

RESOLUTION NO. 213

**A RESOLUTION OF THE FRESNO LOCAL AGENCY FORMATION COMMISSION
AUTHORIZING THE CHAIR TO EXECUTE A RESPONSE LETTER
TO THE FRESNO COUNTY GRAND JURY**

WHEREAS, the Fresno County Grand Jury Report No. 2 ("Report") focuses on inconsistencies in some Fresno County special districts' financial audit reporting to Fresno County Auditor-Controller/Treasurer-Tax Collector's office; and

WHEREAS, the Grand Jury understands that LAFCo is not responsible for the behavior of other agencies but through the Municipal Service Reviews process strives to assist special districts to improve their accountability, their fidelity to their principle acts, and their financial reporting requirements as required by statute; and

WHEREAS, a draft response letter to the Honorable Alvin L. Harrell, Presiding Judge of the Fresno County Superior Court with LAFCo's responses on the Report was attached for the Commission's approval.

NOW, THEREFORE, BE IT RESOLVED that the Fresno Local Agency Formation Commission does **HEREBY RESOLVE** and **DETERMINE** as follows:

The Commission authorizes the Chair to execute the response letter to the Fresno County Grand Jury as set forth in Attachment "A."

ADOPTED THIS 18TH DAY OF NOVEMBER 2020 BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS MENDES, SANTOYO, PACHECO, YEP, PARRA

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

**STATE OF CALIFORNIA)
COUNTY OF FRESNO)**

CERTIFICATION

I, David E. Fey, Executive Officer, Fresno Local Agency Formation Commission, hereby certify that the foregoing resolution was adopted by the Commission on the 18th day of November 2020.



David E. Fey, Executive Officer
Fresno Local Agency Formation Commission

Fresno Local Agency Formation Commission

November 19, 2020

The Honorable Alvin L. Harrell, Presiding Judge
Fresno County superior Court
1100 Van Ness Avenue
Fresno, CA 93724-0002

Dear Judge Harrell:

On behalf of the Fresno Local Agency Formation Commission (LAFCo), we are in receipt of Grand Jury Report No. 2 for Fiscal year 2019-20 regarding "Revisiting Special District Audits." Pursuant to the correspondence we received October 27, 2020, this letter constitutes LAFCo's response pursuant to California Penal Code (PC) section 933.05.

Responses to Recommendations

R1. Continue recommendation R4 of the 2017-18 Fresno County's Grand Jury Report No. 3: "Per California Government Code, section 26929 as amended, Fresno County Auditor-Controller/Treasurer-Tax Collector's Office should either perform financial audits on special districts or contract with a certified public accountant to have the missing audits completed."

Response to recommendation R1: We agree with the recommendation but assert that LAFCo has no authority over the Fresno County Auditor-Controller/Treasurer-Tax Collector's Office.

R2. Audits not completed in a timely manner by special districts should be referred to Fresno LAFCo as "potentially inactive" in order that Fresno County LAFCo may commence the dissolution process for chronic non-compliance, if needed.

Response to recommendation R2: We agree with the recommendation but assert that any proceedings under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to dissolve a special district must respect all legal rights that are owed to that special district and the residents and/or property owners within that special district.

Sincerely,

Daniel Parra
Chair

c: Fresno LAFCo Commissioners and alternates
Ken Price, LAFCo Counsel
Elizabeth Vecchio, County Administrative Office

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