



STANISLAUS LOCAL AGENCY FORMATION COMMISSION

MINUTES

July 22, 2015

1. CALL TO ORDER

Chair DeMartini called the meeting to order at 6:01 p.m.

- A. Pledge of Allegiance to Flag. Chair DeMartini led in the pledge of allegiance to the flag.
- B. Introduction of Commissioners and Staff. Chair DeMartini led in the introduction of the Commissioners and Staff.

Commissioners Present: Jim DeMartini, Chair, County Member
Brad Hawn, Vice Chair, Public Member
Amy Bublak, City Member
Terry Withrow, County Member
Richard O'Brien, Alternate City Member
William O'Brien, Alternate County Member

Commissioners Absent: Annabel Gammon, Alternate Public Member

Staff Present: Marjorie Blom, Executive Officer
Sara Lytle-Pinhey, Assistant Executive Officer
Jennifer Goss, Commission Clerk
Robert J. Taro, LAFCO Counsel

2. PUBLIC COMMENT

Katherine Borges spoke regarding the City Selection Committee's recent nomination to replace former LAFCO Commissioner Matt Beekman with Tom Dunlop. Robert Frobose spoke regarding Steve Knell's letter that was provided to LAFCO at the June 24, 2015 meeting. Bryan Whitemyer, Oakdale City Manager, spoke regarding Tom Dunlop's experience with agriculture and the city's approval of agricultural mitigation measures.

3. APPROVAL OF MINUTES

- A. Minutes of the June 24, 2015 Meeting.

Motion by Commissioner Hawn, seconded by Commissioner Bublak and carried with a 5-0 vote to approve the Minutes of the June 24, 2015 meeting by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn, R. O'Brien, and Withrow
Noes: Commissioners: None

Ineligible: Commissioners: W. O'Brien
Absent: Commissioners: Gammon
Abstention: Commissioners: None

4. CORRESPONDENCE

A. Specific Correspondence.

1. Letter from Kimberlin Dillon, property owner, dated July 13, 2015, regarding Agenda Item 6A.
2. Agreement with the City of Oakdale and Oakdale Rural Fire Protection District, dated July 20, 2015 for Agenda Item 6A.
3. Final Audits for 2001-2002 through 2013-2014, Agenda Item 6B
4. Revised staff report for Agenda item 7A.

B. Informational Correspondence.

None.

C. "In the News"

5. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

None.

6. PUBLIC HEARING

- A. **MUNICIPAL SERVICE REVIEW NO. 15-01, SPHERE OF INFLUENCE MODIFICATION NO. 2015-01, AND LAFCO APPLICATION NO. 2015-01 – CRANE CROSSING REORGANIZATION TO THE CITY OF OAKDALE** The Commission will consider the City of Oakdale's request for the following: 1) Municipal Service Review (MSR) update; 2) Sphere of Influence (SOI) modification to include additional territory of approximately 82 acres and to include this area in the Primary Area designation; and 3) annexation of approximately 98.66 acres to the City and the simultaneous detachment of the territory from the Oakdale Rural Fire Protection District. The Commission, as a Responsible Agency, will also consider the Final Environmental Impact Report (FEIR), as prepared by the City of Oakdale, as Lead Agency under the California Environmental Quality Act (CEQA). *This item was continued from the June 24, 2015 meeting to allow the City and District to consider an agreement to allow annexation without detachment from the District. (Staff Recommendation – Adopt Resolution No. 2015-09.)*

Sara Lytle Pinhey, Assistant Executive Officer, presented the item with a recommendation of approval of the City's request, without detachment from the Oakdale Rural Fire Protection District (Option 2).

Chair DeMartini opened the Public Hearing at 6:34 p.m.

No Public Comment was made.

Chair DeMartini closed the Public Hearing at 6:35 p.m.

Motion by Commissioner Hawn, seconded by Commissioner Withrow and carried with a 5-0 vote to approve the recommendation to adopt Resolution No, 2015-09, Option 2 by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn, R. O'Brien and Withrow
Noes: Commissioners: None
Ineligible: Commissioners: W. O'Brien
Absent: Commissioners: Gammon
Abstention: Commissioners: None

- B. **ACCEPTENCE OF FINANCIAL AUDIT REPORTS FOR THE FISCAL YEARS 2001-2002 THROUGH 2013-2014.** The Commission will consider accepting the completed audit reports, prepared by Robert A. Hawks, Jr., CPA. (Staff Recommendation: Accept and File Audit Reports.)

Robert A. Hawks Jr., CPA, presented an overview of the audits and corrections made to the final version.

Chair DeMartini opened the Public Hearing at 6:50 p.m.

