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# MENDOCINO Local Agency Formation Commission

Ukiah Valley Conference Center 0 200 South School Street 0 Ukiah, California 95482

Telephone: 707-463-4470 Fax: 707-462-2088 [E-mail: eo@mendolafco.org](mailto:eo@mendolafco.org) Web: [www.mendolafco.org](http://www.mendolafco.org)

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## **CHAIR**

**Jerry Ward**

Public Member

## **VICE CHAIR**

TBA Feb 2017

## **TREASURER**

TBA Feb 2017

## **MEMBERS**

**Carre Brown**  
County Board  
of Supervisors

## **John McCowen**

County Board  
of Supervisors

## **Theresa McNerlin**

Ukiah Valley Sanitation District

## **Tony Orth**

Brooktrails Township CSD

## **Two City Representatives**

**to be announced Feb 2017  
by City Select Committee**

## **ALTERNATE MEMBERS**

## **Dan Hamburg**

County Board  
of Supervisors

## **Kevin Doble**

Ukiah City Council

## **Carol Rosenberg**

Public Member

## **Angela Silver**

Calpella County Water District

## **Executive Officer**

Uma Hinman

## **Analyst**

Larkyn Feiler

## **Commission Clerk**

Elizabeth Salomone

## **Counsel**

Scott Browne

## **Regular Meetings**

First Monday  
of each month  
at 9:00 AM  
at the Mendocino  
County Board  
of Supervisors Chambers  
501 Low Gap Road

## **A G E N D A**

### **Policies and Procedures Committee Meeting**

Friday, January 20, 2017 10:00am  
Ukiah Valley Conference Center,  
200 South School Street, Ukiah, California

Call to Order and Roll Call:

Commissioners Dan Hamburg, Kevin Doble, and Theresa McNerlin

### **MATTERS FOR DISCUSSION & POSSIBLE ACTION**

1. Approval of the December 5, 2016 Policies and Procedures Committee Meeting Minutes
2. Reserve Policy  
Draft policy for review and approval to recommend.
3. Project Completion Policy Development  
Draft policy for review and approval to recommend.
4. Other Policy & Procedure Update Discussions and/or Recommendations

Schedule Next Committee Meeting

### **ADJOURNMENT**

The next Regular Commission Meeting is scheduled for  
Monday, February 6, 2017  
in the County Board of Supervisors Chambers  
501 Low Gap Road, Ukiah, California

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## CHAIR

**Jerry Ward**  
Public Member

## VICE CHAIR

**Holly Madrigal**  
Willits City Council

## TREASURER

**Doug Hammerstrom**  
Fort Bragg City Council

## MEMBERS

**Carre Brown**  
County Board  
of Supervisors

**John McCowen**  
County Board of  
Supervisors

**Theresa McNerlin**  
Ukiah Valley Sanitation District

**Tony Orth**  
Brooktrails Township CSD

## ALTERNATE MEMBERS

**Kevin Doble**  
Ukiah City Council

**Dan Hamburg**  
County Board  
of Supervisors

**Carol Rosenberg**  
Public Member

**Angela Silver**  
Calbella County Water District

**Executive Officer**  
Uma Hinman

**Analyst**  
Larkyn Feiler

**Commission Clerk**  
Elizabeth Salomone

**Counsel**  
Scott Browne

## Regular Meetings

First Monday  
of each month  
at 9:00 AM  
at the Mendocino  
County Board  
of Supervisors Chambers  
501 Low Gap Road

**DRAFT**

## Planning Committee Minutes

Meeting of Monday, December 5, 2016 1:00pm  
Chardonnay Room, Ukiah Valley Conference  
Center, 200 South School Street, Ukiah, California

### Call to Order

Chair Hamburg called the meeting to order at 1:00pm.

### Roll Call

Members Present:

Commissioners Kevin Doble, Dan Hamburg, and Theresa McNerlin

Staff Present:

Uma Hinman, Larkyn Feiler, Elizabeth Salomone

*Note: Commissioner McNerlin selected as Committee Chair and immediately assumed*

### *duties.* **MATTERS FOR DISCUSSION & POSSIBLE ACTION**

#### **1. Approval of the February 29, 2016 Policies and Procedures Committee Meeting Minutes**

Upon motion by Commissioner Hamburg and second by Commissioner Doble, the minutes for the February 29, 2016 Policies and Procedures Committee Meeting were approved by unanimous vote:

Ayes: Doble, Hamburg, McNerlin

#### **2. Reserve Policy Analysis**

The Committee directed staff to:

- Present its recommendation of maintaining an Operating Reserve to equal 20% of the annual operating expenses (\$160,000) to full Commission.
- Consult with LAFCo Legal Counsel, Scott Browne, for recommendation on Legal Reserve amount and present to full Commission.

