

Modoc Local Agency Formation Commission

REGULAR MEETING AGENDA

Website: www.modoclafco.org

TUESDAY

April 9, 2024

City Council Chambers
Alturas City Hall
200 North Street, Alturas, CA 96101
4: 00 PM

(All meeting materials are available on LAFCo's Website: www.modoclafco.org)

Topic: MODOC LAFCO

Time: Apr 9, 2024 04:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/88363043921?pwd=MmNRZEhoUEFDb2dTUHZnNEVkYlorUT09>

Meeting ID: 883 6304 3921

Passcode: 147629

One tap mobile

*+16699006833,,88363043921#,,,,*147629# US (San Jose)*

*+16694449171,,88363043921#,,,,*147629# US*

Meeting ID: 883 6304 3921

Passcode: 147629

Find your local number: <https://us02web.zoom.us/j/88363043921>

1. Call to order / Pledge of Allegiance

Commissioners

Cheryl Nelson, City Member
Ned Coe, Vice Chair, County Member
Laurie Pearce Price, Public Member
Paul Minchella, Chair, City Member
Kathie Rhoads, County Member

LAFCO Staff

John Benoit, Executive Officer
Scott Browne, LAFCO Counsel
Tacie Wheeler, Clerk

Alternate Members

_____, Public Member Alt.
Shane Starr, County Member Alt.
Kelly Crosby, City Member Alt

2. Approval of the Agenda (Additions and Deletions)

3. Correspondence:

4. Consider Minutes for the February 13, 2024 LAFCo meeting

- a. *Approve LAFCo minutes of the February 13, 2024 meeting*

5. Public Comment

This is the time set aside for citizens to address the Commission on any item of interest to the public that is within the subject matter jurisdiction of the Commission. For items that are on the agenda, public comment will be heard when the item is discussed. If your comments concern an item that is noted as a public hearing, please address the Commission after the public hearing is opened for public testimony. The Chair reserves the right to limit each speaker to three (3) minutes. Please understand that by law, the Commission cannot make decisions on matters not on the agenda.

6. Consent Agenda

- a. *Authorize payment of claims for December 2023 and January 2024*

PUBLIC HEARING:

7. Public Hearing regarding the proposed 24-25 LAFCO Budget

- a) *Receive Executive Officer's Report and conduct public hearing.*
- b) *Consider LAFCo Resolution 2024-0004 adopting a proposed budget for for 2024-2025 Modoc LAFCo*

8. Executive Officer's Report

- a. Surprise Valley Healthcare ongoing
- b. Ethics Training April 10, 2024
- c. 700 forms due April 2, 2024
- d. LAFCo Budget 2024-2025 April 9th and June 11th

9. Commissioner Reports - Discussion

This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters.

CLOSED SESSION:

10. Closed Session: Personnel Matters (Section 54957(b) (1) Review and Disussion of Candidtes for Executive Officer.

The Commission will review materials received to date from interested candidates for the Executive Officer position and will interview some candidates. Direction will be given to Staff.

11. Report out of Closed Session

12. Adjourn to the next regular meeting on June 11, 2024

*Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority
Government Code Section 56325.1*

The Commission may take action upon any item listed on the agenda. Unless otherwise noted, items may be taken up at any time during the meeting.

Public Comment

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

- Items not appearing on the agenda must be of interest to the public and within the Commission's subject matter jurisdiction.
- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).

Public Hearings

Members of the public may address the Commission on any item appearing on the agenda as a Public Hearing. The Commission may limit any person's input to a specified time. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

Agenda Materials

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda area available for review for public inspection in the Modoc County Planning Department office located at on 203 W. 4th Street, Alturas CA. [such documents are also available on the Modoc LAFCO website (www.modoc.lafco.ca.gov) to the extent practicable and subject to staff's ability to post the documents prior to the meeting]

Accessibility

An interpreter for the hearing-impaired may be made available upon request to the Executive Officer 72 hours before a meeting.

The location of this meeting is wheelchair-accessible.

