

# YOLO LAFCO

## ADMINISTRATIVE POLICIES AND PROCEDURES

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## **1.0 GENERAL PROVISIONS**

### **1.1 TITLE**

The Yolo Local Agency Formation Commission hereby adopts the following Administrative Policies and Procedures. These policies and procedures shall apply to the Yolo Local Agency Formation Commission and are adopted pursuant to the authority vested in the Commission by Chapter 6.6 of Part 1, Division 2, Title 5 and Chapter 1 of Part 4, Division 1, Title 6 of the Government Code.

### **1.2 ADOPTION OF PERTINENT YOLO COUNTY ADMINISTRATIVE POLICIES AND PROCEDURES**

For administrative policies not addressed herein, the Yolo Local Agency Formation Commission also adopts all the pertinent portions of the County of Yolo Administrative Policies and Procedures Manual as applicable to operations of the Local Agency Formation Commission including, but not limited to, procurement, personnel administration and accounting. If there are any conflicts between the Administrative Policies and Procedures of the Local Agency Formation Commission and the County of Yolo, the policies and procedures of the Local Agency Formation Commission shall prevail.

### **1.3 MISSION**

The mission of the Yolo Local Agency Formation Commission is “to provide professional, innovative, and proactive leadership in the implementation of the policies of the Yolo County Local Agency Formation Commission (LAFCo) to enhance the quality of life for the community.”

### **1.4 CONFLICT OF INTEREST**

The Political Reform Act, Government Code Sections 81000 et seq. requires each state and local government agency to adopt and promulgate a Conflict of Interest Code. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code. This standard Code is hereby incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act.

The following designated employees of the Yolo Local Agency Formation Commission shall file Statements of Economic Interests: the Executive Officer; the Assistant Executive Officer; and the Commission Counsel.

Members of the Local Agency Formation Commission shall file Statements of Economic Interests as required by Government Code Section 87200 or this Conflict of Interest Code.

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Individuals or firms contracting with the Yolo Local Agency Formation Commission for the provision of goods and services are not required to file statements of Economic Interests unless the Executive Officer of LAFCo determines in writing that the contractor has been hired to perform a range of duties that falls within the scope of 2 California Code of Regulations Section 18730 (c). Any such written determination shall include a description of the contractor's duties and, based upon that description, a statement of the extent of economic disclosure requirements. Such determination shall be a public record and shall be retained for public inspection in the same manner and location as the Conflict of Interest Code.

Statements of Economic Interests shall be filed with the Yolo Local Agency Formation Commission.

## **2.0 COMMISSION MEETINGS**

### **2.1 REGULAR MEETINGS**

The regular meetings of the Yolo Local Agency Formation Commission shall be held on the fourth Thursday in every month except for August and November where there will be no regular meeting, and on the first Thursday in the month of December of each year. These regular meetings shall commence at the hour of 9:00 A.M., and shall be held in the Chambers of the Yolo County Board of Supervisors, 625 Court Street, Room 206, Woodland, California, or at the time and place as set and noticed by the Commission, Commission Chair or the Executive Officer of the Commission.

### **2.2 SPECIAL MEETINGS**

All other meetings of the Yolo Local Agency Formation Commission shall be held as special meetings, at such times and places as are designated by the Commission, the Commission Chair, or the Executive Officer of the Commission. Special meetings of the Commission may be called in the manner provided by State law. The order calling the special meeting shall specify the time and place of the meeting and the business to be transacted at such meeting, and no other business shall be considered at that meeting.

### **2.3 RULES OF ORDER**

Except as herein otherwise provided, the proceedings of the Commission shall be governed by "Rosenberg's Rules of Order" on all matters pertaining to parliamentary law. No resolution, proceeding, or other action of the Commission shall be invalid or the legality thereof otherwise affected by the failure of the Commission to observe or follow such rules.

