

# LOCAL AGENCY FORMATION COMMISSION OF YOLO COUNTY

## Regular Meeting AGENDA

**March 24, 2016 - 9:00 a.m.**

### **BOARD OF SUPERVISORS CHAMBERS**

625 COURT STREET, ROOM 206  
WOODLAND, CALIFORNIA 95695

### **COMMISSIONERS**

OLIN WOODS, CHAIR (PUBLIC MEMBER)  
MATT REXROAD, VICE CHAIR (COUNTY MEMBER)  
BILL KRISTOFF (CITY MEMBER)  
DON SAYLOR (COUNTY MEMBER)  
CECILIA AGUIAR-CURRY (CITY MEMBER)

### **ALTERNATE COMMISSIONERS**

ROBERT RAMMING (PUBLIC MEMBER)  
JIM PROVENZA (COUNTY MEMBER)  
ROBB DAVIS (CITY MEMBER)

CHRISTINE CRAWFORD  
EXECUTIVE OFFICER

ERIC MAY  
COMMISSION COUNSEL

This agenda has been posted at least five (5) calendar days prior to the meeting in a location freely accessible to members of the public, in accordance with the Brown Act and the Cortese-Knox-Hertzberg Act. The public may subscribe to receive emailed agendas, notices and other updates at [www.yololafco.org/lafco-meetings](http://www.yololafco.org/lafco-meetings).

All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCo action in court, you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 72 hours before the hearing will be distributed to the Commission. If you wish to submit written material at the hearing, please supply 10 copies.

All 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.

Any person, or combination of persons, who make expenditures for political purposes of \$1,000 or more in support of, or in opposition to, a matter heard by the Commission must disclose this fact in accordance with the Political Reform Act.

### **CALL TO ORDER**

1. Pledge of Allegiance
2. Roll Call
3. Public Comment: Opportunity for members of the public to address the Yolo County Local Agency Formation Commission (LAFCo) on subjects not otherwise on the agenda relating to LAFCo business. The Commission reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

## CONSENT AGENDA

4. Approve LAFCo Meeting Minutes of January 28, 2016
5. Review and file Fiscal Year 2015/16 Second Quarter Financial Update
6. Correspondence

## REGULAR AGENDA

7. Consider approval of the draft audit prepared by Richardson & Company of the Yolo Local Agency Formation Commission's Financial Statements for the Fiscal Years Ending 2013, 2014 and 2015
8. Consider and adopt the LAFCo Annual Work Plan for fiscal year 2016/17, determining that an MSR/SOI Update for the City of Winters is not warranted, and direct staff to prepare a draft fiscal year 2016/17 budget and update to the Shared Services Strategic Plan for the April meeting to reflect these priorities.
9. Consider various amendments to the Yolo LAFCo Administrative Policies and Procedures to: (1) Amend the "Reimbursement of Commissioner Expenses" policy to provide for paying Commission meeting stipends; (2) Amend the "Motions and Roll Call" policy to note the use of Rosenberg's Rules of Order and clarify abstentions and recusals; and (3) Amend the "Reimbursement Policies" to clarify allowable mileage claims
10. Consider a request from the City of Davis to change regular LAFCo meeting times from daytime meetings to nighttime meetings

## EXECUTIVE OFFICER'S REPORT

11. A report by the Executive Officer on recent events relevant to the Commission and an update of Yolo LAFCo staff activity for the month. The Commission or any individual Commissioner may request that action be taken on any item listed.
  - Yolo Leaders - April 27, 2016
  - City Selection Committee
  - EO Activity Report - January 25th through March 18, 2016

## COMMISSIONER COMMENTS

12. Opportunity for any Commissioner to comment on issues not listed on the agenda. No action will be taken on off-agenda items unless authorized by law.

## ADJOURNMENT

13. Adjourn to the next meeting scheduled on April 28, 2016

I declare under penalty of perjury that the foregoing agenda was posted by 5:00 p.m. on March 18, 2016, at the following places:

- On the bulletin board at the east entrance of the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and
- On the bulletin board outside the Board of Supervisors Chambers, Room 206 in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California.
- On the LAFCo website at: [www.yololafco.org](http://www.yololafco.org).

Terri Tuck, Clerk  
Yolo County LAFCo

### NOTICE

If requested, this agenda can be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Commission Clerk for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting should telephone or otherwise contact the Commission Clerk as soon as possible and at least 24 hours prior to the meeting. The Commission Clerk may be reached at (530) 666-8048 or at the following address:

Yolo County LAFCo  
625 Court Street, Room 203  
Woodland, CA 95695

Note: Audio for LAFCo meetings will be available the next day following conclusion of the meeting at [www.yololafco.org](http://www.yololafco.org).



Consent 4.

**LAFCO**

**Meeting Date:** 03/24/2016

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**Information**

**SUBJECT**

Approve LAFCo Meeting Minutes of January 28, 2016

**RECOMMENDED ACTION**

Approve LAFCo Meeting Minutes of January 28, 2016.

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**Attachments**

[LAFCo Minutes 01/28/16](#)

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**Form Review**

Form Started By: Terri Tuck  
Final Approval Date: 03/08/2016

Started On: 03/08/2016 02:08 PM

## **LOCAL AGENCY FORMATION COMMISSION of YOLO COUNTY**

### **MEETING MINUTES**

January 28, 2016

The Local Agency Formation Commission of Yolo County met on the 28<sup>th</sup> day of January 2016, at 9:00 a.m. in the Yolo County Board of Supervisors Chambers, 625 Court Street, Room 206, Woodland CA. Voting Members present were Chair and Public Member Olin Woods, County Members Matt Rexroad and Don Saylor, and City Member Cecilia Aguiar-Curry. Voting Members absent were City Member Bill Kristoff. Others present were Alternate Public Member Robert Ramming, Executive Officer Christine Crawford, Analyst Sarah Kirchgessner, Clerk Terri Tuck, and Counsel Eric May.

#### **Items № 1 and 2    Call To Order, Pledge Of Allegiance And Roll Call**

Chair Woods called the Meeting to order at 9:02 a.m.

Resident Milt Watts led the Pledge of Allegiance.

PRESENT: Aguiar-Curry, Rexroad, Saylor, Woods ABSENT: Kristoff

#### **Item № 3    Public Comments**

None

#### **CONSENT**

#### **Item № 4    Approved LAFCo Meeting Minutes Of September 24, 2015**

#### **Item № 5    Review And File The Fiscal Year 15/16 First Quarter Financial Update And Correction To The Fiscal Year 14/15 Fourth Quarter Financial Update**

#### **Item № 6    Correspondence**

**Minute Order 2016-01:** All recommended actions on Consent were approved.

Approved by the following vote:

MOTION: Rexroad SECOND: Aguiar-Curry  
AYES: Aguiar-Curry, Rexroad, Saylor, Woods  
NOES: None  
ABSTAIN: None  
ABSENT: Kristoff

#### **REGULAR**

#### **Item № 7    Consider And Adopt The Yolo LAFCo 2016 Meeting Calendar**

**Minute Order 2016-02:** The recommended action was approved.

Approved by the following vote:

MOTION: Rexroad SECOND: Aguiar-Curry  
AYES: Aguiar-Curry, Rexroad, Saylor, Woods  
NOES: None  
ABSTAIN: None  
ABSENT: Kristoff

**Item № 8**      **Consider A Request To Authorize The Wild Wings County Service Area to Provide Emergency Out Of Agency Water Service To Milton B. Watts APN 025-440-044 (LAFCo № 917), Subject To The Findings And Conditions Contained In The Staff Report**

**Minute Order 2016-03:** The recommended action was approved and **Resolution 2016-01** was adopted, subject to the following conditions:

1. The property owner shall submit an application to the Yolo County LAFCo requesting a sphere of influence update and annexation for APN 025-440-044 to the Wild Wings CSA, within 6 months of final Commission approval of this Out of Agency Service request (LAFCO No. 917).
2. The applicant will pay all appropriate LAFCo application processing fees (charged on a time and materials basis, including time to prepare agenda materials for the LAFCo Commission meeting on January 28, 2016).
3. To the extent allowed by law, the applicant and the real party of interest, if different, agree to defend, indemnify, hold harmless and release the Yolo County Local Agency Formation Commission, its agents, officers, attorney and employees from any claim, action or proceeding brought against any of them, the purpose of which to attack, set aside, void, or annul the approval of this application or adoption of the environmental review which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, expenses, attorney fees, or expert witness fees that may be asserted by any person or entity, including the applicant, arising out of or in connection with the approval of this application, whether or not there is concurrent passive negligence of the part of the Yolo County Local Agency Formation Commission its agents, officers, attorney or employees.

Approved by the following vote:

MOTION: Aguiar-Curry SECOND: Saylor  
AYES: Aguiar-Curry, Rexroad, Saylor, Woods  
NOES: None  
ABSTAIN: None  
ABSENT: Kristoff

**Item № 9**      **Consider The Yolo LAFCo Project Policies Which Consolidates Previously Adopted Local Policies Into One Document Including: Standards Of Evaluation, Out Of Agency Services, Agricultural Conservation, Inhabited Territory Per SB 244 (Re: Disadvantaged Unincorporated Communities), And Municipal Service Review/Sphere Of Influence Guidelines**

**Minute Order 2016-04:** The recommended action was approved.

Approved by the following vote:

MOTION: Saylor  
SECOND: Aguiar-Curry  
AYES: Aguiar-Curry, Rexroad, Saylor, Woods  
NOES: None  
ABSTAIN: None  
ABSENT: Kristoff

**Item № 10    Executive Officer's Report**

The Commission was given written reports of the Executive Officer's activities for the period of September 21, 2015 through January 22, 2016, and was verbally updated on recent events relevant to the Commission.

Staff indicated that the three municipal service reviews (MSR) currently being studied are moving right along. The administrative draft MSR by Citygate Associates for the Combined Fire Protection Districts is currently being reviewed by the fire chiefs and comments are due by February 2, 2016. Staff is expecting the administrative draft MSR from Policy Consulting Associates for the City of Davis and the county service areas of El Macero, North Davis Meadows and Willowbank, by January 29, 2016. The Combined Reclamation Districts and Levee Maintenance District MSR is in the preliminary stages and is being done in house. Staff has been working on the draft checklists for each of those districts and will soon be sending each district a *Request for Information* letter.

Staff stated that the Shared Services JPA Oversight Working Group Meeting would immediately follow today's meeting.

Staff indicated that LAFCo is still assisting agencies in its coordinating role to the continuing Yolo Broadband Strategic Plan efforts. Staff recently hosted a quarterly broadband networking group meeting which was well attended.

The Executive Officer indicated that she had accepted an invitation to sit on the newly formed City of Davis Broadband Advisory Task Force to continue to represent the ongoing regional efforts in broadband.

Additionally, staff asked for discussion from the Commission regarding the EOs attendance at the April 2016 Cap to Cap in DC. The Executive Officer indicated that she had been approached and asked to attend by other agencies involved in the local broadband effort, including Trish Kelly, Senior Vice President for Valley Vision; Tara Thronson, Deputy Supervisor to Don Saylor; and, Diane Parro, Chief Innovation Officer for the City of Davis. They thought that it might be beneficial for LAFCo staff to personally attend the sessions in D.C. and talk about the regional efforts for broadband, including what is happening in the rural communities. Staff stated that the cost to attend would be approximately \$2600 and that the funds were in the budget to pay for the trip. After discussion, the EO was directed to attend the event in D.C.

Staff stated that the next Yolo Leaders Forum would be April 27, 2016, and that a planning meeting for the event has been scheduled for February 11, 2016, to begin

selecting topics. The Commission was asked to notify her if they had any topic suggestions of regional interest for the next Forum.

It was recently brought up to staff that giving the Commissioner's a stipend for attending LAFCo meetings may encourage increased engagement. Staff was directed to look into the matter and return at a later date for consideration of potential outcomes.

**Item No 11**    **Commissioner Comments**

Commissioner Rexroad stated that he wanted to commend Regina Espinoza, County Service Area Manager for Planning, Public Works and Environmental Services, for handling the emergency water situation between Mr. Watts and the Wild Wings County Service Area in a timely manner.

Commissioner Saylor announced that there has been some ongoing discussion within the city councils of Davis and Woodland regarding proposals in those cities that will eventually lead to annexations. Additionally, Saylor stated that the Nishi property (Universal Downtown Gateway District) is up for Council discussion next Tuesday, February 2, 2016. To take this to the people of Davis for a vote in June 2016, action is required by the Council on February 16, 2016.

**Item No 12**    **Adjournment**

**Minute Order 2016-05:** By order of the Chair, the meeting was adjourned at 9:25 a.m. to the Shared Services JPA Working Group Meeting immediately following the meeting at the following location: County Administration Building, 625 Court Street, Room 106

The next Regular LAFCo Meeting is February 25, 2016

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Olin Woods, Chair  
Local Agency Formation Commission  
County of Yolo, State of California

ATTEST:

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Terri Tuck  
Clerk to the Commission





**LAFCO**

**Meeting Date:** 03/24/2016

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**Information**

**SUBJECT**

Review and file Fiscal Year 2015/16 Second Quarter Financial Update

**RECOMMENDED ACTION**

Review and file Fiscal Year 2015/16 Second Quarter Financial Update.

**FISCAL IMPACT**

None

**REASONS FOR RECOMMENDED ACTION**

The intent of the quarterly financial report is to provide the Commission with an update on how LAFCo performed financially in the previous quarter as compared to the adopted budget and to discuss any issues as appropriate. The practice was recommended during our past audit as an additional safeguard to ensure sound financial management, given the small size of the LAFCo staff.

**BACKGROUND**

As you will see, the attached financial reports have changed somewhat since the County moved over to INFOR, its new financial system software, in November 2015. The Income Statement (attachment 1) will show you the amount expended for the period or quarter, the year to date amount and budget, and the percentage of budget used. The General Ledger Report (attachment 2) will show a running balance of all transactions, including both revenue and expenditure amounts.

The LAFCo FY 2015/16 budget was adopted on May 28, 2015. At the end of the second quarter LAFCo had received 100 percent of its expected revenue for FY 2015/16.

During the first half of FY 2015/16 LAFCo remained generally on target with regards to expenditures. Overall, LAFCo has expended 49.8 percent of its budgeted costs in the first two quarters of FY 2015/16. LAFCo has expended 52.5 percent of the Salary and Benefits appropriation due to increasing the analyst from 20 to 26 hours per week per Commission approval at the September 24, 2015 meeting. Staff will continue to track these expenses and request a Commission transfer from contingencies when necessary, probably sometime in the 4th quarter.

LAFCo has expended 52.6 percent of the Services and Supplies appropriation. However, in particular the "Professional and Specialized Services" and "Publications and Legal Notices" accounts have gone over budget. The professional services costs have gone over budget in this fiscal year because both the Municipal Service Reviews for the Fire Protection Districts (contract with Citygate Associates) and the City of Davis and Associated County Service Areas (contract with PCA Associates) spanned two fiscal years and less work was completed in the prior fiscal year and more completed in this fiscal year than anticipated. The individual project budgets overall are on budget, its just that more of the budget was expended in the next fiscal year than what was expected when the budget was prepared in April 2015. We have the funds to pay these costs, we just didn't appropriate enough in this account. As for the legal notices account, LAFCo ended up needing to complete a Mitigated Negative Declaration for the Western Yolo Special Districts MSR/SOI and consequently had to pay \$2,210 in fees to the California Department of Fish and Wildlife that was not anticipated (as required by state law).

Staff is not recommending any adjustments to the adopted budget at this time, but will likely need to come back to the Commission to authorize some transfers in the 4th quarter.

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## Attachments

ATT 1-2nd QTR Income Statement

ATT 2-2nd QTR General Ledger Report

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## Form Review

**Inbox**

Christine Crawford

Form Started By: Terri Tuck

Final Approval Date: 03/16/2016

**Reviewed By**

Christine Crawford

**Date**

03/16/2016 01:49 PM

Started On: 02/26/2016 10:01 AM

# Income Statement

GL293 Date 02/23/16  
Time 10:32

Company 1000 - YOLO COUNTY  
Income Statement  
For Period 4 Through 6 Ending December 31, 2015

USD

Item 5-Attachment 1

Page 1

Fiscal Year 2016 Budget

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6940-2981-06991

694029816991

LOCAL AGENCY FORMATION COMM

Account Nbr	Description	Period Amount	Period Budget	Pct Of Budget	Year To Date Amount	Year To Date Budget	Pct Of Budget
NETFUND/POST	NET FUND BALANCE						
REVENUES	REVENUES						
REVUSEMONEY	REVENUE FROM USE OF MONEY AND						
400700-0000	INVESTMENT EARNINGS-POOL	1,464.00-	0.00	0.00	1,464.00-	1,500.00-	97.60
	Total REVENUE FROM USE OF MONE	1,464.00-	0.00	0.00	1,464.00-	1,500.00-	97.60
INTGOVREVENU	INTERGOVERNMENTAL REVENUES						
OTHRGOVAGNCY	OTHER GOVERNMENTAL AGENCIES						
402010-0001	OTHR GOVT AGENCY-OTH CO-CITYS	0.00	0.00	0.00	184,944.00-	184,944.00-	100.00
402030-0001	OTHR GOVT AGENCY-WEST SAC	0.00	0.00	0.00	63,610.00-	63,610.00-	100.00
402040-0001	OTHR GOVT AGCY-WOODLAND	0.00	0.00	0.00	53,232.00-	53,232.00-	100.00
402050-0001	OTHR GOVT AGCY-WINTERS	0.00	0.00	0.00	5,857.00-	5,857.00-	100.00
402060-0001	OTHR GOVT AGCY-DAVIS	0.00	0.00	0.00	62,245.00-	62,245.00-	100.00
	Total OTHER GOVERNMENTAL AGENC	0.00	0.00	0.00	369,888.00-	369,888.00-	100.00
	Total INTERGOVERNMENTAL REVENU	0.00	0.00	0.00	369,888.00-	369,888.00-	100.00
MISCREVENUES	MISCELLANEOUS REVENUES						
404190-0000	OTHER MISC INCOME	0.00	0.00	0.00	335.01-	0.00	0.00
	Total MISCELLANEOUS REVENUES	0.00	0.00	0.00	335.01-	0.00	0.00
	Total REVENUES	1,464.00-	0.00	0.00	371,687.01-	371,388.00-	100.08
EXPENDITURES	EXPENDITURES						
SALARY&BEN	SALARIES AND EMPLOYEE BENEFITS						
SALARY&WAGES	SALARY AND WAGES						
500100-0000	REGULAR EMPLOYEES	113,470.29	0.00	0.00	113,470.29	205,020.00	55.35
	Total SALARY AND WAGES	113,470.29	0.00	0.00	113,470.29	205,020.00	55.35
EMPBENEFITS	EMPLOYEE BENEFITS						
500310-0000	RETIREMENT	24,598.99	0.00	0.00	24,598.99	44,774.00	54.94
500320-0000	OASDI	7,791.73	0.00	0.00	7,791.73	14,182.00	54.94
500330-0000	FICA/MEDICARE	1,980.05	0.00	0.00	1,980.05	3,566.00	55.53
500360-0000	OPEB - RETIREE HEALTH INSURANC	0.00	0.00	0.00	0.00	14,351.00	0.00
500380-0000	UNEMPLOYMENT INSURANCE	0.00	0.00	0.00	0.00	850.00	0.00
500390-0000	WORKERS' COMPENSATION INSURANC	0.00	0.00	0.00	500.00	1,500.00	33.33
500400-0000	OTHER EMPLOYEE BENEFITS	33,237.75	0.00	0.00	33,237.75	61,362.00	54.17
	Total EMPLOYEE BENEFITS	67,608.52	0.00	0.00	68,108.52	140,585.00	48.45
	Total SALARIES AND EMPLOYEE BE	181,078.81	0.00	0.00	181,578.81	345,605.00	52.54
SERVSUPPLIES	SERVICES AND SUPPLIES						
501020-0000	COMMUNICATIONS	143.43	0.00	0.00	538.45	2,500.00	21.54
501030-0000	FOOD	39.56	0.00	0.00	116.35	350.00	33.24
501051-0000	INSURANCE-PUBLIC LIABILITY	0.00	0.00	0.00	500.00	500.00	100.00
501070-0000	MAINTENANCE-EQUIPMENT	58.50	0.00	0.00	161.26	750.00	21.50
501090-0000	MEMBERSHIPS	0.00	0.00	0.00	2,381.00	3,100.00	76.81
501100-0000	MISCELLANEOUS EXPENSE	0.00	0.00	0.00	0.00	250.00	0.00
501110-0000	OFFICE EXPENSE	17.40	0.00	0.00	310.76	750.00	41.43
501111-0000	OFFICE EXP-POSTAGE	0.00	0.00	0.00	126.85	500.00	25.37
501112-0000	OFFICE EXP-PRINTING	26.13	0.00	0.00	102.76	1,000.00	10.28
501125-0000	IT SERVICE-DPT SYS MAINT	0.00	0.00	0.00	0.00	1,146.00	0.00
501126-0000	IT SERVICE-ERP	0.00	0.00	0.00	0.00	2,777.00	0.00
501127-0000	IT SERVICE-CONNECTIVITY	0.00	0.00	0.00	0.00	2,751.00	0.00
501151-0000	PROF & SPEC SVC-AUDITG & ACCTG	0.00	0.00	0.00	0.00	20,000.00	0.00
501152-0000	PROF & SPEC SVC-INFO TECH SVC	0.00	0.00	0.00	0.00	400.00	0.00

# Income Statement

GL293 Date 02/23/16  
Time 10:32

Company 1000 - YOLO COUNTY  
Income Statement  
For Period 4 Through 6 Ending December 31, 2015

USD

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Fiscal Year 2016 Budget

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6940-2981-06991

694029816991

LOCAL AGENCY FORMATION COMM

Account Nbr	Description	Period Amount	Period Budget	Pct Of Budget	Year To Date Amount	Year To Date Budget	Pct Of Budget
501156-0000	PROF & SPEC SVC-LEGAL SVC	992.56	0.00	0.00	992.56	5,000.00	19.85
501165-0000	PROF & SPEC SVC-OTHER	26,206.31	0.00	0.00	47,071.69	55,000.00	85.58
501180-0000	PUBLICATIONS AND LEGAL NOTICES	0.00	0.00	0.00	2,719.90	1,500.00	181.33
501190-0000	RENTS AND LEASES - EQUIPMENT	13.10	0.00	0.00	28.10	1,500.00	1.87
501192-0000	RENTS & LEASES-RECRDS STRGE	0.00	0.00	0.00	0.00	483.00	0.00
501205-0000	TRAINING	1,689.70	0.00	0.00	5,065.91	12,000.00	42.22
501250-0000	TRANSPORTATION AND TRAVEL	33.75	0.00	0.00	33.75	2,000.00	1.69
	Total SERVICES AND SUPPLIES	29,220.44	0.00	0.00	60,149.34	114,257.00	52.64
OTHERCHARGES	OTHER CHARGES						
502201-0000	PAYMENTS TO OTH GOV INSTITUTN	0.00	0.00	0.00	0.00	1,000.00	0.00
	Total OTHER CHARGES	0.00	0.00	0.00	0.00	1,000.00	0.00
OTHRFINANUSE	OTHER FINANCING USES						
503110-0000	TRANSFERS OUT-EQUIP PRE FUND	0.00	0.00	0.00	0.00	1,200.00	0.00
	Total OTHER FINANCING USES	0.00	0.00	0.00	0.00	1,200.00	0.00
CONTINGENCY	APPROPRIATION FOR CONTINGENCIE						
503300-0000	APPROP FOR CONTINGENCY	0.00	0.00	0.00	0.00	23,750.00	0.00
	Total APPROPRIATION FOR CONTIN	0.00	0.00	0.00	0.00	23,750.00	0.00
	Total EXPENDITURES	210,299.25	0.00	0.00	241,728.15	485,812.00	49.76
	Total NET FUND BALANCE	208,835.25	0.00	0.00	129,958.86-	114,424.00	113.58-

# Income Statement

GL293 Date 02/23/16  
Time 10:32

Company 1000 - YOLO COUNTY  
Income Statement  
For Period 4 Through 6 Ending December 31, 2015

USD

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Fiscal Year 2016 Budget

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6940-2981-06992

694029816992

LAFCO SHARED SRVCS

Account Nbr	Description	Period Amount	Period Budget	Pct Of Budget	Year To Date Amount	Year To Date Budget	Pct Of Budget
NETFUND/POST	NET FUND BALANCE						
EXPENDITURES	EXPENDITURES						
SERVSUPPLIES	SERVICES AND SUPPLIES						
501165-0000	PROF & SPEC SVC-OTHER	0.00	0.00	0.00	0.00	10,000.00	0.00
	Total SERVICES AND SUPPLIES	0.00	0.00	0.00	0.00	10,000.00	0.00
	Total EXPENDITURES	0.00	0.00	0.00	0.00	10,000.00	0.00
	Total NET FUND BALANCE	0.00	0.00	0.00	0.00	10,000.00	0.00

# General Ledger Report

Item 5- Attachment 2

GL290 Date 03/11/16  
Time 14:35

Company 1000 - YOLO COUNTY  
RUNNING BAL TRANS - RUNNING BALANCE TRANS REPORT  
For Period 04 - 06 Ending December 31, 2015

USD  
Page 1  
Sort Variable Level, Account  
Type Amounts  
Activity Beg Bal and Activity

Accounting Unit 694000000000 LOC AGENCY FORM BAL SHEET USE Resp Level 6940-0001-00001

Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
			Account	100000-0000	CASH IN TREASURY				Begin Balance	639,360.56
10/31/15	GL	04 N	13-00	1000	07/15 SIGNAGE REQ #1				26.13	639,334.43
10/31/15	GL	04 N	13-00	1000	JUL-SEP INTEREST APP		1,317.74			640,652.17
10/31/15	GL	04 N	13-00	1000	RECEIVED OF CHRISTIN		28.00			640,680.17
10/31/15	GL	04 N	13-00	1000	LEGAL SRVCS 07/01-09			992.56		639,687.61
10/31/15	GL	04 N	13-00	1000	WARRANTS			4,921.45		634,766.16
10/31/15	GL	04 N	13-00	1000	CORR PPE 4/4-6/13 PR			76,580.43		558,185.73
10/31/15	GL	04 N	13-00	1000	CORR PPE 6/27 PR FR			13,260.62		544,925.11
10/31/15	GL	04 N	13-00	1000	CORR PPE 7/11 PR FR			13,854.98		531,070.13
10/31/15	GL	04 N	13-00	1000	CORR PPE 7/25 PR FR			11,689.96		519,380.17
10/31/15	GL	04 N	13-00	1000	CORR PPE 8/8 PR FR 1			13,849.23		505,530.94
10/31/15	GL	04 N	13-00	1000	CORR PPE 10/17 PR FR			13,324.79		492,206.15
10/31/15	GL	04 N	13-00	1000	CORR PPE 10/3 PR FR			13,324.78		478,881.37
10/31/15	GL	04 N	13-00	1000	CORR PPE 8/22 PR FR			12,823.62		466,057.75
10/31/15	GL	04 N	13-00	1000	CORR PPE 9/19 PR FR			12,823.67		453,234.08
10/31/15	GL	04 N	13-00	1000	CORR PPE 9/5 PR FR 1			12,823.70		440,410.38
10/31/15	GL	04 N	13-00	1000	OCTOBER INTEREST APP		31.69			440,442.07
11/01/15	GL	05 N	133-00	1000	Auto Offset From Zon			8.50		440,433.57
11/05/15	AP	05 N	8-00	1000	Auto Offset From Zon			11.20		440,422.37
11/06/15	PR	05 N	1-00	1000	Auto offset from zon			10,645.78		429,776.59
11/06/15	AP	05 N	27-00	1000	Auto Offset From Zon			20,853.56		408,923.03
11/17/15	AP	05 N	34-00	1000	Auto Offset From Zon			202.70		408,720.33
11/20/15	PR	05 N	4-00	1000	Auto Offset From Zon			13,324.75		395,395.58
11/20/15	AP	05 N	49-00	1000	Auto Offset From Zon			517.50		394,878.08
11/30/15	AP	05 N	74-00	1000	Auto Offset From Zon			58.50		394,819.58
11/30/15	GL	05 N	191-00	1000	Auto Offset From Zon			91.31		394,728.27
11/30/15	GL	05 N	446-00	1000	Auto Offset From Zon			12.00		394,716.27
12/01/15	GL	06 N	134-00	1000	Auto Offset From Zon			126.43		394,589.84
12/04/15	PR	06 N	1-00	1000	Auto Offset From Zon			13,262.24		381,327.60
12/10/15	AP	06 N	30-00	1000	Auto Offset From Zon			8.10		381,319.50
12/18/15	PR	06 N	4-00	1000	Auto Offset From Zon			13,027.00		368,292.50
12/18/15	GL	06 N	716-00	1000	Auto Offset From Zon			8.50		368,284.00
12/23/15	AP	06 N	96-00	1000	Auto Offset From Zon			1,410.00		366,874.00
12/31/15	PR	06 N	7-00	1000	Auto Offset From Zon			13,043.69		353,830.31
Total Activity Account								1,377.43	286,907.68	
			Account	100000-0000	CASH IN TREASURY				End Balance	353,830.31
			Account	101000-0143	RC-LAFCO OPEB				Begin Balance	50,187.88
10/31/15	GL	04 N	13-00	1000	JUL-SEP INTEREST APP		112.03			50,299.91
10/31/15	GL	04 N	13-00	1000	OCTOBER INTEREST APP			2.54		50,302.45
Total Activity Account								114.57		
			Account	101000-0143	RC-LAFCO OPEB				End Balance	50,302.45
			Account	101000-0144	RC-LAFCO PC REPL				Begin Balance	2,400.00
			Account	101000-0144	RC-LAFCO PC REPL				End Balance	2,400.00

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Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
Account			190200-0000		FUTURE LONG TERM DEBT REQUIRE			Begin Balance		8,489.00
			190200-0000		FUTURE LONG TERM DEBT REQUIRE			End Balance		8,489.00
Account			230000-0000		COMPENSATED ABSENSES (S/T)			Begin Balance		8,489.00-
			230000-0000		COMPENSATED ABSENSES (S/T)			End Balance		8,489.00-
Account			300500-0001		FUND BAL-COMMITTED-OPEB			Begin Balance		50,158.38-
10/31/15	GL	04	N	13-00	1000 JUL-SEP INTEREST APP				112.03	50,270.41-
10/31/15	GL	04	N	13-00	1000 OCTOBER INTEREST APP				2.54	50,272.95-
					Total Activity	Account			114.57	
			300500-0001		FUND BAL-COMMITTED-OPEB			End Balance		50,272.95-
Account			300600-0000		FD BAL-ASSIGNED			Begin Balance		67,357.50-
			300600-0000		FD BAL-ASSIGNED			End Balance		67,357.50-
Account			300600-0001		FD BAL-ASSIGNED-CAP ASSET REPL			Begin Balance		2,400.00-
			300600-0001		FD BAL-ASSIGNED-CAP ASSET REPL			End Balance		2,400.00-
Account			300999-0000		UNASSIGNED			Begin Balance		233,238.45-
10/31/15	GL	04	N	13-00	1000 JUL-SEP INTEREST APP			112.03		233,126.42-
10/31/15	GL	04	N	13-00	1000 CORR PPE 4/4-6/13 PR			76,580.43		156,545.99-
10/31/15	GL	04	N	13-00	1000 OCTOBER INTEREST APP			2.54		156,543.45-
					Total Activity	Account		76,695.00		
			300999-0000		UNASSIGNED			End Balance		156,543.45-
			694000000000		LOC AGENCY FORM BAL SHEET USE			End Balance		129,958.86

Accounting Unit 694029816991 LOCAL AGENCY FORMATION COMM Resp Level 6940-2981-06991

Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
Account			400700-0000		INVESTMENT EARNINGS-POOL			Begin Balance		0.00
10/31/15	GL	04	N	13-00	1000 JUL-SEP INTEREST APP 9999999999999999	10000			1,317.74	1,317.74-
10/31/15	GL	04	N	13-00	1000 JUL-SEP INTEREST APP 9999999999999999	10000			112.03	1,429.77-
10/31/15	GL	04	N	13-00	1000 OCTOBER INTEREST APP 9999999999999999	10000			31.69	1,461.46-
10/31/15	GL	04	N	13-00	1000 OCTOBER INTEREST APP 9999999999999999	10000			2.54	1,464.00-
					Total Activity	Account			1,464.00	
			400700-0000		INVESTMENT EARNINGS-POOL			End Balance		1,464.00-
Account			402010-0001		OTHR GOVT AGENCY-OTH CO-CITYS			Begin Balance		184,944.00-
			402010-0001		OTHR GOVT AGENCY-OTH CO-CITYS			End Balance		184,944.00-
Account			402030-0001		OTHR GOVT AGENCY-WEST SAC			Begin Balance		63,610.00-
			402030-0001		OTHR GOVT AGENCY-WEST SAC			End Balance		63,610.00-

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Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
Account			402040-0001		OTHR GOVT AGCY-WOODLAND			Begin Balance		53,232.00-
			402040-0001		OTHR GOVT AGCY-WOODLAND			End Balance		53,232.00-
Account			402050-0001		OTHR GOVT AGCY-WINTERS			Begin Balance		5,857.00-
			402050-0001		OTHR GOVT AGCY-WINTERS			End Balance		5,857.00-
Account			402060-0001		OTHR GOVT AGCY-DAVIS			Begin Balance		62,245.00-
			402060-0001		OTHR GOVT AGCY-DAVIS			End Balance		62,245.00-
Account			404190-0000		OTHER MISC INCOME			Begin Balance		335.01-
			404190-0000		OTHER MISC INCOME			End Balance		335.01-
Account			500100-0000		REGULAR EMPLOYEES			Begin Balance		0.00
10/31/15	GL	04	N	13-00	1000 CORR PPE 6/27 PR FR	9999999999999999	50000	8,249.19		8,249.19
10/31/15	GL	04	N	13-00	1000 CORR PPE 7/11 PR FR	9999999999999999	50000	8,626.85		16,876.04
10/31/15	GL	04	N	13-00	1000 CORR PPE 7/25 PR FR	9999999999999999	50000	6,941.90		23,817.94
10/31/15	GL	04	N	13-00	1000 CORR PPE 8/8 PR FR 1	9999999999999999	50000	8,612.32		32,430.26
10/31/15	GL	04	N	13-00	1000 CORR PPE 10/17 PR FR	9999999999999999	50000	8,225.59		40,655.85
10/31/15	GL	04	N	13-00	1000 CORR PPE 10/3 PR FR	9999999999999999	50000	8,225.58		48,881.43
10/31/15	GL	04	N	13-00	1000 CORR PPE 8/22 PR FR	9999999999999999	50000	7,820.31		56,701.74
10/31/15	GL	04	N	13-00	1000 CORR PPE 9/19 PR FR	9999999999999999	50000	7,820.33		64,522.07
10/31/15	GL	04	N	13-00	1000 CORR PPE 9/5 PR FR 1	9999999999999999	50000	7,820.34		72,342.41
11/06/15	PR	05	N	1-00	1000 Summarized transacti			8,225.59		80,568.00
11/20/15	PR	05	N	4-00	1000 Summarized transacti			8,225.57		88,793.57
12/04/15	PR	06	N	1-00	1000 Summarized transacti			8,225.55		97,019.12
12/18/15	PR	06	N	4-00	1000 Summarized transacti			8,225.59		105,244.71
12/31/15	PR	06	N	7-00	1000 Summarized transacti			8,225.58		113,470.29
					Total Activity Account			113,470.29		
			500100-0000		REGULAR EMPLOYEES			End Balance		113,470.29
Account			500310-0000		RETIREMENT			Begin Balance		0.00
10/31/15	GL	04	N	13-00	1000 CORR PPE 6/27 PR FR	9999999999999999	50000	1,690.74		1,690.74
10/31/15	GL	04	N	13-00	1000 CORR PPE 7/11 PR FR	9999999999999999	50000	1,878.55		3,569.29
10/31/15	GL	04	N	13-00	1000 CORR PPE 7/25 PR FR	9999999999999999	50000	1,510.59		5,079.88
10/31/15	GL	04	N	13-00	1000 CORR PPE 8/8 PR FR 1	9999999999999999	50000	1,875.39		6,955.27
10/31/15	GL	04	N	13-00	1000 CORR PPE 10/17 PR FR	9999999999999999	50000	1,790.93		8,746.20
10/31/15	GL	04	N	13-00	1000 CORR PPE 10/3 PR FR	9999999999999999	50000	1,790.92		10,537.12
10/31/15	GL	04	N	13-00	1000 CORR PPE 8/22 PR FR	9999999999999999	50000	1,702.41		12,239.53
10/31/15	GL	04	N	13-00	1000 CORR PPE 9/19 PR FR	9999999999999999	50000	1,702.43		13,941.96
10/31/15	GL	04	N	13-00	1000 CORR PPE 9/5 PR FR 1	9999999999999999	50000	1,702.43		15,644.39
11/06/15	PR	05	N	1-00	1000 Summarized transacti			1,790.93		17,435.32
11/20/15	PR	05	N	4-00	1000 Summarized transacti			1,790.92		19,226.24
12/04/15	PR	06	N	1-00	1000 Summarized transacti			1,790.91		21,017.15
12/18/15	PR	06	N	4-00	1000 Summarized transacti			1,790.92		22,808.07
12/31/15	PR	06	N	7-00	1000 Summarized transacti			1,790.92		24,598.99
					Total Activity Account			24,598.99		
			500310-0000		RETIREMENT			End Balance		24,598.99



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			Account 500320-0000	OASDI				Begin Balance		0.00
10/31/15	GL	04 N	13-00 1000		CORR PPE 6/27 PR FR	9999999999999999	50000	619.14		619.14
10/31/15	GL	04 N	13-00 1000		CORR PPE 7/11 PR FR	9999999999999999	50000	642.55		1,261.69
10/31/15	GL	04 N	13-00 1000		CORR PPE 7/25 PR FR	9999999999999999	50000	551.70		1,813.39
10/31/15	GL	04 N	13-00 1000		CORR PPE 8/8 PR FR 1	9999999999999999	50000	652.22		2,465.61
10/31/15	GL	04 N	13-00 1000		CORR PPE 10/17 PR FR	9999999999999999	50000	609.07		3,074.68
10/31/15	GL	04 N	13-00 1000		CORR PPE 10/3 PR FR	9999999999999999	50000	609.08		3,683.76
10/31/15	GL	04 N	13-00 1000		CORR PPE 8/22 PR FR	9999999999999999	50000	603.11		4,286.87
10/31/15	GL	04 N	13-00 1000		CORR PPE 9/19 PR FR	9999999999999999	50000	603.12		4,889.99
10/31/15	GL	04 N	13-00 1000		CORR PPE 9/5 PR FR 1	9999999999999999	50000	603.12		5,493.11
11/06/15	PR	05 N	1-00 1000		Summarized transacti			509.99		6,003.10
11/20/15	PR	05 N	4-00 1000		Summarized transacti			609.06		6,612.16
12/04/15	PR	06 N	1-00 1000		Summarized transacti			546.59		7,158.75
12/18/15	PR	06 N	4-00 1000		Summarized transacti			311.53		7,470.28
12/31/15	PR	06 N	7-00 1000		Summarized transacti			321.45		7,791.73
Total Activity Account								7,791.73		
			500320-0000	OASDI				End Balance		7,791.73
			Account 500330-0000	FICA/MEDICARE				Begin Balance		0.00
10/31/15	GL	04 N	13-00 1000		CORR PPE 6/27 PR FR	9999999999999999	50000	144.80		144.80
10/31/15	GL	04 N	13-00 1000		CORR PPE 7/11 PR FR	9999999999999999	50000	150.28		295.08
10/31/15	GL	04 N	13-00 1000		CORR PPE 7/25 PR FR	9999999999999999	50000	129.02		424.10
10/31/15	GL	04 N	13-00 1000		CORR PPE 8/8 PR FR 1	9999999999999999	50000	152.55		576.65
10/31/15	GL	04 N	13-00 1000		CORR PPE 10/17 PR FR	9999999999999999	50000	142.45		719.10
10/31/15	GL	04 N	13-00 1000		CORR PPE 10/3 PR FR	9999999999999999	50000	142.45		861.55
10/31/15	GL	04 N	13-00 1000		CORR PPE 8/22 PR FR	9999999999999999	50000	141.04		1,002.59
10/31/15	GL	04 N	13-00 1000		CORR PPE 9/19 PR FR	9999999999999999	50000	141.04		1,143.63
10/31/15	GL	04 N	13-00 1000		CORR PPE 9/5 PR FR 1	9999999999999999	50000	141.06		1,284.69
11/06/15	PR	05 N	1-00 1000		Summarized transacti			119.27		1,403.96
11/20/15	PR	05 N	4-00 1000		Summarized transacti			142.45		1,546.41
12/04/15	PR	06 N	1-00 1000		Summarized transacti			142.44		1,688.85
12/18/15	PR	06 N	4-00 1000		Summarized transacti			142.21		1,831.06
12/31/15	PR	06 N	7-00 1000		Summarized transacti			148.99		1,980.05
Total Activity Account								1,980.05		
			500330-0000	FICA/MEDICARE				End Balance		1,980.05
			Account 500390-0000	WORKERS' COMPENSATION INSURANC				Begin Balance		500.00
			500390-0000	WORKERS' COMPENSATION INSURANC				End Balance		500.00
			Account 500400-0000	OTHER EMPLOYEE BENEFITS				Begin Balance		0.00
10/31/15	GL	04 N	13-00 1000		CORR PPE 6/27 PR FR	9999999999999999	50000	2,556.75		2,556.75
10/31/15	GL	04 N	13-00 1000		CORR PPE 7/11 PR FR	9999999999999999	50000	2,556.75		5,113.50
10/31/15	GL	04 N	13-00 1000		CORR PPE 7/25 PR FR	9999999999999999	50000	2,556.75		7,670.25
10/31/15	GL	04 N	13-00 1000		CORR PPE 8/8 PR FR 1	9999999999999999	50000	2,556.75		10,227.00
10/31/15	GL	04 N	13-00 1000		CORR PPE 10/17 PR FR	9999999999999999	50000	2,556.75		12,783.75
10/31/15	GL	04 N	13-00 1000		CORR PPE 10/3 PR FR	9999999999999999	50000	2,556.75		15,340.50
10/31/15	GL	04 N	13-00 1000		CORR PPE 8/22 PR FR	9999999999999999	50000	2,556.75		17,897.25
10/31/15	GL	04 N	13-00 1000		CORR PPE 9/19 PR FR	9999999999999999	50000	2,556.75		20,454.00
10/31/15	GL	04 N	13-00 1000		CORR PPE 9/5 PR FR 1	9999999999999999	50000	2,556.75		23,010.75

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			Account	500400-0000	OTHER EMPLOYEE BENEFITS				Balance Fwd	23,010.75
11/20/15	PR	05	N	4-00	1000	Summarized transacti		2,556.75		25,567.50
12/04/15	PR	06	N	1-00	1000	Summarized transacti		2,556.75		28,124.25
12/18/15	PR	06	N	4-00	1000	Summarized transacti		2,556.75		30,681.00
12/31/15	PR	06	N	7-00	1000	Summarized transacti		2,556.75		33,237.75
Total Activity Account								33,237.75		
			Account	500400-0000	OTHER EMPLOYEE BENEFITS				End Balance	33,237.75
			Account	501020-0000	COMMUNICATIONS				Begin Balance	395.02
11/01/15	GL	05	N	133-00	1000	185-1 09/15 INTERNAL 850400000002000	53200	8.50		403.52
12/01/15	GL	06	N	134-00	1000	185-1 10/15 INTERNAL 850400000002000	53200	126.43		529.95
12/18/15	GL	06	N	716-00	1000	185-1 10/15 INTERNAL 850400000002000	53200	8.50		538.45
Total Activity Account								143.43		
			Account	501020-0000	COMMUNICATIONS				End Balance	538.45
			Account	501030-0000	FOOD				Begin Balance	76.79
11/30/15	GL	05	N	191-00	1000	11/15 CALCARD-CCRAWF 850400000002000	53300	39.56		116.35
Total Activity Account								39.56		
			Account	501030-0000	FOOD				End Balance	116.35
			Account	501051-0000	INSURANCE-PUBLIC LIABILITY				Begin Balance	500.00
			Account	501051-0000	INSURANCE-PUBLIC LIABILITY				End Balance	500.00
			Account	501070-0000	MAINTENANCE-EQUIPMENT				Begin Balance	102.76
11/30/15	AP	05	N	74-00	1000	13078INLAND BUSI 850400000002000	53700	58.50		161.26
Total Activity Account								58.50		
			Account	501070-0000	MAINTENANCE-EQUIPMENT				End Balance	161.26
			Account	501090-0000	MEMBERSHIPS				Begin Balance	2,381.00
			Account	501090-0000	MEMBERSHIPS				End Balance	2,381.00
			Account	501110-0000	OFFICE EXPENSE				Begin Balance	293.36
10/31/15	GL	04	N	13-00	1000	INV#9951047 100115 1 9999999999999999	50000	6.20		299.56
11/05/15	AP	05	N	8-00	1000	10246DSW HOLDING 850400000002000	54200	6.20		305.76
12/10/15	AP	06	N	30-00	1000	10246DSW HOLDING 850400000002000	54200	5.00		310.76
Total Activity Account								17.40		
			Account	501110-0000	OFFICE EXPENSE				End Balance	310.76
			Account	501111-0000	OFFICE EXP-POSTAGE				Begin Balance	126.85
			Account	501111-0000	OFFICE EXP-POSTAGE				End Balance	126.85

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-----										
Account	501112-0000				OFFICE EXP-PRINTING				Begin Balance	76.63
10/31/15	GL 04 N		13-00	1000	07/15 SIGNAGE REQ #1 9999999999999999	50000		26.13		102.76
					Total Activity Account			26.13		
	501112-0000				OFFICE EXP-PRINTING				End Balance	102.76
-----										
Account	501156-0000				PROF & SPEC SVC-LEGAL SVC				Begin Balance	0.00
10/31/15	GL 04 N		13-00	1000	LEGAL SRVCS 07/01-09 9999999999999999	50000		992.56		992.56
					Total Activity Account			992.56		
	501156-0000				PROF & SPEC SVC-LEGAL SVC				End Balance	992.56
-----										
Account	501165-0000				PROF & SPEC SVC-OTHER				Begin Balance	20,865.38
10/31/15	GL 04 N		13-00	1000	INV#23751 09/30/15 A 9999999999999999	50000		4,835.25		25,700.63
11/06/15	AP 05 N		27-00	1000	10213POLICY CONS 850200004409014	55500		4,530.00		30,230.63
11/06/15	AP 05 N		27-00	1000	10688CITYGATE AS 850200004509014	55500		16,323.56		46,554.19
11/20/15	AP 05 N		49-00	1000	10778MARCUS NEUV 850400000002000	55500		517.50		47,071.69
					Total Activity Account			26,206.31		
	501165-0000				PROF & SPEC SVC-OTHER				End Balance	47,071.69
-----										
Account	501180-0000				PUBLICATIONS AND LEGAL NOTICES				Begin Balance	2,719.90
	501180-0000				PUBLICATIONS AND LEGAL NOTICES				End Balance	2,719.90
-----										
Account	501190-0000				RENTS AND LEASES - EQUIPMENT				Begin Balance	15.00
10/31/15	GL 04 N		13-00	1000	INV#9951047 100115 1 9999999999999999	50000		5.00		20.00
11/05/15	AP 05 N		8-00	1000	10246DSW HOLDING 850400000002000	55800		5.00		25.00
12/10/15	AP 06 N		30-00	1000	10246DSW HOLDING 850400000002000	55800		3.10		28.10
					Total Activity Account			13.10		
	501190-0000				RENTS AND LEASES - EQUIPMENT				End Balance	28.10
-----										
Account	501205-0000				TRAINING				Begin Balance	3,376.21
10/31/15	GL 04 N		13-00	1000	REIMBURSEMENT 9999999999999999	50000			28.00	3,348.21
10/31/15	GL 04 N		13-00	1000	CALAFCO U-IMPLEMENTI 9999999999999999	50000		75.00		3,423.21
11/17/15	AP 05 N		34-00	1000	999000055TIMOTHY O'D 850400000002000	56900		202.70		3,625.91
11/30/15	GL 05 N		191-00	1000	11/15 CALCARD-CCRAWF 850400000002000	56900		30.00		3,655.91
12/23/15	AP 06 N		96-00	1000	13218CA ASSOC FO 850500000004000	56900		1,410.00		5,065.91
					Total Activity Account			1,717.70	28.00	
	501205-0000				TRAINING				End Balance	5,065.91
-----										
Account	501250-0000				TRANSPORTATION AND TRAVEL				Begin Balance	0.00
11/30/15	GL 05 N		191-00	1000	11/15 CALCARD-CCRAWF 850400000002000	57300		21.75		21.75
11/30/15	GL 05 N		446-00	1000	12/15 CALCARD-CCRAWF 850400000002000	57300		12.00		33.75
					Total Activity Account			33.75		
	501250-0000				TRANSPORTATION AND TRAVEL				End Balance	33.75

# General Ledger Report

GL290 Date 03/11/16  
Time 14:35

Company 1000 - YOLO COUNTY  
RUNNING BAL TRANS - RUNNING BALANCE TRANS REPORT  
For Period 04 - 06 Ending December 31, 2015

USD  
Page 7  
Sort Variable Level, Account  
Type Amounts  
Activity Beg Bal and Activity

Accounting Unit 694029816991 LOCAL AGENCY FORMATION COMM Resp Level 6940-2981-06991

Posting	Sy	Pd	Journal/Seq	Inco	Transaction Desc	Activity	Catg	Debit	Credit	Balance
Account			501250-0000		TRANSPORTATION AND TRAVEL			Balance Fwd		33.75
			694029816991		LOCAL AGENCY FORMATION COMM			End Balance		129,958.86-

Company 1000 Totals:  
Debit Transactions 288,514.25  
Credit Transactions 288,514.25  
Debit Balances 656,749.91  
Credit Balances 656,749.91  
P/L Debit Transactions 210,327.25  
P/L Credit Transactions 1,492.00  
Net Loss 208,835.25

# General Ledger Report

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GL290 Date: 03/11/16  
Time: 14:35

JOB SUBMISSION PARAMETERS

User Name: YLLSFPD\TTuck  
Job Name: GL290TT  
Step Nbr: 1

Company: 1000                      YOLO COUNTY                      USD  
or Company Group:  
Reports: RUNNING BAL TRANS

Year Code:                      or Posting Dates:                      -  
or Year: 2016  
Periods: 4 - 6

Accounting Unit: 6940                      LOCAL AGENCY FORMATION COMM  
Accounts: -  
Subaccounts: -  
Report Currency: B                      Base

---



Consent 6.

