

Shasta LAFCO

Shasta Local Agency Formation Commission

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MINUTES

Special Meeting – April 10th, 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 Shasta County Board of Supervisors Chambers, 1450 Court Street, Redding, CA. Commissioners Webster, Gover, Baugh, Fust, Haynes and Alternate Dickerson were present. Commissioner Kehoe & Farr were absent. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

PLEDGE OF ALLEGIANCE

Commissioner Haynes led the Pledge of Allegiance.

PUBLIC COMMENT

10:05 Public comment was opened.

Ms. Jan Lopez introduced herself to the Commission and informed them that she works as a consultant for the public & special districts within Shasta County. Ms. Lopez indicated that she had multiple years of LAFCO-related experience. She is currently working with a district in Fall River Mills on a project that she expects will be before the Commission at a later date. She distributed her business card to the Commission as well.

10:07 Public comment was closed.

MINUTES

The minutes of March 6, 2008 were presented. By motion made and seconded (Fust, Baugh) the Commission approved the March 6, 2008 minutes with corrections.

The Executive Committee minutes of March 6, 2008 were presented and reviewed. No action was required as this was an information only item.

The Executive Committee minutes of March 26, 2008 were presented and reviewed. No action was required as this was an information only item.

OTHER BUSINESS

Interviews and Appointment of Alternate Public Member

Ms. Mickelson informed the Commission that there was one applicant for the Alternate Public Member. The applicant was Mr. John Mathena.

Commissioner Gover nominated Mr. John Mathena as the Alternate Public Member. Commissioner Baugh provided the second. The motion passed unanimously.

Consideration to Change the Regular Meeting Time of Shasta LAFCO to 9:00 am

By motion made and seconded (Fust, Baugh) the Commission approved changing the regular meeting time of Shasta LAFCO to 9:00 am. The motion passed unanimously.

BUDGET & FISCAL AFFAIRS:

Consideration of Checking Account Statement

Ms. Mickelson presented the March 17, 2008 bank statement for review. By motion made and seconded (Baugh, Gover) the Commission approved the Tri Counties bank statement dated March 17, 2008 as presented.

FY 2007-08 3rd Quarter Claims Register

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

Review of Investment and Banking Services Options for Fiscal Year 2008-09

Ms. Mickelson informed the Commission staff's findings in respects to investment funds. She reported that after speaking with both LAIF (Local Agency Investment Fund) and CalTrust, she would recommend establishing an account with either LAIF or CalTrust. She stated that there is some wisdom in opening accounts with both funds in order to diversify any holdings. We could then, at a later date, decide to consolidate and choose either one option or the other. As for banking, Ms. Mickelson recommended utilizing US Bank for LAFCO's daily banking needs.

Chair Webster expressed his concern in respects to CalTrust. He was concerned that LAFCO would not be able meet the minimum deposit amount required as well as the newness of CalTrust. Ms. Mickelson informed the Commission that she had been reassured by CalTrust that the minimum investment amount could be waived and has been waived for several other agencies.

Commissioner Baugh asked if any of the other Commissioners had dealings with LAIF or CalTrust. Commissioner Haynes replied that the Special District board that she sits on has an account with LAIF, and the District has had a positive experience with the agency.

By motion made and seconded (Baugh, Fust) the Commission approved establishing an account with LAIF for investment purposes and US Bank for a checking account.

Review 2006-07 Audit Statements

Ms. Mickelson reported that after the audit that was performed for the 2006-07 FY there was a difference in the beginning balance when compared to LAFCO's budget. This was a difference of about \$12,000. This \$12,000 was in the positive for LAFCO. Ms. Mickelson explained that this accrual of an additional \$12,000 has been accumulating for several years. This is due in part to having two sets of books; one kept by LAFCO and one by the County. This is problematic due to the different timelines. LAFCO closes fiscal year records in the month after the fiscal year ended, whereas the County closes out six-seven months after the fiscal year.