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Motions made by any member of the Commission shall require a second. The roll need not be called in voting upon a motion except when requested by a member. If the roll is not called, in the absence of an objection, the Chair may order the motion unanimously approved. When the roll is called on any motion, any member present who does not vote in an audible voice shall be recorded as "aye". Each roll call of the Commission shall be in alphabetical order, except that the Chair shall be called last.

If a Commissioner is voting on a motion in which s/he has 1) a direct financial interest, 2) a direct real property interest, or 3) if a matter affects the direct financial or real property interests of the member's immediate family, business, employer or other source of income, the member may be required to recuse her/himself, and leave the room prior to any vote. The recused member still counts for purposes of establishing/maintaining a quorum and her/his vote is recorded in the minutes as "not present" for the particular item/vote in question. In matters where recusal is not required, if a Commissioner believes that s/he cannot vote in a fair manner due to a personal conflict or thinks that her/his vote would be perceived as a personal conflict, the Commissioner may abstain from the vote.

## **2.4 QUORUM**

A majority of the members of the Commission constitutes a quorum for the transaction of business. No act of the Commission shall be valid or binding unless a majority of all the members concur therein. In the absence of a quorum, the members present shall adjourn the meeting to a stated time and place in accordance with Section 54955 of the Government Code. If all members are absent, the Executive Officer of the Commission may adjourn the meeting to a stated time and place in accordance with Section 54955 of the Government Code.

## **2.5 POLITICAL CONTRIBUTION DISCLOSURE**

Pursuant to Government Code Sections 56100.1, 56700.1 and 57009, contributions and expenditures for political purposes related to a proposal or proceeding before LAFCo, including for a change of organization or reorganization or any proposal at the conducting authority stage of the LAFCO process (Reportable LAFCo Proceeding), are subject to the reporting and disclosure to the same extent as required for local initiative measures under the Political Reform Act (PRA), Government Code Section 81000 et seq., and the regulations of the Fair Political Practices Commission (FPPC) implementing that law.

Consistent with Government Code 56300, Yolo LAFCo adopts the following procedures requiring contributions disclosure which shall be included on the proposal form:

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1. Any applicant, opponent, or participant to a Reportable LAFCo Proceedings shall submit to the LAFCo Executive Officer all disclosures required by the PRA of contributions or expenditures for political purposes related to that LAFCo Proceeding. The disclosures may be submitted to LAFCo up to 7 calendar days after filing with the FPCC, but in no event later than 9:00 a.m. of the hearing of the Reportable LAFCo Proceeding.

2. On every agenda of the Yolo LAFCo, the following statement shall be printed:

“All parties and participants on a matter to be heard by the Commission that have made campaign contributions totaling \$250 or more to any Commissioner in the past 12 months must disclose this fact, either orally or in writing, for the official record as required by Government Code Section 84308.”

“Contributions and expenditures for political purposes related to any proposal or proceedings before LAFCo are subject to the reporting requirements of the Political Reform Act and the Fair Political Practices Commission and must be disclosed to the Commission prior to the hearing on the matter.”

### **3.0 ELECTION, POWERS AND DUTIES OF MEMBERS**

#### **3.1 EXPIRATION DATE OF COMMISSIONER TERMS**

Pursuant to Government Code section 56334, the term of office of each member shall be four years and until the appointment and qualification of his or her successor. The expiration date of the term of office of each member shall be February 1 in the year in which the term of the member expires.

Pursuant to Government Code sections 56331 and 56335, if a vacancy occurs before the expiration of a term, the alternate shall serve in that position until the relevant appointing body fills the vacancy for the unexpired term. If the unexpired term being filled is less than one year, the appointing body may concurrently make the appointment for the following four-year term.

#### **3.2 ELECTION OF CHAIR AND VICE CHAIR**

At the regular meeting of the Commission held in February each year (or the following regular meeting if the February meeting is cancelled), the members of the Commission shall elect, or re-elect, a Chair and Vice Chair to each serve a one-year term, commencing at the next meeting of the Commission, but in no event shall the term expire until his or her successor has been elected. Any vacancy in such office shall be filled by the Commission for the unexpired portion of the term of such office.