**LAFCO**

**Meeting Date:** 03/24/2016

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**Information**

**SUBJECT**

Correspondence

**RECOMMENDED ACTION**

Receive and file the following correspondence:

- A. Senate Bill 1266 Support Letter
- B. Senate Bill 817 Support Letter as Amended March 2016
- C. Senate Bills 971, 972, and 973 Support Letter
- D. CALAFCO 2015/16 Strategic Plan Adopted May 8, 2015, Updated February 5, 2016
- E. CALAFCO 2015/16 Strategic Plan Dashboard Review
- F. CALAFCO Quarterly February 2016
- G. Colantuono Newsletter Winter 2016

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**Attachments**

- [ATT A-SB 1266 Support Letter](#)
  - [ATT B-SB 817 Support Letter](#)
  - [ATT C-SBs 971, 972, 973 Support Letter](#)
  - [ATT D-CALAFCO 15/16 Strategic Plan Updated 2/5/16](#)
  - [ATT E-CALAFCO 15/16 Strategic Plan 2015 Dashboard Review](#)
  - [ATT F-CALAFCO Quarterly February 2016](#)
  - [ATT G-Colantuono Newsletter Winter 2016](#)
- 

**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Christine Crawford	Christine Crawford	03/16/2016 01:12 PM
Form Started By: Terri Tuck		Started On: 03/15/2016 07:09 AM
Final Approval Date: 03/16/2016		

LOCAL  
AGENCY  
FORMATION  
COMMISSION OF  
YOLO COUNTY



March 3, 2016

Senator Mark McGuire  
California State Senate  
State Capitol, Room 5064  
Sacramento, CA 95814

**RE: SB 1266 (McGuire) - Joint Exercise of Powers: Agreement Filings-SUPPORT**

Dear Senator McGuire:

The Local Agency Formation Commission (LAFCo) of Yolo County is pleased to support Senate Bill 1266. This bill would require certain stand-alone, municipal service providing joint-power authorities (JPAs) to provide a copy of their agreement to the LAFCo at the time of their establishment or amendment to that agreement.

Under existing law, there is no means for LAFCos to be informed of the existence and activities of local municipal service providing JPAs, which creates an increasing challenge for LAFCos in meeting their standing directive to plan and oversee the responsive, efficient and effective delivery local government services. This is especially true given the expanding role of JPAs in delivering municipal services. This bill closes that gap.

This direct communication connection between the JPA and LAFCo allows the LAFCo to be a stronger public resource and inclusive information repository on local public services. Further, it allows the LAFCo the information needed to ensure more comprehensive reporting to the public on the effective and efficient delivery of municipal services.

This bill is not intended to create a direct authority link of LAFCo over JPAs. The formation, organization, and related decision-making for JPAs are unaffected by this legislation. We understand that as the sponsor of SB 1266, the California Association of Local Agency Formation Commissions (CALAFCO) has and will continue to meet with stakeholders in an effort to receive feedback and work through any remaining points of concern and pending amendments.

CHAIR  
OLIN WOODS  
Public Member

VICE CHAIR  
MATT REXROAD  
Supervisor – 3<sup>rd</sup> District

BILL KRISTOFF  
Councilmember  
City of West Sacramento

DON SAYLOR  
Supervisor – 2<sup>nd</sup> District

CECILIA AGUIAR-CURRY  
Mayor  
City of Winters

ALTERNATE  
ROBERT RAMMING  
Public Member

ALTERNATE  
JIM PROVENZA  
Supervisor – 4<sup>th</sup> District

ALTERNATES  
ROBB DAVIS  
Councilmember  
City of Davis

Staff  
CHRISTINE M. CRAWFORD, AICP  
Executive Officer

SARAH KIRCHGESSNER  
Management Analyst

TERRI TUCK  
Commission Clerk

ERIC MAY  
Commission Counsel

625 Court Street, Suite 203  
Woodland CA 95695

(530) 666-8048  
lafco@yolocounty.org

[www.yololafco.org](http://www.yololafco.org)

Because SB 1266 provides the critical direct communication link between the LAFCo and these municipal service providing JPAs, the Yolo LAFCo supports this bill. We thank you for authoring this important legislation.

Yours sincerely,



Olin Woods  
Commission Chair

cc: Members, Senate Governance & Finance Committee  
Brian Weinberger, Consultant, Senate Governance & Finance Committee  
Ryan Eisberg, Consultant, Senate Republican Caucus





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ALTERNATES  
ROBB DAVIS  
Councilmember  
City of Davis

March 3, 2016

Senator Richard Roth  
California State Senate  
State Capital Room 4034  
Sacramento, CA 95814

**RE: Support of SB 817 as amended**

Dear Senator Roth:

The Local Agency Formation Commissions (LAFCo) of Yolo County is pleased to support your bill SB 817, as amended February 22, 2016. The bill reinstates allocations to recently incorporated cities consistent with the allocation formula those communities relied upon when making the decision to incorporate the affected territory.

It was most unfortunate that SB 25 (2015) and SB 69 (2014), both of which were unanimously passed by the Legislature, were ultimately vetoed by the Governor.

The Yolo LAFCo Commission and the California Association of Local Agency Formation Commissions (CALAFCO) Board believes the VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature had directed LAFCos to work with cities to annex unincorporated inhabited islands. SB 89 also created severe penalties for those communities which had recently voted to incorporate themselves. While SB 817 does not eliminate these disincentives and penalties for future incorporations, it makes whole the cities incorporated since 2004, and avoids the likely disincorporation or bankruptcies of these cities.

Reinstating revenues for incorporations is consistent with the CALAFCO legislative policy of providing communities with local governance and efficient service delivery options, including the ability to incorporate. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl.

Because SB 817 reinstates a critical funding component to cities incorporated between January 1, 2004 and January 1, 2012, Yolo LAFCo supports this bill.

Staff

CHRISTINE M. CRAWFORD, AICP  
Executive Officer

SARAH KIRCHGESSNER  
Management Analyst

TERRI TUCK  
Commission Clerk

ERIC MAY  
Commission Counsel

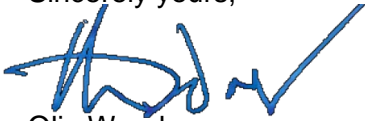
625 Court Street, Suite 203  
Woodland CA 95695

(530) 666-8048  
lafco@yolocounty.org

[www.yololafco.org](http://www.yololafco.org)

Thank you for continuing to carry this important legislation.

Sincerely yours,



Olin Woods  
Commission Chair

cc: Members, Senate Governance & Finance Committee  
Brian Weinberger, Consultant, Senate Local Governance and Finance Committee  
Ryan Eisberg, Consultant, Senate Republican Caucus



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lafco@yolocounty.org

www.yololafco.org

March 3, 2016

The Honorable Robert Hertzberg, Chair  
Senate Governance and Finance Committee  
State Capitol, Room 4038  
Sacramento, California 95814

**RE: SUPPORT FOR SB 971, SB 972, and SB 973**

Dear Senator Hertzberg:

The Local Agency Formation Commission (LAFCo) of Yolo County is pleased to support Senate Bill 971, Senate Bill 972 and Senate Bill 973, the annual Validating Acts of 2016.

We appreciate how important these measures are for the operation of local governments. Enactment of the Validating Acts helps all public agencies because they protect investors from minor errors that might otherwise threaten our bonds, boundary changes, and other official acts. For LAFCos, these acts validate the boundaries of local agencies which the commissions are responsible to administrate. As in past years, the passage of the Validating Acts of 2016 will ensure that our bonds receive the highest possible ratings, resulting in the lowest possible borrowing costs for our constituents.

We also appreciate the fact that all of the members of the Senate Governance and Finance Committee joined you in authoring these three important bills. Please let me know if I can provide any additional information or assistance in passage of these bills.

Yours Sincerely,

Olin Woods  
Commission Chair

cc: Members, Senate Governance and Finance Committee  
Brian Weinberger, Senate Governance and Finance Committee Consultant  
Ryan Eisberg, Consultant, Senate Republican Caucus

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS

# 2015 - 2016 Association Strategic Plan

Adopted by the Board of Directors on 8 May 2015 and amended 5 February 2016



## CALAFCO MISSION

CALAFCO provides educational, information sharing and technical support for its members by serving as a resource for, and by collaborating with, the public, the legislative and executive branches of state government, and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.

*Reaffirmed by the Board of Directors on 29 January 2015.*



### **CALAFCO MISSION**

*Provide educational, information sharing and technical support for our members by serving as a resource for, and by collaborating with, the public, the legislative and executive branches of state government and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.*



## **2015-2016 Policy and Legislative Priorities**

*As they relate to and impact discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.*

---

### **PRIMARY ISSUES**

#### **AUTHORITY OF LAFCO**

Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues. Support legislation that maintains or enhances LAFCo's ability to make decisions regarding boundaries and formations, as well as to enact recommendations related to the delivery of services and the agencies providing them, including consolidations, reorganizations or dissolutions.

#### **AGRICULTURE AND OPEN SPACE PROTECTION**

Support policies, programs and legislation that recognize LAFCo's mission to protect and mitigate the loss of prime agricultural and open space lands and that encourage other agencies to coordinate with local LAFCos on land preservation and orderly growth. Support efforts that encourage the creation of habitat conservation plans.

#### **WATER AVAILABILITY**

Support policies, programs and legislation that promote an integrated approach to water availability and management. Promote adequate water supplies and infrastructure planning for current and planned growth as well as to support the sustainability of agriculture. Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of expanding water company service areas on orderly growth, and the impacts of consolidation or dissolution of water companies providing services.

#### **VIABILITY OF LOCAL SERVICES**

Support legislation that maintains or enhances LAFCo's ability to review and act to determine the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs including those identified in regional planning efforts such as sustainable communities strategies. Support legislation which provides LAFCo and local communities with options for local governance and service delivery, including incorporation as a city, formation as a special district, or reorganizations or dissolutions to ensure efficient, effective, and quality service delivery. Support efforts which provide tools to local agencies to address aging infrastructure, fiscal challenges and the maintenance of services.





## **2015 – 2016 Issues of Interest**

*As these issues relate to and impact orderly growth, sprawl, and local services.*

---

### **HOUSING**

Provision of territory and services to support housing plans consistent with regional land use plans and local LAFCo policies.

### **TRANSPORTATION**

Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.

### **FLOOD CONTROL**

The ability and effectiveness of local agencies to maintain and improve levees and protect current infrastructure. Carefully consider and value of uninhabited territory, and the impact to public safety of proposed annexation to urban areas of uninhabited territory which is at risk for flooding. Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair and maintenance. Support efforts that encourage the creation of habitat conservation plans.

### **ADEQUATE MUNICIPAL SERVICES IN INHABITED TERRITORY**

Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. To promote environmental justice for underserved inhabited communities, funding sources should be identified for extension of municipal services to these communities, including options for annexation of contiguous disadvantaged unincorporated communities. Promote the delivery of adequate, sustainable, efficient, and effective levels of service through periodic updates of Municipal Service reviews, Spheres of Influence, and other studies.



## **2015 - 2016 Association Strategies and Objectives**

---

### **STRATEGIC AREA ONE**

*Provide educational forums, professional development and networking opportunities for Commissioners, LAFCo staff, Associate Members, and stakeholders.*

### **OBJECTIVES**

#### **Annual Conference**

1. Provide an annual conference which includes superior professional development sessions and networking opportunities for all attendees.
2. Manage conference finances to organizational policy of a minimum net profit of 15%.
3. Determine desired level of sponsorships for annual conference, and if necessary put additional resources in place to support desired change in time for the 2016 annual conference.

#### **Staff Workshop**

1. Provide an annual staff workshop which includes superior professional development sessions and networking opportunities for all LAFCo staff and Associate Members.

#### **CALAFCO University**

1. Hold two University courses per year for staff, commissioners and stakeholders, which are focused on skill development of LAFCo process and technical issues.
2. Hold one session in the northern part of the state and one session in the southern part of the state each year to encourage maximum statewide participation.

#### **Organizational Participation**

1. CALAFCO Board ad hoc subcommittee and staff to review current conference "Host" model and make recommendations to the full Board for change/improvement.
2. CALAFCO Board make recommendations for change, if any, to the membership at the 2015 annual membership meeting on September 3, 2015.



## **STRATEGIC AREA TWO**

*Build strong member LAFCos and a strong Association through communicating regularly, fostering an environment of support and appreciation by acknowledging volunteer contributions, supporting regional communication and collaboration, strengthening member relationships and increasing membership involvement in the Association.*

### **OBJECTIVES**

#### **Association Communications**

1. Provide a quarterly update to the members after each Board meeting.
2. Provide written annual report to the membership inside the annual edition of The Sphere to be distributed at the annual conference.
3. Maintain Association's list-serves.
4. Executive Director to visit at least six (6) LAFCos per year.

#### **Promotion and Recognition of Volunteer Contributions**

1. Executive Director to send written thank you acknowledgement to all LAFCos participating in annual conference and staff workshop within one month of the conclusion of the event.
2. Executive Director to acknowledge host and program committee volunteers with written thank you within one month of the conclusion of each event.
3. CALAFCO to provide each event speaker volunteer with written thank you acknowledgement during the event.
4. All volunteers acknowledged appropriately at each event (either verbally, in writing, or both).
5. Hold annual Achievement Awards to acknowledge contributions and publish award recipients in quarterly reports.

#### **Facilitation of Regional Meetings and Communications**

1. CALAFCO to maintain regional list-serves for use by each region's Executive Officer and Board members.
2. CALAFCO regional representatives (Board members, Executive Officer and Deputy Executive Officers) to communicate with their regional LAFCos at least two (2) times annually, informing them of CALAFCO activities regional level perspectives.
3. CALAFCO Executive Director and Board members to support, as appropriate, regional meetings of LAFCo commissioners and staff, and attend whenever possible.
4. CALAFCO Executive Director to hold at least two (2) staff meetings annually to set and implement annual staff goals and objectives that are aligned with Association's Strategic Plan.



## **Association Strategic Plan**

*Adopted by the Board of Directors, 8 May 2015 and amended 5 February 2016*



### **Increase Membership Activity and Involvement**

1. Executive Director, Executive Officer and Deputy Executive Officers to directly encourage LAFCo staff that do not regularly participate in event planning and execution to do so, with the goal of having at least two (2) new members on each planning committee for the annual conference and staff workshop.
2. Achievement Awards Committee members to directly encourage LAFCOs in their region to participate in the annual Achievement Awards.
3. Nominations and Recruitment Committee members to directly encourage LAFCOs in their region to participate in the Board elections and to attend the annual conference.

### **STRATEGIC AREA THREE**

*Provide value-added and timely resources for members through the organization's website, newsletters, and by keeping the Association's policies and procedures up to date.*

#### **OBJECTIVES**

##### **CALAFCO Website**

1. Conduct an RFP for new web hosting and site services and determine cost and new provider by July 31, 2015.
2. Upgrade the CALAFCO website and host services by December 2015. This includes a more stable host, greater site security, and full migration of existing site content.
3. Enhance site security by approving an individual user name and password for each member user with implementation of new site.
4. Add features and functionalities that create value for the membership during 2016.

##### **Newsletters**

1. In addition to producing and distributing Quarterly Newsletters, produce and distribute one (1) annual edition of The Sphere, to include articles of interest and a full annual report to the membership, to be distributed at the annual conference.

##### **Association Policies**

1. Conduct an annual review of current Association policies and procedures and modify as necessary.

## **Association Strategic Plan**

*Adopted by the Board of Directors, 8 May 2015 and amended 5 February 2016*



### **STRATEGIC AREA FOUR**

***Support and sponsor research which shares the work and data from member LAFCoS and serves as a resource to all Association members.***

#### **OBJECTIVES**

##### **Biennial Member Survey**

1. Survey Executive Officers on what data serves the greatest value by March 31, 2015.
2. Streamline the survey process to encourage greater participation and focus on the more important data by the end June 2015.
3. Conduct survey and have results published by September 30, 2015.

##### **White Papers**

1. Prepare white papers on key legal and/or technical issues of importance to member LAFCoS as needed. Poll members to determine the most relevant and value-added topics.

### **STRATEGIC AREA FIVE**

***Serve as a legislative and policy advocate for LAFCo issues and as an information resource to the Legislature and other stakeholders.***

#### **OBJECTIVES**

##### **Advocate legislative needs and positions**

1. Sponsor the annual Assembly Local Government Committee Omnibus bill, which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Reorganization Act of 2000.
2. Take positions and advocate those positions on legislation pursuant to the Association's adopted Legislative Priorities and Policies. Encourage member LAFCoS to do the same.

##### **Enhance relationships between LAFCo Commissioners and Legislators for legislative advocacy.**

1. At least one (1) time per year, CALAFCO Executive Director, Board Chair, and other Board members to visit with key legislators and staff, including but not limited to members and staff of the Assembly Local Government and Senate Governance and Finance Committees.

## **Association Strategic Plan**

*Adopted by the Board of Directors, 8 May 2015 and amended 5 February 2016*



**Serve as an objective resource to the Legislature, organizations seeking to reform local government and state agencies on local government services and organization as requested and appropriate.**

1. Participate in statewide, regional and local meetings, symposiums and other events as appropriate.

### **Maintain strong relationship with peer Associations**

1. Work with peer Associations as appropriate on legislative matters, communicating early on potential CALAFCO legislation that will impact their membership.
2. Inform and educate peer Association members by attending and presenting on the role of LAFCo at least two (2) times per year.

## **STRATEGIC AREA SIX**

***Expand Associate membership in the Association and create strong membership value for all Associate members.***

### **OBJECTIVES**

#### **Expand Associate member involvement in conferences and workshops**

1. Have at least one (1) Associate member on the planning committee of each annual conference and workshop.
2. Distribute Call for Presentations to all Associate members, encouraging them to submit sessions for each event.
3. Use Associate members as session speakers whenever possible and appropriate.

#### **Enhance Associate Membership value**

1. Transition all Associate members onto the same annual billing cycle of July 1 by July 1, 2016.
2. Implement a new Achievement Award for Associate members, the Associate Member of the Year Award, at the 2015 annual Achievement Awards.

#### **Increase Associate Memberships**

1. Increase Gold Associate members in 2015 and 2016 by one (1) member per year.
2. Increase Silver Associate members in 2015 and 2016 by two (2) members per year.

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS

# 2015 - 2016 Association Strategic Plan

## 2015 Dashboard Review



*Adopted by the Board of Directors on 8 May 2015*

### **CALAFCO MISSION**

CALAFCO provides educational, information sharing and technical support for its members by serving as a resource for, and by collaborating with, the public, the legislative and executive branches of state government, and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.

*Reaffirmed by the Board of Directors on 29 January 2015.*



#### **CALAFCO MISSION**

*Provide educational, information sharing and technical support for our members by serving as a resource for, and by collaborating with, the public, the legislative and executive branches of state government and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.*



## 2015 - 2016 Association Strategies and Objectives

### 2015 Strategic Plan Performance Dashboard Review

- Indicates the objective was fully met in 2015.
- Indicates the objective was partially met in 2015.
- Indicates the objective was not at all met in 2015.
- Indicates the objective is solely a 2016 objective.
- Indicates the objective should be measured by the Board

#### STRATEGIC AREA ONE

*Provide educational forums, professional development and networking opportunities for Commissioners, LAFCo staff, Associate Members, and stakeholders.*

#### OBJECTIVES

##### Annual Conference

- 1. Provide an annual conference which includes superior professional development sessions and networking opportunities for all attendees. *2015 Conference received an overall rating of 5.2 out of 6.0 in evaluations.*
- 2. Manage conference finances to organizational policy of a minimum net profit of 15%. *Net profit realized was 34% or \$43,601.*
- 3. Determine desired level of sponsorships for annual conference, and if necessary put additional resources in place to support desired change in time for the 2016 annual conference. *CV Strategies hired on contract to support this endeavor for next three years.*

##### Staff Workshop

- 1. Provide an annual staff workshop which includes superior professional development sessions and networking opportunities for all LAFCo staff and Associate Members. *2015 Staff Workshop received an overall rating of 5.3 out of 6.0, and a realized net profit of 32% or \$8,851.*

##### CALAFCO University

- 1. Hold two University courses per year for staff, commissioners and stakeholders, which are focused on skill development of LAFCo process and technical issues. *One held June 29 on LAFCo and Litigation with an overall rating of 5.6 out of 6.0. Another held November 9 on the Implementation of SB 88 with an overall rating of 5.6 out of 6.0.*



**Association Strategic Plan 2015 Dashboard Review**

Adopted by the Board of Directors, 8 May 2015



- 2. Hold one session in the northern part of the state and one session in the southern part of the state each year to encourage maximum statewide participation. *June session held in Orange County with 26 attending, and November session held in Sacramento with 34 people in attendance.*

**Organizational Participation**

- 1. CALAFCO Board ad hoc subcommittee and staff to review current conference “Host” model and make recommendations to the full Board for change/improvement. *Board considered in May and again in July when decisions were made.*
- 2. CALAFCO Board make recommendations for change, if any, to the membership at the 2015 annual membership meeting on September 3, 2015. *Changes communicated to the membership in a letter dated August 12, 2015 and in person at the annual membership meeting on September 3, 2015.*

**STRATEGIC AREA TWO**

*Build strong member LAFcos and a strong Association through communicating regularly, fostering an environment of support and appreciation by acknowledging volunteer contributions, supporting regional communication and collaboration, strengthening member relationships and increasing membership involvement in the Association.*

**OBJECTIVES****Association Communications**

- 1. Provide a quarterly update to the members after each Board meeting. *3 of 4 were completed (Feb., Sep., and Nov. completed timely. May was missed due to heavy legislative workload).*
- 2. Provide written annual report to the membership inside the annual edition of The Sphere to be distributed at the annual conference. *Completed.*
- 3. Maintain Association’s list-serves. *All 8 list serves maintained.*
- 4. Executive Director to visit at least six (6) LAFcos per year. *Total of 7 visited: Amador, Yuba, Solano, Yolo, Alpine, Orange, Santa Barbara.*

**Promotion and Recognition of Volunteer Contributions**

- 1. Executive Director to send written thank you acknowledgement to all LAFcos participating in annual conference and staff workshop within one month of the conclusion of the event. *Staff Workshop letters sent April 20 and Conference letters sent September 10.*
- 2. Executive Director to acknowledge host and program committee volunteers with written thank you within one month of the conclusion of each event. *Thank you notes distributed during each event along with small gift.*
- 3. CALAFCO to provide each event speaker volunteer with written thank you acknowledgement during the event. *Completed along with small gift. Card signed by CALAFCO ED, host LAFco EO and Program Planning Committee Chair.*



- 4. All volunteers acknowledged appropriately at each event (either verbally, in writing, or both). *Done.*
- 5. Hold annual Achievement Awards to acknowledge contributions and publish award recipients in quarterly reports. *Done. In addition, a press release announcing the achievement award winners was sent to all media outlets in the areas of each recipient.*

### **Facilitation of Regional Meetings and Communications**

- 1. CALAFCO to maintain regional list-serves for use by each region's Executive Officer and Board members. *All 4 list serves maintained (although rarely if ever used).*
- 2. CALAFCO regional representatives (Board members, Executive Officer and Deputy Executive Officers) to communicate with their regional LAFCoS at least two (2) times annually, informing them of CALAFCO activities regional level perspectives. *EO and DEOs communicated throughout the year with their respective regions via email, and when appropriate, with individuals via phone.*
- 3. CALAFCO Executive Director and Board members to support, as appropriate, regional meetings of LAFCo commissioners and staff, and attend whenever possible. *ED attended the Southern Region meeting (via conference call) and the Bay Area LAFCo meeting.*
- 4. CALAFCO Executive Director to hold at least two (2) staff meetings annually to set and implement annual staff goals and objectives that are aligned with Association's Strategic Plan. *Held July and December 2015.*

### **Increase Membership Activity and Involvement**

- 1. Executive Director, Executive Officer and Deputy Executive Officers to directly encourage LAFCo staff that do not regularly participate in event planning and execution to do so, with the goal of having at least two (2) new members on each planning committee for the annual conference and staff workshop. *Staff Workshop had several new members including two Associate Members. Conference had several new members with no Associate Members.*
- ● 2. Achievement Awards Committee members to directly encourage LAFCoS in their region to participate in the annual Achievement Awards.
- ● 3. Nominations and Recruitment Committee members to directly encourage LAFCoS in their region to participate in the Board elections and to attend the annual conference.

### **STRATEGIC AREA THREE**

*Provide value-added and timely resources for members through the organization's website, newsletters, and by keeping the Association's policies and procedures up to date.*

**OBJECTIVES****CALAFCO Website**

- 1. Conduct an RFP for new web hosting and site services and determine cost and new provider by July 31, 2015. *Completed.*
- 2. Upgrade the CALAFCO website and host services by December 2015. This includes a more stable host, greater site security, and full migration of existing site content. *Much work has been done in the creation of the new website. Most of the data has been migrated over to the new site awaiting full detailed review. There was more data in the libraries than anticipated, and many more broken/missing links than expected. These have caused a greater workload and more time than originally planned. All 8 list serves have been provided to the new host for set-up of the list serves. It is expected the final migration will occur by the end of the first quarter 2016.*
- 3. Enhance site security by approving an individual user name and password for each member user with implementation of new site. *In process. As the new site is made live, all current Members Section users that do not have their own user name and password will have to create a new one and be approved by the Administrator. Existing user names/passwords are being migrated to new site.*
- 4. Add features and functionalities that create value for the membership during 2016.

