

# MENDOCINO

## Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482  
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### COMMISSIONERS

**Carre Brown, Chair**  
County Board of Supervisors

**Tony Orth, Vice Chair**  
Brooktrails Township CSD

**Gerald Ward, Treasurer**  
Public Member

**Gerardo Gonzalez**  
Willits City Council

**John Huff**  
Mendocino Coast Recreation  
and Park District

**Scott Ignacio**  
Point Arena City Council

**John McCowen**  
County Board of Supervisors

**Jenifer Bazzani, Alternate**  
Ukiah Valley Fire District

**Will Lee, Alternate**  
Fort Bragg City Council

**Carol Rosenberg, Alternate**  
Public Member

**Ted Williams, Alternate**  
County Board of Supervisors

### STAFF

**Executive Officer**  
Uma Hinman

**Analyst**  
Larkyn Feiler

**Commission Clerk**  
Elizabeth Salomone

**Counsel**  
Scott Browne

### Regular Meetings

First Monday  
of each month  
at 9:00 AM  
in the Mendocino  
County Board  
of Supervisors Chambers  
501 Low Gap Road

Approved by Commission on April 1, 2019

## MINUTES

### Local Agency Formation Commission of Mendocino County

#### Regular Meeting of Monday, March 4, 2019

County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California

#### 1. **CALL TO ORDER and ROLL CALL** (Video Time 4:52)

Chair Brown called the meeting to order at 9:01am.

**Regular Commissioners Present:** Carre Brown, Gerardo Gonzalez, John Huff, Scott Ignacio (arrived at 9:05), John McCowen, Tony Orth, Gerald Ward

**Alternate Commissioners Present:** Will Lee, Carol Rosenberg

**Alternate Commissioners Absent:** Jen Bazzani, Ted Williams

**Staff Present:** Uma Hinman, Executive Officer; Elizabeth Salomone, Clerk

#### 2. **PUBLIC EXPRESSION** (Video Time 5:19)

No one from the public indicated interest in public expression.

#### 3. **OTHER BUSINESS** (Video Time 5:30)

##### 3a) **Announcement of Appointments and Oath of Office**

Chair Brown announced the 2019 City representatives: Gerardo Gonzalez (City of Willits) as Regular Member and Will Lee (City of Fort Bragg) as Alternate Member. The Clerk conducted the Oath of Office for both Commissioners.

##### 3b) **Appointments to Committees**

Chair Brown reviewed appointments of Commissioners to the Executive and Policies & Procedures Committees, and confirmed them as follows:

Executive Committee: Chair Brown, Vice Chair Orth, Commissioner Ignacio

Policies & Procedures: Commissioners Gonzalez, McCowen, Rosenberg

**4. CONSENT CALENDAR** (Video Time 11:38)

**4a) Approval of the February 4, 2019 Regular Meeting Summary**

**4b) Approval of the February 2019 Claims & Financial Reports**

<u>February 2019 Claims totaling</u>	\$ 9,829.52
Hinman & Associates Consulting	\$ 8,366.99
P. Scott Browne	\$ 600.00
Ukiah Valley Conference Center	\$ 481.57
Mendocino County, GIS & Televising	\$ 380.96

Upon motion by Commissioner Orth and second by Commissioner Ignacio, Consent Calendar items 4a) Approval of the February 4, 2018 Regular Meeting Summary Minutes with noted edit, 4b) Approval of the February 2018 Claims and Financial Report, were approved by roll call vote:

Ayes: (6) Brown, Huff, Ignacio, McCowen, Orth, and Ward  
Abstain: (1) Gonzalez

**5. PUBLIC HEARING ITEMS** (Video 13:20)

**5a) Public Hearing for the Fort Bragg Rural Fire Protection District (FPD),  
Municipal Service Review (MSR) and Sphere of Influence (SOI) Update**

EO Hinman presented the Municipal Service Review and Sphere of Influence Update. Comments and questions were offered by Commissioners Ward, Orth, McCowen, and Gonzalez.

Chair Brown opened the public hearing at 9:17am.