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### **3.3 CHAIR CONDUCT**

The Chair, when present, shall preside at all meetings of the Commission and shall conduct the business of the Commission in the manner prescribed by these rules. The Chair shall preserve order and decorum at all meetings, set time limits for speakers, and shall decide all questions of order and procedure, subject to the action of the majority of the Commission.

### **3.4 VICE CHAIR CONDUCT**

In the absence of the Chair, or if for any reason the Chair is unable to act as Chair, the Vice Chair shall act as Chair and shall have all of the powers and duties of the Chair.

### **3.5 CHAIR PRO TEM**

In the absence of the Chair or Vice Chair or if the Chair or Vice Chair is unable to participate in the proceedings, the members of the Commission present shall, by an order entered in the Minutes, select one of their members to act as Chair Pro Tem with all of the powers and duties of the Chair.

### **3.6 APPOINTMENT OF THE REGULAR PUBLIC MEMBER AND ALTERNATE**

Whenever a vacancy occurs, or may occur, in the positions of regular public member or alternate public member, or at any other time directed by a majority vote of the Commission, it shall be the policy of the Local Agency Formation Commission to advertise that a vacancy exists or may exist in either or both of these positions and solicit all interested persons to apply for consideration as appointee(s). Final appointment to the vacant position(s) or replacement of the current public member or alternate public member shall not be made for at least 40 days after an announcement of vacancy(ies) or potential vacancy occurs. The Yolo LAFCo may reappoint the incumbent at its pleasure.

### **3.7 CRITERIA FOR THE REGULAR PUBLIC MEMBER AND ALTERNATE**

The applicants and successful candidate(s) shall meet the criteria set forth in the applicable provisions of the Government Code. No person appointed as a public member or alternate public member shall be an officer or employee of the county or any city or district with territory in the county (Government Code Section 56331). Both the regular and alternate public member of the Yolo LAFCo shall be a registered voter in Yolo County.

### **3.8 PROCEDURES FOR APPOINTMENT OF THE REGULAR PUBLIC MEMBER AND ALTERNATE**

Whenever a vacancy occurs, or may occur, in either or both the positions of regular public member or alternate public member, or at any other time as directed by majority vote of the



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Commission,<sup>1</sup> the Chair shall direct the Executive Officer to prepare and post a special vacancy notice advertising that such a vacancy(ies) currently exist(s) or may exist and solicit interested persons to submit their résumés for consideration to the Executive Officer within 30 days after the announcement of the vacancy occurs. The special vacancy notice shall be posted at the following locations:

1. At the LAFCo staff office, and
2. On the bulletin board outside the Board of Supervisors' hearing room, and
3. On the bulletin board outside the County Administration Building, and
4. Any other place as directed by the Commission.

The Executive Officer shall mail a copy of the special vacancy notice to all city clerks; to all independent special districts; and to the clerk of the Board of Supervisors.

The Executive Officer shall have an announcement prepared and released to the press to the effect that a vacancy exists or may exist in either or both position(s) of regular public member or the alternate public member and all interested persons are encouraged to apply by submitting their résumés to the Commission's Executive Officer within 30 days after the announcement occurs.

30 days after the announcement occur(s), no further applications for the vacant position(s), shall be accepted by the Executive Officer, who then shall place on the agenda at the Commission's next regular scheduled meeting for discussion the consideration of these same applications for appointment to the vacant position(s).