**Newsletters**

- 1. In addition to producing and distributing Quarterly Newsletters, produce and distribute one (1) annual edition of The Sphere, to include articles of interest and a full annual report to the membership, to be distributed at the annual conference. *Done.*

**Association Policies**

- 1. Conduct an annual review of current Association policies and procedures and modify as necessary. *Review of the entire section on Roles and Responsibilities was completed by staff in December 2015. Modification are required as there has been no update since their inception in 2007. Updates are in progress.*

**STRATEGIC AREA FOUR**

*Support and sponsor research which shares the work and data from member LAFCOs and serves as a resource to all Association members.*

**OBJECTIVES****Biennial Member Survey**

- 1. Survey Executive Officers on what data serves the greatest value by March 31, 2015. *Done.*



**Association Strategic Plan 2015 Dashboard Review**

Adopted by the Board of Directors, 8 May 2015



- 2. Streamline the survey process to encourage greater participation and focus on the more important data by the end June 2015. **Completed.**
- 3. Conduct survey and have results published by September 30, 2015. **Survey completed but not by the 9/30 date and publishing of data expected 1/31/16.**

**White Papers**

- 1. Prepare two (2) white papers per year on key legal and/or technical issues of importance to member LAFCoS. Poll members to determine the most relevant and value-added topics. **No white papers produced in 2015. Currently working on one related to the Sustainable Groundwater Management Act.**

Staff is recommending this objective be changed to read: *Prepare white papers on key legal and/or technical issues of importance to member LAFCoS as needed. Poll members to determine the most relevant and value-added topics.*

**STRATEGIC AREA FIVE**

**Serve as a legislative and policy advocate for LAFCo issues and as an information resource to the Legislature and other stakeholders.**

**OBJECTIVES****Advocate legislative needs and positions**

- 1. Sponsor the annual Assembly Local Government Committee Omnibus bill, which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Reorganization Act of 2000. **AB 1532 signed into law.**
- 2. Take positions and advocate those positions on legislation pursuant to the Association's adopted Legislative Priorities and Policies. Encourage member LAFCoS to do the same. **Sponsored AB 851 (Mayes) which was signed into law. Very actively engaged in AB 3 (Williams), AB 402 (Dodd), SB 239 (Hertzberg) and SB 88 (Senate Budget Committee).**

**Enhance relationships between LAFCo Commissioners and Legislators for legislative advocacy.**

- 1. At least one (1) time per year, CALAFCO Executive Director, Board Chair, and other Board members to visit with key legislators and staff, including but not limited to members and staff of the Assembly Local Government and Senate Governance and Finance Committees. **Chair Leopold and ED Miller visited a large number of legislators and key legislative staff in January 2015. ED Miller met with legislators and staff throughout the year.**



**Serve as an objective resource to the Legislature, organizations seeking to reform local government and state agencies on local government services and organization as requested and appropriate.**

- 1. Participate in statewide, regional and local meetings, symposiums and other events as appropriate. *ED attended/participated in Ag Preservation Conference (Feb.), Yolo LAFCo shares services workshop (Feb.), CSDA Legislative Days roundtable (May), League of CA Cities Mayor/Council Exec. Forum (June), Alameda County Spec. Dist. Meeting (July), and CSDA Annual Conf. (Sep). Also conducted a two-part LAFCO 101 series in the Capitol for legislative staff (Nov.).*

### **Maintain strong relationship with peer Associations**

- 1. Work with peer Associations as appropriate on legislative matters, communicating early on potential CALAFCO legislation that will impact their membership.
- 2. Inform and educate peer Association members by attending and presenting on the role of LAFCo at least two (2) times per year. *CSDA Legislative Days roundtable (May), League of CA Cities Mayor/Council Exec. Forum (June), Alameda County Spec. Dist. Meeting (July), League Annual Conf. (Sep), and CSDA Annual Conf. (Sep). Additionally, CALAFCO had representation at all six of the Land Use and Water workshops hosted by OPR, thanks to several EOs including Steve Lucas, Kris Berry, David Church, Kate McKenna and George Spiliotis.*

## **STRATEGIC AREA SIX**

**Expand Associate membership in the Association and create strong membership value for all Associate members.**

### **OBJECTIVES**

#### **Expand Associate member involvement in conferences and workshops**

- 1. Have at least one (1) Associate member on the planning committee of each annual conference and workshop. *Staff Workshop had AM planning members, but Conference did not (despite several requests).*
- 2. Distribute Call for Presentations to all Associate members, encouraging them to submit sessions for each event. *Completed for both Staff Workshop and Annual Conference.*
- 3. Use Associate members as session speakers whenever possible and appropriate. *AMs were on several panels at the Staff Workshop and the Conference.*

#### **Enhance Associate Membership value**

- 1. Executive Director to examine existing Associate member cost-benefit structure, seeking feedback from Associate members by the end of 2015. *Due to other priorities this year, this objective was not accomplished. Staff recommends delaying this project for at least another year.*

**Association Strategic Plan 2015 Dashboard Review**

Adopted by the Board of Directors, 8 May 2015



- 2. Executive Director to make recommendations for changes, if appropriate to the Board by March 31, 2016. **Based on above, staff recommends this be delayed by at least one year.**
- 3. Implement any changes to the Associate membership structure at the start of the 2016-2017 fiscal year (July 1, 2016). **Based on above, staff recommends this be delayed by at least one year.**
- 4. Transition all Associate members onto the same annual billing cycle of July 1 by July 1, 2016.
- 5. Implement a new Achievement Award for Associate members, the Associate Member of the Year Award, at the 2015 annual Achievement Awards. **Done.**

**Increase Associate Memberships**

- 1. Increase Gold Associate members in 2015 and 2016 by one (1) member per year. ***No Gold Members added in 2015.***
- 2. Increase Silver Associate members in 2015 and 2016 by two (2) members per year. ***Three new Silver members added in 2015. Two cancelled, making net add of one. Associate Member marketing material needs updating before any active outreach for new members occurs. This year left little time for such action.***

General Comments:

This past year was filled with tremendous change and progress for the Association. Much was accomplished in terms of enhancing the organization's core support structure as a foundation for successfully and sustainably moving forward. Your Board did a great deal of thoughtful and deliberative work in terms of visioning and planning for the future of CALAFCO.

All of the objectives for CALAFCO's core strategic area (strategic area one) of providing value-added educational opportunities for our members were met. Further, virtually all of the objectives in strategic area two, which focuses on communication with the membership and fostering an organizational environment of inclusiveness and collaboration, were realized. These two strategic areas are critical to the mission of CALAFCO as an educational non-profit.

While the Association has no overarching financial objectives, CALAFCO's strong financial position is noteworthy. Closing the FY 2014-15 with a carry-over balance of \$76,790 demonstrates the organization's solid fiscal management along with a highly financially successful annual workshop and conference. A number of the objectives for 2015-16 focus on re-investing some of those funds back into the membership through enhancements in direct resources such as a new website, a revised conference host model, a new model for securing conference sponsorships, and greater communication and contact with the members.



# News from the Board of Directors

## CALAFCO QUARTERLY

February 2016

### Conferences and Workshops Update

#### 2016 ANNUAL CONFERENCE UPDATE



The 2016 CALAFCO Annual Conference is set for October 26 – 28 in Santa Barbara at the beautiful Fess Parker DoubleTree. Our host, Santa Barbara LAFCo, and the program planning committee are already hard at work developing a great program with some very unique experiences for all who attend. Our theme this year is *Orchards to Oceans: Balancing California's Diversity*. Mark your calendars! More conference information will be made available later this spring.

#### 2016 STAFF WORKSHOP UPDATE

Plans are being finalized for the 2016 Staff Workshop. Our host this year is *Los Angeles LAFCo* and we will be at the Hilton Universal City. The Workshop is set for March 30 – April 1. The theme is *JEOPARDY: What is the Evolving Role of LAFCo?* A special Mobile Workshop panel and tour is planned at Universal Studios to learn about the NBC Universal Evolution Plan, Alt. No. 10: No Residential Alternative, and the program planning committee and host LAFCo are planning a fun surprise for our luncheon and dinner entertainment!



#### CALAFCO U UPDATE

Staff will be announcing the two 2016 CALAFCO U sessions very soon. Watch the website and your email for details!



#### CALAFCO Board Actions

The Board met on February 5 and took the following administrative actions:



- ◆ The quarterly financial reports were reviewed. The budget is on track for the year with no changes anticipated. Contingency fund usage is aligned with previous Board approval. All financial reports are located on the website.
- ◆ The Board considered the 2016-17 dues. CALAFCO Bylaws call for the dues to automatically increase annually by the state CPI, unless the Board takes action otherwise. Given the decision last year to raise LAFCo member dues by seven (7) percent each year for the next two years, the Board took action to not increase the dues by the CPI. All Executive Officers received the approved dues for FY 2016-17.
- ◆ The Legislative Policies for 2016 were adopted.
- ◆ For the first time, the Board did a full annual review of the organization's performance based on the objectives set in the 2015-16 Strategic Plan.

Additionally, several changes were made to the 2016 objectives. A full dashboard review and updated Strategic Plan can be found on the CALAFCO website.

- ◆ Received a full legislative update (details below).
- ◆ Accepted the annual Conflict of Interest Reports.
- ◆ Accepted the CALAFCO 2015 Annual Survey results report.

#### CALAFCO Legislative Update

2016 is the second year of the two-year legislative cycle. The Legislative Committee (Committee) has met monthly since November. All meeting packets and minutes can be found on the CALAFCO website in the Members/ Legislation Section.



Anticipating another busy legislative year, the Board limited the number of items to be included in this year's Omnibus bill. The Committee thoroughly vetted all of the proposed items and ultimately seven (7) items were submitted to the Assembly Local Government Committee (ALGC) for inclusion. One has been removed by ALGC staff and another added at their request (and ultimately approved by the Committee). Currently the draft bill is being circulated through the review team and should be introduced soon.

CALAFCO is also sponsoring *SB 1266* (McGuire), which is the legislation that creates the direct communication link between LAFCos and JPAs. The scope of the bill has been narrowed considerably as a result of CALAFCO's work with stakeholders. While amendments are pending, the intention is that stand-alone JPAs meeting the definition found in GC Section 56047.7 that were formed to provide municipal services and have at least one member who is a public agency shall file a copy of their agreement or amendment to that agreement with the LAFCo.

There are a number of significant bills of concern to CALAFCO, and several subcommittees of the full Committee have been formed to thoroughly review and recommend positions/comments back to the full Committee, including:

- ◆ *AB 2032* (Linder) regarding disincorporations. While introduced as a spot bill, amendments are pending that would dismantle much of what was accomplished last year in our sponsored bill AB 851.
- ◆ *SB 1318* (Wolk) regarding local agencies and water infrastructure. This bill creates new mandates for LAFCo in terms of annexations, extension of service and MSRs.
- ◆ *SB 1262* (Pavley) regarding permitting new water systems and water supply planning.





Additionally, CALAFCO has taken a SUPPORT position on the following bills:

- ◆ **SB 817** (Roth) regarding local government finance.
- ◆ **SB 971**, **SB 972** and **SB 973** (Senate Gov & Finance Comm) regarding the annual validating acts.

All LAFCoS are encouraged to write letters of Support for these bills as well as **SB 1266**.

A full detailed legislative tracking report can be found on the CALAFCO website in the Members Only section.



## CALAFCO Associate Members' Corner



*This section highlights our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.*

### County Sanitation Districts of Los Angeles County

**LA County Sanitation Districts** has been a Silver Associate Member since July, 2005. The District provides sewer service to 78 cities and unincorporated areas of LA County. Before a district can provide sewage service to a territory, it must be within its jurisdictional boundaries. Further, District staff administers the annexation program, including processing applications for annexation. For more information, visit their website at [www.lacsd.org](http://www.lacsd.org).



### Dudek

**Dudek** has been a Silver Associate Member since June, 2005. They provide a full range of services to assist LAFCoS, cities and special districts including: Municipal Services Reviews, sphere reviews and updates, reorganization and annexation applications, service plans and related CEQA work. Their staff include specialists in LAFCo procedures, district management, water/wastewater engineering, CEQA compliance, GIS and environmental studies. For more information, visit them at [www.dudek.com](http://www.dudek.com).



### Rancho Mission Viejo

**Rancho Mission Viejo** has been a Silver Associate Member since June, 2005. They are responsible for the development and management of a governance structure for a 23,000-acre, 14,000 home planned community. For more information, visit them at [www.ranchomissionviejo.com](http://www.ranchomissionviejo.com).



**RANCHO MISSION VIEJO**

*CALAFCO wishes to thank all of our Associate Members for your support and partnership. We look forward to continuing to highlight our Associate Members in each Quarterly Report.*



**Tracks Around the State**

### Santa Cruz

Approximately 200 Santa Cruz County residents recently attended an educational water forum co-sponsored by Santa Cruz LAFCo. The presenters were the water supply and resource management agencies from around the county. The theme was that the agencies are working together to address major water resource challenges. For more info: <http://www.santacruzrwp.org/DROPS>.

### Marin

Marin LAFCo will be moving its administrative office effective April 1, 2016 to 1401 Los Gatos Drive, Suite 220, San Rafael, California 94903. We are going from 300 square feet to 1300 square feet and will now get to have more than one visitor at a time!!

### Sonoma

Sonoma LAFCo recently endorsed the formation of the North Sonoma Coast FPD and the dissolution of an inactive reclamation district, and will be adjudicating the dissolution of a park district and a major detachment from a health care district. Potential boundary changes and consolidations of fire service agencies in the County are also forthcoming, as are a variety of issues related to water districts that want to expand in order to provide groundwater management services to meet goals set forth by SGMA.



## **Los Angeles**

LA LAFCo continues to make progress on a comprehensive program to insure that mosquito and vector control services are provided in all areas of Los Angeles County. Within the last two years, the City of La Canada-Flintridge, as well as the unincorporated communities of La Crescenta and Montrose, were successfully annexed into vector control districts. Staff is working to convince representatives of the two cities in the county which have no mosquito and vector control programs to annex into existing vector control districts.

## **Nevada**

After 15 years of service, Commissioner Paul Norsell retired from the Public Member seat. Commissioner Norsell was the recipient of CALAFCO's Outstanding Commissioner Award in 2014. Commissioner Josh Susman, who is currently serving on the CALAFCO Board as Treasurer, succeeds Mr. Norsell. Our newest Commissioner, Gloria Glenn, was seated as Alternate Public Member in September, 2015.

## **Riverside**

Riverside LAFCo is commencing two deferred housekeeping projects. We have just started a complete overhaul of our website. The current website is built on an older, minimally supported platform and the design has not been updated since 2003. The new site will have a more modern look, more efficient navigation and be mobile device-friendly. We will also be electronically archiving case files from 2007 forward, as well as other documents. Case files from 1964-2006 were scanned several years ago. Budget constraints during the recession caused the deferral of both of these important projects.

## **Contra Costa**

Contra Costa LAFCo is currently developing an agriculture & open space preservation policy. In July, we hosted a workshop to kick-off the effort. The workshop drew over 60 participants and featured a range of guest speakers including the American Farmland Trust, local land trust organizations, local farmers and ranchers, the County Agricultural Commissioner, representatives from several environmental and open space groups, the building industry association, economic development and realtor organizations.

The Commission's Policies & Procedures Committee is currently drafting the policy, the purpose of which is to provide guidance to the applicant on how to address agricultural and open space mitigation for LAFCo proposals, and to provide a framework for LAFCo to evaluate and process in a consistent manner, LAFCo proposals that involve or impact agricultural and/or open space lands.

Contra Costa County has over 90,000 acres of cropland and 168,000 acres of rangeland; however, since 1990, Contra Costa County has lost over 40% of its prime farmland. The 2015 *Economic Contributions of Contra Costa County Agriculture* report notes that Contra Costa County agriculture is critical to the County's economic stability within the agriculture industry and the broader county economy. Agriculture in Contra

Costa County contributes \$225 million to the local economy, and provides 2,277 jobs.

Local LAFCo policies are critical to preserving and protecting agricultural and open space lands. Agricultural land is an irreplaceable natural resource that provides a host of ecosystem benefits, including groundwater recharge, open space, habitat and protection from climate change.

We wish to thank those LAFCos that shared their local policies, including Calaveras, Colusa, Kings, Lake, Lassen, Madera, Mariposa, Modoc, Monterey, Plumas, San Joaquin, San Luis Obispo, Santa Clara, Stanislaus, Tuolumne, Ventura, Yolo and Yuba.

## **Mark Your Calendars For These Upcoming CALAFCO Events**

- ❖ CALAFCO Legislative Committee meeting, March 18, Ontario
- ❖ CALAFCO Staff Workshop, March 30 - April 1, Universal City
- ❖ CALAFCO Legislative Committee meeting, April 22, conference call
- ❖ CALAFCO Board of Directors meeting, May 6, Sacramento



### **Upcoming CALAFCO Conferences and Workshops**

#### **2016 STAFF WORKSHOP**

March 30 - April 1  
Hilton Los Angeles at Universal City  
Universal City, CA  
**Hosted by Los Angeles LAFCo**

#### **2016 ANNUAL CONFERENCE**

October 26 - 28  
Fess Parker DoubleTree by Hilton  
Santa Barbara, CA  
**Hosted by Santa Barbara LAFCo**

#### **2017 STAFF WORKSHOP**

April 5 - 7  
DoubleTree by Hilton Fresno Convention Center  
Fresno, CA  
**Hosted by Fresno LAFCo**

#### **2017 ANNUAL CONFERENCE**

October 25 - 27  
Bahia Mission Bay  
San Diego, CA  
**Hosted by CALAFCO**

COLANTUONO  
HIGHSMITH  
WHATLEY, PC

NEWSLETTER | WINTER 2016

## Update on Public Law New Rate-Making Cases Proliferate

By Michael G. Colantuono

Litigation involving local government rate-making is very active at the moment for a range of reasons and we have a spate of new cases to report. October brought *Green Valley Landowners Assn. v. Vallejo*. Vallejo has an older water utility that serves areas outside the City and a newer utility that serves the City. Customers outside the City sued to prevent it from selling the older utility, alleging 19th Century contracts entitled them to subsidized water rates. The San Francisco Court of Appeal affirmed judgment for the City. Much of the case discusses whether general statutes protect charter cities before they adopt charter provisions or ordinances to adopt or reject them (they do). However, the Court also concluded it was not unreasonable to require Lakes Water System customers to pay the whole cost of operating that system because City residents get no benefit from it. This Prop. 218 case will be helpful in other cases in which one customer class or another argues for a subsidy at others' expense.

*Great Oaks Water Co. v. Santa Clara Valley Water Dist.* came in December and is a Proposition 218 challenge to groundwater charges. The San Jose Court of Appeal reversed Great Oaks' trial court win, holding groundwater charges are exempt from Prop. 218's election requirement. The Court remanded for trial challenges to the calculation and use of fees. Supreme Court review may be likely as the case raises issues pending before that Court in *City of San Buenaventura v. United Water Conservation District*. Those include whether groundwater fees are governed by Prop. 218 or Prop. 26 and whether a rate subsidy for agriculture can survive either measure. That case might be argued in late 2016 or early 2017.

December also brought *Crawley v. Alameda Co. Waste Mgmt. Auth.*, a decision of the San Francisco Court of Appeal upholding a property-tax-roll fee to fund household hazardous waste services. Among its many helpful conclusions are: (i) these services are directly related to property ownership and thus are property related fees under Prop. 218 even though services are provided only at County dumps. (ii) The Legislature's declaration these services benefit property was sufficient to justify them as fees, not taxes. (iii) A statutory definition of "refuse" governs the exception from Prop. 218's

(continued on page 2)

## Welcome, John Davidson

JD joins CH&W as an associate in our Grass Valley municipal advisory and litigation practice groups. Prior to joining us, he had a sole practice focusing on family law and dispute resolution. Current assignments include advice to our general counsel clients about new legislation and defense of a Prop. 218 challenge to a fire assessment.

A second-career attorney, JD served in the U.S. Air Force, attaining the rank of Captain. He earned his college degree from Embry-Riddle Aeronautical University and an MS in Managerial Economics from the University of Oklahoma.

While at Stanford Law School, JD edited articles for the Stanford Journal of International Law. He spent the next few years adjudicating tort claims for the Air Force and handling personnel issues. He obtained an LLM in Public Law and Policy at McGeorge School of Law and was selected by the student body to speak at graduation.

He is fluent in Spanish and enjoys backpacking and fishing along the Yuba River with his yellow Lab, Sierra. Welcome, JD!



## New Rate-Making Cases (cont.)

voter-approval requirement for refuse collection fees. That definition is like the ordinary dictionary definition. (iv) Allowing a majority protest of either parcel owners or of owners of residential units was lawful, as Prop. 218 required only the former, and allows the latter as well. (v) Finally, the Court construed Prop. 218's hearing notice requirement practically, rejecting argument the notice must identify the legal theory for the charge. This is the first Prop. 218 case on trash fees.

January brought *Newhall Co. Water Dist. v. Castaic Lake Water Auth.* The LA Court of Appeal concluded a state water contractor serving just four retailers could not make rates by customer class, but must make rates customer by customer under Prop. 26. Class-by-class rate-making is generally allowable because customer-by-customer rate-making is typically impractical. When an agency has so few customers that customer-by-customer rate-making is practical, it is required. This will commonly be true for wholesale water agencies.

The Court also found Castaic's rates, based on Newhall's use of Castaic's state water project imports as well as Newhall's own groundwater supplies, violated Prop. 26 despite Castaic's claim this was a measure of Newhall's potential service demand, i.e., a readiness-to-serve charge. Prop. 26 requires rates be fairly or reasonably related to a customer's benefits from or burdens on a service. As Castaic does not serve groundwater to Newhall, it could not charge for use of that water. This is one of the few Prop. 26 decisions to date and will govern rate-making by wholesale water agencies.

Many more cases are pending, including three in the California Supreme Court. Thus, we can expect 2016 to be a busy year for rate-making law. As always, we will keep you posted!

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For more information on this topic,  
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## Court Limits Reach of Taxpayer Claims

By Ryan Thomas Dunn

A taxpayer can challenge nearly any public expenditure as wasteful under Code of Civil Procedure, § 526a. *Animal Legal Defense Fund v. California Expo* is a recent, helpful decision limiting such suits to those that would go unchallenged absent a claim under this taxpayer standing statute.

An animal rights group (ALDF) sued to challenge the State's display of pregnant pigs at the State Fair. ALDF alleged the pig exhibit violated animal cruelty statutes because pigs were confined to small crates during the final 15 days of their pregnancy, given insufficient bedding, and kept in close proximity to Fair visitors.

The San Francisco Court of Appeal cited a previous case holding private parties lacked standing to enforce animal cruelty laws. That earlier case, however, left open whether a § 526a claim was viable.

The Court noted the purpose of § 526a to empower taxpayers to challenge governmental actions that would otherwise go unchallenged because that taxpayer could not meet the usual test for standing — a personal stake in the outcome. The Court held that humane societies are authorized to help local authorities enforce anti-cruelty laws that and law enforcement agencies can enforce those laws, too.

The Court found no cases supporting the use of § 526a to challenge alleged crimes. Instead, precedent found such claims inappropriate as to alleged crimes or conduct amenable to another remedy, such as criminal or administrative remedies. Because animal cruelty laws can be enforced as crimes, the Court concluded the Legislature intended criminal actions to be the sole means of enforcement, precluding a § 526a claim.

(continued on page 3)



# Where You Live Counts, Provisionally Speaking

By Holly O. Whatley

In *Clark v. McCann*, the Orange County Court of Appeal recently addressed whether the Registrar of Voters could exclude certain provisional ballots from the final tally in a Chula Vista City Council election decided by two of nearly 37,000 votes. The challenger contested exclusion of 10 ballots that did not contain the voters' valid, current residential addresses.

Provisional ballots allow one who claims a right to vote to submit a ballot if her qualifications cannot be immediately determined. During canvassing, elections officials determine if the provisional voter is qualified to vote. The Registrar excluded from the Chula Vista tally 10 provisional ballots that listed P.O. boxes, a business address or a nonexistent residential address. The challenger contended that only the voters' signatures could be considered to determine if the ballots were valid.

The Court of Appeal disagreed. It noted a person is not entitled to vote until she submits a registration form attesting to her residential address and, thus, a current residential address is required of all voters. Moreover, requiring provisional voters to provide a valid residential address is not burdensome and confirms eligibility to vote. The Court also reasoned that reviewing signatures alone would not eliminate double votes by those who submitted both provisional and mail ballots. The Court upheld the election despite the Registrar's failure to require affirmations of voters' registration and eligibility the Elections Code requires.

The Court also rejected a claim the Registrar should have used other documents to verify the voters' residences, such as where voters' families lived or where they paid income tax. The short time limits to certify election results, the volume of ballots, and the administrative burden that such a rule would create, made this impractical.

The Court rejected an equal protection argument, too, reminiscent of *Bush v. Gore*. California counties process provisional votes differently. However, the Registrar treated all provisional voters in this election similarly and, accordingly, did not arbitrarily or disparately deprive any

of a vote. The Court was unpersuaded by "discussion points" regarding provisional ballots the California Association of Clerks and Election Officials (CACEO) prepared.

In short, if election officials implement reasonable and uniform processes to count ballots, courts will generally uphold them as within the officials' discretion. Although the CACEO standards may provide guidance, they do not control an election official's discretion.

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For more information on this topic,  
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## Taxpayer Claims (cont.)

