

Lassen Local Agency Formation Commission

Regular Meeting Agenda

MONDAY – April 8, 2019

3:00 PM

**Board of Supervisors Chambers
707 Nevada Street
Susanville, CA.**

(Website: www.lassenlafco.org)

1. Call to order: Pledge of Allegiance

Commissioners

Todd Eid, Chair, Public Member
Brian Wilson, City Member
Joe Franco, Vice-Chair, City Member
Jeff Hemphill, County Member
Chris Gallagher, County Member

Alternate Members

David Teeter, County Member Alt.
Kevin Stafford, City Member Alt.
Vacant, Public Alt.

LAFCO Staff

Jennifer Stephenson, Deputy Executive Officer
John Benoit, Executive Officer
John Kenny, LAFCO Counsel
Gwenna MacDonald, Clerk

2. Approval of Minutes from October 15, 2018 February 11, 2019

a. *Consider minutes for October 15, 2018 and February 11, 2019*

3. Approval of Agenda (Additions and Deletions)

4. Correspondence:

5. Public Comment

This is the time set aside for citizens to address the Commission on any item of interest to the public that is within the subject matter jurisdiction of the Commission. For items that are on the agenda, public comment will be heard when the item is discussed. If your comments concern an item that is noted as a public hearing, please address the Commission after the public hearing is opened for public testimony. The Chairman

reserves the right to limit each speaker to three (3) minutes. Please understand that by law, the Commission cannot make decisions on matters not on the agenda.

Public Hearing:

6. Hearing regarding LAFCo Proposed Budget for FY 2019-2020

- a. *Receive Executive Officer's report regarding the proposed budget and consider LAFCo Resolution 2019-0001.*

7. Review Service Review requirements and conduct a goal setting workshop for Lassen LAFCO with regards to Lassen LAFCO's role in orderly growth in Lassen County and discuss the need and methods of achieving reorganization of various services.

8. Consider authorizing the Chair to sign letters of Support for AB-213 (Reyes) VLF revenue backfill for inhabited annexations and AB-1253 (Rivas) regarding Grants for LAFCO's with Disadvantaged or Severely Disadvantaged Communities.

- a) *Authorize Chair to sign letters of Support*

9. Authorize payment of Claims for February 2019 and March 2019

- a) *Authorize payment of claims for February 2019 and March 2019.*

10. Executive Officer's Monthly Report

- a) *Fire and EMS Service Reviews and Spheres of Influence ongoing*
- b) *Big Valley Recreation District Service Review and Sphere ongoing*
- c) *Article in the CSDA magazine regarding LAFCo*

11. Commissioner Reports - Discussion

This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters.

12. Adjourn to the next meeting to take place on Monday June 10th, 2019 at 3:00 P.M.

Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority Government Code Section 56325.1

The Commission may take action upon any item listed on the agenda. Unless otherwise noted, items may be taken up at any time during the meeting.

Public Comment

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

- Items not appearing on the agenda must be of interest to the public and within the Commission's subject matter jurisdiction.

- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).

Public Hearings

Members of the public may address the Commission on any item appearing on the agenda as a Public Hearing. The Commission may limit any person's input to a specified time. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

Agenda Materials

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda area available for review for public inspection in the Clerk's office located at the City of Susanville, 66 North Lassen Street, Susanville CA, and the Lassen Co. Community Development Office located at 707 Nevada Street, Susanville CA. [such documents are also available on the Lassen LAFCO website (www.lassenlafco.org) to the extent practicable and subject to staff's ability to post the documents prior to the meeting]

Accessibility

An interpreter for the hearing-impaired may be made available upon request to the Executive Officer 72 hours before a meeting.

The location of this meeting is wheelchair-accessible.

Disclosure & Disqualification Requirements

Pursuant to Government Code Sections 56700.1 and 57009 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, and 82015 and 82025 of the Political Reform Act applicants for LAFCO approvals and those opposing such proposals are required to report to LAFCO all political contributions and expenditures with respect to a proposal that exceeds \$1,000. LAFCO has adopted policies to implement the law, which are available on the Commission's webpage. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. Additional information may be obtained by calling the calling the Fair Political Practices Commission at (916) 322-5660.

A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agency (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding.

Contact LAFCO Staff

LAFCO staff may be contacted at (530) 257-0720 or by email at lafco@co.lassen.ca.us. Copies of reports are located on the LAFCO webpage at: www.lassenlafco.org

LASSEN COUNTY LOCAL AGENCY FORMATION COMMISSION
Board of Supervisors Chambers 707 Nevada Street Susanville, CA 96130

REGULAR MEETING
October 15, 2018 - 3:00 p.m.

Meeting was called to order at 3:20 p.m. by Chairperson Eid.

Roll call of members present: Joe Franco, Chris Gallagher and Chairperson Todd Eid. Absent: Jeff Hemphill and Brian Wilson

Staff Present: John Benoit, Executive Officer, Jennifer Stevenson, Deputy Executive Officer and Gwenna MacDonald, Clerk.

Election of Chairperson for Fiscal Year 2018/2019

Motion by Commissioner Gallagher, second by Commissioner Franco, to appoint Todd Eid to serve as LAFCo Chairperson; motion carried. Ayes: Gallagher, Franco and Eid. Absent: Hemphill and Wilson.

Approval of Agenda

Motion by Commissioner Gallagher, second by Commissioner Franco to approve the agenda as submitted; motion carried. Ayes: Gallagher, Franco and Eid. Absent: Hemphill and Wilson.

Correspondence None.

Minutes None.

Public Comments No comments.

Public Hearing: Conflict of Interest Code Update Mr. Benoit explained that the appointment of Ms. Stevenson to the position of Deputy Executive Officer requires an update to the LAFCo Conflict of Interest Code to add the position and disclosure requirements.

Chairperson Eid opened the public hearing at 3:23 p.m. and requested comments from the public. There being no comments, Chairperson Eid closed the public hearing at 3:24 p.m.

Motion by Commissioner Franco, second by Commissioner Gallagher, to approve Resolution No. 2018-0005 adopting the updated Conflict of Interest Code; motion carried. Ayes: Franco, Gallagher and Eid. Absent: Hemphill and Wilson.

Standish-Litchfield Fire Protection District Mr. Benoit provided an update to the Commission regarding the challenges facing the Standish-Litchfield Fire Protection District, discussed issues related to the consolidation of fire districts, and the filing of a new Municipal Service Review that

would address Fire and Emergency Medical Services. The Commission generally discussed the challenge of funding, training, and providing fire protection in the rural areas of Lassen County. The Commission discussed the effort that was put forth by the Commission during the process of consolidation of the West Patton Village with the Herlong Public Utility District, and that if a consolidation of fire protection districts was to happen, that it must come from the districts themselves.

Lassen-Modoc County Flood Control/Water Conservation District MSR and SOI Update Mr. Benoit presented the second draft Municipal Service Review and Sphere of Influence Update and reviewed the changes that have been incorporated since the August 2018 review. The changes were; the re-writing of Chapter 1 to clarify the role of LAFCo and the MSR and SOI Update requirements; an improved definition of District and why the District falls under LAFCo's jurisdiction; the adoption of budget requirements, public hearing requirements for changes of organization, clarification of the status of Lassen County employees in terms of management services, the District's function, and concerns regarding the map of the District. Mr. Benoit explained that the third draft would be brought for consideration and approval at the December 10th meeting, in order to provide more time for the District Board to review the document, and he will be discussing the information with the Modoc County Board.

CALAFCo Annual Conference October 2-5, 2018 Mr. Benoit and Commissioner Franco discussed their experiences and highlights of the Annual Calafco Conference. Discussion topics included land use and forestry issues as related to disaster prevention, Special District representation on the Board, budgets, and general issues related to the Cortese-Knox Act. Commissioner Franco commented that Mr. Benoit deserved accolades for the respect that he has among his LAFCo colleagues, and that Lassen LAFCo has been fortunate to have him serving for so many years.