Disclosure & Disqualification Requirements

Any person or group of persons acting in concert who directly or indirectly contribute \$1,000 or more in support of or in opposition to a change of organization or reorganization that has been submitted to Modoc LAFCO must comply with the disclosure requirements of the Political Reform Act of 1974 applicable to local initiative measures to be submitted to the electorate. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals; they may be reviewed at Government Code §§56700.1 and 81000 *et seq.* Additional information about the requirements pertaining to local initiative measures to be presented to the electorate can be obtained by calling the Fair Political Practices Commission at (916) 322-5660. A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agency (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding. Contact LAFCO Staff LAFCO staff may be contacted at (530) 619.5128 or by email at j.benoit4@icloud.com Copies of reports to the extent feasible are located on gthe LAFCO webpage at: www.modoclafco.org

#3

2024 ETHICS TRAINING

Modoc LAFCO

Ethics Training (AB 1234) designed for Special District and Local Government Boards and Staff within Modoc County

WHEN: Wednesday, April 10th, 2024: 9:00 am until 11:00 am

WHERE: Robert A Barclay Justice Center
205 S. East Street, Alturas CA

COST: This training is sponsored by the Modoc County Auditor/Clerk's office and the Modoc Local Agency Formation Commission and will be at no cost to local agencies.

It is our goal to sponsor training for special districts and agencies within Modoc County.

The session will cover the Brown Act, the Public Records Act, conflicts of interest, and general ethics principles, and will satisfy your AB 1234 training requirements for this year. P. Scott Browne Legal Counsel for Modoc LAFCo will be providing the training.

There is no need to RSVP. We will look forward to seeing you. Please sign in at the session and certificates will either be mailed or emailed after the training for those that attend. If you have any questions please do not hesitate to email John Benoit, LAFCo Executive Officer at j.benoit4@icloud.com or Stephanie Wellemeyer, Modoc County Auditor/Clerk at stephaniewellemeyer@co.modoc.ca.us

Note: Local elected officials and some public agency employees in California are required to receive at least two hours of training, every two years, in general ethics principles and ethics laws relevant to their public service. (This is sometimes known as AB 1234 training.) For most affected officials and employees, 2024 is a year in which this training is required

Modoc Local Agency Formation Commission

Minutes February 13, 2024

**City Council Chambers
Alturas City Hall
200 North Street, Alturas, CA 96101
4: 00 PM**

- 1. **The Meeting was called to order at 4:04 pm by Chair Minchella. A pledge of Allegiance was recited.**

Commissioners Present

Paul Minchella
Laurie Pearce Price
Kathie Rhoads
Kelly Crosby
Shane Starr

LAFCO Staff

John Benoit, Executive Officer
Jennifer Stephenson, Dep. EO

- 2. **Approval of the Agenda (Additions and Deletions)**

A motion was made by Kathie Rhoads and seconded by Laurie Pearce Price to approve the agenda.

- 3. **Correspondence:**

There was no correspondence

- 4. **Consider appointment of a Public Member Alternate for LAFCo**

a. This item was continued to the April 4, 2024 meeting

- 5. **Consider Minutes for the December 12, 2023 LAFCo meeting**

The Minutes from the December 12,, 2023 meeting were approved by the members present.

6. Public Comment

This is the time set aside for citizens to address the Commission on any item of interest to the public that is within the subject matter jurisdiction of the Commission. For items that are on the agenda, public comment will be heard when the item is discussed. If your comments concern an item that is noted as a public hearing, please address the Commission after the public hearing is opened for public testimony. The Chair reserves the right to limit each speaker to three (3) minutes. Please understand that by law, the Commission cannot make decisions on matters not on the agenda.

Bonnie Sherer spoke regarding the Canby reorganization. Executive Officer Benoit stated this item is on this agenda.

7. Consent Agenda

Upon motion of Kathie Rhoads and seconded by Shane Starr the payment of claims for December 2023 and January 2024 were approved by a unanimous vote of the members present.

PUBLIC HEARINGS:

8. Public Hearing regarding the dissolution of the Canby CSD and Canby Fire Protection District and Concurrent Formation of the Canby Area CSD providing the same services as the successor agency.

The Executive Officer presented the Report and the public hearing was opened at 4:35. Bonnie Sherer was present to explain the item and the Executive Officer contributed. The Public hearing was closed at 4:50. A motion was made by Commissioner Laurie Pearce Price and seconded by Commissioner Kelly Crosby to adopt LAFCo Resolution 2024-0001 dissolving the Canby CSD and the Canby FPD and forming the Canby Area CSD. which was approved on a roll call vote with those members present : Commissioners Starr, Crosby, Rhoads, Price and Minchella voting in favor.

9. Public Hearing regarding the Alturas Service Review and Sphere of Influence Update

Jennifer Stepenson presented the Alturas Service Review and Sphere of Influence Update with a power point presentation. The public hearing was opened at 4:50 and closed at 4:55. There was no public comment.

