affected departments and independent agencies were notified of potential increase in fees. Ms. Regnell stated that they were not notified. Commissioner Baugh requested that if a situation like this were to occur again that the agencies be notified as a courtesy.

Commissioner Haynes recommended LAFCO explore other options for banking and to add the item to a future agenda. Discussion followed.

By motion made and seconded (Kehoe, Haynes) the Commission approved paying the \$5,106.00 to Shasta County for services provided for the 2006/07 FY.

By motion made and seconded (Baugh, Farr) the Commission directed staff to explore other options for similar services, as well as the need to possibly terminate the current contact with Shasta County, adhering to the 90 day notice clause. The motion passed unanimously.

FY 2007-08 Mid Year Budget Update & Non-Budged Funds Request

Ms. Mickelson provided the Commission with a mid year budget update as well as a funds transfer request for basic furniture and furnishing needs for the new office. Ms. Mickelson went over the mid-year budget, line by line, showing which accounts were under/over budget. It was explained that the Payroll line item was at 38% due in part to the family leave taken by the Executive Officer. There was also a noted increase in the amount of interest LAFCO received. Commissioner Baugh asked where LAFCO was going to get the additional funds to pay for the requested transfer amount. Ms. Mickelson explained that there has always been difficulty in getting a beginning fund balance for the LAFCO account due in part to the differing accounting methodology of the County and LAFCO. Due to this continuing issue, approximately two years ago the Commission estimated what the beginning fund balance was. After having the first independent audit for the 2006/2007 FY, there appears to be a discrepancy in the favor of LAFCO of approximately \$20,000. This figured is based on the draft audit. The final figure will be presented at the next meeting. Ms. Mickelson expressed total confidence in being able to fund these items from within the 2007-08 approved budget. Commissioner Baugh expressed that his main concern with the transfer is to not pass on this expense to the contributing Special District. Ms. Mickelson concurred.

Commissioner Baugh moved to transfer \$3800.00 to the Shasta LAFCO Tri Counties bank account. Commissioner Gover provided the second.

Commissioner Kehoe asked if LAFCO staff had received anything regarding the Shasta County Surplus Auction. Ms. Mickelson stated that she did receive a flyer and will see if they have anything that Shasta LAFCO needs.

The Commission then took action on the motion as put forth by Commissioner Baugh, approving the motion by voice vote.

At this time Executive Officer Mickelson recommended moving to item 9b since there were several individuals present who attended for this specific item.

With the agreement of the Commission, Commissioner Webster re-ordered the agenda, moving to item 9b.

OTHER BUSINESS

Consider Process to Create a Third City Commissioner Position

Ms. Mickelson reported that this item is being brought back before the Commission from the November 15th, 2007 meeting. As of December 18th, 2007 all three cities have passed resolutions to support a legislative change to add an additional City Commission position. Ms. Mickelson was informed by CALAFCO that their position in regard to a reorganization such as Shasta LAFCO is considering is to “oppose the recomposition of any or all LAFCOs without respect to the existing balance of powers that has evolved within each commission or the creation of specials seats on a LAFCO.”

At this time Char Workman-Flowers from Clear Creek Community Services District (CCCSD) spoke to the Commission. She reminded the Commission that CCCSD was instrumental in getting Special District representation on the LAFCO Commission. She questioned the purpose of wanting to change the current composition of the Commission and was concerned about tie votes by having an eight member Commission.

Commissioner Webster answered by saying that the issue was brought before the Executive Committee months ago and agreed to look into it since about half of all residents of Shasta County live within the City of Redding boundary.

David Coxey with Bella Vista Water District stated that this District pays a lions’ share of the Special District contributions. He informed the Commission that he shares the same concerns as CCCSD in regards to the balance of power.

Phil Browning with Centerville Community Services District stated that he has been in contact with CSDA (California Special District Association) and they felt that much effort had been put into the Special Districts receiving equal representation & to change the LAFCO composition would be a step backwards.

Discussion followed among the Commission.

Commissioner Kehoe made a motion to form a Committee to perform further research and conduct a meeting with area agencies to measure support and a meeting with area legislators to determine willingness to carry such a bill on LAFCO's behalf and report back to the Commission. The motion failed due to lack of a second.

After discussion, no action was taken by the Commission. By not taking action, the current Commission composition would remain the same.

Commissioner Kehoe left at 11:38 am

SPECIAL STUDIES/REPORTS

Municipal Service Reviews - Draft Anderson Fire Protection District

Commissioner Haynes noted some corrections that needed to be made to the MSR. Commissioners Webster & Baugh also noted items that need to be updated. Staff noted those changes.

By motion made and seconded (Fust, Gover) the Commission approved the Draft Anderson Fire Protection District MSR with changes to be circulated to affected agencies.

Report on Upcoming Proposals

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

OPERATIONS & ADMINISTRATION

Consider Implementation of AB 745, Disclosure of Political Expenditures

Ms. Mickelson informed the Commission that a few changes were made to the policy as delineated by the tracked changes in the circulated draft policy. Some alternative language options were included in the draft policy. LAFCO Counsel discussed the different implications and advised the Commission to adopt Alternative 2.

By motion made and seconded (Gover, Haynes) the Commission approved the adoption of draft policy, including the Alternative 2 language defining Political Purposes.

OTHER BUSINESS

Announce Expiration of the Public Member and Alternate Public Member Terms and Review Replacement Process and Timeline

No action was required of the Commission at this time, however the Executive Officer explained the process and timeline, noting that the appointment would be made at the next LAFCO meeting.

COMMISSIONER ANNOUNCEMENTS

There were no announcements.

STAFF ANNOUNCEMENTS

Ms. Mickelson advised the Commission that the next LAFCO Commission meeting was tentatively scheduled for March 6th, 2008. The CALAFCO Staff Workshop is to be held in San Jose is from April 2nd - 4th, 2008 and the LAFCO office would be closed for those days.

CLOSED SESSION

The Commission convened to Closed Session at 11:56 a.m. to discuss Public Employee Performance Evaluation (pursuant to Government Code Section 54954.5(e)) Title: LAFCO Analyst.

Analyst Smith left the Chambers at this time.

CLOSED SESSION REPORT

At 11:59 a.m. Chair Webster reported that the Commission voted unanimously to approve a one time performance award of \$500.00 to Analyst Smith due to her acceptance and execution of duties outside the scope of her job description during the Family Leave of the Executive Officer.

ADJOURNMENT

There being no further business, Chairman Webster adjourned the meeting at 12:00 p.m.

Respectfully submitted,

Jessica Smith
Clerk to the Commission

Date