Authorize Payment of Claims for August and September 2018 Mr. Benoit reviewed the claims presented for August and September, 2018 in the amount of \$8,773.80, with an additional \$3,181.49 approved for Finance and Clerk services for the City of Susanville.

Motion by Commissioner Gallagher, second by Commissioner Franco, to approve payment of claims for August and September 2018; motion carried. Ayes: Gallagher, Franco and Eid. Absent: Hemphill and Wilson.

Executive Officer's Monthly Report Mr. Benoit announced that Ethics Training would again be offered by the firm of Best, Best and Krieger, and was scheduled for November 9, 2018 at the City of Susanville Council Chambers. He reviewed the impacts of legislation, specifically AB2258, SB606 and AB1668. The Government vetoed AB2258, which addressed the establishment of a local agency formation commissions grant program for various disadvantaged Districts; SB606 and AB1668 pertained to the drought bill and affects water purveyors. He discussed the requirements of AB929 which requires all special districts to have a website by 2020.

Commissioner Reports

Commissioner Gallagher stated that the Clear Creek CSD has recently passed their budget, and they have approximately 10 or 11 people running to serve on the Board.

Commissioner Franco discussed local tourism, and generating interest to increase visitors to Lassen County. He and Supervisor Teeter have joined the Visit California group, and he described the service they provide to visitors to the region.

Motion by Commissioner Franco, second by Commissioner Gallagher to adjourn until December 10, 2018; motion carried. Ayes: Franco, Gallagher and Eid. Absent: Hemphill and Wilson.

The meeting adjourned at 4:27 p.m.

Todd Eid, Chairperson

Approved _____
Gwenna MacDonald, Recording Secretary

LASSEN COUNTY LOCAL AGENCY FORMATION COMMISSION
Board of Supervisors Chambers 707 Nevada Street Susanville, CA 96130

REGULAR MEETING
February 11, 2019 - 3:05 p.m.

Meeting was called to order at 3:00 p.m. by Vice Chairperson Joseph Franco.

Roll call of members present: Chris Gallagher, Brian Wilson and Vice Chairperson Todd Eid.
Absent: Jeff Hemphill and Todd Eid.

Staff Present: John Benoit, Executive Officer, Jennifer Stevenson, Deputy Executive Officer and Gwenna MacDonald, Clerk.

Consider appointment of LAFCo Public Member Alternate

Mr. Benoit discussed the recruitment effort, and informed the Commission that no applications had been received for the position of Public Member Alternate.

Approval of Minutes: October 15 and December 10, 2018

Commissioner Wilson stated that he did not attend the October meeting and requested that consideration of the October 15, 2018 minutes be postponed to the April 8, 2019 meeting.

Motion by Commissioner Gallagher, second by Commissioner Wilson, to approve the minutes from the December 10, 2018 meeting; motion carried. Ayes: Gallagher, Wilson and Franco. Absent: Hemphill and Eid.

Approval of Agenda

Motion by Commissioner Gallagher, second by Commissioner Wilson to approve the agenda as submitted; motion carried. Ayes: Gallagher, Wilson and Franco. Absent: Hemphill and Eid.

Correspondence

None to report.

Public Comments

No comments.

Service Review Requirements and Lassen LAFCo's Role in Orderly Growth

Mr. Benoit explained that the purpose of this discussion was to start a dialog regarding LAFCO's role in assisting the various Fire Districts in moving forward to address the challenges they face in providing services to the residents in their District without an adequate revenue stream. How proactive should LAFCO be in encouraging the option of District consolidation or does LAFCO continue acting in a supporting role, with the Districts taking the lead. There is no question that it should be initiated by the District, but he is getting a lot of calls from smaller Districts asking for LAFCO to dissolve them. He discusses the requirements for Districts, including annual audits that are to be filed with LAFCO, and the necessity of maintaining a website. As he continues to complete Municipal Service Reviews, he will likely be more proactive on determining if it is a viable District, or not. Regarding consolidations, that should also be approached on a case-by-case basis, since the District can always vote against it if the residents are not in favor of consolidation.

There was a general discussion regarding the minimum requirements for Districts, tax revenue options, the consolidation of the West Patton Village with the Herlong PUD, the regulation of Water Districts by the State Water Board, and the advantage of having Boards that are willing to work together.

Work Program 2018-2019

Mr. Benoit explained that the work program is dictated by budget, and the budget is not huge so he estimated working on five municipal service reviews, and it is going to take more time than anticipated. Out of 18 districts, only 4 have returned the questionnaires so it will take some effort to gather that information. The LAFCo Policies and Procedures are 10 years old now, so it would be good to look at those again and update where needed.

Regarding budget, Calafco authorized a dues increase, and he will prepare a budget adjust for that. If additional money is dedicated to any line item or activity, it should go towards Service Reviews.

Authorize Payment of Claims for December 2018 and January 2019 Mr. Benoit reviewed the claims presented for December 2018 and January 2019 in the amount of \$7,793.11.

Motion by Commissioner Wilson, second by Commissioner Gallagher, to approve payment of claims for December 2018 and January 2019; motion carried. Ayes: Wilson, Gallagher, and Franco. Absent: Hemphill and Eid.

LAFCO Information Requests for MSR's and SOI Updates

Mr. Benoit discussed his effort to receive feedback and information from Special Districts. The information is vital to the preparation of Municipal Service Reviews and Sphere of Influence Updates, which LAFCo is required to prepare. He stated that he planned on attending a meeting of Fire Chiefs, and he also been attempting to obtain information from the Bieber Community Services Districts and so far he has been unsuccessful. The law may require that they respond, but there is no mechanism to fine or penalize them for lack of responsiveness. It was suggested that Mr. Benoit work with the Supervisor responsible for that area to contact the District President. There was a general discussion regarding recreation districts, funding mechanisms, compliance requirements and mandates established by State law.

Calafco Annual Workshop – April 10-13, 2019, San Jose

Motion by Commissioner Wilson, second by Commissioner Gallagher, to authorize Mr. Benoit's attendance at the Annual Workshop; motion carried. Ayes: Wilson, Gallagher and Franco. Absent: Hemphill and Eid.

Executive Officer's Monthly Report

Mr. Benoit discussed Fire and Emergency Medical Service Reviews and Sphere updates, describing it as a work in progress, and there was a general discussion regarding the challenge to provide emergency services to rural areas.

At 3:48 p.m. Chairperson Eid entered the room and assumed a seat on the dais.

Mr. Benoit continued with his report, noting that a discussion regarding the Big Valley Recreation District had been discussed under the previous item. He reminded the Commission to submit their Form 700's, noting that the public member should file with the County filing officer.

Mr. Benoit provided a legislative update, specifically regarding legislation that requires Special Districts to maintain a website, and who assumed the responsibility to monitor for compliance, LAFCO, or the Lassen County Auditor's office. Mr. Benoit discussed AB2238 which requires that consideration of a District's fire hazard be included in Municipal Service Reviews, SB2258 that addressed funding for LAFCO's and added that Ms. Stevenson is serving on the Legislative Committee for LAFCO and would be able to provide the Commission with up to date information.

Commissioner Reports

Commissioner Gallagher stated that the Clear Creek Board has had their election and they are running much more smoothly.

Todd Eid invited Marlin Johnson, City Planner, to introduce himself to the Commission.

Motion by Commissioner Eid, second by Commissioner Wilson to adjourn until April 8, 2019; motion carried. Ayes: Eid, Wilson, Gallagher and Franco. Absent: Hemphill.

The meeting adjourned at 4:00 p.m.

Joseph Franco, Vice Chairperson

Approved _____
Gwenna MacDonald, Recording Secretary

Lassen Local Agency Formation Commission

DATE: April 8, 2019

TO: Lassen Local Agency Formation Commissioners

FROM: John Benoit, Executive Officer

RE: Budget Justification and Proposed Budget for FY 2019-2020

Budget Justification

While LAFCO is mindful of the budget constraints of the City and County the following proposed activity report reflects substantial limitations in the upcoming fiscal year. The proposed budget suggests using staff as much as possible in the preparation of the MSR's and SOI's including using funds from staff services to augment this activity when LAFCO project activity is less than anticipated has been successful. Several years ago the budget was reduced by \$12,911 (18% approximately) with reductions in Executive Officer Services, Clerk Services many services and supplies (since LAFCO has gone to 6 meetings a year), mapping, legal and a substantial reduction in the travel budget.