Commissioner Baugh stated that anytime an agency is handling public funds the agency should be able to account for every penny. He felt that \$12,000 was a large discrepancy but did not see the wisdom in spending \$5,000 - \$8,000 to locate the discrepancy in beginning balances. Being that LAFCO will be using different means for banking starting this next fiscal year, he wanted the public to know that next year every penny will be accounted for. Ms. Mickelson reminded the Commission that there will still be one more audit with the County for this current fiscal year since they run a year behind so there may still be some discrepancies once the 2007-08 FY audit is completed.

Commissioner Haynes asked why the limits for Workers' Compensation were \$200,000,000 since there were only two employees at LAFCO. She also asked what the reference to pooled funds on page 10 of the audit meant. Ms. Mickelson said that she would research that and report back to the Commission staff's findings.

The Commission decided to put off adopting the 2006-07 Audit; and bring back the item at the next meeting, with clarifications.

SPECIAL STUDIES/REPORTS

Municipal Services Reviews

Ms. Mickelson provided the Commission with an MSR update. At the previous direction of the Commission she reformatted the report to provide more detailed information. She reported that after the MSR update

was sent out to the Commissioners, additional information was received from the City of Redding, City of Shasta Lake and the Shasta Lake Fire Protection District and this is not reflected in the MSR update.

Discussion regarding the ACID MSR followed. The Commission directed Ms. Mickelson to contact Mr. Wangberg to coordinate a time that he could meet with Chair Webster, Commissioner Haynes and Ms. Mickelson to work towards completion of the document.

CHANGES OF ORGANIZATION AN/OR REORGANIZATION

Reorganizations: Public Hearing to Consider the Columbia School District Extension of Sewer Services by the City of Redding, LAFCO File 2008-01

The City of Redding submitted an application to LAFCO requesting extension of sewer services (only) outside of City boundaries. The services would be extended to Columbia School, which is located on Old Oregon Trail, approximately 1,500 feet north of Viking Way and approximately 1,000 feet north of the City of Redding limits. The proposed service area encompasses 4 parcels, all owned by the School District, totaling 20 acres.

The Executive Officer recommended approval of the Extension of Services as proposed. If the City ever expands their boundaries to those property owners between the school site and the current boundary, LAFCO would simply request that the school be annexed at that time as well. Ms. Mickelson stated that this is a 100% consent proceeding and an extension of sewer services ONLY, no protest proceedings will be held. No comments from affected agencies or property owners have been received at this time.

Counsel Johnson expressed her desire to see the contact between the school & the City. Alternate Commissioner Dickerson questioned why LAFCO would need to see the agreement if both parties are agreeable. Counsel Johnson stated that she just would like to ensure that there was indeed a contract.

Discussion followed.

Chair Webster opened the public hearing at 11:06 a.m.

Ms. Lopez addressed the Commission with some concerns in regards to this project. She questioned if CEQA was completed on this project and why the school didn't annex into the city since they are within the sphere of influence. She asked if landowners would be able to tie into this line at a later date.

Mr. Jim Elkins of Pace Engineering addressed Ms. Lopez's concerns. He stated that CEQA had been completed and it was determined to be categorically exempt. The school is an exception because it is a

public agency and most of the children who attend Columbia School with within the City of Redding limits. This extension is necessary from a health standpoint. Anyone who would like to have similar city services would be required to annex and all parcels affected by the annex would have to agree to the annexation and a tax exchange agreement.

A representative of the City of Redding supported Mr. Elkins response and stated that the contract between the City and Columbia School state the no other land owners would be able to tie into the proposed sewer services.

The public hearing was closed at 11:14 a.m.

By motion made and seconded (Baugh, Fust) approved the extension of sewer services to Columbia School District by the City of Redding.

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.

COMMISSIONER ANNOUNCEMENTS

There were no announcements.

STAFF ANNOUNCEMENTS

The next LAFCO meeting will be at 10:00 a.m. on May 1st, 2008 at the City of Redding. The new meeting time of 9:00 a.m. will go into effect for the next scheduled LAFCO meeting on June 12th, 2008.

ADJOURNMENT

There being no further business, Chairman Webster adjourned the meeting at 11:21 a.m.

Respectfully submitted,

Jessica Smith
Clerk to the Commission

Date