

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

**MEETING MINUTES
NOVEMBER 14, 2018**

Members Present: Commissioners Pacheco, Parra, Silva, Santoyo

Members Absent: Commissioner Quintero

Staff Present: David Fey, LAFCo Executive Officer
Ken Price, LAFCo Counsel
George Uc, Senior LAFCo Analyst
Juan Lara, LAFCo Analyst II
Amanda Graham, LAFCo Office Assistant

1. Call to Order and Roll Call

Chair Pro Tem Santoyo called the meeting to order at 1:30 p.m.

2. Pledge of Allegiance

Chair Pro Tem Santoyo led the Pledge of Allegiance.

3. Comments from the Public

There were no comments from the public.

4. Potential Conflicts of Interest

Commissioner Parra disclosed he has a potential conflict of interest on an item on the consent agenda and will recuse himself.

Commissioner Parra stepped out of the room.

CONSENT AGENDA

- 5-A. Minutes from the LAFCo Meeting of September 5, 2018.**
- 5-B. Minutes from the LAFCo Meeting of October 10, 2018.**
- 5-C. Destruction of LAFCo Records Pursuant to Govt. Code Sec. 56382.**
- 5-D. City of Clovis "Nees-Armstrong Northeast No. 2 Reorganization."**
- 5-E. City of Clovis "Shepherd-Sunnyside Northwest Reorganization."**
- 5-F. City of Reedley "Manning-Buttonwillow Reorganization."**

5-G. Correspondence from the City of Fresno Regarding SEDA Specific Planning.

LAFCo Counsel Ken Price clarified that Commissioner Parra recused himself from voting on consent agenda item 5-F City of Reedley "Manning-Buttonwillow Reorganization" due to his relationship with United Healthcare Centers.

Commissioner Silva made a motion to approve consent agenda items 5 A-G, seconded by Commissioner Pacheco. The Commission approved the consent agenda items 5 A-G by a vote of 3-0-1-1.

REGULAR AGENDA ITEMS

6. Amendment of Fresno LAFCo's Financial and Accounting Procedures to Perform an Annual Financial Audit in Place of Current Biennial Audit.

Office Assistant Amanda Graham presented staff's report: The Commission's Financial and Accounting Procedures stipulate that a financial audit be conducted every two years, when there is a change in Executive Officer, or upon the Commission's direction. Staff finds that there are economies of scale to be gained by conducting an audit annually instead of every other year. If the Commission approves this amendment, staff will issue a request for proposals from qualified accounting firms and return to the Commission with a recommendation.

Commissioner Silva agreed with staff performing an annual financial audit in place of a biennial audit.

Commissioner Pacheco asked if past financial audits revealed discrepancies or issues. Executive Officer David Fey replied that recent audits made note of administrative improvements or procedures to clarify record keeping but did not find anything of significance. Commissioner Pacheco asked how much more would this cost the Commission. Fey replied that \$5,000 a year is budgeted annually and staff will look into a multi-year contract to save expenses. Commissioner Pacheco replied that the Commission operates on the County and cities' money and the proposal is going to be more money to fix a problem we currently do not have.

Chair Pro Tem Santoyo agreed with Commissioner Pacheco's statements.

There were no other comments from the Commission.

There were no comments from the public.

Commissioner Silva made a motion to approve agenda item 6, seconded by Commissioner Parra. The Commission's action was a technical denial of agenda item 6 by a vote of 2-2-1-0.

7. Discussion Regarding LAFCo Strategic Planning.

Fey presented staff's report: Commissioners have expressed their interest in conducting a strategic planning workshop. Such a workshop is a public meeting under state law and must comply with the Brown Act.

Commissioner Parra asked if this would be a one or two day workshop. Fey suggested that one day should suffice.

Commissioner Silva agreed with bringing an outside person in to facilitate and recommended the workshop be a half day. Commissioner Pacheco agreed.

LAFCo Counsel Price suggested the workshop be held in the conference room at Baker, Manock & Jensen.

Commissioner Santoyo asked what the cost of this workshop would be. Fey replied he would have to return with that information.

Chair Pro Tem Santoyo stated the direction to staff is to get more information of prices and times are return back to the Commission.

There were no other comments from the Commission.

There were no comments from the public.

As an informational item, no action was taken.

8. Proposed 2019 LAFCo Hearing and Office Calendar.

Graham presented staff's report: Commission Polices state, "The Commission shall adopt a schedule for the forthcoming calendar year..." staff has endeavored to find dates that will accommodate Commissioner' busy schedules. Staff presents the preliminary dates for consideration provided in staff report. Staff will return to the Commission for adoption of this hearing and office calendar in December.

There were no comments from the Commission.

There were no comments from the public.

As an informational item, no action was taken.

9. Veterans Memorial District Formation Memorandum.

LAFCo Counsel Price observed that this informational matter was of interest to Chair Quintero and because he is absent, Price suggested that any discussion on the memorandum be tabled until Chair Quintero is present at the next meeting.

The Commission agreed.

10. Update on Inactive Special District list sent from the State Controller in Accordance with SB 448.

LAFCo Analyst Juan Lara presented staff's report: The State Controller's Office has issued its list of inactive special districts per SB 448 including Silver Creek Drainage, Firebaugh Resource Conservation, Poso Resource Conservation, and County Service Area No. 18. On November 9, 2018, staff received a follow up letter from the State Controller listing two additional special districts, County Service Area 38 and Maintenance District No. 3. Since receiving this letter, staff has verified that CSA 38 is in Merced County jurisdiction and Maintenance District No. 3 has been verified by Fresno County Special Districts as dissolved.

The next step is for staff to verify each district's inactivity defined in Gov Code Sec. 56042 and return to the Commission within 90 days with the findings and recommendations. Based on those findings the Commission shall initiate dissolution of these inactive districts by resolution unless the Commission determines the district does not meet the criteria.

Commissioner Silva asked for confirmation that these districts are dissolved. Lara replied that the districts are not dissolved but on the inactive list which is based on not receiving any financial reports.

Commissioner Pacheco asked for confirmation that this is the first step in this process; the state has identified these districts, now staff is going to make contact and report to the Commission with the findings. Lara confirmed.

There were no other comments from the Commission.

There were no comments from the public.

As an informational item, no action was taken.

11. Executive Officer Comments

Fey noted, financial statements for August and September have been presented to the Commission; the CALAFCO conference survey results are in and the results were the highest overall for conferences for many years; Commissioners Parra, Silva, and Quintero attended the conference and if they have any suggestion for the next conference to let staff know; an order form is circling around the dais for a new blue LAFCo shirt; LAFCo Intern Ryan McKelvey is leaving LAFCo to start his new job at Fresno County Public Works and Planning; and finally, happy 55th birthday to Fresno LAFCo.

12. Commission Comments/Reports

There were no comments from the Commission.

13. Adjournment

Commissioner Silva motioned to adjourn the meeting, seconded by Commissioner Parra. The motion passed on a vote of 4-0-1-0. The meeting was adjourned at 1:58 p.m.

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