Since the passage of AB-2838, based on the recommendations of the Commission for Local Governance, LAFCO has become an independent agency. Many of the start-up activities have been completed, many more activities need to take place such as the mandated Municipal Service Reviews and Sphere of Influence updates and continuing increases in unfunded mandates.

The legislature continues to empower LAFCO's through legislation since there is no other vehicle available to them.

On November 14th, 2005 Lassen LAFCO adopted expanded budgeting policies as part of its operational bylaws. These policies are as follows:

3.2 **Budget**

- a) *The Commission shall serve as the LAFCO Budget Committee and shall prepare and submit a budget to the Commission for review each spring in coordination with the Lassen County and City of Susanville budgeting process. When the Commission has finalized the budget, the Executive Officer shall promptly send it on to the County and the City as provided by the LAFCO Act, Section 56381.*
- b) *The Commission may at any time and at its own discretion modify its approved budget.*
- c) *The LAFCO Executive Officer shall be responsible for managing the day-to-day business of the Commission and for directing expenditures for that purpose within the guidelines established by the adopted budget.*
- d) *LAFCO's budget for the next fiscal year shall normally be set at level that allows the agency to complete the essential tasks of the approved work program. If the Commission determines that it cannot reasonably require funding at the level necessary to fund the work program, the Commission shall eliminate or modify items in the work program to reflect the reductions in funding prior to approval of the reduced budget. The proposed and final budget shall be equal to or greater than the budget adopted for the previous fiscal year unless the commission finds that there is a diminished work load and reduced staffing or program costs will nevertheless allow the commission to fulfill its purposes and programs as required by the LAFCO Law.(§56381)*
- e) *Where feasible, LAFCO shall re-budget rollover from the prior fiscal year to reduce costs to the funding agencies. Alternatively, LAFCO may wish to use rollover monies to fund a Contingency*

- Fund not exceeding 10% of LAFCO's total expenditures for a given fiscal year. Appropriations and Expenditures from the Contingency shall require Commission approval.*
- f) *Since Government Code 56381 (c) does not expressly require the City of Susanville (City) share of LAFCO's operating expenses to be deposited with the County Auditor. As long as the City is managing LAFCO's finances it is the policy of LAFCO to allow the City to transfer the City's share of LAFCO's operating costs, as apportioned by the County Auditor, to the LAFCO fund account. The City shall notify the auditor of the date and amount of the transfer.*

In the sheet attached to the resolution, I have provided a "Proposed" budget based on the costs to provide LAFCO.

The overall goal of this budget is to conduct LAFCO business in a proactive manner involving the Community and to meet the overall requirements of the Cortese-Knox-Hertzberg Act at a reasonable cost.

Summary of the Proposed Budget:

Insurance: LAFCO is required to carry insurance as an independent agency. Fortunately, the Board of Supervisors has approved that LAFCO be covered under the County's insurance program. LAFCO's share of insurance costs continues to be \$1,000.00 per year.

Office Expense This covers copy costs, postage, communication and publications. In FY 2013-14 and FY 14-15, FY 15-16, and FY 15-16 \$2,100 was budgeted for this item. Due to public noticing this budget was increased. Office Expenses since FY 2016-17 and again in this budget have been split into 4 budget categories as follows: For FY 2019-2020 General Office Expenses are proposed to be \$250.00, Copies at \$750.00, Communications at \$1,000.00 and Postage at \$300.00 .

Memberships The Calafco board of directors voted to increase CALAFCO dues of 16.25%. Therefore the Calafco Dues in 2019-2020 will be \$1,077.00 from \$926.00 this year. It is important LAFCO remain in its statewide professional organization and participate in LAFCO issues of common concern for the benefit of Lassen LAFCO and its agencies.

Legal Services This year I am recommending this item remain the same as last year at \$2,500.00. Fortunately, LAFCO has not needed Counsel present at its meetings and costs have been very minimal. In most cases, the need for Counsel to attend a meeting would be directly billable to a project applicant. Since the Legislature has made LAFCO independent, separate LAFCO Counsel is necessary to represent LAFCO's interest as distinct from the County, independent special districts and the City. Project related legal costs would be billed to the project proponent through LAFCO's adopted fee structure.

Executive Officer Services This line item was reduced to \$30,000 in FY 2012-2013, which is proposed to remain the same. Other administrative and activity costs have been placed into the Brown Act Budget Item below as well as MSR and SOI activities. Project activity may consist of a City Annexations. This category includes general administrative work, project processing, meeting with Special Districts, the Grand Jury and environmental review on Spheres of Influence updates and the staff activities enumerated in the "activities" report. Notwithstanding a very complex reorganization (application), controversial service review, sphere of influence or incorporation project for Lassen LAFCO, this amount should also cover LAFCO administration and potentially also allow time to work to continue on the Municipal Services Reviews and Sphere Studies.

Note: project related cost overruns relating to an application would normally be fee supported if an augmentation is needed in this category. A project proponent will pay all project related costs including legal costs.

Brown Act Compliance In FY 2012-2013, this item was reduced to \$3,500. This item has been requested by the Commission in previous years to be included in the budget by the Commission. This includes staff and legal time for compliance with the Brown Act and Public Records Act. LAFCO is required to comply with these laws as a part of its normal operation. Funds have been taken from Legal and Executive Officer Services since these could be considered administrative (and) or legal services.

Legal Notices/Publications I am recommending \$400 for this item the same as last year. Legal notices are required by state law and must be prepared for Municipal Service Reviews and Sphere of Influence Updates, all public hearings before the commission and protest hearings. Public hearing notices are required for many LAFCO actions.

Transportation/Travel/Conf. Registration I am recommending \$1,700 unless the commission wishes to send more than one Commissioner to the annual conference in Sacramento from October 30th to November 1st 2019. The estimated cost to send one Commissioner is around \$1,400 for this year. This also includes cost to cover 1/7 of staff to attend the Calafco workshops and bring back information.

Sphere of Influence Updates and Municipal Service Reviews I am recommending \$14,000 to cover the costs of working on Municipal Service Reviews and \$4,000 for Spheres of Influence Updates as required by the LAFCO Act. This includes funding for working on MSR and SOI updates. It is anticipated the fire and ems MSR and SOI will be adopted next fiscal year.

Mapping LAFCO has set aside funds for mapping Spheres of Influence and District Boundaries. The amount set aside has been \$2,000 to provide GIS service in a timely manner. A LAFCo map book is being created. LAFCo has most of the maps in electronic format.

File Scanning and Retention Lassen LAFCo has generated several files over the years. Lassen LAFCo adopted a File Retention Policy on December 9, 2013. To implement the policy, the files need to be scanned and placed into electronic format as are files in most county and city departments. This is a one-time expense estimated to be \$5,000. The immediate tasks are to review and dispose of files consistent with LAFCo's adopted Records Retention Policy and to scan and index these files for accessibility to agencies, the public and lafco staff. Once the files are scanned, these files will then be made more accessible. It will be later determined if LAFCo will need to prepare a Microsoft Access database for LAFCo. This item is rebudgeted from this fiscal year.

Financial Services LAFCO is no longer in the A-87 program. The total cost of City financial services is projected to be \$1,722.30. This is a fixed cost and unless an agreement is renegotiated, this amount will not be changed.

LAFCO Clerk Services: The City has proposed \$2,377.72 be budgeted for use of city staff for LAFCO minute taking services. Since the LAFCo Commission will only meet 6 times next year, I propose continuing this item with a budget of \$1,500.00. This represents the minimum costs of clerking services to LAFCO to be paid to the City of Susanville. This assumes LAFCo will meet 6 times this year and possibly a seventh time.