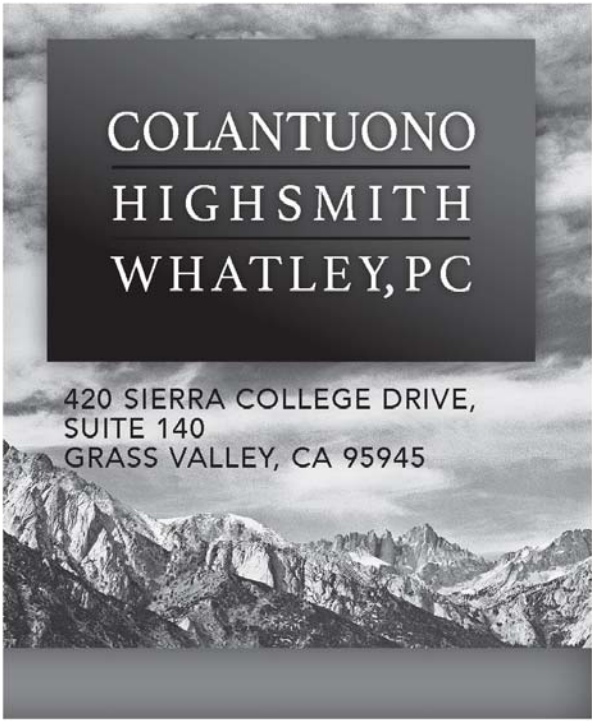
Thus, while § 526a claims may challenge many public expenditures and actions, they have limits. When another agency is tasked with enforcing a law, a taxpayer cannot step into the shoes of that agency.

Another § 526a case is pending in the California Supreme Court: *Wheatherford v. City of San Rafael*, which has been fully briefed since April 2015. It can be expected to be decided this year. The issue there is whether a plaintiff taxpayer must pay property taxes to the agency she wishes to sue, or whether other taxes, such as sales taxes (which are technically imposed on sellers, not buyers) allow standing.

Thus, public actions of doubtful legality can be more than politically controversial – they can get you sued. Fortunately, there are means to defend those cases if they arise, such as the standing issue in *Wheatherford* and the alternative-remedy rule of *Animal Legal Defense Fund*.

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Regular 7.

## LAFCO

Meeting Date: 03/24/2016

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### Information

#### SUBJECT

Consider approval of the draft audit prepared by Richardson & Company of the Yolo Local Agency Formation Commission's Financial Statements for the Fiscal Years Ending 2013, 2014 and 2015

#### RECOMMENDED ACTION

Consider approval of the draft audit prepared by Richardson & Company of the Yolo Local Agency Formation Commission's Financial Statements for the Fiscal Years Ending 2013, 2014 and 2015.

#### FISCAL IMPACT

For fiscal year (FY) 2015/16, the LAFCo budget appropriated a total of \$20,000 in Account 86-2421 for Auditing and Fiscal Services. On July 23, 2015, the Commission approved a contract with Richardson & Company for an amount not to exceed \$10,995. Therefore, sufficient funds were budgeted for these professional services and there is no fiscal impact.

#### REASONS FOR RECOMMENDED ACTION

LAFCo has conducted a financial audit of its last three fiscal years in accordance with Administrative Policies and Procedures Policy 5.18 which states:

*"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, staff from the County Auditor-Controller's Office shall prepare a financial statement for Commission review following the close of the fiscal year."*

#### BACKGROUND

Richardson & Company LLP has not identified any deficiencies in internal controls nor any instances of non-compliance. In other words, we have been given a clean bill of accounting health. That said, there are a few issues worth highlighting for the Commission.

As previously noted in our FY 2015/16 1st Quarter Financial Report, it was discovered that from April 2015 through October 2015, the County had neglected to deduct monies from LAFCo to cover payroll expenses, an error that resulted from the conversion to the County's new financial system. LAFCo has since repaid the County, however as of June 30, 2015 these monies were outstanding and consequently it is flagged in the financial statements as "liabilities due to other governments" for \$76,580.

The other more complex issue relates to evolving accounting standards (GASB 68) to report pension liabilities and other post-employment benefit (OPEB) liabilities (currently reported under GASB 45) in LAFCo's audit reports. LAFCo's net pension liability is estimated at \$394,276 and the OPEB liability is estimated to be \$58,485, which has a negative impact to LAFCo's net position.

LAFCo is part of the County's overall pension system and our pension liability is calculated as a formula based on contributions in the County plan and is reflected in the financial statements. Since LAFCo was last audited three years ago, Yolo County has continued working with the CALPERS system to address outstanding pension liabilities. CALPERS' current amortization policies are expected to fully fund the plans over the next 30 years, but it acknowledges volatility and risk. CALPERS is ramping up contributions for public agencies over a 5 year period and maintain them at this increased level to fully fund plans. The required contribution rates are estimated to be 22.797% in FY 2016/17 and increase gradually over five years to 27.9% in FY 2021/22, but will vary depending on actual plan earnings and valuation.

LAFCo is also part of the County's OPEB plan and the liability is calculated for separate participants in the plan. The County has a payment strategy apportioned to each department and participating outside agencies as part of a 15-year "ramping up plan" to fully fund the OPEB actuarial liability. This strategy begins as a charge of 7% of total payroll in FY 2015/16 and escalates to a charge of 23% of total payroll by FY 2024/25.

The Commission may recall that LAFCo set aside \$50,000 in our fund balance after the last audit to cover future OPEB costs. However in talking with County Finance, staff asked if LAFCo could use this \$50,000 to pay some of LAFCo's liability up front to defer future costs and the County staff said no because they did not want the added complication of treating certain departments and outside agencies differently. Therefore, in next FY's budget, LAFCo will need to decide if it should either continue to keep these funds committed to pay future OPEB costs or if it should just be uncommitted fund balance that can be used more generally.

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### Attachments

[ATT 1-SAS 114 Letter 2015](#)

[ATT 2-Financial Statements](#)

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### Form Review

**Inbox**

Christine Crawford (Originator)  
Form Started By: Christine Crawford  
Final Approval Date: 03/14/2016

**Reviewed By**

Christine Crawford

**Date**

03/14/2016 11:17 AM  
Started On: 03/07/2016 01:17 PM



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March 4, 2016

To the Chair and Members of the  
Yolo County Local Agency Formation Commission  
Woodland, California

We have audited the financial statements of the governmental activities and the major fund of Yolo County Local Agency Formation Commission (the LAFCO) as of and for the year ended June 30, 2015, 2014 and 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated July 23, 2015. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the LAFCO are described in Note A to the financial statements. During the year ended June 30, 2015, the LAFCO adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which resulted in the LAFCO recording a restatement of net position to record a pension liability and deferred outflows of resources related to the LAFCO's portion of the County's pension plan with CalPERS as of July 1, 2014 as well as pension liability, deferred outflows of resources and deferred inflows of resources as of June 30, 2015. Additional required disclosures under GASB Statement No. 68 were also added to Note D to the financial statement due to the adoption of this statement. Our opinion was qualified because CalPERS did not provide the information necessary to restate the years ended June 30, 2014 and 2013 as is required when a new accounting standard is implemented. This is consistent with other agencies that provide comparative financial statements that include years prior to June 30, 2015. We noted no transactions entered into by the LAFCO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Accounting estimates are used in the following areas: the fair values of investments in the County of Yolo investment pool, the accrual of postemployment benefits, and the accrual of the pension liability and related deferred outflows and inflows of resources. Those judgments are normally based on knowledge

and experience about past and current events and assumptions about future events. The postemployment benefits liability and the pension liability were determined by actuarial valuations. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were the defined benefit pension plan disclosed in Note D, the other postemployment benefits plan disclosed in Note E, the restatement due to the implementation of GASB Statement No.68 disclosed in Note I and the contingency related to the retirement benefits of the former employee in Note J to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no audit adjustments other than the entries required to report the government-wide financial statements.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 4, 2016.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the LAFCO's auditors. However, these

To the Board of Directors  
Yolo County Transportation Commission  
Page 3

discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to required supplementary information (RSI), as reported in the table of contents that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance

Restrictions on Use

This information is intended solely for the use of the Commissioners and management of the LAFCO and is not intended to be, and should not be, used by anyone other than these specified parties.

*Richardson & Company, LLP*

March 4, 2016

**YOLO COUNTY LOCAL AGENCY  
FORMATION COMMISSION**

Audited Financial Statements and  
Compliance Report

June 30, 2015, 2014 and 2013



YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

Audited Financial Statements and  
Compliance Report

June 30, 2015, 2014 and 2013

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## INDEPENDENT AUDITOR'S REPORT

To the Chair and Members of the  
Yolo County Local Agency Formation Commission  
Woodland, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Yolo County Local Agency Formation Commission (the LAFCO), as of and for the years ended June 30, 2015, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the LAFCO's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Chair and Members of the  
Yolo County Local Agency Formation Commission

### **Basis for Qualified Opinions**

As described in Note I and in the Emphasis-of-Matter paragraph below, the LAFCO implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. CalPERS did not provide the information necessary to record the change in the pension liability during the years ended June 30, 2014 and 2013. Consequently, the financial statements as of and for the year ended June 30, 2014 and 2013 were not restated as is necessary to report these balances in accordance with general accepted accounting principles.

### **Qualified Opinions**

In our opinion, except for the matter described in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Yolo County Local Agency Formation Commission as of June 30, 2015, 2014 and 2013, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis-of-Matter**

As discussed in Note I to the basic financial statements, the LAFCO adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, during the year ended June 30, 2015. Due to the implementation of these Statements, the LAFCO recognized deferred outflows of resources and a pension liability for its cost-sharing pension plan as of July 1, 2014. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The LAFCO has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

To the Chair and Members of the  
Yolo County Local Agency Formation Commission

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2016 on our consideration of the LAFCO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LAFCO's internal control over financial reporting and compliance.

*Richardson & Company, LLP*

March 4, 2016

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

STATEMENTS OF NET POSITION

June 30, 2015, 2014 and 2013

	2015	2014	2013
<b>ASSETS</b>			
Cash and investments	\$ 359,448	\$ 265,748	\$ 276,963
TOTAL ASSETS	<u>359,448</u>	<u>265,748</u>	<u>276,963</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	123,779		
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>123,779</u>		
<b>LIABILITIES</b>			
Accounts payable	6,293	5,165	7,954
Accrued payroll	16,032	12,474	7,276
Due to other governments	76,580		4,000
Compensated absences - current	6,993	8,489	7,131
Noncurrent liabilities:			
Compensated absences - noncurrent	1,925		
Net pension liability	394,276		
OPEB liability	58,485	60,000	57,210
TOTAL LIABILITIES	<u>560,584</u>	<u>86,128</u>	<u>83,571</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	72,443		
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>72,443</u>		
<b>NET POSITION</b>			
Unrestricted (deficit)	(149,800)	179,620	193,392
TOTAL NET POSITION (DEFICIT)	<u>\$ (149,800)</u>	<u>\$ 179,620</u>	<u>\$ 193,392</u>

The accompanying notes are an integral part of these financial statements.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

STATEMENTS OF ACTIVITIES

June 30, 2015, 2014 and 2013

	2015	2014	2013
<b>PROGRAM EXPENSES</b>			
Salaries and benefits	\$ 362,392	\$ 283,225	\$ 229,691
Professional and specialized services	46,843	64,196	47,043
General and administrative	14,110	15,832	22,107
Legal	2,366	4,658	6,345
Training	11,852	8,047	8,137
Transportation and travel	920	1,572	939
Office	1,173	2,459	2,693
TOTAL PROGRAM EXPENSES	<u>439,656</u>	<u>379,989</u>	<u>316,955</u>
<b>PROGRAM REVENUES</b>			
Intergovernmental revenues:			
County of Yolo	202,767	182,070	188,066
City of Davis	68,737	62,120	64,732
City of West Sacramento	67,728	59,589	62,927
City of Woodland	59,792	54,488	54,840
City of Winters	6,509	5,874	5,567
TOTAL PROGRAM REVENUES	<u>405,533</u>	<u>364,141</u>	<u>376,132</u>
NET PROGRAM REVENUES (EXPENSES)	(34,123)	(15,848)	59,177
<b>GENERAL REVENUES</b>			
Other income	1,657	871	11,652
Interest income	1,352	1,205	1,367
TOTAL GENERAL REVENUES	<u>3,009</u>	<u>2,076</u>	<u>13,019</u>
CHANGE IN NET POSITION	(31,114)	(13,772)	72,196
Net position at beginning of year - as previously reported	179,620	193,392	121,196
Restatement	(298,306)		
Net position at beginning of year - as restated	<u>(118,686)</u>	<u>193,392</u>	<u>121,196</u>
NET POSITION AT END OF YEAR	<u>\$ (149,800)</u>	<u>\$ 179,620</u>	<u>\$ 193,392</u>

The accompanying notes are an integral part of these financial statements.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

BALANCE SHEETS - GOVERNMENTAL FUND

June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>			
Cash and investments	\$ 359,448	\$ 265,748	\$ 276,963
TOTAL ASSETS	<u>\$ 359,448</u>	<u>\$ 265,748</u>	<u>\$ 276,963</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 6,293	\$ 5,165	\$ 7,954
Accrued payroll	16,032	12,474	7,276
Due to other governments	76,580		4,000
TOTAL LIABILITIES	<u>98,905</u>	<u>17,639</u>	<u>19,230</u>
<b>FUND BALANCE</b>			
Committed for OPEB	50,188	50,035	
Committed for computer replacement	2,400	2,400	
Unassigned	207,955	195,674	257,733
TOTAL FUND BALANCE	<u>260,543</u>	<u>248,109</u>	<u>257,733</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 359,448</u>	<u>\$ 265,748</u>	<u>\$ 276,963</u>

The accompanying notes are an integral part of these financial statements.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION  
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS  
 TO THE GOVERNMENT-WIDE STATEMENTS OF NET POSITION

June 30, 2015, 2014 and 2013

Fund balance - governmental funds for the year ended June 30, 2015	\$ 260,543
<p style="margin-left: 40px;">Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p style="margin-left: 40px;">Pension contributions subsequent to the valuation measurement date will reduce the pension liability in the future and are reported as deferred outflows of resources on the statement of net position.</p>	
	123,779
<p style="margin-left: 40px;">Certain liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:</p>	
Net pension liability	(394,276)
OPEB liability	(58,485)
Compensated absences	(8,918)
<p style="margin-left: 40px;">Employee pension differences to be recognized in the future as pension expense are reported as deferred inflows of resources on the statement of net position.</p>	
	<u>(72,443)</u>
Net position - governmental activities for the year ended June 30, 2015	<u><u>\$ (149,800)</u></u>
Fund balance - governmental funds for the year ended June 30, 2014	\$ 248,109
<p style="margin-left: 40px;">Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p style="margin-left: 40px;">Certain liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:</p>	
OPEB liability	(60,000)
Compensated absences	(8,489)
	<u>(68,489)</u>
Net position - governmental activities for the year ended June 30, 2014	<u><u>\$ 179,620</u></u>
Fund balance - governmental funds for the year ended June 30, 2013	\$ 257,733
<p style="margin-left: 40px;">Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p style="margin-left: 40px;">Certain liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:</p>	
OPEB liability	(57,210)
Compensated absences	(7,131)
	<u>(64,341)</u>
Net position - governmental activities for the year ended June 30, 2013	<u><u>\$ 193,392</u></u>

The accompanying notes are an integral part of these financial statements.



YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND

For the Years Ended June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
REVENUES			
Intergovernmental revenues:			
County of Yolo	\$ 202,767	\$ 182,070	\$ 188,066
City of Davis	68,737	62,120	64,732
City of West Sacramento	67,728	59,589	62,927
City of Woodland	59,792	54,488	54,840
City of Winters	6,509	5,874	5,567
Other revenues	1,657	871	11,652
Use of money	1,352	1,205	1,367
TOTAL REVENUES	<u>408,542</u>	<u>366,217</u>	<u>389,151</u>
EXPENDITURES			
Salaries and benefits	318,844	279,077	227,103
Professional and specialized services	46,843	64,196	47,043
General and administrative	14,110	15,832	22,107
Training	11,852	8,047	8,137
Legal fees	2,366	4,658	6,345
Office expenses	1,173	2,459	2,693
Transportation and travel	920	1,572	939
TOTAL EXPENDITURES	<u>396,108</u>	<u>375,841</u>	<u>314,367</u>
NET CHANGE IN FUND BALANCE	12,434	(9,624)	74,784
Fund balance at beginning of year	<u>248,109</u>	<u>257,733</u>	<u>182,949</u>
FUND BALANCE AT END OF YEAR	<u>\$ 260,543</u>	<u>\$ 248,109</u>	<u>\$ 257,733</u>

The accompanying notes are an integral part of these financial statements.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENTS OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE GOVERNMENT-WIDE STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2015, 2014 and 2013

Net change in fund balance - governmental funds for the year ended June 30, 2015 \$ 12,434

Amounts reported for governmental activities in the statement of activities  
are different because:

Changes in certain expenses reported in the statement of activities  
do not require the use of current financial resources and, therefore,  
are not reported as expenditures in governmental funds:

Pension expense	(44,634)
OPEB expense	1,515
Change in compensated absences	<u>(429)</u>

Change in net position - governmental activities for the year ended June 30, 2015 \$ (31,114)

Net change in fund balance - governmental funds for the year ended June 30, 2014 \$ (9,624)

Amounts reported for governmental activities in the statement of activities  
are different because:

Changes in certain expenses reported in the statement of activities  
do not require the use of current financial resources and, therefore,  
are not reported as expenditures in governmental funds:

OPEB expense	(2,790)
Change in compensated absences	<u>(1,358)</u>

Change in net position - governmental activities for the year ended June 30, 2014 \$ (13,772)

Net change in fund balance - governmental funds for the year ended June 30, 2013 \$ 74,784

Amounts reported for governmental funds in the statement of activities  
are different because:

Changes in certain expenses reported in the statement of activities  
do not require the use of current financial resources and, therefore,  
are not reported as expenditures in governmental funds:

OPEB expense	(7,210)
Change in compensated absences	<u>4,622</u>

Change in net position - governmental activities for the year ended June 30, 2013 \$ 72,196

The accompanying notes are an integral part of these financial statements.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015, 2014 and 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Yolo County Local Agency Formation Commission (the LAFCO) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the LAFCO are described below.

Background: The LAFCO is an independent agency responsible for the implementation of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 in the County of Yolo. The LAFCO became an independent agency separate from Yolo County in 2001. The LAFCO's membership includes two county supervisors appointed by the County of Yolo Board of Supervisors, two City Council members appointed by the City Selection Committee, and one public member appointed by the LAFCO. The LAFCO is empowered to review, approve or deny boundary changes, city annexations, consolidations, special LAFCO formations, incorporations for cities and special districts, and to establish local "Spheres of Influence". The Sphere of Influence for each governmental agency is a plan for its future boundary and service area. The LAFCO's function is outlined in Government Code, Section 56000 et seq. known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Basis of Presentation – Government-wide Financial Statements: The statement of net position and statement of activities display information about the primary government (the LAFCO). These statements include the financial activities of the LAFCO.

The statement of activities presents a comparison between direct expenses and program revenues for the LAFCO's governmental activity. Direct expenses are those that are specifically associated with the LAFCO. Program revenues include contributions that are restricted to meeting the operational requirements of the LAFCO. Revenues that are not classified as program revenues, including interest income, are presented as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions in which the LAFCO gives (or receives) value without directly receiving (or giving) equal value in exchange are recognized when all eligibility requirements have been met, include the contributions from member jurisdictions.

When both restricted and unrestricted resources are available, it is the LAFCO's policy to use restricted resources first, then unrestricted resources as they are needed.

Basis of Presentation – Fund Financial Statements: The accounts of the LAFCO are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the LAFCO considers all revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual basis accounting.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The LAFCO reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the LAFCO and accounts for revenues collected to provide services and finance the fundamental operations of the LAFCO. The fund is charged with all costs of operations.

Compensated Absences: Unused vacation may be accumulated up to a specified maximum and is paid at the time of termination from the LAFCO's employment. Upon retirement, unused sick leave may either be reported to CalPERS to earn additional retirement service credit (2,000 hours of sick leave earns a full year of service credit) or may be paid to the employee (one half of the balance over 200 hours will be paid at the employee's hourly pay rate) at the discretion of the employee. The LAFCO is not obligated to pay for unused sick leave if an employee terminates prior to retirement or if less than 200 hours are accrued upon retirement. The LAFCO accrues accumulated unpaid compensated absences when earned by the employee. The cost of vacation and sick leave is recorded in the period earned in the government-wide statements. A liability is reported in the General Fund only if the liability has matured, for example, as a result of employee resignations or retirements.

Due to Other Governments: Due to an inadvertent error when changing payroll systems, the County of Yolo paid the LAFCO's salaries and benefits from April through October 2015 without charging the LAFCO. The amounts paid by the County from April through June 2015 were reported as due to other governments at June 30, 2015. The amount due to the County was paid subsequent to year-end.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the balance sheet will sometimes report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources include amounts deferred related to the LAFCO's pension plan under GASB 68 as described in Note D. Unavailable revenue in governmental funds arises when a potential revenue source does not meet both the "measureable" and "available" criteria for recognition in the current period. LAFCO had no unavailable revenue at June 30, 2015.

Fund Balance: Governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which include pre-paid expenses and long-term receivables.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. These amounts cannot be used for any other purpose

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

unless the governing body modifies or removes the fund commitment. The LAFCO had \$50,188 and \$50,035 of fund balance as June 30, 2015 and 2014 committed for the other postemployment benefits liability and \$2,400 each year committed for computer replacement through Commission Resolution as part of the budget process.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the LAFCO's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes. The Board has a policy of maintaining a reserve for contingencies of 15% of the overall budget and a 5% emergency contingency. However, the criteria for the use of the reserved for contingencies is not defined sufficiently to consider the amount to be a commitment of fund balance under GASB Statement No. 54.

Net Position: The government-wide financial statements present net position. Net position is categorized as the net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the LAFCO that is not restricted for any project or other purpose.

The LAFCO has only unrestricted net position.

Budget: The LAFCO adopts an annual budget for the General Fund that is consistent with generally accepted accounting principles at the LAFCO's May meeting. The budget includes expenditures and the means of financing them and is used for planning purposes. Budgetary control is exercised at the major object level. All budgetary changes during the year require approval of the Commissioners. Encumbrances are used as an extension of normal budgetary accounting in the General Fund. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance since they do not constitute expenditures or liabilities.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the LAFCO's portion of the County of Yolo's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported as fair value.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE B – CASH AND INVESTMENTS

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Investment in the County of Yolo Investment Pool: The LAFCO’s cash is held in the County of Yolo treasury. The County maintains an investment pool and allocates interest to the various funds based upon the average daily cash balances. Investments held in the County’s investment pool are available on demand to the LAFCO and are stated at fair value.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value on an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. As of June 30, 2015, 2014, and 2013 the weighted average maturity of the investments contained in the County of Yolo investment pool was approximately 395, 389, and 328 days.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Yolo investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government’s indirect deposits or investment in securities through the use of government investment pools (such as the County of Yolo investment pool).

NOTE C – COMPENSATED ABSENCES

The following is a summary of compensated absences activity for the years ended June 30, 2015, 2014, and 2013:

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2015</u>	<u>Due Within One Year</u>
Compensated absences	\$ 8,489	\$ 7,085	\$ (6,656)	\$ 8,918	\$ 6,993
	<u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2014</u>	<u>Due Within One Year</u>
Compensated absences	\$ 7,131	\$ 15,549	\$ (14,191)	\$ 8,489	\$ 8,489
	<u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2013</u>	<u>Due Within One Year</u>
Compensated absences	\$ 11,753	\$ 11,978	\$ (16,600)	\$ 7,131	\$ 7,131

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE D – PENSION PLAN

General Information about the Pension Plan

Plan Description: The LAFCO participates in the County of Yolo Miscellaneous pension plan, which is an agent multiple-employer pension plan administered by California Public Employees’ Retirement System (CalPERS). All qualified permanent and probationary employees are eligible to participate in the Plan. The LAFCO accounts for and reports its participation in the County’s Plan as a cost-sharing multiple-employer pension plan under the provisions of GASB Statement No. 68. Because GASB Statement No. 68 was implemented during the year ended June 30, 2015 and CalPERS did not provide information necessary to restate the years ended June 30, 2014 and 2013, with the exception of contribution percentages, contribution amounts and pension expense, the information below is only available for the year ended June 30, 2015.

Benefit provisions under the Plan are established by State statute and County Board of Supervisor resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2015, are summarized as follows:

	2015		2014	2013
	Miscellaneous Plan	PEPRA Miscellaneous Plan	Miscellaneous Plan	
	Prior to January 1, 2013	On or after January 1, 2013		
Hire date				
Benefit formula (at full retirement)	2.5% @ 55	2.0% @ 62		
Benefit vesting schedule	5 years service	5 years service		
Benefit payments	monthly for life	monthly for life		
Retirement age	50-55	52 - 67		
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%		
Required employee contribution rates	8.00%	6.25%	8.00%	8.00%
Required employer contribution rates	20.558%	6.25%	19.063%	17.851%

The Miscellaneous Plan is closed to new participants that were not CalPERS participants prior to January 1, 2013 under the Public Employees’ Pension Reform Act of 2013 (PEPRA). Any new participants that were not previously CalPERS participants would be required to join the PEPRA Miscellaneous Plan. No LAFCO employees were required to participate in the PEPRA Miscellaneous Plan at June 30, 2015.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE D – PENSION PLAN (Continued)

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The LAFCO is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2015, 2014 and 2013, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contributions - employer	\$ 39,538	\$ 32,469	\$ 25,897
Contributions - employee (paid by employer)	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 39,538</u>	<u>\$ 32,469</u>	<u>\$ 25,897</u>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:  
As of June 30, 2015, the LAFCO reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Total Net Pension Liability	<u>\$ 394,276</u>

GASB Statement No. 68 was implemented during the year ended June 30, 2015. Consequently, no amounts are reported for the years ended June 30, 2014 and 2013.

