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

AGENDA ITEM No. 11

DATE: **June 9, 2010**

TO: **Fresno Local Agency Formation Commission**

FROM: **Jeff Witte, Executive Officer**

SUBJECT: **Revised Resolution #59 Regarding the establishment of an independent financial system.**

Recommendation: Approve Revisions

Adopt Revised Resolution #59 that would authorize the Executive Officer to request the County Auditor to maintain a special LAFCo account balance of \$15,000 to reimburse the County's General Fund for payroll purposes.

Background:

On April 14, 2009, staff presented a report outlining the remaining steps necessary for LAFCo to become an independent agency. At that meeting, the Commission adopted a resolution that authorized the Executive Officer to open a bank account for LAFCo to deposit to, and draw funds from, enter into a contract with ADP to process checks for LAFCo, and request the County Auditor-Controller to transfer any remaining funds remaining with the County, to the bank.

The County of Fresno has requested LAFCo to maintain an account of \$15,000 with the County for payroll purposes. Under this plan, LAFCo would deposit money into the account so the County could draw funds to meet bi-weekly pay and benefits obligations for the two County employees. LAFCo staff does not have any objection to this request.

Steps Following Approval:

1. Transmit resolution to Fresno County.
2. Work with the County and ADP to transfer funds sufficient to maintain a balance as discussed in this resolution on a monthly basis.

RESOLUTION NO. 59
FRESNO LOCAL AGENCY FORMATION COMMISSION
FRESNO COUNTY, CALIFORNIA

IN THE MATTER OF

LAFCO DETERMINATION

REQUEST CONSIDERATION OF REVISED INDEPENDENT FINANCIAL SYSTEM)))))	APPROVED INDEPENDENT FINANCIAL SYSTEM AND AUTHORIZED EXECUTIVE OFFICER TO ENTER INTO AN AGREEMENT WITH ADP AND OPEN A BANK ACCOUNT WITH CENTRAL VALLEY COMMUNITY BANK
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WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 contains provisions providing for Local Agency Formation Commissions to become independent from county government; and

WHEREAS, on November 4, 2009, the Commission considered authorizing the Chair and Executive Officer to enter into the Third Amended and Restated Professional Services Agreement, and delegated staff the authority to make immaterial revisions to the Third Amendment as requested by the County and to extend the effective date of January 11, 2010 as necessary to effectuate the purposes of the Third Amendment; and

WHEREAS, during its April 14, 2010, meeting, the Commission was presented with options with respect to the transition of financial services previously provided by the County Auditor to private firms; and

WHEREAS, this Commission considered all relevant factors and heard all interested parties wishing to speak on said application; and

NOW, THEREFORE, BE IT RESOLVED that the Fresno Local Agency Formation Commission does HEREBY STATE, FIND, RESOLVE, DETERMINE, AND ORDER as follows:

1. This Commission authorized the Executive Officer to open a bank account with Central Valley Community Bank for the purpose of receiving deposits and issuing funds to pay financial obligations.
2. This Commission directed LAFCo staff to deposit future revenues from fees and assessments in the bank account created for this purpose.
3. This Commission authorized the Executive Officer to request the County Auditor to deposit the sum of \$15,000.00 into a special LAFCo reserve account in order to cover costs associated with the County's provision of professional services, including personnel, to LAFCo. The funds in the reserve account would earn interest at the County's customary rate.
4. This Commission authorized the Executive Officer to request the County Auditor to transfer the remainder of all funds including any interest that is earned to the

LAFCo bank account after 45 days and pending review of the process by Fresno County.

- 5. This Commission authorized the Executive Officer to enter into an agreement with ADP for the purpose of preparing and issuing checks to pay bills and obligations for LAFCo, and to provide a monthly accounting of expenses.
- 6. This Commission authorized the Executive Officer to establish a policy of providing the Commission with a monthly report on the expenses from the previous month and bank balance.
- 7. This Commission authorized the Executive Officer to establish a policy of having a biennial audit and an audit with the change of each Executive Officer.

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ADOPTED THIS 9th DAY OF JUNE, 2010, BY THE FOLLOWING VOTE:

AYES: Commissioners

NOES: None

ABSENT: None

**STATE OF CALIFORNIA)
COUNTY OF FRESNO)**

CERTIFICATION

I, Victor Lopez, Chairman of the Fresno Local Agency Formation Commission (LAFCo), Fresno County, State of California, hereby certify that the foregoing resolution was adopted by the Commission on the 9th day of June, 2010.

**Victor Lopez, Chairman
Fresno Local Agency Formation Commission**