Contingency LAFCO established a contingency budget policy in November 2005 which states: *"Where feasible, LAFCO shall re-budget rollover from the prior fiscal year to reduce costs to the funding agencies. Alternatively, LAFCO may wish to use carryover monies to fund a Contingency Fund not*

exceeding 10% of LAFCO's total expenditures for a given fiscal year." In the event there is no cash on hand at the commencement of the next fiscal year the LAFCO statute calls for the County Auditor to follow the regulations in the Cortese-Knox Act and advance the Commission for two-months operational costs of LAFCO as of July 1st, 2009. This will not be the case this year.

Gov Code Section 56381(c) in part states "...Between the beginning of the fiscal year and the time the auditor receives payment from each affected city and district, the board of supervisors shall transmit funds to the commission sufficient to cover the first two months of the commission's operating expenses as specified by the commission. When the city and district payments are received by the commission, the county's portion of the commission's annual operating expenses shall be credited with funds already received from the county ... "

The above section also states as follows: *"If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget."*

As a practical matter and as stated in LAFCO's policies, the Commission should consider retaining a portion (10%) of its carryover funds from one fiscal year to another to fund a contingency budget and develop a reserve as would any special district in the event of cost overruns such as litigation. As shown in this budget, this figure would be \$7,069.93.

Anticipated re-budgeting of funds

Notwithstanding unexpected expenses, at current expenditure rates the Commission will be able to re-budget approximately \$22,000.00 from the 2018-2019 fiscal year to the 2019-2020 fiscal year (see budget worksheet attached to Resolution 2019-0001).

Costs to City and County

The City and County uses accrual accounting so all LAFCO activities during this fiscal year should be paid from this year's budget. Assuming a carryover of \$22,000 is realized, a 10 percent LAFCO contingency is funded at \$7,069.23, the amount to be apportioned between the City and County would be \$55,769.23 for FY 2019-2020, a reduction of \$733.90 for this fiscal year.

Recommendation:

Conduct a public hearing, review the proposed budget and work program and consider Resolution 2019-0001

Resolution 2019-0001
of the
Lassen Local Agency Formation Commission

A Resolution of Lassen Local Agency Formation Commission Adopting a Proposed Budget for 2019-2020

WHEREAS, Lassen LAFCO is required by Government Code Section 56381(a) to adopt annually, following a noticed public hearing, a proposed budget by May 1st and a final budget by June 15th; and,

WHEREAS, the Commission has prepared a proposed budget for public review; and,

WHEREAS, the Executive Officer has given notice of hearing in the form and manner specified by law for adoption of the proposed budget and upon the date, time and place specified in said notice of hearing, the Commission heard, discussed and considered all oral and written testimony submitted including, but not limited to, the approved budget priorities for Fiscal Year 2019-2020 and the Executive Officer's report and recommendations; and

WHEREAS, the Commission has considered the attached Budget in light of the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

NOW THEREFORE, Lassen Local Agency Formation Commission does hereby determine, resolve, and order the following:

1. That Lassen LAFCO hereby adopts the attached 2019-2020 proposed budget (Exhibit A).
2. Directs the Executive Officer to transmit the proposed budget to the Auditor and all parties specified in Government Code Section 56381 (a) as promptly as possible.

PASSED AND ADOPTED by Lassen Local Agency Formation Commission at a regular meeting of said Commission held on the 8th day of April 2019 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 8th day of April, 2019.

Todd Eid, Chair
Lassen LAFCO

Attest:

John Benoit, Executive Officer
Lassen LAFCO

| A | | B | | D | E | F | G |
|----|--|---|--|---------------------------|---------------------------|---------------------------|------------------------------|
| | | | | 2016-2017 Final Budget | 2017-2018 FINAL Budget | 2018-2019 Final Budget | 2019-2020 Proposed Budget |
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
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| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | Expenditure Classification | | | Final Budget 2016-2017 | Final Budget 2017-2018 | Final Budget 2018-2019 | Proposed Budget 2019-2020 |
| 9 | | | | | | | |
| 10 | Services and Supplies | | | | | | |
| 11 | 8402-413.30 4521 INSURANCE | | | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 |
| 12 | 8402-413.30 4510 OFFICE EXPENSE | | | \$250.00 | \$250.00 | \$250.00 | \$250.00 |
| 13 | 8402-413.30 4550 COPIES | | | \$750.00 | \$750.00 | \$750.00 | \$750.00 |
| 14 | 8204-413.30 4530 COMMUNICATIONS | | | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 |
| 15 | 8204-413.30 4641 POSTAGE | | | \$300.00 | \$300.00 | \$300.00 | \$300.00 |
| 16 | 8402-413.30 4830 MEMBERSHIPS | | | \$840.00 | \$899.00 | \$926.00 | \$1,077.00 |
| 17 | 8402-413.30 4310 LEGAL SERVICES | | | \$2,500.00 | \$2,500.00 | \$2,500.00 | \$2,500.00 |
| 18 | 8402-413.30 4331 Exec. Off. Svcs. | | | \$30,000.00 | \$30,000.00 | \$30,000.00 | \$30,000.00 |
| 19 | 8402-413.30 4332 Brown Act/PRA Compliance | | | \$3,500.00 | \$3,500.00 | \$3,500.00 | \$3,500.00 |
| 20 | 8402-413.30 4540 LEGAL NOTICES/PUBLICATIONS | | | \$400.00 | \$400.00 | \$400.00 | \$400.00 |
| 21 | 8402-413.30 4580 TRANS AND TRAVEL (CALAFCO) | | | \$1,500.00 | \$1,500.00 | \$1,500.00 | \$1,500.00 |
| 22 | 8402-413.30 4580 CONFERENCES AND TRAINING | | | \$200.00 | \$200.00 | \$200.00 | \$200.00 |
| 23 | 8402-413.30 4342 Municipal Services Reviews | | | \$14,000.00 | \$14,000.00 | \$14,000.00 | \$14,000.00 |
| 24 | 8402-413.30 4330 Sphere of Influence Updates | | | \$3,000.00 | \$3,000.00 | \$3,000.00 | \$4,000.00 |
| 25 | | | | | | | |
| 26 | Total Services and Supplies | | | \$59,240.00 | \$59,299.00 | \$59,326.00 | \$60,477.00 |
| 27 | | | | | | | |
| 28 | Other Charges | | | | | | |
| 29 | 8402-413.30 4344 SPECIAL DEP EXP (Mapping) | | | \$2,000.00 | \$2,000.00 | \$2,000.00 | \$2,000.00 |
| 30 | 8402-413.30 4340- SPECIAL DEP Exp (File Scanning) | | | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 |
| 31 | 8402-413.30 4333 Financial Services | | | \$1,722.30 | \$1,722.30 | \$1,722.30 | \$1,722.30 |
| 32 | 8402-413.30 4334LAFCO Clerk Reimbursement- City of Susanville | | | \$1,500.00 | \$1,500.00 | \$1,500.00 | \$1,500.00 |
| 33 | TOTAL OTHER CHARGES | | | \$10,222.30 | \$10,222.30 | \$10,222.30 | \$10,222.30 |
| 34 | | | | | | | |
| 35 | Total Expenditures LAFCO | | | \$69,462.30 | \$69,521.30 | \$69,548.30 | \$70,699.30 |
| 36 | | | | | | | |
| 37 | 8402-413.30 4451 Contingency Fund | | | \$6,946.23 | \$6,952.13 | \$6,954.83 | \$7,069.93 |
| 38 | General Reserve Fund | | | | | | |
| 39 | | | | | | | |
| 40 | Total Budget Including Contingency | | | \$76,408.53 | \$76,473.43 | \$76,503.13 | \$77,769.23 |
| 41 | Anticipated carryover including carryover of Contingency funds | | | -\$24,500.00 | -\$24,000.00 | -\$20,000.00 | -\$22,000.00 |
| 42 | funds to be rebudgeted into the next year's budget | | | | | | |
| 43 | Amount to be apportioned between the City and the County | | | \$51,908.53 | \$52,473.43 | \$56,503.13 | \$55,769.23 |

LASSEN LOCAL AGENCY FORMATION COMMISSION

April 8, 2019

The Honorable Robert Rivas
California State Assembly
State Capital Room 5158
Sacramento, CA 95814

Subject: Support of AB 1253

Dear Assembly Member Rivas:

The Lassen Local Agency Formation Commission (LAFCo) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support for Assembly Bill 1253. Sponsored by CALAFCO, the bill establishes a five-year pilot grant program to provide grants to LAFCOs to address known service and governance concerns in disadvantaged communities. This program provides grants to LAFCOs for conducting special in-depth studies and analyses of local government agencies and services for the purposes of creating improved efficiencies in the delivery of local government services and completing the dissolution of inactive special districts. The grant program would be administered by the Strategic Growth Council and sunset on December 31, 2025.

