
**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT**

AGENDA ITEM No. 8

DATE: January 13, 2010
TO: Local Agency Formation Commission
FROM: Jeff Witte, Executive Officer
SUBJECT: Payment of Annual Contribution – Failure of City of Huron to Pay FY 2009-2010 Contribution to LAFCo

Background: The *Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000* contains provisions for providing financial support to LAFCo. Section 56381 provides that the Commission adopt an annual budget and that the County Auditor apportion the net operating expenses to Fresno County and its fifteen cities. The cities' share is apportioned in proportion to each city's total revenues, as reported in the most recent edition of the *Cities Annual Report* published by the Controller, as a percentage of the combined city revenues within a county.

On June 19, 2009, the County Auditor sent to the City of Huron a notice requesting payment for Huron's portion of LAFCo's budget as required by State law (see Exhibit "A"). The letter requested payment of \$900.90 to be sent to the County Auditor. Additional notice and payment requests were made by Robert Delay of the Auditor's Office via email to the City's Financial Director on September 14th and November 23rd without response (see Exhibit "B").

Staff Analysis:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 under Section 56381 states:

If the county, a city, or an independent special district does not remit its required payment within 60 days, the commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the county, city, or district. The auditor shall provide written notice to the county, city, or special district prior to appropriating a share of the property tax or other revenue to the commission for the payment due the commission pursuant to this section. Any expenses incurred by the commission or the auditor in collecting late payments or successfully challenging nonpayment shall be added to the payment owed to the commission.

Since the City of Huron has yet to respond to the Auditor's request, it is not known what special circumstances exist in relationship to non-payment by the City. Staff felt it necessary to place this item on the agenda to allow the City an opportunity to address the Commission. While staff can sympathize with the adverse financial situations being experienced by all local governments, allowing a city not to pay its fair share could set a precedent that could negatively impact future LAFCo operations. State law also allows LAFCo and the Auditor's Office a right to claim expenses incurred for seeking the late payment.

Recommendation: Staff recommends that the County Auditor be requested to move forward to collect the \$900.90 payment for LAFCo within sixty (60) days if payment is not received. If the City fails to make said payment within said sixty (60) days, the Commission directs the County Auditor/Controller's Office and LAFCo staff to collect an additional amount to cover all required administrative expenses necessary to collect such payment.



County of Fresno

VICKI CROW, C.P.A.
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

June 19, 2008

Frank Steenport,
Acting City Manager
City of Huron
P.O. BOX 339
Huron, CA 93234

Dear Mr. Steenport:

In accordance with Cortese-Knox-Hertzberg AB 2838, California Government Code Sections 56000-57404, we are requesting payment for your city's portion of the County of Fresno's Local Agency Formation Commission's (LAFCO) budget for the fiscal year 2009-2010. Please remit \$900.90 to the County of Fresno's Auditor-Controller/Treasurer-Tax Collector's office in the enclosed envelope.

If you have any questions regarding this matter, please feel free to call Robert DeLay or Jason Derrick of our Financial Reporting and Audits Division at (559) 488-3496.

Sincerely,

A handwritten signature in cursive script that reads "Vicki Crow".

Vicki Crow, C.P.A.
Auditor-Controller/Treasurer-Tax Collector

VC:rd:sf

Exhibit "B"

From: Delay, Robert
Sent: Monday, September 14, 2009 1:05 PM
To: 'findir@cityofhuron.com'
Subject: LAFCO budget contribution BY2009-10 for the City of Huron

Good afternoon,

As of today we haven't received your cities contribution for LAFCO's FY2009-10 budget that was requested on the letter we sent on June the 19th of this year. Please check your records and let us know when payment will be made. As you are aware LAFCO's authority for this request is AB2838 Californian Government Code Sections 56000-57404 which does state that there is a 60 day window for payment.

Thank you, and please remit \$900.90 to the County of Fresno's Auditor-Controller/Treasurer-Tax Collectors office at

P.O. Box1247
Fresno, California 93715-1247

From: Juanita Veliz [mailto:admasst@cityofhuron.com]
Sent: Monday, November 23, 2009 9:03 AM
To: Delay, Robert
Cc: gforde41@yahoo.com; jcastro001@yahoo.com
Subject: RE: Lafco BY2009-10 Huron's contribution

It was received and I will forward it to the city manager Jerry Forde and finance director Jack Castro. Thanks.

From: Delay, Robert [mailto:RDelay@co.fresno.ca.us]
Sent: Friday, November 20, 2009 2:57 PM
To: 'FINDIR@CITYOFHURON.COM'
Cc: 'ctymgr@cityofhuron.com'; 'admasst@cityofhuron.com'; Ballantyne, Richard
Subject: Lafco BY2009-10 Huron's contribution

Good afternoon,

This is the third contact concerning the contribution to LAFCo of \$900.90 the City of Huron is responsible for.
If you have any questions please contact: