

Les Baugh  
County Member

Irwin Fust  
Special District Member

Larry Farr  
City Member Alternate

Pam Giacomini  
County Member Alternate

James Yarbrough  
City Member

Brenda Haynes  
Special District Member



Francie Sullivan  
City Member

David Kehoe  
County Member

Stephen Morgan  
Special District Alternate

Dick Fyten  
Public Member

Bob Richardson  
Public Member Alternate

George Williamson  
Executive Officer/

James M. Underwood  
General Counsel

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August 4 2016

The Honorable Gregory Gaul  
Presiding Judge, Shasta County Superior Court  
1500 Court Street, Room 205  
Redding, CA 96001

Re: Shasta LAFCo Response to Fiscal Year 2015-2016 Grand Jury Report

Dear Judge Gaul:

The Shasta Local Agency Formation Commission (LAFCo) appreciates the Grand Jurors' dedication and has reviewed their report: Shasta LAFCO – No Laughing Matter. The following is the Shasta LAFCo response to the Grand Jury Recommendations contained in that report:

**R1**, The Grand Jury recommends that Shasta LAFCO take action within 30 days of becoming aware of financial or staff concerns, and complete a comprehensive review of contracted Executive Officer performance at least bi-annually, commencing no later than December 31, 2016.

*Response:* Shasta LAFCo agrees that there should be periodic financial reviews and at least annual reviews of Executive Officer job performance. The Fiscal Committee meets regularly to review financial reports prepared by the office manager, and fiscal reports are included in commission meeting agenda packets. The Executive Officer job performance review has been incorporated into the Executive Officers FY 2016-17 Scope of Services as follows:

Executive Officer Performance Review – The Executive Officer will participate in bi-annual performance review with the Commission, with initial review scheduled for December 2016 meeting. Subsequent reviews shall occur every six months. The Executive Officer will provide a performance review form for commission use.

**R2**, The Grand Jury recommends that Shasta LAFCO revise its budget to return to prior year staffing levels to allow the Shasta LAFCO office to be open Monday through Friday, 9:00 am to 5:00 pm, and to full comply with Government Section 56381 (a) no later than September 30, 2016.

*Response:* LAFCo does not agree that the LAFCo office must be open Monday through Friday, 9:00 am to 5:00 pm. LAFCo has complied with Government Code Section 56381(a) requirements, concerning budget adoption and staffing sufficient to fulfill the purposes and programs required to be performed by this agency, and will continue to do so. There is no Government Code provision for minimum office hours, and those wishing to contact LAFCo may do so by email and through the website in addition to phone and office access.

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The Commission conducted public hearings on the proposed and final budget, approving the FY 2016-17 Budget on June 2 2016. At that same meeting the Commission approved a staffing services agreement with Planwest Partners Inc. for FY 2016-17. LAFCo Access is described in the Executive Officers FY 2016-17 Scope of Services as follows:

Public Access –The Office Manager will maintain office hours Monday - Thursday, 9:00 AM to 4:00PM (closed lunch hour) and make arrangements for the phones to be forwarded to Planwest offices, and/or include Executive Officer contact information for staffing services on voice mail and website, for hours on Fridays. Hours shall be posted on the LAFCo website and office door.

**R3:** The Grand Jury recommends that Shasta LAFCO review its current Fee Schedule and make revision as needed no later than December 31, 2016.

*Response:* LAFCo currently has a fee schedule and agrees that the schedule should properly reflect the actual estimated cost of performing fee-based services and conduct periodic reviews. This periodic review has been incorporated into the Executive Officers FY 2016-17 Scope of Services as follows:

The Executive Officer will review and where appropriate recommend fee schedule adjustments. Update to include deposits and charges for applications and budget for next cycle of MSR/SOI Updates Provide draft schedule for commission consideration at the October commission meeting and a final fee schedule at the December 2016 meeting

**R4.** The Grand Jury recommends that by no later than December 31, 2016, Shasta LAFCO establish a fee schedule to charge for Municipal Service and Sphere of Influence Review updates.