The Legislature established LAFCOs in 1963 to encourage the orderly formation of local government agencies. Since that time, the regulatory role and responsibilities of LAFCOs has substantially increased without additional funding. Operating in all 58 California counties, LAFCOs are responsible for meeting important statutory directives to maintain orderly boundaries and seek greater efficiencies in delivering local services, and yet these directives often times cannot be met under current funding mechanisms. As a result, much needed LAFCo activities are sometimes delayed or rejected.

In August 2017, the Little Hoover Commission published a report on special districts and their oversight by LAFCOs, which contained several recommendations directly related to LAFCo. One recommendation was for the Legislature to provide one-time grant funding to pay for specified LAFCo activities, particularly to incentivize LAFCOs or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes.

According to census data, approximately one-half of the Communities in Lassen County are Disadvantaged or Severely Disadvantaged having Median Household Incomes (MHI) of less than 80% or 60% of the MHI of the state.

By establishing this one-time grant funding, AB 1253 provides an additional tool for LAFCOs to address known service and governance concerns in disadvantaged communities by conducting detailed studies and potentially implementing greater efficiencies in delivering local services based on local circumstances and conditions. For these reasons, Lassen LAFCo is pleased to support AB 1253.

C/O John Benoit, Executive Officer P.O.Box 2694 Granite Bay, California 95746 - ph. (530)
257.0720 email: j.benoit4@icloud.com

LASSEN LOCAL AGENCY FORMATION COMMISSION

Thank you for authoring this important piece of legislation. Please feel free to contact me should you have any questions about Lassen LAFCo's position.

Sincerely yours,

Todd Eid
Lassen LAFCo Chair

Cc: Senator Robert Hertzberg, co-author
Senator Anna Caballero, co-author
Pamela Miller, Executive Director, CALAFCO

LASSEN LOCAL AGENCY FORMATION COMMISSION

April 8, 2019

The Honorable Eloise Gómez Reyes
California State Assembly
State Capital Room 2175
Sacramento, CA 95814

Subject: Support for AB 213

Dear Assembly Member Reyes:

The Lassen Local Agency Formation Commission (LAFCo) is pleased to support **Assembly Bill 213**. This bill would restore funding to approximately 140 cities that had annexed inhabited territory in reliance on previous financial incentives, then suffered significant fiscal harm when those funds were swept away due to the passage SB 89 (2011). The bill also offers similar incentives to support future annexations of inhabited territory to improve services to affected residents consistent with state LAFCo policies.

The VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature had directed LAFCos to work with cities to annex unincorporated inhabited islands. The loss of financial incentive for these inhabited annexations has made it difficult for LAFCos to follow this legislative directive.

Reinstating revenues for annexations is consistent with statewide LAFCo legislative policies of providing communities with local governance and efficient service delivery options, including the ability to annex. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl. Because **AB 213** reinstates a critical funding component to cities who previously annexed inhabited territory and did so relying on this financing, and to those cities who annex inhabited territory in the future, Lassen LAFCo supports this bill.

Thank you for carrying this important legislation. Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,

Todd Eid
Lassen LAFCo Chair

Cc: Pamela Miller, Executive Director, CALAFCO
Dan Carrigg, Deputy Executive Director and Legislative Director, League of CA Cities

C/O John Benoit, Executive Officer P.O.Box 2694 Granite Bay, California 95746 - ph. (530)
257.0720 email: j.benoit4@icloud.com

Lassen Local Agency Formation Commission

CLAIMS

February 2019 & March 2019

Authorize payment of the following claims (FY 2018-2019 Expenses):

| <u>Date of Claim</u> | <u>Description</u> | <u>Amount</u> |
|----------------------|--|---------------|
| Apr 1, 2019 | Staff Svcs & Expenses –February 2019 | \$ 3,629.93 |
| Apr 1, 2019 | Staff Svcs & Expenses – March 2019 | \$ 4,188.78 |
| Mar 26, 2019 | Feather Pub Notice for 19-20 Prop Budget | \$ 36.40 |
| TOTAL: | | \$ 7,855.11 |

DATED: April 8, 2019

APPROVED: April 8, 2019

Todd Eid, Chair or Joe Franco, Vice-Chair
Lassen Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

2018-2019 Expenditures

Lassen LAFCO

| Item | Insurance | Office Expens | copies | Communication: | Postage | Memberships | Legal Svcs | Ex. OFF. Svcs | Brown Act | Publications |
|---|--------------------|------------------|------------------|--------------------|------------------|------------------|--------------------|---------------------|--------------------|------------------|
| Account Number | 4521 | 4610 | 4550 | 4530 | 4641 | 4830 | 4310 | 4331 | 4332 | 4540 |
| Total Budgeted | \$ 1,000.00 | \$ 250.00 | \$ 750.00 | \$ 1,000.00 | \$ 300.00 | \$ 926.00 | \$ 2,500.00 | \$ 30,000.00 | \$ 3,500.00 | \$ 400.00 |
| Calafco Dues 2018-2019 | | | | | | | | | | |
| Staff Svcs June 2018 | | | \$ (39.00) | \$ (67.08) | \$ (7.98) | \$ (925.00) | | \$ (2,500.00) | \$ (500.00) | |
| Staff Svcs July 2018 | | | | \$ (67.77) | | | | \$ (2,500.00) | | |
| Calafco Conf. Registration- franco | | | | | | | | | | |
| Staff Svcs August 2018 | | | \$ (36.70) | \$ (67.05) | \$ (13.38) | | | \$ (2,500.00) | \$ (500.00) | |
| Staff Svcs Sept 2018 | | | | \$ (67.77) | | | | \$ (2,000.00) | | |
| Feather Publishing Conflict of Int Update | | | | | | | | | | \$ (36.40) |
| Susanville Invoice 1002749 6.30.18 FY 2017-2018 Expense | | | | | | | | | | |
| Staff Svcs Oct 2018 | | | \$ (46.40) | \$ (88.53) | \$ (7.86) | | | \$ (2,500.00) | \$ (500.00) | |
| Staff Svcs Nov 2018 | | | \$ (18.60) | \$ (62.84) | | | | \$ (1,500.00) | | |
| Joe Franco Conf. Reimb #1002830 | | | | | | | | | | |
| Staff SVCS Dec 2018 | | | \$ (20.00) | \$ (62.55) | \$ (28.40) | | | \$ (2,782.50) | \$ (500.00) | |
| Staff Svcs Jan 2019 | | | | \$ (64.66) | | | | \$ (1,572.50) | | |
| Feather Pub Public Mem alt recruit | | | | | | | | | | \$ (80.60) |
| Insurance for FY 18-19 Lassen Co. | \$ (1,000.00) | | | | | | | | | |
| Staff Svcs Feb 2019 | | | \$ (25.30) | \$ (64.33) | \$ (2.80) | | | \$ (2,867.50) | \$ (500.00) | |
| Staff Svcs March 2019 | | | | \$ (66.28) | | | | | | |
| Feather Publishing 19-20 Bud notice | | | | | | | | \$ (2,592.50) | | \$ (36.40) |

| | | | | | | | | | | |
|------------------------|----------------------|------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-----------------------|----------------------|--------------------|
| TOTAL EXPENDED | \$ (1,000.00) | \$ - | \$ (186.00) | \$ (678.86) | \$ (60.42) | \$ (925.00) | \$ - | \$ (23,315.00) | \$ (2,500.00) | \$ (153.40) |
| TOTAL REMAINING | \$ - | \$ 250.00 | \$ 564.00 | \$ 321.14 | \$ 239.58 | \$ 1.00 | \$ 2,500.00 | \$ 6,685.00 | \$ 1,000.00 | \$ 246.60 |

