

Local Agency Formation Commission
Of Modoc County
Regular Meeting

Minutes of August 10, 2010

1. Call to Order

Chairman Macsay called the meeting to order at 5:00 p.m., in the City Council Chambers, Alturas City Hall. Commissioners Dederick, Neer, Schreiber, Bradshaw and Macsay were present. Commissioner Alternates Jerry Shea and Jeff Bullock were also present, as well as County Planning Director Kim Hunter and City Public Works Director Chester Robertson.

Staff Present: John Benoit, Executive Officer and Stephanie Northrup, Clerk.

Pledge of Allegiance

2. Approval of Agenda:

Commissioner Dederick made the motion to approve the agenda as submitted, seconded by Commissioner Bradshaw. In favor: Unanimous.

3. Election of Chair and Vice-Chair for FY 2010-2011

Commissioner Bradshaw nominates Commissioner Schreiber for Chairman, seconded by Commissioner Dederick. In favor: Unanimous.

Commissioner Macsay nominates Commissioner Bradshaw for Vice-Chairman, seconded by Commissioner Dederick. In favor: Unanimous.

4. Correspondence: Executive Officer Benoit states he has no correspondence to report, but that he did pass out Calafco's Newsletter to everyone.

5. Approval of Minutes: June 15, 2010

Commissioner Macsay made the motion to approve the minutes of June 15, 2010 as submitted, seconded by Commissioner Neer. In favor: Unanimous.

6. Public Comment: None.

7. Conduct Public Hearing on the Municipal Service Review and Sphere of Influence for Cemetery Districts

- a. *Review staff memo, Conduct Public Hearing regarding the Cemetery Service Municipal Service Review and Cemetery District Sphere of Influence update Consider the following:*
 1. *Resolution 2010-0006 adopting a Municipal Service Review for cemetery services*
 2. *Resolution 2010-0007 adopting Sphere of Influence updates for cemetery districts*

Chairman Schreiber opens public hearing at 5:05 p.m. Executive Officer Benoit prepared staff memo on MSR and SI. One issue that frustrates him is that the Alturas Cemetery District has a higher AB8 share. As a result of that they have two staff members. The city has the responsibility of the Pioneer Cemetery and the question is why doesn't the Alturas cemetery take over responsibility.

He has received comments from all except Bidwell, Davis Creek and Lookout. His recommendation is to approve the MSR and SI for these cemetery districts. Commissioner Schreiber asks if they can really interfere with their workings? Executive Officer Benoit states there are a few things they can do but it might not survive the ballot box; such as dissolving or combining districts. For practical matter, they shouldn't do anything. Consolidating districts is an option, but it would cost a lot of money and we probably wouldn't get anything from it.

Commissioner Schreiber suggests a Veterans Memorial at the courthouse and park and the cemetery districts could maintain them. Executive Officer Benoit states Veterans Districts have been formed that provide services to Veterans as well as have parks and memorials. Places like this up here are not as active. We do have a Veterans Service Officer here though. We could ask cemetery's to do a memorial and ask them to maintain it. Commissioner Schreiber thought he would mention it and see if it takes wings or not. He also states we could probably do some things to the Pioneer Cemetery for someone else to take care of.

Executive Officer Benoit states they did an MSR on Veterans Districts, and a Veteran provided him the Military Code which is what they were formed under. The only thing he could offer him was that they did try to petition to get out of LAFCo. Commissioner Schreiber asks if he would look into that option for him. Executive Officer Benoit will talk to a friend and get some ideas.

Commissioner Alternate Bullock states he was contacted from Beverly Palmer from Davis Creek and she states one thing needed to be corrected; \$1500 for burial for non-residents and free for residents.

Commissioner Alternate Shea asks if the maps are satisfactory since he alluded earlier that they might not be. Executive Officer Benoit states the guy that does his maps has been working on another project, but states the maps are good for these purpose. The County has contracted with Vestra to do GIS, and he will contact them soon. He would like to ultimately get new maps prepared but not change the areas. He has been in contact with OES, but he will work through Planning Director Hunter because he thinks it will be quicker. The County is reconciling these maps so we will use their data. He reports that Tony Richno had a concern of the district boundaries not matching the service area. He will review the old files in the Clerk's Office to see what the old information had listed.

Commissioner Macsary states he thought someone from Bidwell contacted him and the information looks accurate. Commissioner Bradshaw has the new board members for Lookout for him as well.

Commissioner Macsay made the motion to approve Resolution 2010-0006 adopting a Municipal Service Review for cemetery services, seconded by Commissioner Neer. In favor: Unanimous.

