

Shasta LAFCO

Shasta Local Agency Formation Commission

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MINUTES

Special Meeting – September 18th, 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 9:00 a.m. at the City of Redding Council Chambers, 777 Cypress Avenue, Redding, CA. Commissioners Baugh, Dickerson, Fust, Haynes, Kehoe, Webster were present. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

PLEDGE OF ALLEGIANCE

Commissioner Baugh led the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment submitted.

MINUTES

The minutes of June 12, 2008 were presented. By motion made and seconded (Baugh, Fust), the Commission approved the May 1, 2008 minutes as amended. Amendments included; additional language added under Consideration of Temporary Employee Hire, correction of typos within the Shasta Red Annexation discussion and changing the year from 2007 to 2008 under Establishment of CALAFCO Voting Member and Alternates.

Commissioner Dickerson abstained.

The Executive Committee minutes of September 10, 2008 were presented and reviewed. No action was required as this was an information only item.

BUDGET & FISCAL AFFAIRS:

FY 2008-09 1st Quarter Transaction Register

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

Consideration of Checking Account Statements

Ms. Mickelson presented the following bank statements: US Bank, dated July 31, 2008 and August 31, 2008; Tri Counties Bank dated July 17, 2008 and August 17, 2008; LAIF for the periods of July and August 2008. By motion made and seconded (Baugh, Kehoe), the Commission approved the bank statements as presented.

Commissioner Gover arrived at 9:12 am.

Commissioner Webster requested that in the future, additional detailed information be provided for the deposits made into the US Bank account to represent which agencies had paid their funding share

SPECIAL STUDIES/REPORTS

City of Redding Draft Municipal Service Review

Ms. Mickelson presented the Commission with the City of Redding Draft MSR. She stated that this is still a very static document and is requesting the Commission approve the MSR today as a draft document so it can be put out for circulation. She pointed to the fact that page 1-23 are a prelude for all the City MSRs and is very similar in language to the preludes which were previously adopted for the County and Special District MSRs. Discussion followed.

In regard to page 3 Chair Webster questioned the issue of certain types of Special Districts being exempt from MSRs. He wondered why LAFCO was in the process of completing a MSR for ACID since they appear to fall under the exempt category.

Ms. Mickelson explained that she inherited the list of MSRs to be completed and they had always been on the list and was unsure as to why they were on the list since they do appear to be exempt.

The Commission directed staff to research this matter of exemption, confer with legal counsel and bring it back for further Commission discussion at the December meeting.

Due to the convoluted language of the City prelude, the Commission opted to remove the prelude from the City of Redding Draft MSR and requested that Ms. Mickelson revise the document and keep the

language simple. Ms. Mickelson requested that any comments and/or changes the Commission might have for the prelude are transmitted to her by October 15th so she can incorporate them into the document.

At this time the Executive Office began a review of each of the categories for the City of Redding Draft MSR, beginning at page 24. Upon review of the MSR, Commissioner Baugh asked what the goal of this document was. Ms. Mickelson explained that this document is a snapshot of the Cities services as well as basic information about the City. It is a valuable tool that can be used when reviewing a Sphere of Influence or an annexation outside of the Sphere. Commissioner Gover also added that LAFCO is also responding to the legislature when completing MSRs.

Ms. Mickelson stated that she would go through the document, fix any typos, give that draft to the City to look over for any additional comments and then release the document to the public for circulation.

When asked, Mr. Hamilton stated that as long as the City was able to look over the document prior to circulation to the public he had no objections to the Commission adopting the City of Redding Draft MSR as presented.

By motion made and seconded (Baugh,Fust), the Commission approved the City of Redding Draft MSR, with the exclusion of pages 1-23.

Report on Upcoming Proposals

Ms. Mickelson reviewed the items as noted by the Status Report presented to the Commission. Discussion followed.

At 10:16 Ms. Kathy Jalquin requested to address the Commission. She questioned why the Elk Trail Annexation to Jones Valley CSA was listed under "*Other items that and in discussion and pre-application phases*" and wanted to see the "pre-application".