The Commission may select a personnel committee from its membership for the purposes of reviewing all applications and nominating the best-qualified candidates for the Commission's consideration. If a personnel committee is used, then the personnel committee may recommend to the commission the name or names of applicants for nomination(s) to the vacant position(s) at the next regularly scheduled meeting. However, any eligible commissioner may nominate a

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<sup>1</sup> In any Calendar year in which the term of office of the regular public member or alternate member is to expire, the Executive Officer will inform the commission at the first regular meeting in January that such expiration is effective on February 1, unless no successor is appointed by then, in which case the term continues until such appointment occurs. The Commission may re-appoint the public member or alternate public member to another four-year term, or decide to advertise this fact in advance and encourage persons to submit their résumés for consideration prior to the expiration of the respective term. In such event, notice and selection will be in the manner specified in these procedures.

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candidate from the applications submitted. If a personnel committee is not used, then any eligible commissioner may nominate a candidate from the applications submitted to the vacant position(s).

Upon receipt of the names of the nominees for consideration to the vacant position(s), the Chair (or Vice-Chair in the event the Chair is a candidate) shall declare the nominations closed and shall direct the Commission Clerk to call a vote of members eligible first for one candidate, then the other. The nominee(s) receiving a majority shall be appointed to the vacant position(s) for the unexpired term of the regular public member or alternate public member, except when the vacancy is the result of expiration of term of office, then the appointment shall be for four years and until the appointment and qualification of his/her successor.

In the event no candidate from the applicants submitted receives a majority, the Commission shall direct the Executive Officer to re-advertise that a vacancy(ies) exist(s) in the manner set forth in these procedures.

Final appointment to fill any vacancy in either the position of regular public member or alternate public member shall not be made by the Commission for at least 40 days after the announcement occurs.

Any other provision of this Policy notwithstanding, the Commission may, by a majority vote of its then-existing membership, waive any provision of this Policy as it deems necessary or appropriate in its sole discretion.

### **3.9 ETHICS TRAINING**

The California Government Code (GC) requires that all legislative body or local agency officials who receive compensation, salary, stipends or reimbursement for expenses, receive ethics training as specified in GC sections 53234-53235.2. LAFCo is not one of the legislative bodies or local agencies covered by these statutes, so service on LAFCo alone does not trigger the statutory requirement for ethics training. Commissioners who are county supervisors or city council members are required to receive this training in their respective roles as county/city officials and should file a copy of their certificate of training with the LAFCo Clerk. LAFCo Public Members are required by this policy to receive ethics training. LAFCo staff will advise the Public Members of opportunities to receive this training. Commissioners who receive this training shall file their certificate of training with the LAFCo Clerk.

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### **3.10 LEGISLATIVE AD HOC SUBCOMMITTEE**

For situations when proposed legislation affecting LAFCo cannot be considered by the full Commission, Yolo LAFCo may appoint a legislative ad hoc subcommittee (Committee). If established, the Committee shall be comprised of two regular members including not more than one member from each category (i.e. city, county, or public member). The Committee shall review and approve legislation position letters prior to being submitted to the legislature. One of the Committee members shall be authorized to sign the position letter.

Copies of legislative position letters shall be included on the next regular LAFCo meeting agenda as either informational or for discussion purposes.

### **3.11 CALAFCO VOTING MEMBER**

The most senior tenured regular commissioner at the CALAFCO conference will be the voting member at the appropriate session. If there are two of the regular commissioners present with the same tenure and both are most senior, the choice of who will be the voting member will be determined by who wins the toss of a coin. If no regular commissioner attends the CALAFCO conference, the Executive Officer will be the voting member.

## **4.0 LAFCO STAFF**

### **4.1 EXECUTIVE OFFICER**

The Commission shall appoint an Executive Officer who shall conduct and perform the day-to-day business of the Commission. The Executive Officer shall serve at the pleasure of the Commission in an “at will” capacity. If the appointed Executive Officer has a conflict of interest on a matter before the Commission, the Commission shall appoint an alternate Executive Officer for that matter. The Executive Officer shall be the primary staff person to advise the Commission on actions to be taken pursuant to the Local Government Reorganization Act of 2000.