After discussion among those present. A motion was made by Commissioner Rhoads and seconded by Commissioner Crosby adopting Commission Resolution 2024-0002 adopting the Service Review for the City of Alturas which was approved on a roll call vote with those members present : Commissioners Starr, Crosby, Rhoads, Price and Minchella voting in favor.

LAFCo Resolution 2024-0003 adopting the updated Sphere of Influence for the City of Alturas was moved by Commissioner Rhoads and seconded by Commissioner Crosby which was approved on a roll call vote with those members present : Commissioners Starr, Crosby, Rhoads, Price and Minchella voting in favor.

10. Executive Officer Retirement and Replacement

- a. *A Discussion regarding Jennifer Stephenson as the replacement Executive Officer and an agreement for Services at the next regular LAFCo meeting to become effective July 1, 2024. No action was taken at this time.*

11. Executive Officer's Report

The Executive Officer discussed the following items:

- a. *Surprise Valley Healthcare ongoing discussion*
- b. *Ethics Training April 10, 2024*
- c. *700 forms due April 1, 2024*
- d. *LAFCo Budget 2024-2025 April 9th and June 11th*

12. Commissioner Reports - Discussion

There was no discussion regarding reports.

13. Adjournment to the next LAFCo meeting

On motion of Commissioner Starr and seconded by Commissioner Crosby there was a motion to adjourn to the next regular meeting on April 9, 2024. The motion was unanioumsly approved and the meeting was adjourned at 5:14 pm.

Modoc Local Agency Formation Commission

Item 6

CLAIMS

for

February and March 2024

Authorize Claims for FY 2023-2024

Feb 1, 2024	Staff Svcs and Expenses February 2024	\$ 5,815.04
Feb 1, 2024	Staff Svcs and Expenses March 2024	\$ 5,368.96
Oct 10, 2023	Meeting stipend Dec 12, 2023	\$ 500.00
Oct 20, 2023	Modoc Rec Hearing EO recruitment	\$ 98.00

TOTAL FY 23-24: \$ 11,777.00

DATED: April 9, 2024

APPROVED: April 9, 2024

Paul Minchella, Chair or Ned Coe, Vice-Chair
Modoc Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

Modoc Local Agency Formation Commission

Item 7

DATE: April 9, 2024
TO: Local Agency Formation Commission
FROM: John Benoit, Executive Officer
RE: Proposed Budget for FY 2024-2025
Attachment: A. Proposed Budget Resolution #2024-0004

LAFCO's detailed proposed activity report is described below. While LAFCO is mindful of the budget constraints of the City, and the County the following proposed activity report suggests maintaining the budget at the Previous Year's amount as much as possible for FY 2024-2025 in all budget categories. Funding for the MSR's and SOI's will continue through LAFCO's prior year's carryover.

Inflation for last calendar year was \$4.2% and current year over year is now 12.47% for the past three years and varies monthly. The Employment Cost Index has risen 4.8% between December 2021-December 2022 plus an additional 4.2% between December 22 and December 2023. Over the past 16 years the LAFCo Budget has been rather consistent but going into the future unless inflation is addressed substantial increases in the LAFCo budget will need to occur in future years. For example, the going rate for a LAFCo Executive Officer is around \$150 an hour. A monthly stipend of \$4,400-\$4,800 per month is common plus the cost of projects. A consulting planner upwards of \$140.00+ per hour and recent LAFCo EO recruitments are up to over \$160,000 per year not including benefits.

I have not requested an increase for 16 years. I am retiring this year which will require the Commission to buy LAFCo services at a different rate. Since I will be retiring from Modoc LAFCo soon the Commission will need to rethink the funds allocated to staff services going into the future. LAFCo has been efficient in keeping costs to a minimum. However, at some point costs will increase. Some costs such as Memberships are already increasing which are beyond our control.

Since the passage of AB-2838, based on the recommendations of the Commission for Local Governance for the 21st Century, LAFCO has had to complete many of the activities, such as the mandated Revised Policies and Bylaws, establishment of a Website, Municipal Service Reviews and Sphere of Influence updates.

A level of service has been established for ongoing LAFCO activities through the budget, LAFCO has a unique role as a neutral agency among all agencies countywide. Funds for the provision of training for Commissioners on the requirements of AB-2838 and subsequent legislation is highly recommended.

Direct Projects – Projected

1. Small and medium reorganizations - For the 2024-2025 fiscal year, based on recent inquiries, LAFCO does not anticipate a small or medium reorganizations at present. However, the city and county are both updating portions of their general plans.