Ms. Mickelson explained that she reported to the Commission any type of discussion that she's had regarding potential applications. She stated that there is not currently an application for the Elk Trail Annexation as it is still in the discussion/pre-application phase. There is no such document as a "pre-application", it is simply a description used when a potential applicant has met with staff and is considering a possible LAFCO application

Commission Baugh requested removing the term "pre-application" from the Status Report. Ms. Mickelson stated that she would do so. No action was taken.

CHANGES OF ORGANIZATION AN/OR REORGANIZATION

Municipal Services Reviews

Ms. Mickelson provided the Commission with the current MSR update. Discussion followed. No action was taken.

OPERATIONS & ADMINISTRATION

Consider Contract for 2008-09 Legal Services

Ms. Mickelson recommended contracting for services for Elizabeth Johnson to continue as Shasta LAFCO Counsel. She stated that the contract is identical to the current agreement, with the exception of the Firm's name change.

By motion made and seconded (Baugh, Haynes) the Commission approved contracting with Ms. Johnson for legal services for the 2008-09 fiscal year.

Review and Consider Audit Proposal

Ms. Mickelson reported that staff circulated an RFP for audit services, concentrating on Northern California firms. In total, 55 RFPs were mailed. A few firms called to discuss details of the call for proposals; ultimately however, only one response was received. That offer from Hathaway & Ksenzulak, LLP is attached for the Commission's consideration.

Commissioner Fust asked if the firm provided a proposal for a biennial audit. Ms. Mickelson stated that they did not but could still request one from the firm.

Commissioner Baugh questioned if there was a termination policy for this proposal. Ms. Mickelson stated that she was unable to find one but could contact the firm and request that to be included with proposal.

By motion made and seconded (Baugh, Dickerson) the Commission tabled this item to the October meeting. Staff was asked to address the Commission's concerns with the CPA firm and bring a response to the October meeting for consideration.

Consider Revision to Policy and Procedure, Including Addition of Financial Policy

Ms. Mickelson presented to the Commission the proposed revisions to current policy. Each proposed revision was marked by tracked changes. Most changes were simple, such as the consistency of the

name "Shasta LAFCO" versus "LAFCO of Shasta County." Some changes reflected the addition of the Analyst/Office Manager position to LAFCO staff. Meeting time and location changes are noted. Also included in the revisions are the corrections of any inconsistencies with Government Code changes made over the last eight years.

The largest proposed revision was the addition of the Financial Policy. Staff was previously directed to draft this policy when Shasta LAFCO made the decision to manage their funds outside of the County Treasury. Counsel has approved this policy inclusion to form.

Chair Webster questioned how much the LAIF account was insured for. Ms. Mickelson stated that she was not sure and would report back to the Commission at a later date.

By motion made and seconded (Baugh, Fust), the Commission approved Shasta LAFCO's Policy & Procedures as amended.

OTHER BUSINESS

CALAFCO Conference Report

Commissioner Haynes reported to the Commission that she found the CALAFCO conference educational and helpful as a new LAFCO Commissioner. She brought some materials back from the conference that she wanted to share with the other Commissioners. Ms. Mickelson said she would make sure the Commission received a copy of the materials Commissioner Haynes was referring to.

Commissioner Baugh reported that he too found the conference educational and helpful. While at the conference he was invited to consider participation in CALAFCO as a County member. He stated that he is interested in participating in CALAFCO but is not sure if LAFCO will have the funds to support that endeavor as well as if the Commission felt there is any value in him pursuing participation. Discussion followed. The Commission felt that there was some value in having Commissioner Baugh participate with CALAFCO and requested that he gather additional information about what would be required of him as well as the potential cost.

COMMISSIONER ANNOUNCEMENTS

Commissioner Baugh noted that he would be unable to attend the meeting on October 2nd, but that he would contact his Alternate. Commissioner Haynes also said that she would be unavailable on the 2nd but that she also would contact her Alternate.

STAFF ANNOUNCEMENTS

The next LAFCO meeting will be at 9:00 a.m. on October 2, 2008 at the City of Anderson.

ADJOURNMENT

There being no further business, Chairman Webster adjourned the meeting at 11:00 a.m.

Respectfully submitted,

Jessica Smith
Clerk to the Commission

Date