The following points were noted:

- Include the table showing the terms of Board members without their names.
- Page 2-2, Section 2.1.3. Consider changing “service” to “power.”
- Reinforcement of the request for future reviews of Fire Authorities to include all Authority entities together (e.g., the Fort Bragg Rural Fire Protection District and the City of Fort Bragg), so as to capture all finances of the Fire Authority in one document.

Chair Brown invited public comment at 9:25am. No public comments were offered.

Chair Brown closed the public hearing at 9:26 am.

Upon motion by Commissioner Ward and second by Commissioner Gonzalez, adoption of LAFCo Resolution 18-19-05, approving the Fort Bragg Rural Fire Protection District Municipal Service Review and Sphere of Influence Update and affirming the District’s existing Sphere of Influence that is coterminous with the District’s boundary; finding the Fort Bragg Rural Fire Protection District Municipal Service Review and Sphere of Influence Update exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 California Code of Regulations Sections 15306 and 15061(b)(3); and approving the Notice of Exemption for filing was approved by roll call vote:

Ayes: (7) Brown, Gonzalez, Huff, Ignacio, McCowen, Orth, and Ward

## 6. WORKSHOP ITEMS

### 6a) Workshop on Preliminary Draft Budget and Work Plan for FY 2019-20

EO Hinman presented the Preliminary FY 2019-20 Budget and Work Plan. Comments and questions were offered by Commissioners Ward, Orth, Rosenberg, and McCowen.

- Treasurer Ward reported the Mendocino County Auditor's office updated the County held LAFCo account total as \$36,560.38 as of today, with \$144 accounts receivable. He recommended removing \$35,000 from the account to deposit into the checking account. Based on the information provided, EO Hinman estimated that at the end of the FY 2018-19 expenditures should be approximately \$6,300 under the adopted budget. She noted that the adopted budget anticipated withdrawing from Reserves to meet operational expenses and that amount is now anticipated to be \$1,500.
- Treasurer Ward noted that because reserves were going to reach or be below the policy minimums, it was very likely that apportionment fees will need to be raised for the next budget.
- Treasurer Ward spoke supporting no increase in apportionment fees for FY 2019-20 but will be supporting an increase in apportionment fees for FY 20120-21.
- Commissioner Orth spoke supporting incremental increases in the apportionment fees rather than a major increase in a future year, as well as noting the possibility of unanticipated additional costs associated with a potential MSR/SOI for the CSA #3.
- Commissioner Rosenberg spoke supporting Commissioner Orth's concerns and noted the recent unfunded mandated requirements placed upon the Commission.
- Commissioner McCowen spoke supporting lowering the legal reserves and not increasing the apportionment fees, referencing the structure of LAFCo provides it the ability to increase the apportionment fees annually to cover the costs of running the Commission and any potential litigation.
- Commissioner Gonzalez spoke supporting incremental increases rather than an upcoming major increase.

*Chair Brown tabled Item 6a) Workshop on Preliminary Draft Budget and Work Plan for FY 2019-20 and moved to Item 7a).*

### 6a) CONTINUED (Workshop on Preliminary Draft Budget and Work Plan for FY 2019-20) (Video 49:00)

Upon motion by Commissioner McCowen and second by Commissioner Gonzalez, direction to staff to notice a public hearing for the Proposed Draft Budget and Work Plan for FY 2018-19 for April 1, 2019 with apportionment fees at \$135,000 and the budget at \$160,248 was approved by roll call vote:

Ayes: (7) Brown, Gonzalez, Huff, Ignacio, McCowen, Orth, and Ward

## 7. MATTERS FOR DISCUSSION & POSSIBLE ACTION

### 7a) Proposed Amendment to Financial Reserves Policy (Video 38:36)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners Ward, Orth, Huff, McCowen, Rosenberg, and Ignacio.

