

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

**MEETING MINUTES
AUGUST 8, 2018**

Members Present: Commissioners Pacheco, Parra, Santoyo, Silva, Quintero

Members Absent: None

Staff Present: David Fey, LAFCo Executive Officer
Ken Price, LAFCo Counsel
George Uc, Senior LAFCo Analyst
Juan Lara, LAFCo Analyst II
Amanda Graham, LAFCo Office Assistant

1. Call to Order and Roll Call

Chair Pro Tem Santoyo called the meeting to order at 1:30 p.m.

Amanda Graham announced Chair Quintero was absent.

2. Pledge of Allegiance

Chair Pro Tem Santoyo led the Pledge of Allegiance.

3. Comments from the Public

There were no comments from the public.

4. Potential Conflicts of Interest

LAFCo Counsel Ken Price disclosed his office represents North Central Fire Protection District and the Fresno Metropolitan Flood Control District listed in item 6 on the Agenda.

CONSENT AGENDA

5-A. Minutes from the regular LAFCo meeting of July 11, 2018

5-B. Request authorization for the destruction of LAFCo public records

5-C. City of Fresno "Teague-Fowler Northwest Reorganization"

Commissioner Pacheco announced he would abstain from voting on the Consent Agenda item 5-A (minutes).

Commissioner Silva made a motion to approve consent agenda items 5 A-C, seconded by Commissioner Parra. The Commission approved the consent agenda items 5 A-C by a vote of 3-0-1-1.

REGULAR AGENDA ITEMS

6. City of Fresno “Gettysburg-Bryan No. 1 Reorganization”

Chair Pro Tem Santoyo announced that Chair Quintero was now present. At the request of Chair Quintero, Chair Pro Tem Santoyo continued with item 6 and Chair Quintero will take over with item 7.

LAFCo Analyst Juan Lara presented staff's report: a proposed reorganization to annex approximately 158 acres to the City of Fresno and detach from the North Central Fire Protection District and the Kings River Conservation District for territory located between West Shaw Avenue and the Gettysburg Alignment and between North Bryan and North Hayes Avenues. The proposal is uninhabited but is not 100% consent. Notice of public hearing was given pursuant to state law and commission policy. No written form of protest has been submitted. Staff recommends the Commission to approve the proposal in two separate actions; action 1 being the CEQA component and action 2 being B-I reflected in staffs report.

Commissioner Silva asked for clarification that the proposal be strictly for residential use.

Lara confirmed.

There were no other comments from the Commission.

There were no comments from the public.

Commissioner Parra made a motion to approve agenda item 6 A, seconded by Commissioner Silva. The Commission approved agenda item 6 A by a vote of 5-0.

Commissioner Parra made a motion to approve agenda item 6 B-I, seconded by Commissioner Pacheco. The Commission approved agenda item 6 B-I by a vote of 5-0.

Executive Officer David Fey expressed his appreciation for the efforts on this project by Dennis Gaab and Dirk Poeschel for their outreach to the affected property owners and residents over the last few months.

7. Biannual Financial Audit for fiscal year 2015-2016 and amendment to the Fresno LAFCo Financial and Accounting Procedures.

Commissioner Parra stepped out.

Fey presented staff report: the Commission has received a copy of the financial audit as well as the report to management. The auditors reported that LAFCo's practices and evidence they reviewed did not show any discrepancies. One thing that was noted during the audit process was LAFCo's Financial and Accounting Procedures manual identifies an organization of accounting as on a cash basis. The audit process revealed that the generally accepted accounting procedures for public agencies is on accrual basis; staff therefore recommends the Commission change the policy to accrual instead of a cash basis.

Commissioner Silva thanked staff for the great work.

LAFCo Counsel Ken Price clarified that the Commission entertain a motion to accept the audit for FY 15-16 and then another to approve the amendment of the accounting policy.

Commissioner Silva made a motion to approve agenda item 7 action 1, seconded by Commissioner Santoyo. The Commission approved agenda item 7 action 1 by a vote of 4-0-1-0.

Commissioner Santoyo made a motion to approve agenda item 7 action 2, seconded by Commissioner Silva. The Commission approved agenda item 7 action 2 by a vote of 4-0-1-0.

Commissioner Parra returned.

8. Response to 2017-18 Fresno County Grand Jury Report No. 3

Fey presented staff report: 2018 Fresno County Grand Jury Report No. 3 focuses on inconsistencies in some Fresno County special districts' financial audit reporting to the Fresno County Auditor-Controller/Treasurer-Tax Collector's office. In this report, the Fresno County Grand Jury highlighted LAFCo's strengths in the matter. Staff received the Grand Jury Report and is obliged to respond to the findings and recommendations outlined in the report. A copy of the report is attached; a draft response letter to the Honorable Alan M. Simpson, Presiding Judge of the Fresno County Superior Court is attached for the Commission's approval.

Commissioner Parra made a motion to approve agenda item 8, seconded by Commissioner Santoyo. The Commission approved agenda item 8 by a vote of 5-0.

9. Executive Officer Comments

Fey stated staff has sent out a notice of availability for the Pinedale Public Utility District ("PPUD") Municipal Service Review ("MSR"). The PPUD MSR is one of the most challenging documents staff has had to prepare due to unraveling years of activity in the Pinedale area and then developing a constructive staff recommendation that will be brought back to the Commission later. The notice and draft MSR will be made public on

LAFCo's website and at both public libraries in Pinedale and downtown for review.

The City of Fresno, County and LAFCo have been meeting regularly for the last few months and working out issues related to our annexation process. It has been very constructive.

The CALAFCO Conference is in October, rooms and registration are booked. If any member of the Commission is no longer interested in attending, get in contact with LAFCo Office Assistant Amanda Graham.

The Legion of Valor is interested in forming a special district. They have set a meeting with the City of Fresno, City Attorney, LAFCo, and the Clovis Veterans Memorial District in September.

June financials are at the Commission's place at the dais.

Commissioner Silva asked if the meeting with Pinedale is a public hearing. Fey confirmed that it would be public and noticed.

Commissioner Santoyo asked how a special district grows in service without having their boundaries approved. Fey answered that when the district was formed and when development took place in this area laws and practices were different.

10. Commission Comments and Reports

Commissioner Parra thanked Fey for reaching out to the City Manager of Fowler to set up a meeting to go over the process for the City of Fowler MSR.

Chair Quintero thanked staff for meeting with the Legion of Valor.

There were no other comments from the Commission.

9. ADJOURNMENT

Commissioner Silva motioned to adjourn the meeting, seconded by Commissioner Parra. The motion passed on a vote of 5-0. The meeting was adjourned at 2:04 p.m.