Cost include legal counsel, staff time, public inquiries, public hearing requirements including noticing (300 ft from site –voters and landowners), preparation of notices, staff reports and resolutions, LAFCO protest requirements (public noticing), incidental travel, office supplies (copying), webpage posting, seeking comment from county and city departments (assessor, clerk and auditor) and independent special districts, and general accounting.

2. District Consolidations – Staff has not heard of any district consolidations except Canby CSD and Canby Fire. The Commission may see activity in this category as we progress through the Municipal Service Reviews and Sphere of Influence Updates or by financial necessity of several districts such as the Lookout Pest Abatement District.
3. Collaborate with the City of Alturas and the County of Modoc on development reviews- ongoing

LAFCO is charged with reviewing environmental documents and preparing responses to both the City and the County who act as a lead agency for land use matters.

This activity includes providing comments. Meeting with the county, city, districts, and developers. Being involved in the development of the work including assisting the EIR preparer with technical data related to LAFCO's requirements, legal costs related to LAFCO's role in CEQA and assuring LAFCO's issues are addressed in the document. Commission review will be needed. If the Commission's issues are not fully addressed, the Commission will need to require a supplemental document. Recently LAFCo provided comments on the City's sewer plan EIR.

Environmental Reviews: CEQA is required for most LAFCO discretionary projects. Applicants pay direct project costs; Spheres of Influence are LAFCO's responsibility. LAFCO is also required and should want to comment on Environmental Reviews from various agencies. These activities include legal, communication, advertising, staff time. This item is necessary to promote better customer service and comply with the CEQA law and CKH act with regard to the role of a responsible agency. Development requiring reorganization will take much longer if LAFCO is not involved in this process as well as may cost project applicants significantly more amounts of money.

Ongoing administrative activities include:

Budget Development and Control

Budget development and control is currently handled by County Staff and the Executive Officer. During the year, day-to-day administrative tasks (e.g., invoicing, and bill paying) are provided. Coordination with City, District and County offices may be required with respect to these issues. As of July 1, 2011, the City of Alturas commenced banking functions for LAFCo.

Activities include preparation of the budget and budget justification documents and resolutions are included in these activities. Legal advice when needed is required regarding expenditure requests. The preparation of claim forms for both the Commission and the County Auditor's (City Treasurer's) office is included to ensure proper control. Public inquires regarding expenditures and expenditure priorities are handled by the Executive Officer. Incidental office supplies and communication

resources are needed to perform this function. Special administrative projects include responding to Commission directives or minute orders.

Communication: LAFCO needs to communicate with the Special Districts, the City Council and the Board of Supervisors. LAFCO should be involved in Special District, City and County activities when asked or as it relates to the MSR and SOI process.

Conduct project-oriented workshops, as appropriate. This activity may occur this year for various Communities within Modoc County where projects will be occurring. Other workshops regarding the role of LAFCO may be required.

Work with potential applicants seeking reorganization. This activity requires research and meeting with project proponents to determine approaches to solving service issues. This activity is time consuming. These costs include legal, staff time, incidental travel, office supplies and communication resources.

Responding to public inquires. Public inquires regarding service issues are common involving a member of the public who is in need of a service or has a question about a service. This activity includes legal, staff time and communication resources. The LAFCO webpage provides an outlet for LAFCO information. Responding to the public is necessary for informing individuals of LAFCO requirements to facilitate the process. There is no one else who will provide the public with correct information about LAFCO. This may cause substantial cost savings for the public by having correct information to make business decisions.

Brown Act, Public Records Act and Political Reform Act compliance. Staff and legal time is required to comply with these laws. Including noticing, Form 700's, public records disclosure, citizen's inquires, general compliance and written responses to records request. These are state laws and must be followed.

Clerk and Recorder fees. Since it costs money to record documents and file notices of determination. The budget includes these activities. These are required filings. Project applicants will pay these fees. However, for Sphere of Influence updates, LAFCO may be required to file.

Public Education Utilize media and speaking opportunities and submit articles about LAFCO to journals and newspapers this activity is fairly minimal. However, there is a cost of staff time and office supplies to perform this function. **Submit press releases on substantive actions; encourage agencies to request regular LAFCO meeting agendas and update agencies on LAFCO Commission membership.**

These activities are important to inform the public and agencies about LAFCO. Numerous inquires come from citizens needing one service or another. These activities promote better customer service for all agencies by informing the public about what is going on with regards to LAFCO.