2018-2019 Expenditures

Lassen LAFCO

| Travel 4580 | Training 4580 | MSR's 4342 | SOI 4330 | Mapping 4340 | Tech SVCS 4340 | File Scan 4340 | Fin Svcs 4333 | Clerk-City 4334 | TOTAL BUDGET | Total Budget | Contingency |
|----------------|------------------|----------------|-------------|-----------------|-------------------|-------------------|------------------|--------------------|-----------------|--------------------|-------------|
| \$ 1,500.00 | \$ 200.00 | \$ 14,000.00 | \$ 3,000.00 | \$ 2,000.00 | \$ 5,000.00 | \$ 1,722.30 | \$ 1,500.00 | \$ 69,548.30 | \$ 69,548.30 | 4451 \$6,954.83 | |
| | | \$ (792.50) | | | | | | (925.00) | \$ | | |
| \$ (520.00) | | \$ (1,261.25) | | | | | | (3,906.56) | \$ | | |
| | | \$ (1,982.50) | | | | | | (3,829.02) | \$ | | |
| | | \$ (1,570.00) | | | | | | (520.00) | \$ | | |
| | | | | | | | | (5,099.63) | \$ | | |
| | | | | | | | | (3,637.77) | \$ | | |
| \$ (281.17) | | \$ (1,047.50) | | | | | | (36.40) | \$ | -\$8,773.80 | |
| \$ (933.83) | | \$ (2,027.50) | | | | | | (3,181.49) | \$ | -\$3,181.49 | |
| | | | | | | | | (4,471.46) | \$ | | |
| | | | | | | | | (3,608.94) | \$ | | |
| | | | | | | | | (933.83) | \$ | | |
| | | \$ (1,912.50) | | | | (850.00) | | (3,393.45) | \$ | -\$9,014.23 | |
| | | | | | | | | (4,399.66) | \$ | | |
| | | | | | | | | (80.60) | \$ | | |
| | | | | | | | | (1,000.00) | \$ | | |
| | | \$ (1,530.00) | | \$ (170.00) | | | | (3,629.93) | \$ | -\$8,873.71 | |
| | | | | | | | | (4,188.78) | \$ | | |
| | | | | | | | | (36.40) | \$ | -\$7,855.11 | |
| | | | | | | | | - | \$ | | |
| | | | | | | | | - | \$ | | |
| | | | | | | | | - | \$ | | |
| | | | | | | | | - | \$ | \$0.00 | |
| \$ (1,735.00) | \$ - | \$ (12,123.75) | \$ - | \$ (170.00) | \$ (850.00) | \$ (2,347.79) | \$ (833.70) | \$ (46,878.92) | | | |
| \$ (235.00) | \$ 200.00 | \$ 1,876.25 | \$ 3,000.00 | \$ 1,830.00 | \$ 4,150.00 | \$ (625.49) | \$ 666.30 | \$ 22,669.38 | | | |
| | | | | | | | | \$ 69,548.30 | | | |
| | | | | | | | | - | | | |

Reserve Fund
City/CO Contrib
Interest Revenue
17-18
from 17-18
YTD Expens
Cash Balance

Agency
Project Rev
CARROVER

Audited

INVOICE

Feather Publishing Co. Inc.

P.O. Box B Quincy, CA 95971

Date: March 26, 2019

LAFCO-Lassen
Box 2694
Granite Bay, CA 95746

Henry -

Publish: Budget notice

TOTAL DUE: \$ 36.40

Feather Publishing Co., Inc. P.O. Box B Quincy, CA 95971

Feather River Bulletin

Indian Valley Record

Chester Progressive

Portola Reporter

Lassen Co. Times

Westwood PinePress

FEATHER PUBLISHING CO., INC.

(530) 283-0800

P.O. BOX B, QUINCY, CA 95971

STATE OF CALIFORNIA }
 County of Plumas } ss.
 and/or Lassen

Keri B. Taborski deposes and says: That she is the principal clerk for the publisher of the

- | | |
|--|---|
| <input type="checkbox"/> FEATHER RIVER BULLETIN Quincy, Plumas County Adjudication Decree #4644 | <input type="checkbox"/> U.S. RECORD Greenville, Plumas County Adjudication Decree #5462 |
| <input type="checkbox"/> Chester Progressive Chester, Plumas County Adjudication Decree #5956 | <input type="checkbox"/> PORTOLA REPORTER Portola, Plumas County Adjudication Decree #2497 |
| <input checked="" type="checkbox"/> Times Susanville, Lassen County Adjudication Decree #15466 | |

that the Lassen LAFCo, re: budget

of which the attached is a true printed copy, was published in the weekly issue of said newspaper(s) as indicated above (and not in a supplement thereof) for One

consecutive week(s), beginning March 26, 2019 and ending March 26, 2019, both dates inclusive, to wit: March 26, 2019

Date: March 26, 2019 /s/ _____

Keri B. Taborski

LASSEN LOCAL AGENCY FORMATION COMMISSION NOTICE OF PUBLIC HEARING

Notice is hereby given by the Lassen Local Agency Formation Commission that a public hearing will be held on Monday April 8th, 2019 at 3:00 pm at the Board of Supervisor's Chambers, at 707 Nevada Street, Susanville, CA regarding the following items:

1. Consideration of the 2019-2020 proposed LAFCo budget. The Commission will consider the proposed 2019-2020 budget and make a preliminary determination thereon by the Commission. Any person may be heard regarding the increase, decrease, or omission of any item from the budget or for the inclusion of additional items.

Please call LAFCo staff at (530) 257-0720 for more information. A copy of the Executive Officer Reports will be available 5 days prior to the hearing at the LAFCo website at www.lassenlafco.org or at Susanville City Hall.

LOCAL AGENCY FORMATION COMMISSION
 JOHN BENOIT, EXECUTIVE OFFICER
 Published LCT
 March 26, 2019

INVOICE February 2019

John Benoit

P.O. Box 2694
Granite Bay, CA 95746
Tel: (530) 257-0720
Fax (530) 797-7631

Invoice number: **2019-0030**

Invoice date: 1-Apr-19

Vender ID #

Client name: Lassen LAFCO c/o City of Susanville
Address: 66 North Lassen Street
City, state, postal code: Susanville, CA 96130-3904

Telephone:

Fax:

PO number:

| Lafco Staff | Hours | | Start / End Date | Amount |
|-----------------------|-------|------------|------------------|------------|
| John Benoit | 39.50 | Staff Svcs | Feb 1-28, 2019 | \$3,367.50 |
| Jennifer Stephenson | | | | |
| Dennis Miller | 2.00 | | | 170.00 |
| Christy Leighton | | | | 0.00 |
| File Scanning project | | | | 0.00 |
| | | | | |
| | | | | |

Total activity cost: \$3,537.50

| Materials / Other Expenses | Reason / Vendor | Amount |
|----------------------------|-----------------|----------|
| Reproduction Costs | Feb 9th Packet | \$25.30 |
| Postage | Feb 9th packet | \$2.80 |
| Phone & Communications | Comm Feb 2019 | \$ 64.33 |
| Office Supplies | | |
| Travel Exp. | | |
| Web Domain | | |
| | | |
| | | |