The Executive Officer may hire employees to provide the staff resources necessary to implement the adopted work plan as consistent with the adopted annual budget. The LAFCo Executive Officer shall consult with the Commission prior to significant staff changes under his/her purview including hiring/terminations, promotions/demotions and reclassifications. The fiscal impacts of any recommended staff changes shall be provided to the Commission as part of this consultation.

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## **4.2 POLCY REGARDING SPECIAL DISTRICT APPOINTMENT TO THE CONSOLIDATED REDEVELOPMENT OVERSIGHT BOARD<sup>2</sup>**

Effective July 1, 2018, the redevelopment oversight boards in each county will be consolidated into one seven-member board. See Health & Safety Code § 34179(j). One of the members of the consolidated board “may be appointed by the independent special district selection committee established under [Cortese-Knox-Hertzberg] for the types of special districts that are eligible to receive property tax revenues pursuant to [the redevelopment agency dissolution law].” Id. §34179(j)(13); see also Gov. Code § 56332(a).

Only the agencies that receive RDA funding are deemed eligible agencies for the purposes of appointing a special district representative to a countywide redevelopment oversight board per Health and Safety Code Section 34179(j)(3). Eligibility requires special districts that have territory in the territorial jurisdiction of a former RDA and are eligible to receive property tax residual for the Redevelopment Property Tax Trust Fund (RPTTF). In Yolo County, the committee members for the RPTTF-qualifying districts are: (i) the Davis Cemetery District, (ii) the Winters Cemetery District, (iii) the Yolo County Flood Control and Water Conservation District; and (iv) the Yolo Resource Conservation District.

The Executive Officer is responsible for calling a meeting of the RPTTF-qualifying committee members, or may conduct the business of the committee by mail, to nominate and appoint a representative. Elections by mail shall be conducted in accordance with Government Code Section 56332(f). The independent special district member appointed to the consolidated redevelopment oversight board is appointed by a majority of those RPTTF-qualifying committee members voting. An alternate representative may also be appointed.

## **4.3 ASSISTANT EXECUTIVE OFFICER**

The Executive Officer may appoint an Assistant Executive Officer. In accordance with Government Code Section 1190 et. seq., the Assistant Executive Officer shall be subordinate to and have the powers and duties of the Executive Officer. The Assistant Executive Officer shall also have the powers and duties of the Executive Officer whenever there is a vacancy in that office. The Assistant Executive Officer shall be responsible to work on special studies, sphere of influence studies, reorganization reports and other duties as designated by the Executive Officer.

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<sup>2</sup> Adopted by the Commission on September 28, 2017

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#### **4.4 COMMISSION CLERK**

The Executive Officer may appoint the Clerk of the Commission. The Clerk shall prepare and distribute to Commission members and the newspapers of the County and post in the manner required by law, an agenda for each meeting which shall include all matters which have previously been set for hearing at such meeting; shall keep minutes of all meetings; shall provide Commission members with a copy of the minutes prior to the next succeeding meeting; shall maintain a record of all proceedings; shall make all public notices; and shall receive all matters or information to be filed for action by the Commission. The Clerk shall also insure that, at a minimum, notice of all public hearings for the Commission shall be available in electronic format on the Commission web site. The Clerk shall also be responsible for other duties as required and assigned by the Executive Officer to maintain the office of the Commission.

#### **4.5 LEGAL COUNSEL**

The Commission shall appoint legal counsel to advise it. If the appointed legal counsel has a conflict of interest on a matter before the Commission, the Commission shall appoint an alternate legal counsel for that matter. Legal counsel shall provide the Executive Officer and Commission necessary legal advice as necessary on any matter before the Commission or business of the Commission.

### **5.0 BUDGET AND FINANCIAL OPERATIONS**

#### **5.1 AUTHORITY TO DEVELOP AND ADOPT THE BUDGET**

Each year, following noticed public hearings, the Commission adopts proposed and final budgets. In accordance with the Cortese-Knox-Hertzberg Act, the proposed budget must be adopted by May 1 and the final budget by June 15. The budget is based on a July 1 to June 30 fiscal year.