Resource Development Monitor new and proposed relevant legislation. Although LAFCO relies on CALAFCO for this activity, it is important that new legislation reflects the needs of Modoc LAFCO including the Districts, County and City. This activity involves communication, staff time, and legal time. Legislation of importance to Modoc LAFCO impacts budget process and permit processes.

Special Reports and Projects for the Commission The CKH act allows the Commission to undertake special projects. Special projects may include being involved in a General Plan update, assisting in the development agriculture conservation policies, being involved in water planning throughout the County, serving as a neutral party with regards to service issues, assisting the public and agencies with LAFCO applications and processes, developing annexation strategies for the City or districts and (or) any other proactive activity of benefit to the citizens and agencies as deemed necessary by the Commission.

Commissioner Development – CALAFCO Conference I am recommending \$2,200 combined for these two items, a substantial reduction from years past. This represents funding for one commissioner to attend the annual conference in Newport Beach. Estimated costs for each Commissioner to attend the Calafco Annual Conference (October 18-20, 2023) in Monterey, CA is approximately \$2,000 per person including transportation, lodging for and conference registration and mileage from Alturas. The justification for this expense is LAFCO Commissioners need to be informed decision makers. Commissioners need the tools to carry out their statutory responsibilities in a responsible manner. Training and interaction with Commissioners from other LAFCO's will assist those Commissioners in attendance to bring back ideas to be shared with the remainder of the Commission. Training is necessary to remain informed of changes in LAFCO law and procedures. This item also includes funds for a portion of Staff's expense to represent Modoc LAFCO at CALAFCO Activities.

Municipal Service Reviews and Sphere of Influence Updates Cortese-Knox-Hertzberg (§ 56430) LAFCO must update all spheres of influence every 5 years, as necessary and must prepare a review of each municipal service before or in conjunction with sphere of influence updates.

The purpose of a MSR is to support preparation and update of Spheres of Influence, in accordance with the provisions of the Cortese-Knox-Hertzberg Act. The objective of a Municipal Service Review (MSR) is to develop recommendations that will promote more efficient and higher quality service patterns; identify areas for service improvement; and assess the adequacy of service provision as it relates to determination of appropriate sphere boundaries based on a specific growth period and a realistic growth rate adopted for that period.

For a MSR to be of value, the Commission needs to review services comprehensively, on a service-by-service basis within logical sub-regions, given consistent and specific target growth periods and a realistic estimate of growth adopted for that period. Some studies will review multiple services, if the Commission deems such grouping appropriate (For example, the wastewater MSR). When appropriate, the Commission will follow the methodology developed by the Governor's Office of Planning and Research as provided in the State's Service Review Guidelines.

Priorities for this fiscal year (MSR and SOI completion), which have been completed as follows:

Priorities for the 2024-2025 Fiscal Year initiation are as follows:

1. Surprise Valley Healthcare District ongoing
2. Cemetery District Consolidations
3. California Pines CSD

4. MSR's and SOI's TBD with the new Executive Officer

A service review is required prior to preparing a Sphere of Influence Update. The Sphere of Influence is LAFCO's planning document for the ultimate service boundary for a service provider. Prior to adopting a Sphere of Influence Map and Sphere Policies, the Commission must make determinations based on supporting evidence with regard to the following:

- "The present and planned land uses in the area.
- Disadvantaged Unincorporated Communities
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services, which the agency provides or is, authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency."

Budget Justification

Since the passage of AB-2838 in 2000, LAFCO has been subject to many new requirements. Costs for the operation of LAFCO were entirely paid by the County including costs for staff time, legal services, miscellaneous office expenses, and insurance. Now the City and the County pay LAFCO costs. In the future, the legislature may require special districts to pay and participate.

In the attached budget worksheet, I have provided a "Proposed" budget based on the costs to provide LAFCO, expenses to date and anticipated expenses and carryover.

The overall goal of this budget is to conduct LAFCO business in a proactive manner involving the Community and to meet the overall requirements of the Cortese-Knox-Hertzberg Act at a reasonable cost.

The deadline for completion of Sphere of Influence Updates set fourth in the law was January 1, 2008. Modoc LAFCo has completed the required MSR's and SOI's. LAFCO is using its carryover funds to pay for these activities without substantially increasing the costs of LAFCO to the City and the County. Unfortunately, like everything else these costs have been increasing

Summary of the Proposed Budget:

Commissioner Stipends LAFCO Commissioners receive \$100.00 per meeting. A budget of \$4,800.00 assumes all commissioners will attend the 6 meetings per year.