Commissioner Macsay made the motion to approve Resolution 2010-0007 adopting a Sphere of Influence updates for cemetery districts, seconded by Commissioner Neer. In favor: Unanimous.

8. Biennial Review of LAFCO's Conflict of Interest Code

- a. *Review LAFCO's conflict of interest code and direct staff to file the 2010 Local Agency Biennial Notice with the County Clerk stating no amendment is required.*

Executive Officer Benoit provides the Commissioners with the conflict of interest code. We are to review these every other year and submit to the County Clerk. He reports there have been no changes. Commissioner Alternate Shea asks with all the code references will they be current resolutions as well. Executive Officer Benoit states that hasn't changed, but he understands that a rewrite of the political reform act will be coming up soon.

Commissioner Macsay made the motion to approve of filing the 2010 Local Agency Biennial Notice with the County Clerk after reviewing the conflict of interest code, seconded by Commissioner Dederick. In favor: Unanimous.

9. Designate Voting Representative to represent Modoc LAFCO at Calafco's annual conference in Riverside County.

- a. *Designate Voting Representative to vote on behalf of the Modoc LAFCO on matters at the Calafco annual conference.*

Executive Officer Benoit states we need to know who is going to go, and he's under the impression that no one is going. If no one goes he will tell them what happened at the conference. If they don't designate a voting rep it would default to him. He would prefer one of the Commissioners does it though.

Commissioner Dederick made the motion to designate Executive Commissioner Benoit as the Voting Representative for Modoc LAFCO, seconded by Commissioner Macsay. In favor: Unanimous.

10. Nomination for Calafco Executive Board of Directors

- a. *In accordance with Calafco's nomination procedures nominates a commissioner to run for the Calafco Executive Board.*

Executive Officer Benoit states if someone was going and they wanted to run for Board of Directors they would have to actively campaign for this. If no one goes, than it's a moot point. It's not mandatory. They have approved the voting precincts as well; the northern, southern, central & coastal areas. Commissioner Schreiber states the state is so big, getting to meetings can be a two day trip sometimes.

Executive Officer Benoit states it would be nice if they had a LAFCo day instead of a week long event. Commissioner Dederick asks if they have regional meetings. Executive Officer Benoit states no, but he is going to mention it at the Calafco Conference.

Commissioner Schreiber asks if they will ever get to a point to have a central location and if they can't attend personally it can be done via video. Executive Officer Benoit states you can get PowerPoint presentations on the website. He thinks eventually they will get technology to do the meetings that way.

11. Discussion of LAFCO Finances and provide direction to staff for action at the October 2010 meeting regarding Banking and Financial Services for Modoc LAFCO.

a. Provide direction to staff regarding LAFCo Finances

Executive Officer Benoit states he brought this up because of all the things he's been hearing about the County. He states a lot of other LAFCo's use the City to manage their finances. He states we have \$48,000 +/- cash balance. He has asked the City to retain their share of funds outside of the county. The County Auditor doesn't have to do our finances. He asks the Commissioner where they would like to have our finances. The costs are similar, but the costs are a little less with the city. A87 hasn't been charged to County departments here. The County has a little difficulty at this time, so they might not release the money. He wouldn't suggest that we pull out at once, but maybe to draw down until the funds are gone. He asks what the pleasure of the commissioners is. His experience with City's is its easier working with them than County Auditor's departments. The county has been paying its bills on time, so that's not an issue. The issue is the cost of the service, if we can save a couple of bucks – why not?

Commissioner Schreiber asks what he wants from them. Executive Officer Benoit states this is just a discussion, but if it's something they want to pursue he can work on that. Commissioner Macsary states there are two different things and we should receive interest on the funds. The difference for the cost plan of the county is they charge for services. He suggests that Executive Officer Benoit talk to Auditor Locken. He would like to see the difference in what the county would charge and what the city would charge before they make any decisions. Executive Officer Benoit states the interest from a County is usually higher. If A87 is charged, he will bring this back.

Commissioner Bradshaw asks if A87 is mandatory. Executive Officer Benoit states no, it's just that some County's run them afoul. This county doesn't do this, but if they did he would suggest we pull out. Commissioner Neer asks if it would be possible to draw up a chart of pros and cons of city versus county.

Executive Officer Benoit states if we let sleeping dogs lie, since the county isn't charging A87 and they are paying the bills we could stick with them. Maybe we don't need to take action on this until there is an event and then maybe we do.

Commissioner Alternate Shea states if a change were to be made we could have to draw up a resolution, and asks if it would be appropriate to do some sort of draft resolution so we have

them in hand in case we need to make the change. Executive Officer Benoit states he will have a lot of notice of when the resolution would be needed.