Total materials cost: \$92.43

Total billing: \$ 3,629.93

Lassen LAFCO

February 2019

| DATE | Activity | Direct Expense | Cost | Hours | Amount |
|-----------|---|---------------------|-------------------|-------|-------------|
| 1-Feb-19 | LAFCo packets and admin and financials | | | | |
| 2-Feb-19 | copies | print and copy mail | \$25.30 \$2.80 | 6 | \$ 510.00 |
| 3-Feb-19 | | | | | - |
| 4-Feb-19 | | | | | - |
| 5-Feb-19 | | | | | - |
| 6-Feb-19 | | | | | - |
| 7-Feb-19 | Meeting prep | comm | \$19.21 | | - |
| 8-Feb-19 | | | | 3 | \$ 255.00 |
| 9-Feb-19 | LAFCo meeting County Clerk | Front Ph | \$25.05 | | - |
| 10-Feb-19 | In county misc | | | 7 | \$ 600.00 |
| 11-Feb-19 | After meeting admin and financials | | | 7 | \$ 600.00 |
| 12-Feb-19 | | | | 5 | \$ 425.00 |
| 13-Feb-19 | General Admin | | | | - |
| 14-Feb-19 | | | | 2.5 | \$ 212.50 |
| 15-Feb-19 | | | | | - |
| 16-Feb-19 | Mapping acreages for Fire Agencies calculation - dm | | | 2 | \$ 170.00 |
| 17-Feb-19 | | | | | - |
| 18-Feb-19 | | | | | - |
| 19-Feb-19 | | | | | - |
| 20-Feb-19 | | | | | - |
| 21-Feb-19 | | | | | - |
| 22-Feb-19 | | | | | - |
| 23-Feb-19 | | | | | - |
| 24-Feb-19 | Misc comm Admin and Financials | | | 4 | \$ 340.00 |
| 25-Feb-19 | | | | | - |
| 26-Feb-19 | | | | | - |
| 27-Feb-19 | Admin general | comm | \$20.07 | | - |
| 28-Feb-19 | land use law | | | 3 | \$ 255.00 |
| 1-Mar-19 | | | | 2 | \$ 170.00 |
| 2-Mar-19 | | | | | - |
| 3-Mar-19 | | | | | - |
| | | | | | - |
| | | | | | - |
| SUBTOTAL | | | \$92.43 | 41.5 | \$ 3,537.50 |
| TOTAL | | | | | \$ 3,629.93 |

INVOICE March 2019

John Benoit

P.O. Box 2694
Granite Bay, CA 95746
Tel: (530) 257-0720
Fax (530) 797-7631

Invoice number: **2019-0031**

Invoice date: 1-Apr-19

Vender ID #

Client name: Lassen LAFCO c/o City of Susanville

Address: 66 North Lassen Street

City, state, postal code: Susanville, CA 96130-3904

Telephone:

Fax:

PO number:

| Lafco Staff | Hours | | Start / End Date | Amount |
|-----------------------|-------|------------|------------------|------------|
| John Benoit | 22.50 | Staff Svcs | Mar 1-31, 2019 | \$1,912.50 |
| Jennifer Stephenson | 8.00 | | | \$ 680.00 |
| Dennis Miller | | | | 0.00 |
| Christy Leighton | 18.00 | | | 1,530.00 |
| File Scanning project | | | | |
| | | | | |
| | | | | |

Total activity cost: \$4,122.50

| Materials / Other Expenses | Reason / Vendor | Amount |
|----------------------------|-----------------|----------|
| Reproduction Costs | | |
| Postage | | |
| Phone & Communications | Comm Mar 2019 | \$ 66.28 |
| Office Supplies | | |
| Travel Exp. | | |
| Web Domain | | |
| | | |
| | | |