Liability Insurance Since the County is covering LAFCO; a budget is no longer needed for this category.

Memberships Dues for Calafco for rural LAFCO's will be increased this year using the formula approved by the CALAFCo membership from \$1,284 to \$1,315 next year (a \$31.00 increase). It is important LAFCO remain in its statewide professional organization and participate in LAFCO issues of common concern for the benefit of Modoc LAFCO and its agencies.

Office Expense This covers copy costs, postage, communication and publications. This item is broken into 4 categories for accounting purposes. Printing at \$1,200.00 Postage at \$300.00, Communications at \$1,000.00 and General Office Expenses at \$0.00 These costs reflect the need for daily operations and copying and mailing MSR's and SOI's during next fiscal year. The Printing and General Office Expenses are combined with each other into at \$1,200.00.

Executive Officer/Staff Services This item includes professional services to perform various LAFCO duties, process applications, oversee the MSR and SOI update process, establish a LAFCO presence in Modoc County and perform duties in the scope of work for the Executive Officer and the CKH Act. This amount should be raised from \$36,000 to \$45,000 to cover the costs of these services

Clerk Services has been budgeted at \$720.00 for taking minutes at meetings. This figure assumes 6 meetings this year.

Legal Services I am proposing a budget of \$2,000.00, which will provide incidental legal services. In the event of anticipated litigation, this amount will have to be significantly increased. It is important LAFCo Counsel attend at least one meeting per year to advise the Commission on matters of concern.

Legal Notices/Publications Legal notices are required by state law and must be prepared for Municipal Service Reviews and Sphere of Influence Updates, all public hearings before the Commission and protest hearings. Public hearing notices are required for most LAFCO actions. \$600 is budgeted for this amount since MSR's and SOI's require public notices.

Special Department Expense-File Scanning and Retention Modoc LAFCo has generated several files over the years. Modoc LAFCo adopted a File Retention Policy on December 9, 2013. To implement the policy, the files need to be scanned and placed into electronic format, as are files in most county and city departments. An estimated expense is \$3,000. In addition, the files will be able to be accessed to the public via LAFCo's webpage. The immediate tasks are to review and dispose of files consistent with LAFCo's adopted Records Retention Policy and to scan and index these files for accessibility to agencies, the public and LAFCo staff. Once the files are scanned, these files will then be made more accessible. It will be later determined if LAFCo will need to prepare a Microsoft Access database for LAFCo. This is a re-budget from the previous fiscal year.

In addition this budget includes a \$5,000 expense for transition related costs to a new Executive Officer. This includes misc costs, orientation and introductions for the new Executive Officer and attendance at one LAFCo meeting after July 1, 2024.

Training/Mileage and Travel

I am recommending \$4,400 for this activity this year. This represents funding for 1 commissioner to attend the annual conference in Fish Camp. Estimated costs for each Commissioner to attend the Calafco Annual Conference (October 16-18, 2024) in Fish Camp is approximately \$2,000 per person including transportation, lodging for 3 nights (\$800 + taxes and fees) and conference registration (\$700) and mileage. The justification for this expense is LAFCO Commissioners need to be informed decision makers. Commissioners need the tools to carry out their statutory responsibilities in a responsible manner. Training and interaction with Commissioners from other LAFCO's will assist those Commissioners in attendance to bring back ideas to be shared with the remainder of the Commission. Training is necessary to remain informed of changes in LAFCO law and procedures. This item also includes funds for a portion of Staff's expense to represent Modoc LAFCO at CALAFCO Activities. This also includes cost to cover ¼ of staff to attend the Calafco workshop and bring back information.

Sphere of Influence Updates and Municipal Service Reviews: This budget includes funding for all SOI's and MSR's and related copying and office expenses. This amount is proposed to be \$12,500.00. A MSR and SOI Spreadsheet is included as Attachment # B.

Rollover, Contingency, and Reserve Funds:

This year LAFCO will not expend its entire budget. A rollover of approximately \$35,000 is anticipated at this time. This year the carryover budget has increased to \$35,000 following decreases over the past several years. A portion of these funds needs to be used to pay for the MSR's and SOI are currently contracted and to fund a contingency budget for LAFCO (approximately 10%) of the General Fund Budget at \$8,183.50 and to fund \$5,000 for transition costs to a new Executive Officer. An exact figure regarding the carryover amount will not be available until after the conclusion of this fiscal year. I highly recommend any excess funds be placed into a general reserve, which does not exist for Modoc LAFCo. In the event of an unexpected expense LAFCo will need to borrow funds from the County and budget the amount in a future fiscal year to pay the funds back.