#### **3. Conference Reimbursement for Contracted Staff Policy**

The Commission directed P&P Committee to develop policy regarding conference expenses reimbursement for contracted staff. Committee unanimous consensus was to recommend the following draft policy:

#### ***Conference Reimbursement for Contract Executive Officer***

*Mendocino LAFCo will reimburse contracted Executive Officer attendance to the annual CALAFCo conference 100% of the registration fee. All other conference related expenses, including travel, meals, and lodging expenses, will be the responsibility of the contracted Executive Officer.*

#### **4. Project Completion Policy**

The Commission directed P&P Committee to develop policy regarding project completion. Staff presented a draft checklist. Committee directed staff to summarize checklist into a policy format, email to Committee members for review, and present to Commission with Committee recommendation.

#### **5. Nonpayment of Application Fees Policy**

The Commission directed P&P Committee to review necessity of policy regarding insuring application fee payment. The Committee recommends no policy is necessary with current policy of application deposit requirements.

#### **6. Disadvantaged Unincorporated Community (DUCs) Policy**

More information will be obtained by staff regarding the policy review request.

### **ADJOURNMENT**

There being no further business the meeting was adjourned at 2:30pm

The next Regular Commission Meeting is scheduled for Monday, January 9 at 9:00 AM  
in the County Board of Supervisors Chambers  
501 Low Gap Road, Ukiah, California

**MENDOCINO**  
**Local Agency Formation Commission**

**Staff Report**

DATE: January 20, 2017  
TO: Policies & Procedures Committee  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Financial Reserve Policy

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Upon Commission direction of the Commission, the Policies and Procedures (P&P) Committee has been asked to develop policy regarding Financial Reserves. The P&P Committee met and discussed reserves on February 29, 2016 and again on December 5, 2016. Upon direction from the P&P Committee, the Executive Officer contacted LAFCo Counsel for advice on adequate reserves to assist in development of a policy. The recommendation received was a reserve equating to approximately one-third operations and two-thirds legal reserve, with a minimum of \$50,000 to \$75,000 for the legal reserve.

A survey of other LAFCo's demonstrated reserve policies ranging from 10 to 20 percent of annual operating budgets. Additionally, some LAFCo's maintain a separate reserve for unanticipated legal fees. Legal or litigation reserves range from \$50,000 to \$100,000.

The following draft reserve policy is based on the recommendations of Scott Browne (LAFCO Legal Counsel) and feedback received from Commissioner Hamburg.

**Reserves for Fiscal Stability, Cash Flow and Contingencies**

Mendocino LAFCo will strive to maintain a minimum unassigned fund balance of \$75,000 in the general budget for fiscal stability, cash flow and contingencies. The reserve consists of an approximate ratio of one-third operations to two-thirds legal reserve. The purpose of the reserve is a contingency for unforeseen operating or capital needs, unanticipated legal fees, cash flow requirements, and for revenue source stability from revenue shortfalls.

Recommended Action: Discussion and recommendation of policy to full Commission.

# MENDOCINO

## Local Agency Formation Commission

### Staff Report

DATE: January 20, 2017  
TO: Policies & Procedures Committee of the  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Project Completion Policy Development

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Upon Commission direction of the Commission, the Policies and Procedures (P&P) Committee has been asked to develop policy regarding project completion including mapping, documentation and ensuring all required conditions are met prior to final completion and filing. The Commission also requested that the Committee consider how best to ensure payment of all fees to avoid after-the-fact collection situations. The Policies and Procedures (P&P) Committee met to develop policy regarding steps for application finalization on December 5, 2016 and discussed a draft policy. At that time the Committee's consensus was that ensuring payment of fees should be part of final filing requirements for projects, which has been included in the Appendix A checklist.

The following draft policy proposes revisions to the existing Final Filing Policy (new draft language underlined):

**Final Filing [new draft language underlined, Appendix A below]**

1. The Executive Officer shall ensure final boundary maps comply with the LAFCo resolution approving a proposal, all conditions of approval have been met, and all application fees have been paid prior to filing the Certificate of Completion. A final filing checklist is included as Appendix A.
2. The effective date of the change of organization or reorganization is the date the signed Certificate of Completion is filed at the County Recorder's office unless otherwise specified by the Commission (G.C. 57202). If the Certificate of Completion has not been filed within one year after the Commission approves a proposal, the proceeding is deemed abandoned unless the Commission authorizes an extension prior the expiration of that year (G.C. 56895).
3. The Certificate of Completion, including the recording numbers affixed by the County recorder, will be distributed to affected agencies, County surveyor, County assessor, County auditor, and the State Board of Equalization. The State Board of Equalization will distribute relevant information to the Department of Finance, the Controller, and to the Secretary of State, as appropriate (G.C. 57203, 57204).

Additionally, the following checklist will be included as an Appendix to the Policies and Procedures Manual.

(continued...)

### Final Filing Checklist

Final Filing Checklist (to be performed by LAFCo staff)		
<input type="checkbox"/>	Procedure/Step	Date Completed
	Staff reviews resolution and final boundary map for compliance; ensures all conditions of approval have been met	
	Staff routes final boundary map and legal description to County GIS/Surveyor for review and approval prior to Certificate of Completion and Board of Equalization filing	
	Staff confirms all outstanding fees have been paid in full	
	Staff records Certificate of Completion	
	Staff files with State Board of Equalization and County Assessor	
	Upon notification of BOE acceptance, staff notifies all affected parties	

Recommended Action: Discussion and recommendation of policy to full Commission.