Upon motion by Commissioner McCowen and second by Commissioner Ward, adoption of Resolution 2018-19-06 approving LAFCo Resolution No. 18-19-06 amending Policy 5.1.5 to reduce the legal reserve amount to \$35,000 was approved by roll call vote:

Ayes: (7) Brown, Gonzalez, Huff, Ignacio, McCowen, Orth, and Ward

***Chair Brown called a break from 9:52am – 10:01am. (Video 52:02-1:01:48)***

**7b) County Service Area 3 Status Determination (Video 1:02:00)**

EO Hinman presented the item regarding the State Controller's Office (SCO) notification to Mendocino LAFCo that County Service Area (CSA) 3 was identified as an inactive district in accordance with SB 448, noting the Commission reviewed and tabled the matter during its February 4, 2019 Regular meeting to allow the County Board of Supervisors an opportunity to address the issue at their Regular meeting of February 5, 2019. Comments and questions throughout the discussion were offered by Commissioner McCowen, Ward, Gonzalez, Orth, Rosenberg, and Ignacio.

Katherine Elliot, Mendocino County Counsel, addressed the Commission submitting a letter to the Commission "Re: County Service Area #3, Agenda Item 7b)." The letter was distributed to the Commissioners and placed in the record. Counsel Elliot noted that once the CSA #3 is funded by the County, it no longer meets the criteria for dissolution and once it is funded, a letter from LAFCo notifying the State Controller's office of the current status, would serve as determination of an active status.

Carmel Angelo, Mendocino County CEO, provided an update to the Commission on the progress at the Board of Supervisors on this matter and the proposal for additional revenue for ongoing funding of the CSA #3.

Chief Andres Avilla, Anderson Valley Community Service District, address the Commission. He summarized the past efforts of the District to annex and how an active CSA 3 could assist the District in serving the public.

Upon motion by Commissioner McCowen and second by Commissioner Ward, authorize LAFCo staff that once they have received confirmation that the County of Mendocino has transferred assets into County Service Area, to notify the State Controller's office that CSA 3 does not meet the requirements of an inactive District was approved by unanimous vote:

Ayes: (7) Brown, Gonzalez, Huff, Ignacio, McCowen, Orth, and Ward

**7c) Special District Risk Management Agency Board of Directors 2019 Nominations (Video Time: 1:24:15)**

EO Hinman presented the call for nominations of candidates for the SDRMA Board of Directors 2019 Election. Commission consensus was to take no action.

**8. INFORMATION/ REPORT ITEMS**

**8a) Work Plan, Current, and Future Proposals (Video Time: 1:25:45)**

EO Hinman presented the staff report, noting updates including a pre-application for detachment from the Mendocino Coast Health Care District. She also provided details on the upcoming schedule for MSR/SOI updates.

**8b) Correspondence (Video Time: 1:27:20)**

EO Hinman noted no correspondence to report.

### **8c) Executive Officer's Report (Video Time: 1:27:50)**

EO Hinman reported on the following:

- Reminder that 700 Forms due.
- Update on communications with Mendocino Coast Health Care District representatives regarding pre-application for detachment from the District.
- Update on development of a LAFCo newsletter to member agencies.

### **8d) Committee Reports (Video Time: 1:29:00)**

None.

### **8e) Commissioners Reports, Comments or Questions (Video Time: 1:29:32)**

*Vice Chair Orth* noted the Brooktrails Community Service District's MSR and SOI were delayed due to staff changes within the District and the District has appointed a Committee to review the draft.

*Treasurer Ward* noted the draft financial statements for the FY 2017-18 Audit were received, recommending the audit be brought forward for Commission review in April and the final payment be made to the auditor.

*Treasurer Ward* noted he reviewed and reported on the billing for Legal Counsel.

### **8f) CALAFCO Business and Legislation Report**

EO Hinman reported on two requests from CALAFCO for support letters to sponsored bills:

AB 1253 (Rivas) is a bill seeking one-time grant funding for LAFCos as a follow up to the Little Hoover Commission report in 2017 and to last year's attempt. It also calls for reimbursement for the mandatory dissolution of inactive districts pursuant to SB 448 (2017, Wieckowski).

AB 213 (Reyes) is a bill restores funding for inhabited annexations. Payments come from ERAF which is backfilled from the general fund. CALAFCO has historically supported this bill each year.

## **ADJOURNMENT**

There being no further business, at 10:32am the meeting was adjourned. The next regular meeting is scheduled for Monday, April 1, 2019 at 9:00am in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

*Live web streaming and recordings of Commission meetings are now available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the LAFCo website.*

<https://www.youtube.com/watch?v=03h7LJ0isTw>