CITY/COUNTY SHARE For fiscal year 2024-2025 City/County share is proposed to be increased to \$27,509.25 from \$27,292.50 each, an increase of \$217.25 each for the City and County.

Action Required

- a. *Review and consider adoption of the proposed 2024-2025 LAFCO budget approving LAFCO Resolution # 2024-0004 shown as Attachment # A.*

**Resolution 2024-0004
of the**

Modoc Local Agency Formation Commission

*Resolution of Modoc Local Agency Formation Commission Adopting a
Proposed Budget for 2024*

WHEREAS, Modoc LAFCO is required by Government Code Section 56381(a) to adopt annually, following a noticed public hearing, a proposed budget by May 1st and a final budget by June 15th; and,

WHEREAS, the Commission has prepared a proposed budget for public review; and,

WHEREAS, the Commission considered a work program for Fiscal Year 2024-2025 at its April 9, 2024 regular meeting along with the proposed budget; and

WHEREAS, the Executive Officer has given notice of hearing in the form and manner specified by law for adoption of the proposed budget and upon the date, time and place specified in said notice of hearing, the Commission heard, discussed and considered all oral and written testimony submitted including, but not limited to, the approved budget priorities for Fiscal Year 2024-2025 and the Executive Officer's report and recommendations; and

WHEREAS, the Commission has considered the attached Budget in light of the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

NOW THEREFORE, the Modoc Local Agency Formation Commission does hereby determine, resolve, and order the following:

1. That Modoc LAFCO hereby adopts the attached proposed 2024-2025 proposed budget shown in Exhibit A.
2. Directs the Executive Officer to transmit the proposed budget to the Auditor and all parties specified in Government Code Section 56381 (a) as promptly as possible.

PASSED AND ADOPTED by the Modoc Local Agency Formation Commission at a regular meeting of said Commission held on the 9th day of April 2024 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 9th day of April, 2024.

Paul Minchella, Chair or Ned Coe Vice-Chair, Modoc LAFCO

02

Attest:

John Benoit, Executive Officer
Modoc LAFCO

MODOC LAFCO

April 9, 2024

Resolution 2024- 0004

Exhibit A

**2024-2025 MODOC LAFCO
PROPOSED BUDGET**

OBJECT LEVEL/ ACCOUNT	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
	FINAL BUDGET	FINAL BUDGET	FINAL BUDGET	FINAL BUDGET	PROPOSED BUDGET
EXPENDITURES					
4003 Commissioner Stipends	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00
4420 Memberships	\$ 1,130.00	\$ 1,131.00	\$ 1,186.00	\$ 1,284.00	\$ 1,315.00
4210 Office Expense - Printing	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
4211 POSTAGE	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
4221 COMMUNICATIONS	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
OFFICE EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
4008 Professional Svcs. - Legal Counsel	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
4004 Professional Svcs. - Executive Officer	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 45,000.00
4006 Professional Svcs. - Clerk Costs	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00
4380 Publications/Legal Notices	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
4225 Special Departmental Expense -File Scanning Mapping & Management	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 8,000.00
4430 Transportation & Travel	\$ 2,200.00	\$ 2,200.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00
4454 MSR/SOI UPDATES	\$ 10,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00
Total Services & Supplies	\$ 63,450.00	\$ 65,451.00	\$ 67,706.00	\$ 67,804.00	\$ 81,835.00
4922 CONTINGENCY	\$ 6,345.00	\$ 6,545.10	\$ 6,770.60	\$ 6,780.40	\$ 8,183.50
TOTAL LAFCO BUDGET	\$ 69,795.00	\$ 71,996.10	\$ 74,476.60	\$ 74,584.40	\$ 90,018.50
CARRYOVER	\$ 20,000.00	\$ 20,000.00	\$ 24,000.00	\$ 20,000.00	\$ 35,000.00
Application Fees					
3060 City Share - LAFCO Cost	\$ 24,897.50	\$ 25,998.05	\$ 25,238.30	\$ 27,292.20	\$ 27,509.25
3060 County Share - LAFCO Cost	\$ 24,897.50	\$ 25,998.05	\$ 25,238.30	\$ 27,292.20	\$ 27,509.25
Total Due from Other Gov'ts					
TOTAL REVENUES/Carryover	\$ 69,795.00	\$ 71,996.10	\$ 74,476.60	\$ 74,584.40	\$ 90,018.50