*Response:* LAFCo agrees that the periodic municipal services reviews and sphere of influence updates (“MSR/SOI Updates”), to be done in accordance with the applicable statute are a general LAFCo function. MSR/SOI Updates are funded by the affected Shasta County local agencies as part of Shasta LAFCo’s annual funding. However, when an affected local agency initiates a reorganization or files certain other applications that require a SOI amendment separate from the periodic MSR/SOI updates otherwise required by LAFCo, with additional time and resources to therefore be expended by LAFCo to process and consider the agency application, the applicant agency is responsible for paying for such services. This occurs based on the LAFCo adopted schedule of fees that is to reflect the estimated actual cost of services. A fee schedule review has been incorporated into the Executive Officers FY 2016-17 Scope of Services as follows:

The Executive Officer will review and where appropriate recommend adjustments to the current LAFCo fee schedule. Update to include deposits and charges for applications and budget for next cycle of MSR/SOI Updates Provide draft schedule for commission consideration at the October commission meeting and a final fee schedule at the December 2016 meeting.

**R5.** The Grand Jury recommends that by no later than December 31, 2016, Shasta LAFCO revise its five year plan for municipal Service and Sphere of Influence Reviews updates to begin completing them in the 2016/2017 fiscal year.

*Response:* LAFCO agrees to update its MSR/SOI Update schedule for the next cycle, by December 31, 2016. Although the applicable LAFCo statutes governing the preparation of MSR/SOI updates no less

than every five (5) years is advisory rather than mandatory, LAFCo is committed to five year updates as a matter of sound public policy. Accordingly, it has recently completed MSR/SOI updates for all affected local agencies in Shasta County, and has adopted an MSR/SOI Update Plan, which includes a proposed means of funding the periodic extraordinary related costs of this process, to ensure that timely updates will occur on an ongoing basis. Scheduling for the next MSR/SOI Update cycle has been incorporated into the Executive Officers FY 2016-17 Scope of Services as follows:

The Executive Officer will work with the Fiscal Committee to prepare a schedule for completing the next five-year MSR/SOI Update cycle, through the FY 2019-2020, and assess the budget implications of doing so. Present MSR/SOI Updates schedule and budget information to the Commission at or before the December 2016 meeting.

**R6.** The Grand Jury recommends that Shasta LAFCO engage in cost saving efforts such as shared office space and personnel costs, shared insurance costs, reimbursement for costs from other agencies for providing them with assistance and turning to the California Association of Local Agency Formation Commissions for hosting its website no later the December 31, 2016.

*Response:* Shasta LAFCo agrees that it should constantly look for feasible means of performing its services in the most cost-effective way. Accordingly, it has in recent years engaged independent consultant services for the performance of Executive Officer functions, and to obtain related contract staff support, in a professional but cost-effective manner. LAFCo will continue to explore and implement other cost-effective opportunities for the performance of its services. This review has been incorporated into the Executive Officers FY 2016-17 Scope of Services as follows:

The Executive Officer will prepare a shared services plan that includes cost savings proposals for shared office space, member organization assistance reimbursements, web site hosting, insurance and other operating costs. Present shared services plan to the commission at or before the December 2016 meeting. Current local web hosting services shall be continued as CALAFCO no longer offers website hosting services to individual LAFCos.

**R7.** The Grand Jury recommends Shasta LAFCO updates it Policies and Procedures no later than March 31, 2017.

*Response:* Shasta LAFCO agrees that its Policies and Procedures need to be periodically updates, and intends to undertake such a review and update in FY 2016/17. This review has been incorporated into the Executive Officers FY 2016-17 Scope of Services as follows:

The Executive Officer will review and where appropriate recommend policy and procedures updates for clear direction and consistent action in LAFCo operations and decision-making. Provide Policies and Procedures Update at the February 2017 commission meeting.

Sincerely

George Williamson AICP  
Executive Officer