The LAFCO’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The LAFCO’s proportion of the net pension liability was based on a projection of the LAFCO’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The LAFCO’s proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2013	0.1718%
Proportion - June 30, 2014	0.2429%
Change - Increase (Decrease)	0.0711%



YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE D – PENSION PLAN (Continued)

For the years ended June 30, 2015, 2014, and 2013 the LAFCO recognized pension expense of \$84,172, \$32,469 and \$25,897 for the Plan. At June 30, 2015, the LAFCO reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 39,538	
Differences between actual and expected experience		
Changes in assumptions		
Differences between the employer's contributions and the employer's proportionate share of contributions		
Change in employer's proportion	84,241	
Net differences between projected and actual earnings on plan investments		<u>(72,443)</u>
Total	<u>\$ 123,779</u>	<u>\$ (72,443)</u>

The \$39,538 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
2016	\$ 52,651	\$ (18,111)	\$ 34,540
2017	31,590	(18,111)	13,479
2018		(18,111)	(18,111)
2019		(18,110)	(18,110)
	<u>\$ 84,241</u>	<u>\$ (72,443)</u>	<u>\$ 11,798</u>

The net differences between projected and actual earnings on plan investments are amortized on a straight-line basis over 5 years and all other amounts are amortized over the 2.6 year average expected remaining service lives of all members in the plan, including retired members.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE D – PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liability in the June 30, 2013 actuarial valuations for the Plan was determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Investment Rate of Return	7.5% (2)
Mortality	

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE D – PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.0%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the LAFCO's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the LAFCO's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease Net Pension Liability	6.50% \$ 580,378
Current Discount Rate Net Pension Liability	7.50% \$ 394,276
1% Increase Net Pension Liability	8.50% \$ 239,556

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE D – PENSION PLAN (Continued)

Pension Plan Fiduciary Net Position: Detailed information about Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2015, the LAFCO had outstanding contributions payable to the Plan of \$12,168 required for the year ended June 30, 2015.

NOTE E – OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description: The LAFCO participates in the County of Yolo Retiree Healthcare Plan (the Plan), a single employer defined benefit other postemployment benefits (OPEB) plan, which provides health insurance benefits to eligible retired employees and their beneficiaries. Medical insurance benefits are administered by the California Public Employee's Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California, in accordance with the Public Employees Medical and Hospital Care Act (PEMHCA). To be eligible, an employee must retire under the CalPERS program within 120 days of separation from employment. Medical and dental insurance benefits for retirees are not currently required by contract, but have been provided as a matter of practice. Information about the Plan may be found in the County of Yolo Comprehensive Annual Financial Report (CAFR) at [yolocounty.org](http://yolocounty.org) under the publications listed on the page for the Auditor-Controller and Treasurer-Tax Collector.

In order to fund the retiree health benefits, the County established an irrevocable trust with Public Agency Retirement Services (PARS).

Funding Policy: The contribution requirements of participating employers and plan members are established and may be amended by the County of Yolo Board of Supervisors. Currently the County and the LAFCO are required to contribute at an actuarially determined rate. The contribution rates were 6% of annual covered payroll during the years ended June 30, 2015 and 2014. There was no contribution required during the year ended June 30, 2013. On December 16, 2014, the County Board of Supervisors approved a 15 year approach to phase in pre-funding to begin during the year ended June 30, 2016.

Annual OPEB Cost: The LAFCO's OPEB cost equals the amount of the annual required contribution (ARC) plus or minus adjustments for prior year differences in the amount of actual contributions as compared to the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The LAFCO's annual other postemployment benefit cost (expense) was calculated based on the annual required contribution (ARC) percentage of the employer of 5.6% during the years ended June 30, 2015 and 2014 and 6.2% during the year ended June 30, 2013 applied to the LAFCO's covered payroll and a proportional share of the County's interest on the net OPEB obligation and adjustment to the annual required contribution. The following table shows the components of the LAFCO's annual OPEB cost for the years ended June 30, 2015, 2014, and 2013, the amount actually contributed to the Plan, and changes in the District's Net OPEB obligation:

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE E – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual required contribution	\$ 10,558	\$ 9,131	\$ 9,045
Interest on net OPEB obligation	2,400	2,288	2,125
Adjustment to annual required contribution	<u>(3,612)</u>	<u>(1,327)</u>	<u>(3,960)</u>
Annual OPEB cost (expense)	9,346	10,092	7,210
Contributions made (including premium payments made)	<u>(10,861)</u>	<u>(7,302)</u>	<u></u>
Increase (decrease) in net OPEB obligation	(1,515)	2,790	7,210
Net OPEB obligation, beginning of year	<u>60,000</u>	<u>57,210</u>	<u>50,000</u>
Net OPEB obligation, end of year	<u>\$ 58,485</u>	<u>\$ 60,000</u>	<u>\$ 57,210</u>

The LAFCO’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the year ended June 30, 2015, 2014, and 2013 were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/2013	\$ 7,210	0.00%	\$ 57,210
6/30/2014	10,092	72.35%	60,000
6/30/2015	9,346	116.21%	58,485

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2014, which is the latest date available from the June 30, 2014 valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 60,000
Actuarial value of Plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 60,000</u>
Funded ratio (actuarial value of Plan assets/AAL)	0.00%
Covered payroll	\$ 177,000
UAAL as percentage of covered payroll	33.90%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multiyear trend information that shows whether the actual value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE E – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), decrease from the 4.25% rate of return used in the June 30, 2012 valuation, and an annual healthcare cost trend rate of 7.5% for non-Medicare participants and 7.8% for Medicare participants initially, reduced by decrements to an ultimate rate of 5.0% in 2020, a 3.0% general inflation assumption and 3.25% payroll increases. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year open period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a closed 20 year period. The remaining amortization period at June 30, 2014 was 20 years.

NOTE F – INSURANCE

The LAFCO participates in the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), a public entity risk pool of governmental entities within the County of Yolo, for comprehensive general and auto liability, and workers' compensation insurance. Through the LAFCO's membership in the YCPARMIA, the District is provided with excess coverage through the California State Association of Counties-Excess Insurance for catastrophic liability losses. Loss contingency reserves established by YCPARMIA are funded by contributions from member agencies.

The LAFCO pays an annual premium to YCPARMIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the YCPARMIA. The LAFCO's deductibles and maximum coverage for the years ended June 30 was as follows:

Coverage 12-13	YCPARMIA	Excess	Deductible
General and Auto Liability	\$ 500,000	\$ 40,000,000	\$ 5,000
Worker's Compensation	500,000	Statutory	1,000
Cyber Liability	-	1,000,000	-
Coverage 13-14	YCPARMIA	Excess	Deductible
General and Auto Liability	\$ 500,000	\$ 40,000,000	\$ 1,000
Worker's Compensation	500,000	Statutory	1,000
Cyber Liability	-	1,000,000	-

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE F – INSURANCE (Continued)

Coverage 14-15	YCPARMIA	Excess	Deductible
General and Auto Liability	\$ 500,000	\$ 40,000,000	\$ 5,000
Worker's Compensation	500,000	Statutory	1,000
Cyber Liability	-	1,000,000	-

The LAFCO has had no settlements which exceeded insurance coverage in the last three fiscal years and no significant changes or reductions in insurance coverage occurred during the year.

NOTE G – RELATED PARTY TRANSACTIONS

The County of Yolo provides legal services, information systems support, office space, furniture and accounting services to the LAFCO. Expenditures provided by the County for legal services totaled \$2,366, \$4,658 and \$6,345 for the years ended June 30, 2015, 2014 and 2013, respectively and information systems support totaled \$3,973, 4,302, and 6,570, for the years ended June 30, 2015, 2014 and 2013, respectively. Office space, furniture and accounting services are provided by the County free of charge.

NOTE H – SUBSEQUENT PRONOUNCEMENTS

In February 2015, the GASB approved Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements and will require additional disclosures about assets and liabilities measured at fair value. This Statement is effective for periods beginning after June 15, 2015.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, replaces the requirements of GASB Statement No. 45 and requires governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specific criteria to report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments, on the face of the financial statements. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. This Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. This Statement is effective beginning the year ended June 30, 2018.

The LAFCO will fully analyze the impact of these Statements prior to the effective dates above.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015, 2014 and 2013

NOTE I – CHANGES IN ACCOUNTING PRINCIPLES

During the year ended June 30, 2015, the LAFCO adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These Statements required the LAFCO to recognize in its accrual basis financial statements the net pension liability and deferred outflows of resources for the LAFCO's pension plan. These Statements also required contributions made after the June 30, 2014 measurement date used in the actuarial valuation for the pension plan to be reported as deferred outflows of resources.

The County provided the LAFCO's proportional share of the County's pension liability, deferred outflows of resources and deferred inflows of resources necessary to report these balances as of June 30, 2015 and for the year ended June 30, 2015, but CalPERS did not provide the information necessary to restate the July 1, 2013 and 2012 balances or the pension expense for the years ended June 30, 2013 and 2014 reported in the LAFCO's financial statements. Consequently, the balances as of July 1, 2012 and 2013 and for the year ended June 30, 2013 and 2014 were not restated as is necessary to report the balances in accordance with generally accepted accounting principles.

Due to the implementation of these statements, a pension liability of \$330,775 and deferred outflows of resources of \$32,469 were recorded as of June 30, 2014, resulting in a reduction of net position as of July 1, 2014 of \$298,306.

NOTE J – COMMITMENTS AND CONTINGENCIES

Commitments: The LAFCO has contract commitments with consultants at June 30, 2015 of \$36,976 for the City of Davis and associated County service areas combined municipal service review and sphere of influence study and \$41,025 for the Fire Protection Districts Combined Municipal Service Review and Sphere of Influence Study.



REQUIRED SUPPLEMENTARY INFORMATION

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GOVERNMENTAL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues				
County of Yolo	\$ 202,767	\$ 202,767	\$ 202,767	
City of Davis	68,737	68,737	68,737	
City of West Sacramento	67,728	67,728	67,728	
City of Woodland	59,792	59,792	59,792	
City of Winters	6,509	6,509	6,509	
Other revenues	3,000	3,000	1,657	\$ (1,343)
Use of money	1,500	1,500	1,352	(148)
<b>TOTAL REVENUES</b>	<b>410,033</b>	<b>410,033</b>	<b>408,542</b>	<b>(1,491)</b>
<b>EXPENDITURES</b>				
Salaries and benefits	304,086	304,086	318,844	(14,758)
Professional and specialized services	20,000	106,000	46,843	59,157
General and administrative	18,402	18,402	14,110	4,292
Legal fees	7,500	7,500	2,366	5,134
Training	12,000	12,000	11,852	148
Transportation and travel	2,000	2,000	920	1,080
Office expenses	2,250	2,250	1,173	1,077
<b>TOTAL EXPENDITURES</b>	<b>366,238</b>	<b>452,238</b>	<b>396,108</b>	<b>56,130</b>
NET CHANGE IN FUND BALANCE	43,795	(42,205)	12,434	54,639
Fund balance at beginning of year	248,109	248,109	248,109	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 291,904</b>	<b>\$ 205,904</b>	<b>\$ 260,543</b>	<b>\$ 54,639</b>

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GOVERNMENTAL FUND

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues				
County of Yolo	\$ 182,071	\$ 182,070	\$ 182,070	
City of Davis	62,120	62,120	62,120	
City of West Sacramento	59,589	59,589	59,589	
City of Woodland	54,488	54,488	54,488	
City of Winters	5,874	5,874	5,874	
Other revenues	6,000	6,000	871	\$ (5,129)
Use of money	1,500	1,500	1,205	(295)
<b>TOTAL REVENUES</b>	<b>371,642</b>	<b>371,641</b>	<b>366,217</b>	<b>(5,424)</b>
<b>EXPENDITURES</b>				
Salaries and benefits	241,833	275,332	279,077	(3,745)
Professional and specialized services	50,000	86,000	64,196	21,804
General and administrative	18,108	18,108	15,832	2,276
Legal fees	10,500	10,500	4,658	5,842
Training	10,000	10,000	8,047	1,953
Transportation and travel	1,500	1,500	1,572	(72)
Office expenses	2,500	2,500	2,459	41
<b>TOTAL EXPENDITURES</b>	<b>334,441</b>	<b>403,940</b>	<b>375,841</b>	<b>28,099</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>37,201</b>	<b>(32,299)</b>	<b>(9,624)</b>	<b>22,675</b>
Fund balance at beginning of year	257,733	257,733	257,733	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 294,934</b>	<b>\$ 225,434</b>	<b>\$ 248,109</b>	<b>\$ 22,675</b>

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GOVERNMENTAL FUND

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues				
County of Yolo	\$ 188,066	\$ 188,066	\$ 188,066	
City of Davis	64,732	64,732	64,732	
City of West Sacramento	62,927	62,927	62,927	
City of Woodland	54,840	54,840	54,840	
City of Winters	5,567	5,567	5,567	
Other revenues	5,200	5,200	11,652	\$ 6,452
Use of money	1,500	1,500	1,367	(133)
<b>TOTAL REVENUES</b>	<b>382,832</b>	<b>382,832</b>	<b>389,151</b>	<b>6,319</b>
<b>EXPENDITURES</b>				
Salaries and benefits	225,764	226,364	227,103	(739)
Professional and specialized services	110,000	110,000	47,043	62,957
General and administrative	21,067	20,467	22,107	(1,640)
Legal fees	10,500	10,500	6,345	4,155
Training	8,000	8,000	8,137	(137)
Transportation and travel	3,500	3,500	939	2,561
Office expenses	4,000	4,000	2,693	1,307
<b>TOTAL EXPENDITURES</b>	<b>382,831</b>	<b>382,831</b>	<b>314,367</b>	<b>68,464</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1</b>	<b>1</b>	<b>74,784</b>	<b>74,783</b>
Fund balance at beginning of year	182,949	182,949	182,949	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 182,950</b>	<b>\$ 182,950</b>	<b>\$ 257,733</b>	<b>\$ 74,783</b>

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

SCHEDULE OF THE PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)  
Last 10 Years

	<u>2015</u>
Proportion of the net pension liability	0.2429%
Proportionate share of the net pension liability	\$ 394,276
Covered - employee payroll	\$ 172,567
Proportionate share of the net pension liability as a percentage of covered payroll	228.48%
Plan fiduciary net position as a percentage of the total pension liability	72.83%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms.

Changes in assumptions: None

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)  
Last 10 Years

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 39,538
Contributions in relation to the actuarially determined contributions	<u>(39,538)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$ 172,567
Contributions as a percentage of covered - employee payroll	22.91%

Notes to Schedule:

Valuation Date: June 30, 2013

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Method	Entry Age Normal Cost Method
Amortization Method	Difference Between Projected and Actual Earnings is Amortized Straight-line Over 5 Years. All Other Amounts are Amortized Straight-line Over Average Remaining Service Life of Participants
Remaining Amortization Period	Not Stated
Asset Valuation Method	5-year Smoothed Market
Inflation	2.75%
Salary Increases	3.30% to 14.20% Depending on Entry Age and Service
Investment Rate Of Return	7.50%, Net of Administrative Expenses; Including Inflation.
Retirement Age	50-67 Years. Probabilities of Retirement are Based on the 2010 CalPERS Experience Study for the Period 1997 to 2007.
Mortality	CalPERS Specific Data from January 2014 Actuarial Experience Study for the Period 1997 to 2011 that Uses 20 Years of Mortality Improvements Using Society of Actuaries Scale BB.

Omitted Years: GASB Statement No. 68 was Implemented During the Year Ended June 30, 2015. No information was Available Prior to this Date.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

SCHEDULE OF FUNDING PROGRESS OF THE  
OTHER POSTEMPLOYMENT BENEFITS PLAN (UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
6/30/2012	\$ -	\$ 50,000	\$ 50,000	0.00%	\$148,000	33.78%
6/30/2014		60,000	60,000	0.00%	177,000	33.90%

## COMPLIANCE REPORT



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Chair and Members of the  
Yolo County Local Agency Formation Commission  
Woodland, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Yolo County Local Agency Formation Commission (the LAFCO), as of and for the year ended June 30, 2015, 2014, and 2013 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 4, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the LAFCO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LAFCO's internal control. Accordingly, we do not express an opinion on the effectiveness of the LAFCO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



To the Chair and Members of  
Yolo County Local Agency Formation Commission

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the LAFCO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Richardson & Company, LLP*

March 4, 2016



Regular 8.

## LAFCO

Meeting Date: 03/24/2016

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### Information

#### SUBJECT

Consider and adopt the LAFCo Annual Work Plan for fiscal year 2016/17, determining that an MSR/SOI Update for the City of Winters is not warranted, and direct staff to prepare a draft fiscal year 2016/17 budget and update to the Shared Services Strategic Plan for the April meeting to reflect these priorities.

#### RECOMMENDED ACTION

Consider and adopt the LAFCo Annual Work Plan for fiscal year 2016/17, determining that an MSR/SOI Update for the City of Winters is not warranted, and direct staff to prepare a draft fiscal year 2016/17 budget and update to the Shared Services Strategic Plan for the April meeting to reflect these priorities.

#### FISCAL IMPACT

The costs for undertaking the Annual Work Plan will be included in LAFCo's draft budget for the next fiscal year that will be presented at the April meeting and adopted at the May meeting.

#### REASONS FOR RECOMMENDED ACTION

This information is provided to the Commission in order to obtain feedback and direction on work priorities for fiscal year (FY) 2016/17. With this direction, staff will return with a draft budget at the April meeting to implement the Commission's direction. It is anticipated that the Final LAFCo 2016/17 budget will be adopted at the May 26, 2016 meeting.

#### BACKGROUND

The Work Management Plan is separated into two major sections: LAFCo and Shared Services. The LAFCo section addresses the workload involved in maintaining the legally mandated MSR/SOI (Municipal Services Review/Sphere of Influence) updates, applications, policy analysis and administrative duties associated with our LAFCo function. Shared Services reflects our proactive and evolving commitment to the Shared Services Program for agencies countywide and promoting agency collaboration.

#### LAFCO

##### MSR/SOI Updates Scheduled for Completion 2015/16

One of the MSRs scheduled for this fiscal year will carry over into the next year and the attached MSR/SOI update schedule has been updated accordingly. Following the order of the attached MSR/SOI update schedule, below is a status of each MSR/SOI update now scheduled for completion in FY 15/16:

- Combined MSR for the Fire Protection Districts- A public draft of the MSR/SOI has been completed by Citygate Associates and the public hearing is scheduled for the April 28, 2016 meeting.
- Combined MSR for the City of Davis and Associated CSAs- An administrative draft of this MSR/SOI is being completed by Policy Consulting Associates and we estimate this to be scheduled for the May 26, 2016 meeting.
- Flood Protection Districts MSR (Reclamation Districts, Snowball CSA and Knights Landing Ridge Drainage District) – This MSR is being conducted "in house". It involves 19 separate agencies and is complicated as it relates to issues with governance to maintain project improvements from the Central Valley Flood Protection Plan. Therefore, this will carry over into FY 2016/17.

##### MSR/SOI Updates Scheduled for Completion 2016/17

- City of Winters – An MSR/SOI was last completed for the City of Winters in 2008 and they are due for a five year review. Per the strict reading of the Cortese Knox Hertzberg Act, MSRs are only required when LAFCo is intending to update the

agency's SOI, which the City is not interested in changing at this time. Although LAFCo has utilized the MSR process more liberally to review and provide oversight of our smaller special districts often run by volunteers, in the case of a city, where there is inherently much more scrutiny and transparency, plus annual comprehensive audits are required, it's a valid question to consider what value LAFCo's report would provide in a city MSR. LAFCo would probably spend approximately \$30,000 - \$40,000 to contract out the MSR for the City of Winters. And as staff has seen with the City of Davis' MSR, the report is not uncovering any new information that is not already known. In the City of Davis' case, there is value to looking at the process and efficiencies between Davis and the three County Service Areas it provides municipal services to, but the City's report on its own is not especially enlightening. With the City of Winters, the only outside services provided are to a Yolo County Housing development (El Rio Villa).

This is the first opportunity where staff has been able to utilize the new checklist template as a screening tool to evaluate whether an MSR is needed at all. Staff completed the checklist at a screening level of review and it is attached for Commission review. The only findings of concern relate to the City's struggle to address new state water quality standards regarding Chromium 6 levels in its well water, however LAFCo's MSR findings will not be helpful in resolving this issue. Staff recommends that based on the checklist prepared that an MSR for the City of Winters is not needed this cycle and LAFCo will look at the issue again in 5 years. However, if the Commission is not in agreement with this approach, staff will propose budget funding to contract this MSR out to a consultant in the next fiscal year.

- Dunnigan CSA – This can be a quick update that is performed “in house”. We completed our last MSR for this district only in FY 2013/14. The reason this MSR needs to be updated is that since the last one, there have been discussions that the CSA's functions can be potentially taken over by another local district and dissolved. The MSR needs to reflect this recommendation in order to simplify the dissolution process.
- Cemetery Districts (Capay, Cottonwood, Davis, Knights Landing, Mary's, and Winters) – These districts were last reviewed in FY 2010/11 and the MSR is due. Staff does not anticipate any significant governance changes and staff recommends this update can also be performed “in house”.

### **Project Applications**

There are no project applications currently in process, however, staff is expecting an application to annex Mr. Watts' parcel to the Wild Wings CSA per the conditions of our recent Out of Agency Services approval. The City of Davis is also currently processing applications for two separate projects that would both require annexation: the Nishi-Gateway Innovation District and the Mace Ranch Innovation Center. The Nishi-Gateway Innovation District has been approved by the Davis City Council and is going to citywide vote (per the City of Davis' growth control ordinance) in June 2016. The Mace Ranch Innovation Center has not yet been considered by the Davis City Council, but staff is currently targeting the November 2016 election for this project. Depending on the results, it's possible that LAFCo would receive both of these annexations in FY 16/17.

In addition, the City of Woodland has two separate annexation areas that may likely be submitted in FY 16/17. The City of Winters is also considering potential annexation of 200 acres, but this project will likely not be submitted to LAFCo in FY 16/17. The City will first complete a specific plan and EIR and the project developer is only just getting started on these items. The City of West Sacramento has ample undeveloped land within its existing boundaries, and therefore no Sphere of Influence or annexations will be needed for many years. Overall, it could be a relatively very busy year for LAFCo in terms of annexation applications from Davis and Woodland.

### **Administrative Projects**

In addition, staff will be working on the following administrative projects during FY 2015/16: updating our project application forms, and other general administration items as required including: policy analysis as requested by the Commission, responding to CALAFCO legislative issues, training and attending conferences, etc.

## **SHARED SERVICES**

### **Shared Services Workshop**

The Shared Services Workshop on February 25, 2016 was a valuable session to determine agency priorities for LAFCo shared services and provided the opportunity to advance the thinking on each of the top items. The workshop identified three priority projects, including: JPA Coordination and Consolidation, Broadband, and Grant Funding. Detailed workshop notes are included in the attachments and this staff report will focus on these agency priorities.

- Broadband - The consensus from the workshop was that Broadband should stay on LAFCo's workplan for a multitude of reasons, including economic development, public health, agriculture, distance learning and job creation. The group agreed that LAFCo should continue on the same path in the work they are already doing acting as the point person for broadband in the region. There is a continued need for agencies to be in constant communication about projects so that we can coordinate efforts. In addition, LAFCo should pursue funding opportunities for grant funding related to regional Broadband (see Grant Funding below).
- JPA Coordination and Consolidation - LAFCo and the JPA Working Group, in coordination with the Yolo Managers' Group, should continue on the path to create a super JPA, with the responsibility to oversee other JPAs in order to provide shared governance and oversight. The JPA draft Action Plan and Timeline has been created and the next working group meeting has been scheduled. LAFCo should continue to look at opportunities for potential consolidation of agency contracts with shared service providers such as road maintenance.

In FY 2015/16 staff completed many of our next steps. We documented existing JPAs and board make-up, created a one page infographic, tested the JPA concept with agency leadership at the October Yolo Leaders meeting, formed a working group, and created a detailed action plan and timeline. FY 16/17 will be about completing the steps in the action plan

which generally include drafting the JPA language, creating a preliminary consolidation strategy and JPA formation.

- **Grant Funding** - This is a new shared services priority for FY 16/17 which involves developing grant funding strategies at a regional level for shared services programs, specifically broadband and JPA Coordination and Consolidation. Steps would include contracting with a grants specialist to research funding opportunities and tapping into other resources currently available such as a grants database sponsored by SACOG, collaborating with the few existing grant writers among the agencies, etc. Staff would prepare an RFP to hire a grants specialist to assist LAFCo with this effort and put together a funding strategy.
- **Other Priorities** - Other priorities that came up at the workshop that did not rank highest with voting were homelessness/mental health and Organic Waste. At the shared services workshop, it was discussed that homeless/mental health is an issue that is already being addressed by the County and the “10-Year Plan to End Homelessness” headed by Yolo County Housing. It was discussed that if recent efforts were determined to not be sufficient or not working, that we should address it through current channels and that LAFCo was not the best agency to provide assistance. A regional solution to organic waste was also discussed, however, the issue is already resonating at SACOG and the issue may not be best suited for LAFCo follow up. There was talk of potentially LAFCo holding a regional forum or pulling a meeting together, but this idea did not carry through by meeting’s end.

**Work Plan and Implementation**

Corresponding with the results from the Shared Services Workshop, staff recommends the following key actions for FY 2016/17:

- Continue to facilitate implementation of the Yolo Broadband Strategic Plan by each city and the County including: continuing the Broadband Working Group as a steering committee, assisting with any additional studies or grants to provide continuity, and helping to market the cities and County to existing and potential new broadband providers.
- Complete the steps outlined in the JPA Consolidation and Oversight Action plan including drafting the JPA language, creating a preliminary consolidation strategy and JPA formation.
- Prepare and release an RFP to select a consultant to provide grant specialist professional services to develop a funding strategy for the Shared Services JPA and broadband projects.
- Continue to coordinate the Yolo Leaders forum 2 times per year with the planning committee including developing topics, agendas and lining up speakers.
- Continue to attend meetings of the SACOG Shared Services & New Initiatives Task Force, ensuring our respective shared service efforts remain complementary and coordinated where appropriate.