Attachment B

MSR and SOI Status as of February 2024

Agency Name	Date MSR Adopted	Date Sphere of Influence Adopted
Agencies that provide Water and Sewer		
Cedarville County Water District	8-Feb-22	8-Feb-22
Canby CSD	22-Oct-13	22-Oct-13
California Pines CSD	9-Feb-10	9-Feb-10
Daphnedale CSD	12-Apr-11	10-Apr-12
Newell County Water District	10.4.16	10.4.16
Likely County Water District		
Adin CSD	10-Apr-12	10-Apr-12
City of Alturas	13-Feb-24	13-Feb-24
Fire and Emergency Medical Services		
Adin FPD	13-Apr-10	10-Oct-17
Alturas Rural Fire	13-Apr-10	10-Oct-17
California Pines CSD fire	13-Apr-10	10-Oct-17
Canby FPD	13-Apr-10	10-Oct-17
Cedarville FPD	13-Apr-10	10-Oct-17
Davis Creek FPD	13-Apr-10	10-Oct-17
Eagleville FPD	13-Apr-10	10-Oct-17
Fort Bidwell FPD	13-Apr-10	10-Oct-17
Lake City FPD	13-Apr-10	10-Oct-17
Likely FPD	13-Apr-10	10-Oct-17
Lookout FPD	13-Apr-10	10-Oct-17
Tule Lake Multi County FPD	13-Apr-10	10-Oct-17
Willow Ranch FPD	13-Apr-10	10-Oct-17
Alturas City Fire	13-Feb-24	13-Feb-24
Cemetery Districts		
Adin Cemetery	10-Aug-10	10-Aug-10
Alturas Cemetery	10-Aug-10	10-Aug-10
Bidwell Cemetery	10-Aug-10	10-Aug-10
Davis Creek Cemetery	10-Aug-10	10-Aug-10
Cedarville Cemetery	10-Aug-10	10-Aug-10
Eagleville Cemetery	10-Aug-10	10-Aug-10
Lake City Cemetery	10-Aug-10	10-Aug-10
Likely Cemetery	10-Aug-10	10-Aug-10
Lookout Cemetery	10-Aug-10	10-Aug-10
Willow Ranch Cemetery	10-Aug-10	10-Aug-10
Healthcare Districts & Service Providers		
Last Frontier Healthcare Dist	22-Oct-19	22-Oct-19
Surprise Valley Healthcare District	10-Apr-12	10-Apr-12
Meyers Healthcare District	Responsibility of Shasta LAFCo	Responsibility of Shasta LAFCo
Southern Cascades CSD	Responsibility of Lassen LAFCo	Responsibility of Lassen LAFCo
Agricultural Water and Irrigation Districts		
South Fork ID	15-Apr-14	15-Apr-14
Hot Springs Valley Water Dist	21-Aug-12	12-Feb-13
Tule Lake Irrigation District	6/9/15	6/9/15
Resource Conservation Districts		
Goose Lake RCD	12-Aug-14	12-Aug-14
Surprise Valley RCD	12-Aug-14	12-Aug-14
Lava Beds RCD	12-Aug-14	12-Aug-14
Central Modoc RCD	12-Aug-14	12-Aug-14
Pit River RCD	12-Aug-14	12-Aug-14
Fall River RCD	Responsibility of Shasta LAFCo	Responsibility of Shasta LAFCo
Flood Control and Water Conservation		
Davis Creek Water Conservation Dist		
Lassen-Modoc Flood Control	Responsibility of Lassen LAFCo	Responsibility of Lassen LAFCo
Owl Creek Flood Control		
Street Lighting Districts		
Canby Highway Lighting District	12.13.16	12.13.16
Cedarville Highway Lighting District	12.13.16	12.13.16
Eagleville Highway Lighting District	12.13.16	12.13.16
Fort Bidwell Highway Lighting District	12.13.16	12.13.16
County Service Areas		
Hafer Hills (Road Maintenance) CSA	6-Oct-15	6-Oct-15
Southern Cascades CSD	Responsibility of Lassen LAFCo	Responsibility of Lassen LAFCo
Park and Recreation Districts		
Modoc Park and Recreation District	11-Dec-12	11-Dec-12
Pest Abatement Districts		
Lookout Pest Abatement District	9-Jun-20	9-Jun-20
Stonghold-Newell Pest Abatement Dist.	9-Jun-20	9-Jun-20