The County Chief Financial Officer is responsible for apportioning the Commission's net operating costs to the County and the cities according to a formula established pursuant to Government Code Section 56381.

If the County or a city does not remit its required payment within 60 days, the Executive Officer shall request that the County Chief Financial Officer collect an equivalent amount from the property tax, or any fee or eligible revenue owed to that county or city pursuant to §56381(4)(c).

#### **5.2 CITY/COUNTY APPORTIONMENT**

In accordance with the Cortese-Knox-Hertzberg Act, the cities and County split the cost of LAFCo funding 50/50. A formula for the split of the cities' share is outlined in Government Code Section

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56381 (b)(1); which would be in proportion to a city's tax revenue or an alternative method approved by a majority of the cities. Beginning in FY 2007-08, the cities of Yolo County have developed an alternative formula to apportion their 50% of LAFCo funding in proportion to the average of a city's general tax revenue (per the latest State Controller's Cities Annual Report) and population (per the latest Department of Finance Projections).

### **5.3 ANNUAL WORK PLAN**

Before May 1, the LAFCo Executive Officer shall prepare for the Commission's review and approval an annual work plan. The work plan is prepared in conjunction with the annual budget. The work plan identifies the purposes and programs of State law and local policy, including requirements for service reviews, sphere of influence updates and other mandated functions. The work plan will correspond to the adopted fiscal year budget.

### **5.4 PREPARATION AND ADMINISTRATION**

The LAFCo Executive Officer shall serve as the budget administrator, to prepare, present, transmit, review, execute and maintain the LAFCo budget consistent with State law. The Executive Officer shall provide the Commission with quarterly budget updates comparing expenditures to the adopted budget as amended, if applicable. Receipt of the budget reports by the Commission shall be documented in the meeting minutes.

### **5.5 LAFCO AS A SEPARATE FUND**

For administrative purposes, the LAFCo budget is a separate fund within the County's financial accounting system. Unexpended appropriations are retained in the fund as available financing for the following year.

### **5.6 BUDGET ADJUSTMENTS**

The Commission may make adjustments to its budget at any time during the fiscal year, as it deems appropriate. Subsequent to the adoption of the budget, the Executive Officer may transfer appropriations between accounts (i.e. sub-objects) with major categories (i.e. objects) such as salaries and benefits, services and supplies, etc., without approval from the Commission. Transfers of appropriations between major categories/objects and appropriation of unanticipated revenue or from any fund balance category requires approval of the Commission.

### **5.7 CONTINGENCY AND RESERVE**

The annual budget should strive to include a contingency equal to 5% of the overall budget, as determined by the Commission. An amount equal to 15% of the budget should be held in reserve. Funds appropriated in the contingency and set aside in reserves shall not be used or transferred to any other expenditures account without prior approval of the Commission.

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## **5.8 EXPENDITURES AND DISBURSEMENTS**

Yolo County currently administers LAFCo's cash and investments. The Commission Clerk and Executive Officer shall follow adopted policies and procedures for invoices, claims, disbursements, receipts, and deposits of revenues. The Commission Clerk shall initiate transactions such as purchase orders and payment of invoices and claims.

The Executive Officer shall review all claims and invoices received by LAFCo and may authorize payment, as appropriate, within the framework and limitations of the budget as adopted by the Commission. The Commission Clerk and Executive Officer shall maintain and reconcile records of all financial transactions. Detailed procedures for processing invoices for review and payment shall be created and maintained as an attachment to this policy manual.

The primary objectives of accounts payable and cash disbursements are to ensure disbursements are properly authorized, invoices are processed in a timely manner, and invoice charges do not exceed the purchase order or contract amounts. Purchases shall be made in accordance with the Yolo County purchasing policies and procedures.

Quarterly financial updates and budget status reports including expenditure detail per account shall be presented to the Commission.