Based on these shared services priorities that came out of the Workshop, staff will return at the April meeting with an update to the Shared Services Strategic Plan to reflect these new priorities and discuss how we should hold the Shared Services Workshop next year.

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**Attachments**

- [ATT 1-FY 16/17 MSR/SOI Update Work Plan](#)
  - [ATT 2-City of Winters 2016 Checklist](#)
  - [ATT 3-LAFCo Shared Services Workshop Notes](#)
  - [ATT 4-JPA Tasks-Timeline 2/19/16](#)
- 

**Form Review**

**Inbox**

Christine Crawford (Originator)  
Form Started By: Christine Crawford  
Final Approval Date: 03/17/2016

**Reviewed By**

Christine Crawford

**Date**

03/17/2016 01:39 PM  
Started On: 03/08/2016 03:02 PM

FY 2016/17 MSR/SOI Update Schedule - Adopted March 24, 2016				
FY Scheduled	City/District	LAFCO №	Last Reviewed	Resolution #
2016/17	Knights Landing Ridge Drainage District	S-045	3/28/2005	2005-05
	Snowball County Service Area			
	Reclamation District 108 (Colusa)			
	Reclamation District 150			
	Reclamation District 307			
	Reclamation District 537			
	Reclamation District 730			
	Reclamation District 765			
	Reclamation District 785			
	Reclamation District 787			
	Reclamation District 827			
	Reclamation District 900			
	Reclamation District 999			
	Reclamation District 1600			
	Reclamation District 2035			
	Reclamation District 2068 (Solano)			
Reclamation District 2076				
Reclamation District 2093 (Solano)				
Reclamation District 2120				
2016/17	Dunnigan County Service Area	S-041	6/26/2014	2014-04
2016/17	Capay Cemetery District	S-036	5/16/2011	2011-03
	Cottonwood Cemetery District			
	Knights Landing Cemetery District			
	Mary's Cemetery District			
	Winters Cemetery District			
	Davis Cemetery District			
		S-037	7/26/2012	2012-05
2017/18	City of West Sacramento	S-031	1/26/2009	2009-01
	Garcia Bend County Service Area			
	Sac - Yolo Port District	S-033	6/22/2009	2009-03
2017/18	Dunnigan Water District	S-038	10/24/2013	2013-04
	Yolo County Flood Control & Water Conservation District			
2017/18	Wild Wings County Service Area #14	S-035	6/26/2014	2014-03
2018/19	City of Woodland	S-034	3/28/2011	2011-02
2018/19	Cacheville Community Services District	S-040	7/24/2014	2014-05
2018/19	Knights Landing Community Services District	S-042	12/4/2014	2014-06
2018/19	Yolo County Resource Conservation District	S-043	2/26/2014	2015-01
2019/20	Esparto Community Services District	S-039	7/23/2015	2015-04
	Madison-Esparto Regional County Service Area (MERCOSA)			
	Madison Community Services District			
2019/20	Capay Fire Protection District	S-045	4/28/2016	TBD
	Clarksburg Fire Protection District			
	Dunnigan Fire Protection District			
	East Davis Fire Protection District			
	Elkhorn Fire Protection District			
	Esparto Fire Protection District			
	Knights Landing Fire Protection District			
	Madison Fire Protection District			
	No Man's Land Fire Protection District			
	Springlake Fire Protection District			
	West Plainfield Fire Protection District			
	Willow Oak Fire Protection District			
	Winters Fire Protection District			
	Yolo Fire Protection District			
	Zamora Fire Protection District			
2020/21	City of Davis	S-044	5/26/2016	TBD
	El Macero County Service Area			
	Willowbank County Service Area			
	North Davis Meadows County Service Area			
2021/22	City of Winters	n/a	3/24/2016	n/a

**MUNICIPAL SERVICE REVIEW**

**POTENTIALLY SIGNIFICANT MSR DETERMINATIONS**

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages. If most or all of the determinations are not significant, as indicated by “no” answers, the Commission may find that a MSR update is not warranted.

- |   |  |
|---|--|
| <input type="checkbox"/> Growth and Population  | <input type="checkbox"/> Shared Services |
| <input type="checkbox"/> Disadvantaged Unincorporated Communities                           | <input type="checkbox"/> Accountability  |
| <input checked="" type="checkbox"/> Capacity, Adequacy & Infrastructure to Provide Services | <input type="checkbox"/> Other           |
| <input type="checkbox"/> Financial Ability  |  |

**1. GROWTH AND POPULATION**

Growth and population projections for the affected area.	YES	MAYBE	NO
a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Will population changes have an impact on the subject agency’s service needs and demands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Will projected growth require a change in the agency’s service boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

a) – c) According to the state Department of Finance, the City of Winters population actually declined from 2014 to 2015 from 6,970 to 6,954, a decrease of 0.2 percent. The City of Winters does anticipate an application for a specific plan to develop approximately 200 acres outside of the City which would require an annexation. However, this territory is already within the City’s SOI and therefore, no SOI amendment would be required to accommodate the proposed development.

**Growth and Population MSR Determination**

There is no population growth or development proposed that would have an impact on the City’s service demands and require an update to the City’s existing SOI.

## **2. DISADVANTAGED UNINCORPORATED COMMUNITIES**

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income) that do not already have access to public water, sewer and structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:**

- a) Please see agency profile. A "yes" response indicates that the agency provides a service that may trigger the provisions of SB 244 and a LAFCo determination regarding any disadvantaged unincorporated communities within or adjacent to the agency's sphere of influence is required. A "no" response indicates that the provisions of SB 244 would not apply to a SOI update, if applicable.
- b) The term "Inhabited Unincorporated Communities" is defined per Commission adopted policy as those areas on the County of Yolo 2030 General Plan Land Use Map (see Figures LU-1B through LU-1H) that contain land use designations that are categorized as Residential by Table LU-6. The communities of Rumsey and West Kentucky are also included in this definition (even though the current land use designations are Agriculture (AG) and Commercial Local (CL) respectively) because their existing uses are residential. These communities are as follows:

Binning Farms	Guinda	Rumsey
Capay	Knights Landing	West Kentucky
Clarksburg	Madison	West Plainfield
Dunnigan	Monument Hills	Willow Oak
El Macero	North Davis Meadows	Willowbank
El Rio Villa	Patwin Road	Yolo
Esparto	Royal Oak	Zamora

El Rio Villa is located near the City of Winters but it is not adjacent to the City. It is owned and managed by the Yolo Housing Authority located on the other side of I-505 and east of the City. The community residents are likely considered economically disadvantaged. The City already provides wastewater services and fire protection (through the City's contract with the Winters Fire Protection District) to El Rio Villa. Water service is provided by an onsite well that is according to the City

Manager having water quality issues. If the Yolo Housing Authority is unable to resolve these water issues, the City will likely extend its water service to this community.

- c) El Rio Villa is located approximately 0.5 miles east of the City limits across I-505. Therefore, it is not desirable to annex El Rio Villa into the City; however, water services could be extended if needed via an Out of Agency Services Agreement.

**Disadvantaged Unincorporated Communities MSR Determination**

El Rio Villa is a disadvantaged unincorporated community 0.5 miles east of the City of Winters. It already receives wastewater and fire protection services from the City. It is not desirable to annex El Rio Villa into the City; however, water services could be extended if needed via an Out of Agency Services Agreement.

**3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES**

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

a) – d) The City provides police, fire, parks and recreation, water, wastewater, stormwater, solid waste/recycling, and streetlight services. Generally, the City's infrastructure master plans are current and are posted on the City's website:

- The City's sewer master plan was last updated in December 2006
- The city's water master plan was last updated in December 2006



- The City also performs water quality reports every year.

There are no known capacity and services issues related to City public facilities and services.

e) There has been a recent change in state water quality standards that will have a significant impact on the City's water services. Specifically, the new state standards for Chromium 6 levels will result in significant infrastructure upgrade costs for the City which will be passed on to the residents. The City Manager estimates that base water costs for City residents may triple in order to cover the costs of the state required system upgrades.

There also may be new state regulations for tertiary treatment that will affect the City's wastewater treatment plant, but these new state standards are more speculative at this time.

f) See 2 b) and 2 c).

**Capacity and Adequacy of Public Facilities and Services MSR Determination**

Generally, the City's infrastructure master plans are current and are posted on the City's website. However, there has been a recent change in state water quality standards that will have a significant impact on the City's water services. Specifically, the new state standards for Chromium 6 levels will result in significant infrastructure upgrade costs for the City which will be passed on to the residents. The City Manager estimates that base water costs for City residents may triple in order to cover the costs of the state required system upgrades.

<b>4. FINANCIAL ABILITY</b>			
Financial ability of agencies to provide services.			
	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Is improvement needed in the organization's financial policies to ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

f) Is the organization's debt at an unmanageable level?

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**Discussion:**

a)-c), e)-f) The city of Winters prepares annual comprehensive financial audits on an annual basis, which are posted on their website. The audits are available through 2014. The City's audits have consistently been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officer Association (GFOA) for the last twelve years in a row. In order to be awarded a Certificate of Achievement, the City of Winters published an easily readable and efficiently organized CAFR. This report satisfied both the GAAP and applicable legal requirements. The City performs sound financial management practices, adopting an annual budget, spending within its budget and performing independent audits. The City's reserve and debt is at management levels.

The city has developed a long-range financial plan. The goals of developing this long-range plan include the following:

1. Understanding of all the revenue sources used to implement projects and services throughout the community and the impacts to the growth rate of the services.
2. Identifying recurring vs. nonrecurring revenues.
3. Reviewing all services provided by the City and the corresponding costs of those services.
4. Provide service levels consistent with the General Plan.
5. Establish a Service reserve fund from nonrecurring (one-time) revenues.
6. Establish a long term financial strategy and plan.
7. Establish a "living" document that can be updated as identified variables change that will affect the plan.

The City of Winters has implemented projects within the community to utilize the \$7.8 million in tax allocation bonds issued by the Winters Community Development Agency(CDA) in March 2004 and the \$11.4 million in tax allocation bonds issued in September 2007. The projects that have been implemented to date include:

- Downtown Master Planning: The CDA worked with businesses and property owners within the Main Street and Railroad Avenue corridors to develop an overall strategy and infrastructure plan that will facilitate development within this area.
- Economic Development: The CDA worked with consultants to create a marketing program to make it easy for prospective developers to consider projects within the City.
- Affordable Housing Program: The CDA worked with developers to provide financing to complete construction of a 72 unit affordable housing development.
- Community Enhancements: The CDA has built an amphitheater at the community Center, completed a 110 downtown parking lot, rehabilitated the old railroad bridge to a bicycle and pedestrian trail across Putah Creek into the Community Center park area, installed restrooms at Rotary Park, and completed the installation of a shade structure on the Putah Creek entrance patio area of the Community Center.
- The Agency completed a \$1.5 million capital improvement to the intersection of Main St. and Railroad Ave. including roadway, pedestrian and street furnishings.
- First Time Home buyer program: The CDA has, in partnership with the City of Winters, implemented a first time homebuyer program. Approximately 15 first time homebuyers have been assisted through this program since the 04-05 fiscal year.
- The Agency completed construction of a Joint Police and Fire Facility providing a 40,000 square foot facility for both Police and Fire Departments and includes a training facility that also serves

as the Emergency Operations Center for the City of Winters, with a generator that will power the facility in case of power failure.

- The Agency completed a \$680,000 capital improvement to the intersection of Main and First Street, along with a Mid-Block crossing.

The City is implementing the Five Year Capital Improvement plan developed in fiscal 03-04 and has prioritized key infrastructure projects within the City. Projects have been implemented utilizing the 2007 Water and Sewer Revenue Bonds.

- Well #7 has been completed. This well was necessary to support economic development throughout the City.
- Water pipes were extended to the area along I-505, the next area of anticipated economic development outside of the downtown core.
- Sewer lines were replaced throughout the oldest part of the City.
- Wells #2 and #4 were rehabilitated to allow them to run more efficiently.
- A SCADA (Supervisory Control and Data Acquisition) system was installed. This allows for computer monitoring of the status of the Water and Sewer Systems at all times.
- Water Meters were installed City Wide and beginning January 2012, all water customers began being billed based on consumption.

The 03-04 Capital Improvement Plan will be reviewed and updated in the 14-15 fiscal year and will coordinate with the master plans for both Water and Sewer Enterprise Functions.

d) The City is able to fund necessary maintenance upgrades, but as noted in section 3 e), the City is facing significant infrastructure upgrades to its water system to respond to new state water quality standards for Chromium 6 levels which are naturally occurring from the rock formations in the coastal range and seeps into the aquifers. This City is current addressing these upgrades, but they will come at a significant rate increase to City residents. The City continues to grapple with this issue.

**Financial Ability MSR Determination**

The City of Winters practices sound financial management, adopting budgets, spending within its limits and preparing annual comprehensive financial updates. The City has adequate reserve to protect against unexpected events or upcoming significant costs. The City's rate/fee schedules are sufficient to fund an adequate level of service and its debt is at a manageable level.

The City is also facing significant infrastructure upgrades to its water system to respond to new state water quality standards for Chromium 6 levels. This City is current addressing these upgrades, but they will come at a significant rate increase to City residents. The City continues to grapple with this issue.

**5. SHARED SERVICES AND FACILITIES**

Status of, and opportunities for, shared facilities.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- |   |                          |                          |                                     |
|---|--------------------------|--------------------------|-------------------------------------|
| b) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?   | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**Discussion:**

a)-c) The City is currently partnering with LAFCo, the other cities and County on shared services. It is already providing services to the Winters Fire Protection District and sharing a Fire Chief with the City of Dixon. The City also participates in a number of regional programs addressing shared resources, services and facilities.

**Shared Services MSR Determination**

The City is currently partnering with LAFCo, the other cities and County on shared services. It is already providing services to the Winters Fire Protection District and sharing a Fire Chief with the City of Dixon. The City also participates in a number of regional programs addressing shared resources, services and facilities.

**6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES**

Accountability for community service needs, including governmental structure and operational efficiencies.

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is there a lack of regular audits, adopted budgets and public access to these documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Is the agency involved in any Joint Powers Agreements/Authorities (JPAs)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

g) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?

h) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?

**Discussion:**

- a)-c) City meetings are accessible and well publicized in accordance with the Brown Act. There do not appear to be any chronic issues with filling board vacancies and maintaining members. The City staff do not experience a high turnover and stay in their positions longer than seen with other cities in the area.
- d) See 4a).
- e) Yes the City is involved with a number of JPAs. A list of all the JPAs has been compiled by the County's Internal Auditing Division.
- f) LAFCo staff is not aware of any recommended changes to the City's governance to increase accountability and efficiency.
- g) LAFCo staff is not aware of any recommended changes to the City's governance structure to eliminate deficiencies or redundancies.

**Accountability, Structure and Efficiencies MSR Determination**

City meetings are accessible and well publicized in accordance with the Brown Act. There do not appear to be any chronic issues with filling board vacancies and maintaining members. The City staff do not experience a high turnover and stay in their positions longer than seen with other cities in the area. The City prepares annual audits which are posted on the City's website. LAFCo staff is not aware of any recommended changes to the City's governance to increase accountability and efficiencies.

**7. OTHER ISSUES**

Any other matter related to effective or efficient service delivery, as required by commission policy.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

- a) There are no City issues LAFCo or City staff is aware of that can be resolved by the MSR/SOI process.

**Other Issues MSR Determination**

There are no City issues LAFCo or City staff is aware of that can be resolved by the MSR/SOI process.

**SPHERE OF INFLUENCE STUDY**

On the basis of the Municipal Service Review:

- Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency's SOI is recommended and SOI determinations HAVE NOT been made.
  
- Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency's SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.

**REFERENCES**

*Department of Finance Population Projections*

*City of Winters Comprehensive Annual Financial Report, Year Ended June 30, 2014.*

*City of Winters website posting of infrastructure master plans including water and sewer.*

**Yolo County LAFCo**  
 Shared Services Workshop 02.26.16  
*Meeting Notes*

### Workshop Participants

Participant	Organization	Title
<b>Cecilia Aguiar-Curry</b>	City of Winters	<i>Mayor</i>
<b>Patrick Blacklock</b>	County of Yolo	<i>County Administrator</i>
<b>Dirk Brazil</b>	City of Davis	<i>City Manager</i>
<b>Duane Chamberlain</b>	County of Yolo	<i>Supervisor, District 5</i>
<b>Christine Crawford</b>	Yolo LAFCo	<i>Executive Officer</i>
<b>Sarah Kirchgessner</b>	Yolo LAFCo	<i>Management Analyst</i>
<b>Bill Kristoff</b>	City of West Sacramento	<i>Council Member</i>
<b>Eric May</b>	Yolo LAFCo	<i>Commission Counsel</i>
<b>Paul Navazio</b>	City of Woodland	<i>City Manager</i>
<b>Jim Provenza</b>	County of Yolo	<i>Board Chair, District 4</i>
<b>Matt Rexroad</b>	County of Yolo	<i>Board Chair, District 3</i>
<b>Babs Sandeen</b>	West Sacramento	<i>Council Member</i>
<b>Tom Stallard</b>	City of Woodland	<i>Mayor</i>
<b>Tara Thronson</b>	County of Yolo	<i>Deputy Supervisor</i>
<b>Terri Tuck</b>	Yolo LAFCo	<i>Commission Clerk</i>
<b>Martin Tuttle</b>	City of West Sacramento	<i>City Manager</i>
<b>Olin Woods</b>	Yolo LAFCo	<i>Commission Chair</i>

### Workshop Agenda Items and Notes

#### 1. *Call to Order and Welcome*

#### 2. *Last Year Recap*

The Workshop began with a recap of the progress of last year's shared services.

- Non-Profit Coordination  
 This shared service is being handed off to the existing Non-Profit Leaders Alliance, supported by County Library staff and managed by a planning committee.
- JPA Coordination and Consolidation  
 The Yolo Leader's Forum "Yolo Collaboration" was held in October, 2015, which discussed JPA consolidation. Additionally, a JPA/Shared Services Working Group was formed after the Forum, which first met on January 28<sup>th</sup>. The JPA draft Action Plan and Timeline have been created and the next working group meeting is on March 24<sup>th</sup> after the LAFCo meeting.



**Yolo County LAFCo**  
Shared Services Workshop 02.26.16  
*Meeting Notes*

- **Broadband**  
LAFCo has had an “umbrella” role as the point person for broadband in the region. The Broadband coordinating group, with representatives from the cities and County, has continued to meet quarterly. The cities and County are all implementing the Yolo Broadband Strategic Plan action items at their own pace. LAFCo will be attending the 2016 Cap-to-Cap as part of the team to discuss broadband in Yolo County.
- **Environmental Compliance**  
This shared service is being handed off to the Water Resources Association’s technical advisory committee. The Westside Integrated Regional Water Management Coordinating Committee is a result of the Integrated Regional Water Management Planning Act (1992) and is the group responsible for implementing the Westside-Sacramento Integrated Regional Water Management Plan. A small cities working group under this framework is being formed to address water/wastewater compliance issues.

The Group agreed that Non-Profit Coordination and Evaluation and Environmental Compliance should be checked off as completed.

**3. Brainstorming and Scoring - Shared Service Project Ideas**

- Non-Profit Coordination **(0)**
- JPA Coordination and Consolidation **(16)**
- Broadband **(28)**
- Environmental Compliance **(0)**
- Homelessness/Mental Health **(11)**
- ~~Transportation Coordination~~ (removed from consideration prior to voting)
- Back Office Coordination (accounting, finance, etc.) **(4)**
- Organic Waste Disposal/Landfill **(8)**
- Road Maintenance **(5)**
- Police/Sheriff service territories **(0)**
- Grant Fund Raising **(12)**

**4. Group Discussion on Top 3-4**

After voting, there was a group discussion to create a milestone map to get the ball rolling on these issues so there is a clear understanding what direction to take moving forward.

**1. Broadband (28)**

Group consensus was that Broadband should stay on the list for a multitude of reasons, including economic development, public health, agriculture, distance learning and job creation.





## Yolo County LAFCo

Shared Services Workshop 02.26.16

### Meeting Notes

- Group agreed that LAFCo should continue on the same path in the work they are already doing acting as the point person for broadband in the region. There is a continued need for agencies to be in constant communication about projects so that we can coordinate efforts.
- LAFCo should pursue funding opportunities for grant funding related to regional Broadband (see #3 below).

### 2. JPA Coordination and Consolidation (16)

LAFCo and the JPA Working Group, in coordination with the Managers' Group, should continue on the path to create a super JPA, with the responsibility to oversee other JPAS in order to provide shared governance and oversight. The JPA draft Action Plan and Timeline has been created and the next working group meeting is on March 24th following the LAFCo meeting.

LAFCo should continue to look at opportunities for potential consolidation of agency contracts with shared service providers such as road maintenance.

### 3. Grant Funding (12)

There may be opportunities for grant funding at a regional level for individual shared services, such as broadband and JPA consolidation, countywide.

#### a. Research Regional Grant Opportunities

At the federal level, there is a lot of grant money available with an emphasis on shared services and regionalization. Initially, we need to research funding opportunities to see where the moneys are and see if there is any money we can go after as a group.

#### b. Contract with a Grant Specialist

LAFCo should contract with someone with experience with grants, such as Petrea Marchand or Valley Vision, to help identify grants and prioritize funding opportunities.

#### c. Grant website/software

Several agencies in Yolo County have bought their own grant software; however, usage is limited to those that have the license. There may be an opportunity to purchase software by LAFCo that can be used for shared services and regional grant funding. SACOG has a grant website or other software that can be used regionally.

#### d. Grant Writers

West Sacramento and Yolo County have grant writers on staff that LAFCo may be able to coordinate with.

#### e. If there are additional grant opportunities on future shared service opportunities not yet discussed, LAFCo staff should bring them forward to the Commission for review.



**Yolo County LAFCo**  
Shared Services Workshop 02.26.16  
*Meeting Notes*

**4. Homelessness/Mental Health (11)**

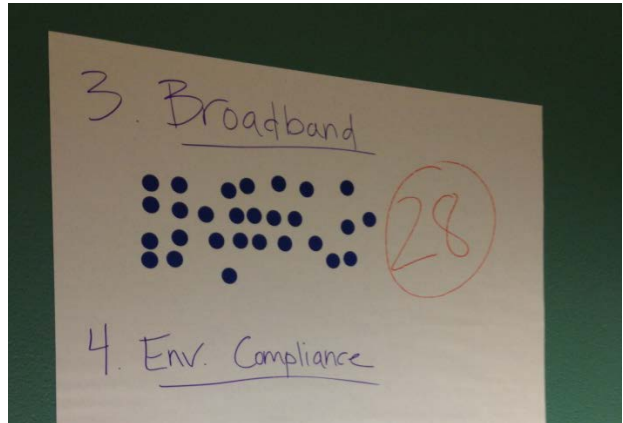
Big strides have been made on city-specific homeless projects such as those in West Sacramento and Davis, working in coordination with the County. The question was raised that Yolo County already has the “10-Year Plan to End Homeless,” so how does LAFCo add value to what is already happening? There may be future opportunities to look at a different regional model; however, there was not consensus that LAFCo/shared services were the best place for homelessness/mental health. The County’s homelessness team might be a better fit.

**5. Organic Waste (8)**

Legislation was signed two (2) years ago that with a 75% waste diversion goal for organic waste. A regional solution with a single location for organic waste recycling may be needed. The issue is already resonating at the SACOG managers meeting and other Yolo county electeds. However, this issue may not be suited for LAFCo. LAFCo could potentially have a limited role to hold a forum on organic waste recycling or to pull a meeting together.

**5. *Closing Comments/Next Steps***

LAFCo will digest this information and work it into LAFCo’s workplan for the next fiscal year, which will be going to the Commission in March. There will be more discussion at the LAFCo level and that will be folded into the draft Budget in April and final budget in May.



**Yolo County LAFCo**  
Shared Services Workshop 02.26.16  
*Meeting Notes*



# Shared Services JPA Action Plan and Timeline

February 19, 2016

## Draft JPA Language

## Prelim Consolidation Plan

## JPA Formation/Set Up

February – July 2016

March – July 2016

September – December 2016

- Determine if YCH JPA should be revamped as JPA vehicle? [YM2]
- Who best to serve as lead counsel on drafting JPA language? BBK? (Apportion costs) [YM2]
- Decide board composition, voting/non-voting members [YM2/JPA Work Grp]
- Determine interim Executive Director, Counsel & CFO [YM2/JPA Work Grp]
- Determine notice period for JPA withdrawal [YM2]
- Review draft JPA with each manager and legal counsel [YM2]

- Analyze agency board composition, services, staff, and any statutory requirements [LAFCo]
- Determine preliminary consolidation phasing approach [LAFCo/YM2]

- Coordinate JPA approvals by city councils/BOS [LAFCo/YM2]
- Establish meeting dates/time [JPA]
- Establish operating budget [JPA]
- Determine office location(s) (maybe staff shared among agencies initially) [JPA]
- Develop more detailed consolidation plan (into 2017) [JPA]
- Implementation (2017) [JPA]



Regular 9.