Total materials cost: \$66.28

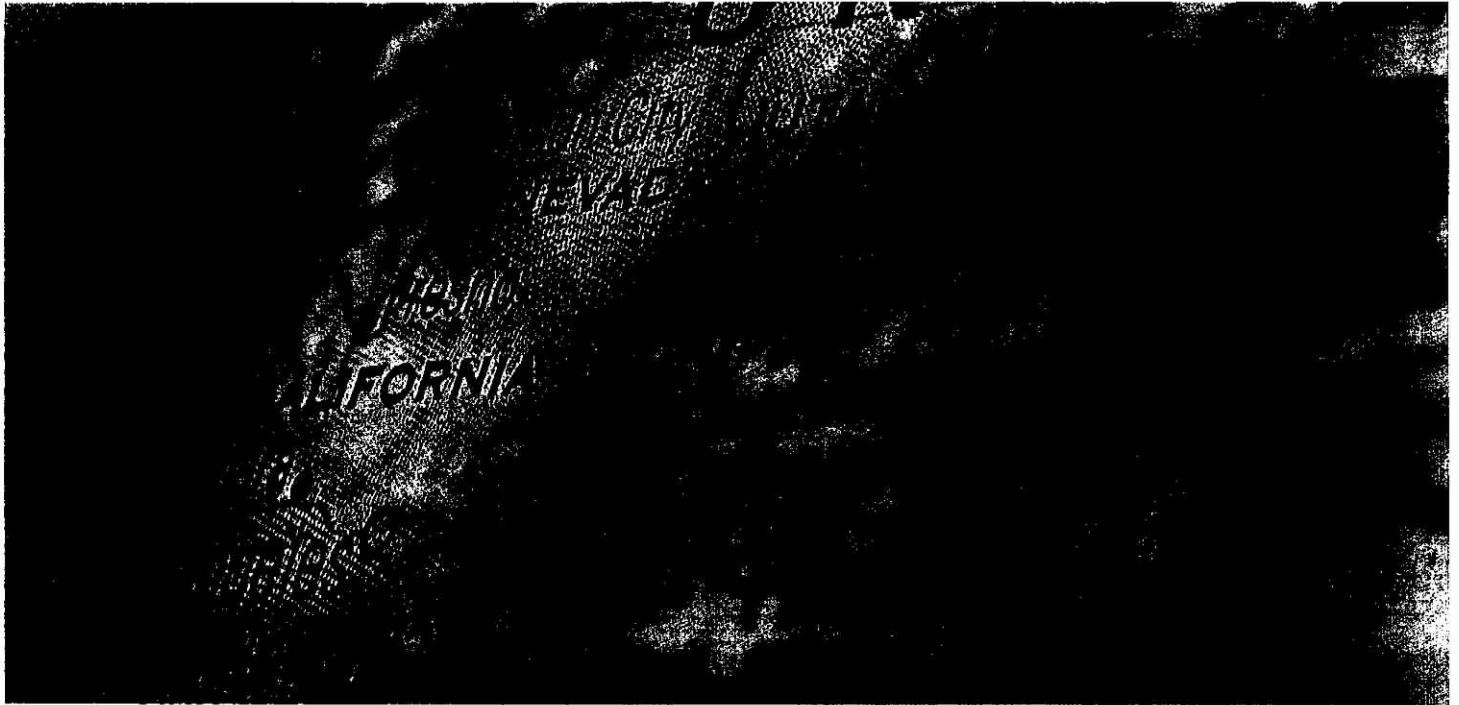
Total billing: \$ 4,188.78

TIMESHEET for John Benoit

Lassen LAFCO

March 2019

| DATE | Activity | Direct Expense | Cost | Hours | Amount |
|-----------|---|----------------|---------|-------|-------------|
| 1-Mar-19 | | | | | \$ - |
| 2-Mar-19 | | | | | \$ - |
| 3-Mar-19 | Misc Fire MSr insurance | | | 1 | \$ 85.00 |
| 4-Mar-19 | | | \$19.21 | | \$ - |
| 5-Mar-19 | LAFCo Admin misc. js | comm | | 8 | \$ 680.00 |
| 6-Mar-19 | | | | | \$ - |
| 7-Mar-19 | | Front PH | \$26.46 | | \$ - |
| 8-Mar-19 | Fire msr writing cl | | | 8 | \$ 680.00 |
| 9-Mar-19 | | | | | \$ - |
| 10-Mar-19 | | | | | \$ - |
| 11-Mar-19 | | | | | \$ - |
| 12-Mar-19 | | | | | \$ - |
| 13-Mar-19 | | | | | \$ - |
| 14-Mar-19 | | | | | \$ - |
| 15-Mar-19 | | | | | \$ - |
| 16-Mar-19 | fire msr writing cl | | | 6 | \$ 510.00 |
| 17-Mar-19 | | | | | \$ - |
| 18-Mar-19 | comm with Lake Forest FPD regarding MSR and SOI | | | 0.5 | \$ 42.50 |
| 19-Mar-19 | | wave | \$20.61 | | \$ - |
| 20-Mar-19 | | | | | \$ - |
| 21-Mar-19 | Notice for Prop Budget | | | 1 | \$ 85.00 |
| 22-Mar-19 | | | | | \$ - |
| 23-Mar-19 | | | | | \$ - |
| 24-Mar-19 | | | | | \$ - |
| 25-Mar-19 | Fire MSR and soi cl and jb | | | 6.5 | \$ 552.50 |
| 26-Mar-19 | | | | | \$ - |
| 27-Mar-19 | | | | | \$ - |
| 28-Mar-19 | Gen admin and financials | | | 3 | \$ 255.00 |
| 29-Mar-19 | LAFCo packets and Budget report | | | 7.5 | \$ 637.50 |
| 30-Mar-19 | LAFCo packets | | | 7 | \$ 595.00 |
| 31-Mar-19 | | | | | \$ - |
| SUBTOTAL | | | | | \$ 4,122.50 |
| TOTAL | | | | | \$ 4,188.78 |



LAFCOs & Involuntary Dissolutions and Consolidations – Strategies for Responding and Staying Engaged

By Gary B. Bell and Matthew T. Summers, Colantuono, Highsmith & Whatley, PC

Across the state, Local Agency Formation Commissions are increasing their oversight of special districts and have even initiated or pursued involuntary dissolutions or consolidations of several districts. District Boards and Managers should be prepared for this possibility and consider strategies to respond to these efforts.

Local Agency Formation Commissions (“LAFCOs”), created under the Cortese-Knox-Hertzberg Local Government Reorganization Act, are tasked by the Legislature with ensuring orderly growth and rational organization of local governments. Special Districts have not been an area of focus for some LAFCOs. That changed following a 2017 Little Hoover Commission report that called on LAFCOs to complete municipal service reviews for all special districts to specifically identify candidate districts for involuntary dissolutions or consolidations.

Every five years, each LAFCO must complete a municipal service review and evaluate the sphere of influence for every

special district. (Government Code, §§ 56425 & 56430.) This includes reviewing the scope and quality of services provided by the district and how those services integrate into the community and other agencies’ services. Districts are well-served to participate in this process, as it provides an opportunity to demonstrate to LAFCO and other observers the strength and depth of the district’s programs and stewardship of its financial resources.

Recently, several LAFCOs and counties have taken up the Little Hoover Commission’s charge and initiated involuntary dissolutions of special districts, including healthcare

districts lacking hospitals and fire protection districts with volunteer firefighters. Civil grand juries have also sparked several involuntary dissolution attempts, citing perceived inefficiencies. It begins with a concern that a district is not serving its community well. A proactive approach to help avoid this, besides providing high quality services, is to try to ensure that residents and community members understand which agency provides those services. Websites, board meetings, and community events all are opportunities to improve direct connections between a district's residents and its services, board members, and staff. Resident support is critical for a district fighting an involuntary dissolution, as sufficient resident protests can block a dissolution.

An involuntary dissolution formally begins in two ways. First, LAFCO itself can adopt a resolution initiating a dissolution. (Government Code, § 56375.) A LAFCO initiated proposal must stem from a municipal service review or other evaluation of local governments and their organization. In the resolution, LAFCO must find involuntary dissolution or consolidation will cause lower or similar costs of providing public services and will promote greater public accountability and stewardship of taxpayer resources. (Government Code, § 56881.) Effective participation in the municipal service review process and strong special district representation on the LAFCO, for those counties with special district representatives, can avoid surprise resolutions initiating dissolutions.

Second, a county, city, or other local government can adopt a resolution of application, asking LAFCO to approve the involuntary dissolution. (Government Code, § 56654.) The resolution must include a comprehensive plan for providing services via successor entities.

(Government Code, § 56653.) The other agency must provide at least twenty-one days' notice to LAFCO and the affected agencies before adopting the resolution. (Government Code, § 56654.)

Next, the affected agencies, including the county and any other proposed successor agencies, negotiate a property tax exchange agreement. (Revenue and Taxation Code, § 99.) Under this section, the county assessor and county auditor-controller provide information about existing property tax allocations and revenues to the affected agencies. The County is then empowered to negotiate with those agencies to determine how the agencies will exchange property tax revenues among themselves. However, when "a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors shall, on behalf of the district or districts, negotiate any exchange of property tax revenues." (Id., § 99, subd. (b)(5).) If the affected parties cannot agree, then the dissolution cannot proceed. (Greenwood Addition Homeowners Ass'n. v. City of San Marino (1993) 14

Cal.App.4th 1360, 1377.) However, the county resolution binds a special district, so the district has no veto, unlike a city. (Revenue and Taxation Code, § 99, subd. (b)(5).)

Once the property tax exchange agreement is approved and any remaining elements of the application are complete, LAFCO must issue a certificate of filing and set the matter for a public hearing within ninety days. (Government Code, § 56658.) LAFCO has broad discretion to approve or reject the dissolution. (Government Code, § 56881.) If approved, LAFCO may impose terms on a broad range of subjects listed in Government Code section 56886, including how a district's assets should be distributed; whether any special fees, assessments, and taxes it imposes will continue; how its employees will be treated; and how and by whom successor services will be provided to the public. (Government Code, § 56886.)

LAFCO approval is not the final step. Instead, LAFCO approval sets the stage for a protest hearing. During this noticed, public hearing, LAFCO accepts

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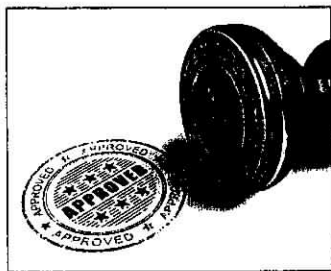
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written protests against dissolution by voters and property owners in the District. The rules for the protest hearing vary depending on who initiated the dissolution. The default rule is written protests by 25% of voters or 25% of landowners owning

at least 25% of the area's assessed value force an election to confirm the dissolution in inhabited areas. (Government Code, § 57077.1, subd. (b).) However, a special statute designed to ease district dissolution requires a majority protest by 50% of voters to force an election if an affected local agency, such as the county, initiated the dissolution and it follows a prior LAFCO determination under Government Code sections 56378 (special study), 56425 (sphere of influence change), or 56430 (municipal service review). (Government Code, § 57077.1, subd. (c).) If the protest threshold is met or exceeded, then the dissolution is dead; if not then LAFCO may dissolve the district without an election. This special statute is one of the key reasons districts need to be vigilant in participating in LAFCO service reviews, to prevent misinformation and avoid early determinations that could facilitate easier dissolutions.

Districts should expect more oversight and scrutiny by LAFCOs in the future, through municipal service reviews and possible dissolutions and consolidations. Districts wishing to prevent the possibility of an involuntary dissolution have several tools available to stay engaged with their community and their local LAFCO. Most important, visibly providing high-quality services to their residents helps ensure that communities understand the value of their special districts and the benefits of locally elected control of services and associated revenues — creating a basis to call on those residents to submit a majority protest to stop the dissolution. Participating in LAFCO, including by working with LAFCO staff during municipal service reviews and by serving on the commission to ensure a special district vote regarding the proposal, allows districts to ensure their voices are heard in the process. However, once a dissolution or consolidation is confirmed through the protest procedures or an election, challenging the LAFCO decision in court may be an uphill battle, steep to climb.

For more information, please attend CSDA's webinar on April 3, 2019 at 10AM, "Cradle to Grave: Special District LAFCO Involvement."

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