## **5.9 PAYROLL AND BENEFITS ADMINISTRATION**

Yolo County currently administers payroll and benefits for LAFCo. The Clerk shall review each payroll report and the entry of the payroll posted by the County Department of Financial Services into the general ledger on a monthly basis to ensure the payroll is complete and accurate. Payroll information will be included in the expenditure detail per account provided to the Commission. Detailed procedures for payroll review shall be created and maintained as an attachment to this policy manual.

## **5.10 CAPITAL ASSETS**

Capital assets include furniture, fixtures, and equipment with a useful life of three or more years and a value of \$5,000 or more. Capital assets owned by LAFCo are accounted for at their historical cost, or estimated historical cost, if actual cost is not available. LAFCo will maintain an inventory of capital assets and will conduct a physical inventory once every three years (i.e. coinciding with LAFCo's audit cycle) and reconcile the physical inventory to equipment records. In the event a capital asset is sold, scrapped, donated, or stolen, adjustments will be made to the capital asset inventory.

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Capital assets are depreciated using the straight-line method over the estimated useful life. Estimated useful lives of capital assets shall be determined by the Executive Officer in consultation with the County Chief Financial Officer and in accordance with standard accounting policies and procedures. Furniture and fixtures will typically be assigned a useful life of up to 10 years and most office equipment (including computers) will be assigned a useful life of 3-5 years and leased assets will be designated “life of lease”. Repairs to capital assets that do not materially extend the useful life or add additional functionality to the asset are not capitalized.

### **5.11 CONTRACT APPROVAL AND EXECUTION**

The Commission delegates to the Executive Officer the authority to approve and execute contracts, agreements, and amendments for \$5,000 or less, provided sufficient funds are contained in the appropriate line item in the LAFCo budget.

Any contract, agreement, or amendment greater than \$5,000, or any contract agreement or amendment for which there are not sufficient funds contained in the appropriate line item of the LAFCo budget, shall be presented to the Commission for approval and execution.

For other policies including, but not limited to, pricing and contractual solicitations and contract documents, LAFCo defers to the County of Yolo Contracting and Purchasing Policies.

### **5.12 FRAUD POLICY**

It is the policy of the Yolo LAFCo to follow ethical, responsible, and reasonable procedures related to purchasing, claims, money management and other financial matters. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of personal gain or for the purpose of inducing another to act upon it to his or her injury. Each LAFCo employee and Commissioner should be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is suspected or detected shall be reported to the Chair of the Commission and, alternatively, to the Executive Officer. The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer, but are not limited, to:

- a) Any dishonest or fraudulent act
- b) Forgery or alteration of any document or account belonging to LAFCo
- c) Forgery or alteration of a check, bank draft, or any other financial document
- d) Misappropriation of funds, securities, supplies, equipment, or other assets of LAFCo



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- e) Impropriety in the handling or reporting of money or financial transactions
  - f) Disclosing confidential or proprietary information to outside parties
  - g) Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to LAFCo
  - h) Destruction, removal or inappropriate use of records, furniture, fixtures and equipment
  - i) Any similar or related irregularity
  - j) Personal use of the County purchasing card

Responsibility for investigating suspected fraudulent acts as defined in the policy is dependent upon the suspected fraudulent act, and may be conducted by the Executive Officer, County Chief Financial Officer, LAFCo Legal Counsel, and/or other internal or external party as necessary to conduct an investigation. If an investigation substantiates that fraudulent activity has occurred, the investigating authority will issue a report to the appropriate party (i.e., Executive Officer, LAFCo Legal Counsel, Commission Chair, etc.). Further action will be taken in conjunction with the appropriate parties.

Investigation results are confidential and will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons who may be suspected, but subsequently found innocent of wrongful conduct and to protect LAFCo from potential civil liability.

### **5.13 FEES**

LAFCo shall establish a fee schedule for the costs of proceedings pursuant to state law. LAFCo generally will review its fee schedule at least every two years. Payment of all application deposits/fees pursuant to the most recent fee schedule is required for any application to be deemed complete and before issuing a certificate of filing. The Commission may waive fees as provided in state law.