No Public Comment was made.

Chair DeMartini closed the Public Hearing at 6:50 p.m.

Motion by Commissioner Withrow, seconded by Commissioner R. O'Brien and carried with a 5-0 vote to accept and file the two Financial Audit Reports for fiscal years ended June 30, 2001 through June 30, 2013; and June 30, 2014, by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn, R. O'Brien and Withrow
Noes: Commissioners: None
Ineligible: Commissioners: W. O'Brien
Absent: Commissioners: Gammon
Abstention: Commissioners: None

- C. **ADOPTION OF A FORMAL RESERVE POLICY.** The Commission will consider the adoption of a formal reserve policy regarding guidelines and requirements for the classification of the LAFCO fund balance, consistent with the Governmental Accounting Standards Board (GASB) Statement No. 54. (Staff Recommendation – Adopt Resolution No. 2015-11.)

Marjorie Blom, Executive Officer, presented the item with a recommendation for approval.

Chair DeMartini opened the Public Hearing at 7:09 p.m.

No Public Comment was made.

Chair DeMartini closed the Public Hearing at 7:10 p.m.

Motion by Commissioner Withrow, seconded by Commissioner Bublak and carried with a 5-0 vote to adopt Resolution No. 2015-11, approving the reserve policy with modifications to the Assigned category to consist only of the estimate of accrued leave time cash-out liability and the Unassigned category to consist of a General Fund reserve with a minimum of 15% of operating expenses, by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn, R. O'Brien and Withrow
Noes: Commissioners: None
Ineligible: Commissioners: W. O'Brien
Absent: Commissioners: Gammon
Abstention: Commissioners: None

7. OTHER BUSINESS

- A. Approval of the Designation of the LAFCO Fund Balance and Reimbursement ("Rebate") to the Funding Agencies.

Motion by Commissioner Withrow, seconded by Commissioner Hawn and carried with a 5-0 vote to direct staff to return at a later date, following the close of the Fiscal Year 2014-15 budget, with updated fund balance and reimbursement amounts, by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn, R. O'Brien and Withrow
Noes: Commissioners: None
Ineligible: Commissioners: W. O'Brien
Absent: Commissioners: Gammon
Abstention: Commissioners: None

- B. Response to the 2014-2015 Civil Grand Jury Final Report Regarding the Eastside Mosquito Abatement District (Case 15-05C).

Marjorie Blom, Executive Officer, presented a draft response for the Commission's consideration.

Motion by Commissioner R. O'Brien, seconded by Commissioner Withrow and carried with a 5-0 vote to approve the letter drafted to the Grand Jury by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn, R. O'Brien and Withrow
Noes: Commissioners: None
Ineligible: Commissioners: W. O'Brien
Absent: Commissioners: Gammon
Abstention: Commissioners: None

- C. Memorandum of Agreement (Employment) with Sara Lytle-Pinhey for the Position of LAFCO Executive Officer, effective August 4, 2015.

Robert J. Taro, LAFCO Counsel, presented the Commission with the draft Memorandum of Agreement prepared at the Commission's Direction.

Motion by Commissioner Hawn, seconded by Commissioner R. O'Brien and carried

with a 5-0 vote to adopt Resolution No. 2015-12 approving the Memorandum of Agreement for appointment of Sara Lytle-Pinhey to the position of Executive Officer, by the following vote:

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|-------------|--|
| Ayes: | Commissioners: Bublak, DeMartini, Hawn, R. O'Brien and Withrow |
| Noes: | Commissioners: None |
| Ineligible: | Commissioners: W. O'Brien |
| Absent: | Commissioners: Gammon |
| Abstention: | Commissioners: None |

8. COMMISSIONER COMMENTS

Commissioner W. O'Brien thanked Executive Officer Marjorie Blom for all her hard work and congratulated Assistant Executive Officer Sara Lytle-Pinhey on her promotion to Executive Officer.

9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON

Chair DeMartini presented Executive Officer Marjorie Blom with a plaque, thanking her for her time with LAFCO and congratulating her on her upcoming retirement.

10. EXECUTIVE OFFICER'S REPORT

A. On the Horizon. The Executive Officer informed the Commission of the following:

1. Upcoming Items

- Steve Knell, General Manager of Oakdale Irrigation District, will provide a presentation, as requested by the Commission, at the August 26, 2015 meeting.
- Legislative Update

11. ADJOURNMENT

A. Chair DeMartini announced that the next meeting date and time is August 26, 2015 at 6:00 p.m.

B. The meeting was adjourned 7:38 p.m.

SIGNED COPY ON FILE

Sara Lytle-Pinhey, Executive Officer