## LAFCO

Meeting Date: 03/24/2016

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### Information

#### SUBJECT

Consider various amendments to the Yolo LAFCo Administrative Policies and Procedures to: (1) Amend the "Reimbursement of Commissioner Expenses" policy to provide for paying Commission meeting stipends; (2) Amend the "Motions and Roll Call" policy to note the use of Rosenberg's Rules of Order and clarify abstentions and recusals; and (3) Amend the "Reimbursement Policies" to clarify allowable mileage claims

#### RECOMMENDED ACTION

Consider the Yolo LAFCo Administrative Policies and Procedures for the following:

1. *Compensation*: Discuss the existing compensation policy and consider the following alternatives for potential action: a) Retain the existing policy (status quo - no action) which does not pay meeting stipends; b) Adopt the draft amendment to the Yolo LAFCo Administrative Policies and Procedures which would pay Commission meeting stipends to city and public members (not County members); or c) Direct staff to revise the draft amendment to the Yolo LAFCo Administrative Policies and Procedures making any desired changes and return with draft amendments for formal action at a future Commission meeting.
2. *Rules of Order*: Consider the draft amendment to note use of Rosenberg's Rules of Order for Commission meetings and clarify abstentions and recusals.
3. *Mileage Claims*: Consider the draft amendment to clarify reimbursable mileage claims.

#### FISCAL IMPACT

The fiscal impacts will vary depending on the action of the Commission. As drafted by staff in the amendment below, the cost of paying stipends to city and public members for Commission meetings only would be approximately \$4,000 per year. Depending on any Commission changes including adding stipends for County members and adding stipends for other LAFCo related meeting attendance, the annual cost could be as high as \$12,400.

The proposed clarifications regarding mileage claims would not change current policy, and therefore, would not be expected to result in any financial impacts.

#### REASONS FOR RECOMMENDED ACTION

During the January 28, 2016 regular meeting, the Commission requested that staff explore possible commissioner stipends and bring back the item for potential action. A question regarding reimbursable mileage also came up during this item, which the proposed language seeks to clarify. Additionally, staff has intended to add Rosenberg's Rules of Order to the administrative policies and procedures as a "clean up" item ever since the 2013 CALAFCo conference when there was a session on this topic.

#### BACKGROUND

##### Compensation

Members of the Commission have expressed interest in exploring the adoption of a new administrative policy regarding stipend payments (i.e. "per diems") associated with their participation in LAFCo Commission meetings and potentially other LAFCo related business meetings.

California Government Code Section 56334 allows the Commission to authorize payment of a per diem to commission members and alternates for each day while they are in attendance at meetings of the commission. Cortese-Knox-Hertzberg allows each LAFCo to adopt local policies that further define its responsibilities, so long as those guidelines or procedures are not in conflict with State or case laws. Because payment would only be given if a commissioner attends a meeting, receiving a stipend/per diem may increase the feeling of responsibility to attend and participate.

Yolo LAFCo's current compensation policies are contained in the adopted Administrative Policies and Procedures, adopted May 2012 and revised June 26, 2014. The current compensation policy does not include a stipend/per diem for meeting attendance. The current policy (Section 5.15) states that 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. Reimbursement for meals in conjunction with attendance at conferences and workshops shall not exceed the established IRS thresholds for the County where attendance occurred (Section 5.17). Additionally, use of private automobiles to conduct LAFCo business shall be reimbursed at the current IRS allowable rate (Section 5.17).

Other LAFCo Compensation Policies

Of the 58 LAFCos, approximately 75% (43) have adopted stipends/per diems for the commissioners (see Attachment 1). The stipend amount varies from a high of \$200 (San Bernardino LAFCo) to a low of \$20 (Kings LAFCo).

<b>Table 1. Comparison of LAFCo Compensation Amounts</b>								
	None	\$20-49	\$50	\$75	\$100	\$150	\$175	\$200
<b>TOTAL</b>	15	6	11	4	17	3	1	1

All "urban" LAFCos (counties with populations over 700,000) have adopted stipends. Of the 15 LAFCos without adopted stipends, five (5) are defined as "suburban" while the rest are "rural." The most common stipend/per diem amount is \$100, followed by \$50 as the second most common amount.

**County Members vs. City/Public Members**

At least one LAFCo's compensation policy limits the payment stipends to public and city members, excluding the payment of a stipend to county members, who are typically paid a salary for serving on the Board of Supervisors. The draft amendment (see below) includes stipends for meeting attendance for public and city members only. The Commission may direct staff to revise the draft language if the Commission desires to provide stipend/per diem payment to all commission members.

**Alternate Members**

Stipend payment policies for alternate members vary by county. Some LAFCos only pay a stipend to alternate members if they are seated in place of a regular member while some pay alternates for meeting attendance regardless if they are seated. Additionally, some LAFCos pay alternates a slightly lower stipend than for regular members when not seated. The draft amendment below includes a \$100 stipend for meeting attendance for regular public and city members and a \$50 stipend for alternate public and city members. Alternates would receive a \$100 stipend when seated as a voting member (public and city members only). The draft amendment includes a stipend for alternates based on the idea that receiving a stipend/per diem may encourage alternates to attend meetings and keep apprised of LAFCo activities. The Commission may direct staff to revise the draft language if desired.

**What Type Of "Meeting" Attendance Receives A Stipend?**

The draft amendment limits stipends to attendance at regular and special LAFCo Commission meetings only. Other business meetings and training activities, such as the annual CALAFCO conference, that are not specifically identified in the policy are considered "elective" and do not result in stipends for a commissioner's time and attendance. The Commission may direct staff to revise the draft language if desired.

Other Boards

A few regional boards and commissions, including the Yolo-Solano Air Quality Management District, the Sacramento Regional County Sanitation District, and the Sacramento Area Council of Governments, also pay a \$100 per meeting stipend as well as mileage and travel reimbursement.

**Rosenberg's Rules of Order**

The draft amendment below amends Section 2.3 to the Yolo LAFCo Administrative Policies and Procedures, to reflect the use of Rosenberg's Rules of Order. Historically, Yolo LAFCo has conducted business under what is commonly referred to as Robert's Rules of Order. Alternatively, Rosenberg's Rules of Order (see Attachment 2), authored by Yolo Superior Court Judge David Rosenberg, outlines alternative public meeting procedures that can be adopted and used in lieu of the commonly used Robert's Rules of Order. Conceptually, both of these "rules" are designed to provide some semblance of order that an agency follows in meetings and in hearings; however, Rosenberg's Rules are accepted by some as more practical, easy to learn and user-friendly. Many other LAFCos, given that they are smaller public agencies, have adopted Rosenberg's Rules of Order in place of Robert's Rules of Order.

**Mileage Claims**

The draft amendment below amends Section 5.17 regarding Reimbursement Policies to clarify that for the purpose of reimbursable mileage claims, that the LAFCo "office" location is deemed to be the County Administration Building in Woodland and that travel between home and office is considered a commute and not reimbursable. Therefore, for example, a city member's "office" location is Woodland for LAFCo reimbursement purposes even though their City Hall may be their "office" location from a city reimbursement perspective.

**Draft Amendments**

The draft amendments to the Administrative Policies and Procedures are detailed below. Where staff has made additions or deletions to the previously adopted text, it has been illustrated as added text and ~~deleted text~~ for clarity. The draft is based on other LAFCo's compensation policies as well as staffs' understanding of the Commissioners' previous discussion on these items. The Commission may direct staff to revise the draft language if desired.

Proposed revisions to the Administrative Policies and Procedures as follows (in order of policy number):

### 2.3 MOTIONS AND ROLL CALL RULES OF ORDER

**Except as herein otherwise provided, the proceedings of the Commission shall be governed by "Rosenbergs'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 or follow such rules.**

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.**

### 5.15 COMMISSIONER COMPENSATION AND REIMBURSEMENT OF COMMISSIONER EXPENSES

#### A. Per Diems

**Regular public and city commission members shall receive a per diem of \$100 per regular and special meetings of the Yolo LAFCo Commission for preparation and attendance. Alternate public and city members shall receive an equal stipend when seated as voting members. Alternate public and city members attending regular and special meetings of the Commission but not seated as voting members shall receive a stipend of \$50. County commission members shall not receive stipends.**

#### B. Expense Reimbursements

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.

### 5.17 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 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.

Receipts or vouchers that verify the claimed expenses are required for reimbursement of all 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.

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## Attachments

[ATT 1-Other LAFCo Stipend Data](#)

[ATT 2-Rosenberg's Rules of Order](#)

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### Form Review

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Christine Crawford	Sarah Kirchgessner	02/24/2016 01:45 PM
Christine Crawford	Christine Crawford	03/03/2016 10:11 AM
Christine Crawford	Christine Crawford	03/16/2016 01:53 PM
Christine Crawford	Christine Crawford	03/16/2016 01:54 PM
Christine Crawford	Christine Crawford	03/17/2016 09:32 AM
Form Started By: Sarah Kirchgessner		Started On: 02/22/2016 10:16 AM
Final Approval Date: 03/17/2016		



LAFCo Commissioners' Per Diem Data			
LAFCO	Type	Regular Members	Alternate Members
Alameda LAFCO	Urban	\$100	\$100
Alpine LAFCO <sup>1</sup>	Rural	\$50	\$50
Amador LAFCO	Rural	\$50	\$0
Butte LAFCO	Suburban	None	None
Calaveras LAFCO	Rural	\$40	\$40
Colusa LAFCO	Rural	\$100	\$100
Contra Costa LAFCO	Urban	\$150	\$150
Del Norte LAFCO	Rural	None	None
El Dorado LAFCO <sup>2</sup>	Suburban	\$50	\$50
Fresno LAFCO	Urban	\$75	\$75
Glenn LAFCo	Rural	\$25	None
Humboldt LAFCO	Suburban	\$25	\$25
Imperial LAFCO	Suburban	None	None
Inyo LAFCO	Rural	\$50	\$50
Kern LAFCO	Urban	\$100	\$100 (only paid if seated)
Kings LAFCO	Suburban	\$20	\$20
Lake LAFCO	Rural	\$60	\$60
Lassen LAFCO	Rural	None	None
Los Angeles LAFCO	Urban	\$150	\$150
Madera LAFCO	Suburban	\$100	\$100
Marin LAFCO	Suburban	\$100	\$50
Mariposa LAFCO	Rural	\$0 for County/\$50 for public member	\$0 for County/\$50 for public member
Mendocino LAFCO	Rural	\$50	\$50
Merced LAFCO	Suburban	\$75	\$75
Modoc LAFCO	Rural	\$100	\$100
Mono LAFCO	Rural	\$25	\$25
Monterey LAFCO	Suburban	None	None
Napa LAFCO	Suburban	\$100	\$100
Nevada LAFCO	Suburban	\$100	\$100
Orange LAFCO	Urban	\$100	\$100
Placer LAFCO	Suburban	\$100	\$100
Plumas LAFCO	Rural	\$100	\$100
Riverside LAFCO	Urban	\$175	\$175 (only paid if seated)
Sacramento LAFCO	Urban	\$100	\$100
San Benito LAFCO	Rural	None	None
San Bernardino LAFCO	Urban	\$200	\$200
San Diego LAFCO	Urban	\$100	\$100
San Francisco LAFCO	Urban	\$100	\$100
San Joaquin LAFCO	Suburban	\$100	\$100
San Luis Obispo LAFCO	Suburban	\$50	\$50
San Mateo LAFCO	Urban	\$100	\$100 (only paid if seated)
Santa Barbara LAFCO	Suburban	\$150	\$150

## LAFCo Commissioners' Per Diem Data

LAFCO	Type	Regular Members	Alternate Members
Santa Clara LAFCO	Urban	\$100	\$100
Santa Cruz LAFCO	Suburban	\$50	\$50
Shasta LAFCO	Suburban	None	None
Sierra LAFCO	Rural	None	None
Siskiyou LAFCO	Rural	\$30	\$30
Solano LAFCO	Suburban	\$50	\$50
Sonoma LAFCO	Suburban	\$75	\$75
Stanislaus LAFCO	Suburban	\$75	\$75
Sutter LAFCO	Rural	None	None
Tehema County	Rural	None	None
Trinity LAFCO	Rural	None	None
Tulare LAFCO	Suburban	None	None
Tuolumne LAFCO	Rural	None	None
Ventura LAFCO	Urban	\$50	\$50
Yolo LAFCO	Suburban	None	None
Yuba	Rural	None	None

### Notes

1. Chair receives \$60
2. These stipends have been suspended indefinitely due to budget situation



# Rosenberg's Rules of Order

REVISED 2011

*Simple Rules of Parliamentary Procedure for the 21st Century*

*By Judge Dave Rosenberg*



## MISSION AND CORE BELIEFS

To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

## VISION

To be recognized and respected as the leading advocate for the common interests of California's cities.

### About the League of California Cities

Established in 1898, the League of California Cities is a member organization that represents California's incorporated cities. The League strives to protect the local authority and autonomy of city government and help California's cities effectively serve their residents. In addition to advocating on cities' behalf at the state capitol, the League provides its members with professional development programs and information resources, conducts education conferences and research, and publishes Western City magazine.

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### ABOUT THE AUTHOR

Dave Rosenberg is a Superior Court Judge in Yolo County. He has served as presiding judge of his court, and as presiding judge of the Superior Court Appellate Division. He also has served as chair of the Trial Court Presiding Judges Advisory Committee (the committee composed of all 58 California presiding judges) and as an advisory member of the California Judicial Council. Prior to his appointment to the bench, Rosenberg was member of the Yolo County Board of Supervisors, where he served two terms as chair. Rosenberg also served on the Davis City Council, including two terms as mayor. He has served on the senior staff of two governors, and worked for 19 years in private law practice. Rosenberg has served as a member and chair of numerous state, regional and local boards. Rosenberg chaired the California State Lottery Commission, the California Victim Compensation and Government Claims Board, the Yolo-Solano Air Quality Management District, the Yolo County Economic Development Commission, and the Yolo County Criminal Justice Cabinet. For many years, he has taught classes on parliamentary procedure and has served as parliamentarian for large and small bodies.



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## INTRODUCTION

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The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — *Robert's Rules of Order* — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then *Robert's Rules of Order* is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of *Rosenberg's Rules of Order*.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, *Rosenberg's Rules* has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted *Rosenberg's Rules* in lieu of *Robert's Rules* because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

1. **Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
2. **Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
3. **Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
4. **Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

### Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is three. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.

### The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

### The Basic Format for an Agenda Item Discussion

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:

**First**, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

**Second**, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

**Third**, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

**Fourth**, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

**Fifth**, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

**Sixth**, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

**Seventh**, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:

1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

**Eighth**, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

**Ninth**, the chair takes a vote. Simply asking for the “ayes” and then asking for the “nays” normally does this. If members of the body do not vote, then they “abstain.” Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

**Tenth**, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: “The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body.”

## Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member’s desired approach with the words “I move . . .”

A typical motion might be: “I move that we give a 10-day notice in the future for all our meetings.”

The chair usually initiates the motion in one of three ways:

1. **Inviting the members of the body to make a motion**, for example, “A motion at this time would be in order.”
2. **Suggesting a motion to the members of the body**, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”
3. **Making the motion**. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

## The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

**The basic motion.** The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”



**The motion to amend.** If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: “I move that we amend the motion to have a 10-member committee.” A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

**The substitute motion.** If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: “I move a substitute motion that we cancel the annual fundraiser this year.”

“Motions to amend” and “substitute motions” are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a “motion to amend” or a “substitute motion” is left to the chair. So if a member makes what that member calls a “motion to amend,” but the chair determines that it is really a “substitute motion,” then the chair’s designation governs.

A “friendly amendment” is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, “I want to suggest a friendly amendment to the motion.” The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

### Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed *first* on the *last* motion that is made. For example, assume the first motion is a basic “motion to have a five-member committee to plan and put on our annual fundraiser.” During the discussion of this motion, a member might make a second motion to “amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser.” And perhaps, during that discussion, a member makes yet a third motion as a “substitute motion that we not have an annual fundraiser this year.” The proper procedure would be as follows:

**First**, the chair would deal with the *third* (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion *passed*, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

**Second**, if the substitute motion *failed*, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend *passed*, the chair would then move to consider the main motion (the first motion) as *amended*. If the motion to amend *failed*, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

**Third**, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if *amended*, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

### To Debate or Not to Debate

The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

**Motion to adjourn.** This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

**Motion to recess.** This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

**Motion to fix the time to adjourn.** This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: “I move we adjourn this meeting at midnight.” It requires a simple majority vote.



**Motion to table.** This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

**Motion to limit debate.** The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

**NOTE:** A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.” Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a *motion to object to consideration of an item*. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

## Majority and Super Majority Votes

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

**Motion to limit debate.** Whether a member says, “I move the previous question,” or “I move the question,” or “I call the question,” or “I move to limit debate,” it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

**Motion to close nominations.** When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

**Motion to object to the consideration of a question.** Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

**Motion to suspend the rules.** This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

## Counting Votes

The matter of counting votes starts simple, but can become complicated.

Usually, it’s pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the “no” votes and double that count to determine how many “yes” votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote “no” then the “yes” vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote “abstain” or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25005.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in

California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of “those present” then you treat abstentions one way. However, if the rules of the body say that you count the votes of those “present and voting,” then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are “present and voting.”

Accordingly, under the “present and voting” system, you would **NOT** count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are “present”), but you treat the abstention votes on the motion as if they did not exist (they are not “voting”). On the other hand, if the rules of the body specifically say that you count votes of those “present” then you **DO** count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like “no” votes.

*How does this work in practice?*

*Here are a few examples.*

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass, and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are “present and voting.” If the vote on the motion is 3-2, the motion passes. If the motion is 2-2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3-2, the motion fails for lack of a two-thirds majority. If the vote is 4-1, the motion passes with a clear two-thirds majority. A vote of three “yes,” one “no” and one “abstain” also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3-1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body **DOES** have a specific rule requiring a two-thirds vote of members “present.” Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a “no” vote. Accordingly, if the votes were three “yes,” one “no” and one “abstain,” then the motion fails. The abstention in this case is treated like a “no” vote and effective vote of 3-2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an “abstention” vote?

Any time a member votes “abstain” or says, “I abstain,” that is an abstention. However, if a member votes “present” that is also treated as an abstention (the member is essentially saying, “Count me for purposes of a quorum, but my vote on the issue is abstain.”) In fact, any manifestation of intention not to vote either “yes” or “no” on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote “absent” or “count me as absent?” Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually “absent.” That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

## The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.

## Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

**Privilege.** The proper interruption would be, “point of privilege.” The chair would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

**Order.** The proper interruption would be, “point of order.” Again, the chair would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

**Appeal.** If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

**Call for orders of the day.** This is simply another way of saying, “return to the agenda.” If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair’s determination may be appealed.

**Withdraw a motion.** During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

## Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

**Rule One:** Tell the public what the body will be doing.

**Rule Two:** Keep the public informed while the body is doing it.

**Rule Three:** When the body has acted, tell the public what the body did.



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**LAFCO**

**Meeting Date:** 03/24/2016

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**Information**

**SUBJECT**

Consider a request from the City of Davis to change regular LAFCo meeting times from daytime meetings to nighttime meetings

**RECOMMENDED ACTION**

Consider a request from the City of Davis to change regular LAFCo meeting times from daytime meetings to nighttime meetings.

**FISCAL IMPACT**

None. The Commission Clerk is the only LAFCo employee that is eligible for overtime pay. However, she could flex her hours during that day or pay period such that overtime costs are not incurred.

**REASONS FOR RECOMMENDED ACTION**

Effective at the May meeting, Davis will rotate on to the LAFCo Commission as a regular member. This collegial rotation practice is not stipulated in state law but has been Commission practice ever since the City of West Sacramento incorporated in 1987.

Robb Davis, the City of Davis representative on LAFCo, has indicated that he and all the other Davis City Council members have full time employment that precludes their participation in daytime meetings. He has requested that LAFCo consider changing their meeting times to the evenings so the City can participate. Commissioner Davis will either be at the meeting in person or submit something in writing to support the request.

**BACKGROUND**

The LAFCo Commission can set whatever meeting time it desires. The goal of setting a meeting time should be to encourage participation and engagement. Staff is sensitive to the needs of the Davis City Council members and would like them to be able to participate. However, the Commission should also consider the potential for any unintended attendance consequences from changing the meeting time in conflict with Commissioners' other evening events/commitments.

For informational purposes only, staff looked at past CALAFCO surveys of what the other 57 LAFCos in the state set for its regular meeting times. This question hasn't been asked since a 2009 survey, but at that time 25/40 LAFCos that responded held their meetings during the day, 10/40 in late afternoon/evening and 5/40 at night as follows:

- Daytime (start time 8:00 am - 3:30 pm) = 62.5%
- Evening (start time 3:30 pm - 5:30 pm) = 25.0%
- Nighttime (start time 5:30 pm - 7:00 pm) = 12.5%

The Commission should consider the request and decide if it wants to make a change to the meeting time and direct staff to amend LAFCo's Administrative Policies and Procedures accordingly. If there is a change to an evening or nighttime meeting start time, perhaps going back to Mondays might result in less conflicts with periodic events. Any potential change could take effect at the May meeting, when the City of Davis moves up as a regular voting member.

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**Attachments**

*No file(s) attached.*

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**Form Review**

**Inbox**

Christine Crawford (Originator)  
Form Started By: Christine Crawford  
Final Approval Date: 03/16/2016

**Reviewed By**

Christine Crawford

**Date**

03/16/2016 01:12 PM  
Started On: 03/11/2016 11:18 AM



**Executive Officer Report 11.**

**LAFCO**

**Meeting Date:** 03/24/2016

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**Information**

**SUBJECT**

A report by the Executive Officer on recent events relevant to the Commission and an update of Yolo LAFCo staff activity for the month. The Commission or any individual Commissioner may request that action be taken on any item listed.

- Yolo Leaders - April 27, 2016
  - City Selection Committee
  - EO Activity Report - January 25th through March 18, 2016
- 

**Attachments**

[EO Activity Report-Jan25-Mar18, 2016](#)

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**Form Review**

Form Started By: Terri Tuck  
Final Approval Date: 03/15/2016

Started On: 03/15/2016 09:25 AM

## LAFCo EO Activity Report

### January 22, 2016 through March 18, 2016

Date	Meeting/Milestone	Comments
01/26/2016	Shared Services – Meeting w/Tara Thronson (Deputy to Supervisor Saylor)	Broadband Paper
01/27/2016	Shared Services – Meeting w/Tara Thronson	Cap2Cap – Broadband paper
01/28/2016	Shared Services – JPA Shared Services Working Group Meeting w/Stakeholders	To advance the thinking on a strategy for the working group to explore the governance and potential value of a shared services JPA model.
01/28/2016	Meeting w/Paul Green, Madison FPD Fire Chief	Madison FPD MSR/SOI
01/29/2016	Shared Services – Meeting w/Anna Louzon (CAO Analyst)	JPA/Shared Services Steering Committee update
02/03/2016	Meeting w/Dane Wadlé (CSDA Public Affairs Field Coordinator)	CA Special District Association - Outreach
02/04/2016	Shared Services – CA Broadband Council Meeting (Sacramento)	Attended
02/04/2016	Meeting w/Robb Davis	
02/05/2016	Shared Services – University Downtown Gateway District Meeting (Nishi)	Attended
02/08/2016	Meeting w/Olin Woods	LAFCo Agenda Review
02/09/2016	Presentation to Board of Supervisors	JPA Consolidation Status Update
02/09/2016	Meeting w/Regina Espinoza (PPWES-CSA Coordinator)	Dunnigan CSA
02/09/2016	Shared Services – Meeting w/Tara Thronson	Cap2Cap – Broadband paper
02/09/2016	Fire Chief's meeting	Attended-distributed Draft MSR/SOI for FPDs
02/10/2016	Shared Services – Meeting w/Kevin Yarris and Mike Puckett	Wave Broadband
02/11/2016	Shared Services – Yolo Leaders Planning Committee Meeting (West Sacramento)	Potential Topics
02/11/2016	Meeting w/Dunnigan FPD	Lighting
02/11/2016	Shared Services – Woodland/County 2x2	Attended



<b>Date</b>	<b>Meeting/Milestone</b>	<b>Comments</b>
02/17/2016	County – Woodland 2x2	Attended
02/18/2016	Meeting w/Dirk Brazil (City of Davis)	JPA Oversight, LAFCo representative
02/18/2016	Shared Services – Davis/County 2x2	Attended
02/22/2016	Shared Services – Yolo County Joint Broadband Meeting	EDA grant and/or Feasibility Studies
02/24/2016	Conference call w/Sam Mazza (Citygate)	FPD MSR/SOI
02/24/2016	Shared Services – Winters/County 2x2	Attended
02/25/2016	Yolo LAFCo Shared Services Workshop	Facilitated
02/26/2016	Shared Services – Meeting w/Yolo County Stakeholders	Westucky discussion
03/02/2016	Shared Services – Meeting w/Yolo County Stakeholders	Westucky MOU discussion
03/03/2016	Shared Services – Yolo Broadband Task Force Meeting	Attended
03/09/2016	Meeting w/Olin Woods	LAFCo Agenda Review
03/10/2016	Meeting w/Stephen Wahlstrom	Knights Landing CSA or CSD
03/11/2016	Shared Services – Meeting w/Lori Perez	Yolo Leaders Forum
03/11/2016	Meeting w/Robb Davis	Call to discuss request to change meeting time
03/15/2016	Shared Services – Meeting w/City of Winters	City of Winters MSR/SOI
03/16/2016	Meeting w/Alex Tengolics, Elisa Sabatini (CAO) Carrie Scarlata (County Counsel)	MERCSA dissolution and Plan for Service
03/16/2016	Shared Services – Meeting w/Jessica Larsen (Yolo County Office of Education)	Yolo Leaders Forum - Preliminary meeting/Families and Poverty discussion
03/16/2016	Shared Services – Non-Profit Leaders Alliance Planning Meeting	Attended Re Non Profit Oversight
03/18/2016	Shared Services – Yolo Manager's Meeting	Attended