Commissioner Dederick would like to see the difference between the two entities. What is the annual charge and what is the return on investments?

Executive Officer Benoit states we do have funds held by the city at this time and would like to address that as well. Do we want to transfer funds to the county or keep those funds there and draw off of them as necessary, which would require a Resolution. Public Works Director Robertson would like to see the funds stay with the City and draw them down. Commissioner Macsay states if they aren't being charged on the cost plan, maybe we should let sleeping dogs lie until such time when needed. Executive Officer Benoit agrees.

Commissioner Neer states we could draw down from city though. Executive Officer Benoit states he can work on that so we can start drawing warrants from the city. He states counties can charge A87, which is inappropriate for LAFCos. Commissioner Dederick states why don't we each hold our funds in the respective agencies and draw funds from those equally. Executive Officer Benoit states we could do that, and thinks that's a good plan.

Commissioner Neer made a motion to have Executive Officer Benoit draft a resolution to hold money in city funds and draw moneys off of that account, seconded by Commissioner Macsay. In favor: Unanimous.

12. Review and Authorize payment of claims.

Ratify payment of claims for June 2010 and authorize payment of claims for July 2010.

Commissioner Macsay made the motion to ratify payment of claims for June 2010 and authorize payment of claims for July 2010, seconded by Commissioner Neer. In favor: Unanimous. Commissioner Macsay asks about the July 13th cost for counsel, what was that for? Executive Officer Benoit states John Kenny has been charging a nominal amount and looking through the LAFCo packets, which show that he has been doing it. He also states that from time to time he has questions for him.

13. Monthly Report – General Discussion

Executive Officer Benoit states he is working on setting up an Ethics Training for others and he has been talking to a lawyer who has volunteered to do training. He has other attorneys who have offered the same. He reports that paid officials are required to do it; department heads should also attend, though not required. He has one in Calaveras County coming up and he thinks this would be a good idea for Modoc County, and he has volunteer advisors for this.

Commissioner Bullock asks when this is to be done. Executive Officer Benoit states every two years, and he is thinking about scheduling it in late October, or early November. Commissioner Dederick states he thinks this is the same thing elected officials are required to do. Public Works Director Robertson states the City Council and Planning Commission needs it. Commissioner

Neer asks if school boards would need it. Executive Officer Benoit states he's not sure, but district boards would.

Commissioner Schreiber states if we do it at the Vets Hall we need a better sound system. Planning Director Hunter suggests we split it up and do it at the Sheriff's Annex. Other suggested sites were the High School's Social Hall, Cal Pines, etc.

Executive Officer Benoit also reports that AB419 passed which states if LAFCo takes election info to the Board they have 45 days to act. If not the Elections Official would have to take action. This takes effect on July 1st. Also City Council's had 30 days to fill a vacancy which has now been extended to 60 days. He discusses other bills that could affect LAFCo as well.

Executive Officer Benoit than states another item is the hospital district and arguments in favor and arguments against. He doesn't think we should make a comment on those. He was asked about a five year limitation, which he wouldn't recommend. If the district passes, they will have to get their own lawyer who can address this if needed. He states we should stay neutral. Commissioner Schreiber had called Executive Officer Benoit and asked if he would look into this and whether it would fall on LAFCo or not. He spoke to County Counsel and none of that was addressed during the LAFCo process. Executive Officer Benoit states if a lawsuit happens, than a judge would have to review the LAFCo process and see that it was followed. Commissioner Schreiber states they also spoke about that the lawyer that SOHC hired didn't have much information either. He states if they got sued it probably wouldn't happen until the district was formed and then you would have to deal with it than.

14. Commissioner Reports - Discussion

Commissioner Dederick states there was concern about the Daphnedale Community Service District. Planning Director Hunter states they took a site visit and explained the background to Executive Officer Benoit. He states a lot of work needs to be done. Executive Officer Benoit states we should do an MSR and help set them on a program.

Commissioner Schreiber states he would like to see if we can do a training for them. Executive Officer Benoit states Lake County has an annual packet they offer for these districts. Commissioner Neer suggests if and when we do the ethics training if we can also train the districts as well on the same day. Executive Officer Benoit states a problem with a lot of districts is they hire CPAs that don't understand municipal finances. We can look at the finding trainers to do this. Commissioner Macsay discusses the size of districts we have and the lack of funding they have, but that legislation was passed that audits are required for those districts.

There being no further business to come before this Commission; Commissioner Macsay made the motion to adjourn the meeting, seconded by Commissioner Dederick, and the meeting was adjourned at 6:11 p.m.

The next meeting will be held October 12, 2010 at 5:00 p.m.