

**LOCAL AGENCY FORMATION COMMISSION  
MENDOCINO COUNTY**

The Local Agency Formation Commission convened a regular meeting on Monday, March 7, 2005 at 10:00 AM, at the City of Ukiah Council Chambers, 300 Seminary, Ukiah.

**AGENDA ITEM 1—CALL TO ORDER / ROLL CALL**

Vice-Chairman Melo functioning as Chair called the regular meeting of the Local Agency Formation Commission of Mendocino County to order at 10:08 AM. The following Commissioners were present and seated: Oslund, Wattenburger, O'Brien and Vice-Chair Melo. Also present were Alternate Commissioners Smith, and Ward as well as Executive Officer McMichael. Commissioner Delbar arrived at 10:16 AM. Chairwoman Ranker had previously informed the Commission and Vice-Chair Melo of her expected absence. Commissioner Simon had previously informed the Commission and Alternate Commissioner Ward of his expected absence. Alternate Commissioner Smith was seated until Commissioner Delbar's arrival. Alternate Commissioner Ward was seated as the public commissioner.

**AGENDA ITEM 2—PUBLIC EXPRESSION**

There was no one from the public in attendance at the meeting.

**AGENDA ITEM 3—APPROVAL/CORRECTION/ADOPTION OF MINUTES**

Upon a motion by Commissioner Oslund and seconded by Commissioner Wattenburger the minutes of February 7, 2005 were approved and adopted as submitted. (Ayes: Oslund, Wattenburger, Ward, Smith and Chairman Melo; Nays: None; Abstain: O'Brien; Absent: Ranker and Simon)

Commissioner Delbar arrived after the minutes had been voted upon.

Upon a motion by Chairman Melo seconded by Commissioner Delbar the minutes of the Executive Committee were approved and adopted as submitted.

**AGENDA ITEM 4—BUDGET WORKSHOP**

Chairman Melo asked Executive Officer McMichael to review the Executive Committee's Proposed Budget for FY 2005-2006. Upon completion of that review and lengthy questions and comments regarding specific line items, the budget in general and the upcoming fiscal year's workload, Commissioner Ward seconded by Commissioner Wattenburger moved adoption of the Executive Committee's Proposed Budget as indicated below as the Commission's Proposed Budget and that the April 4, 2005 regular meeting be the first public hearing for the budget. Commissioner Ward indicated that the motion was made with the understanding that some of the line item descriptors would be changed as discussed by the Commission.

LAFCO PROPOSED BUDGET FY 2005-2006

	<b>Line Item</b>	<b>Detail Description</b>	<b>Amount Budgeted</b>	<b>Totals</b>
1	862150	CALAFCO Membership	700.00	
2	862150	CSDA Membership	500.00	
3	862101	General Liability Insurance--CSDA	3,500.00	

4	862181	Audit Services	2,500.00	
5	862182	Website—DSL	2,500.00	
6	862060	Communications	1,000.00	
7	862184	Engineering and Plan Services--GIS	3,000.00	
8	862194	A-87 Costs (County Services)	2,000.00	
9	862183	Commission Counsel	4,000.00	
10	862189	Contract Services Office & Staff	95,973.39	
11	862239	Special Dept. Expense	1,000.00	
12	862250	In County Commissioner Travel	1,000.00	
13	862280	ADA Compliance	0.00	
14	862253	Out of County Conferences	6,000.00	
15	862190	Publication and Legal Notices	500.00	
16	862189	56425 & 56430 Mandates (Sphere of Influence & Municipal Service Reviews)	26,000.00	
17	860010	Appropriation for Contingency	7,500.00	
18	869991	Legal Reserve	500.00	
19	860011	General Reserve	3,000.00	
20		Total Budgeted FY 05-06	161,173.39	
21		Estimated/Proposed Fund Balance Carryover	20,000.00	
22		Total to be apportioned for revenues	141,173.39	
23		Apportionment for County-Cities-Districts	47,057.79	
24				
25		Total Budgeted FY 04-05	164,982.21	
26		Fund Balance Carryover FY 04-05	24,000.00	
27		Total Apportioned (revenues) FY 04-05	140,982.21	
28		Apportionment for County-Cities-Districts FY 04-05	46,994.07	
29				
30		Increase/Decrease in Total Budgeted FY 04-05 vs. FY 05-06	(3,808.82)	
31		Increase/Decrease in Apportionment FY 04-05 vs. FY 05-06	63.72	
		Increase/Decrease in Fund Balance Carryover FY 04-05 vs. FY 05-06	(4,000.00)	
32				
33		Legal Reserve	19,500.00	
34		Service Review Reserve	25,000.00	
35		General Reserve	28,705.00	
36		Total Reserves	73,205.00	