The costs for legal defense of a LAFCo action are considered part of the processing fees. A fully executed indemnification agreement, as approved by LAFCo Legal Counsel, shall be required for any application approved by the Commission and before a certificate of completion is issued.

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## **5.14 FINANCIAL STATUS REPORTS**

The budget adopted by LAFCo is an estimate of expenditures and revenues. The staff keeps the Commission informed of aspects of the financial program that deserve review and adjustment through periodic financial status reports.

## **5.15 REIMBURSEMENT OF COMMISSIONER EXPENSES**

Commission members do not receive any compensation to attend LAFCo meetings. Commission members and alternates may claim reimbursement for reasonable and necessary expenses incurred in attending LAFCo sponsored or related events and in performing the duties of their office. The Executive Officer is responsible for reviewing and approving each request for Commission reimbursement.

## **5.16 REIMBURSEMENT OF STAFF AND LEGAL COUNSEL EXPENSES**

The Executive Officer, Legal Counsel and other LAFCo staff shall be reimbursed for all reasonable and necessary expenses in connection with the conduct of LAFCo business including but not limited to office expenses, training, travel, lodging, meals, gratuities, and other related costs. The Executive Officer is responsible for reviewing and approving requests for reimbursement of staff and Counsel. Requests for reimbursement of the Executive Officer shall be approved by the Commission Chair. LAFCo reimbursements shall be reported to the Commission in the quarterly update to provide an additional layer of review for any irregularities.

## **5.17 REIMBURSEMENT POLICIES**

Expense reimbursement requests should be submitted monthly, although flexibility is permitted if the claimable amount is not deemed to be significant. Expense claims for costs incurred in one fiscal year should be, whenever practical, submitted for reimbursement during the same fiscal year.

Claims for reimbursement of costs related to LAFCo meetings, conferences and seminars should be submitted not later than 60 days following completion of the event for which reimbursement is being claimed. Reimbursement for meals in conjunction with attendance at conferences and workshops shall not exceed the established IRS thresholds for the County where attendance occurred. Alcoholic beverages are not reimbursed. Cancellation of attendance at CALAFCO conferences and workshops shall be made in accordance with CALAFCO cancellation policies.

Use of private automobiles to conduct LAFCo business shall be reimbursed at the current IRS allowable rate. Individuals receiving a monthly automobile allowance will be reimbursed for authorized travel mileage beyond the County of Yolo and the City of Sacramento. Travel for commuting between home and office is not reimbursable. For the purposes of this policy, the

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LAFCo “office” location is deemed to be the County Administration Building in Woodland. Travel between home and a LAFCo business destination is reimbursable to the extent that the total mileage exceeds the normal round-trip commute between the home and the office. This rate shall be considered full and complete payment for actual expenses for use of private automobiles, including insurance, maintenance, and all other automobile-related costs. LAFCo does not provide insurance for private automobiles used for LAFCo business. The owner is responsible for personal liability and property damage insurance when vehicles are used on LAFCo business.

Meals and incidental expenses are paid at a fixed per diem and paid per the per diem rate guide established by the U.S. General Services Administration. Receipts or vouchers may be required for reimbursement of all other items of expense except private automobile mileage and taxis or streetcars, buses, bridge and road tolls and parking fees. Reimbursement of expenses is not allowed for personal items such as, but not limited to, entertainment, clothing, laundering, etc. The general rule for selecting a mode of transportation for reimbursement is that method which represents the lowest reasonable expense to LAFCo and the individual Commissioner or staff member.

## **5.18 AUDITS**

LAFCo shall have financial audits performed on a three-year cycle (i.e. the auditor reviews the prior three fiscal years at one time). For those interim years when a formal audit has not yet been performed, LAFCo shall have an unaudited financial statement prepared for Commission review following the close of the fiscal year.