The motion was unanimously approved by the following vote: Ayes: Delbar, Oslund, Wattenburger, O'Brien, Ward and Chairman Melo; Nays: None; Abstain: None; Absent: Ranker and Simon.

During the discussion regarding various items in the budget, the Commission expressed concern about the ability of LAFCO to meet the January 1, 2006 deadline for the completion of the Sphere of Influence Updates and Municipal Service Reviews. After some discussion Chairman Melo volunteered to write a letter to the League of California Cities President to see if the League would be willing to support a legislative extension for the deadline of January 1, 2006. With unanimous agreement of the Commission he was directed to do so.

**AGENDA ITEM 5—DISCUSSION REGARDING SELECTION OF AUDITOR FOR FY 2004-2005 AND BEYOND**

Upon direction of the Chair, Executive Officer provided the information that the three year contract for the auditor had ended with this fiscal year's audit and that a new RFP process would have to be initiated or a new agreement would have to be negotiated with the present auditor, Michael Celentano, CPA.

Executive Officer McMichael advised the Commission that he had spoken to Mr. Celentano regarding his interest in continuing to function as the auditor for the Commission and that Mr. Celentano had indicated that he would be willing to continue for an additional three years at the same cost as for the previous three years.

After some discussion about the opportunity for a new auditor and the possibility of finding a local auditor who would be willing to be the auditor for the Commission and upon a motion by Commissioner Ward seconded by Commissioner Oslund, Executive Officer McMichael was directed to draft a letter of agreement to extend the date of the existing contract with Michael Celentano, CPA for an additional three years at the same price. as the previous three years and upon completion of the draft and signature by Mr. Celentano to bring the letter of agreement to the Commission for approval.

The motion was unanimously approved by the following vote: Ayes: Delbar, Oslund, Wattenburger, O'Brien, Ward and Chairman Melo; Nays: None; Abstain: None; Absent: Ranker and Simon.

#### AGENDA ITEM 6—REPORTS

A. Executive Officer McMichael provided a report that he was continuing to work on the Westport MSR, that he was formulating the questionnaires for the RCFPD, SCFPD and IBWD Service Reviews, that he had attended a presentation in Sacramento by Peter Detweiler entitled, LAFCO Litigation Looms. He indicated in his report that with the ongoing process of the Westport CWD Service Review information had been developed that supported a need to conduct a Service Review for the Westport-Ten Mile Cemetery District. Through unanimous consent, the Commission indicated to Executive Officer McMichael that he should initiate this Service Review, if he thought it appropriate to do so.

B. There were no reports from the Commissioners.

#### AGENDA ITEM 7—CORRESPONDENCE

A. The Commission received the letter from the Mendocino Little River Cemetery District asking about the procedures for conducting a Sphere of Influence update for the purpose of a future annexation. The Commission directed Executive Officer McMichael to send a reply letter to the District asking for the opportunity to meet with the District to discuss the processes involved in their request. Additionally, Chairman Melo appointed himself and Commissioner O'Brien as the sub-committee for this effort.

#### AGENDA ITEM 8—AJOURNMENT

Being no further business the Commission adjourned at 12:04 PM