



2.
3/25/2021

MINUTES
February 25, 2021

Present Commissioners

Via Teleconference: Michael Vargas, Chair
Stephen Tomanelli, Vice Chair
Kevin Jeffries
Steve Sanchez
Phil Williams
Nancy Wright

In-Person: Jeff Hewitt

Present Staff: Gary Thompson, Executive Officer
Crystal Craig, Assistant Executive Officer
Elizabeth Valdez, Commission Clerk

Via Teleconference: Tiffany North, Legal Counsel

1. CALL TO ORDER AND SALUTE TO THE FLAG.

Chair Vargas called the meeting to order at approximately 9:30 a.m.

1.2. ROLL CALL.

1.3. ANNOUNCEMENT CONCERNING CONTRIBUTIONS TO COMMISSION MEMBERS.

Counsel North stated that there was no announcement to be made since there were no public hearing items on the agenda.

Commissioner Jeffries arrived at the meeting at 9:32 a.m.

2. APPROVAL OF THE MINUTES OF THE JANUARY 28, 2021 MEETING.

Moved (Wright) seconded (Williams) to approve the Minutes of the January 28, 2021 meeting.

Chair Vargas called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt,
and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

3. PUBLIC COMMENTS ON ANY ITEMS NOT ON THE AGENDA.

There were no public comments.

4. CONSENT CALENDAR (NON-HEARING ITEMS):

a. LAFCO Monthly Expenditure Review.

b. Ratification of LAFCO Investment Policy for 2021.

Moved (Wright) seconded (Tomanelli) to approve the consent calendar as recommended by staff.

Chair Vargas called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

5. PUBLIC HEARINGS:

Continued:

There were no continued public hearing items.

New:

There were no new public hearing items.

6. OTHER BUSINESS:

a. Agreement with Davis Farr, LLP for Audit Services.

Mr. Thompson stated the Sothern California LAFCO's posted a joint RFP and they unanimously selected Davis Farr, LLP. He stated per government code, a new management partner within the firm will be preparing the audit.

Moved (Tomanelli) seconded (Sanchez) to approve the Agreement with Davis Farr, LLP for Audit Services as recommended by staff.

Chair Vargas called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

b. Fiscal Year 2020-21 Mid-Year Budget Review.

Mr. Thompson presented this item. He stated that there would be an end of year surplus. He stated that revenues would be more than was budgeted

for this year. He spoke about the Reserve accounts and stated that LAFCO, the County, and our Auditor are working together to paydown the unfunded pension liability.

Commissioner Jeffries asked what it would take to make LAFCO completely independent from the County. Mr. Thompson replied that LAFCO would have to join CalPERS independently and would first have to pay off the unfunded liability.

Commissioner Hewitt stated that there should be no limit as to how many employees are needed to join CalPERS, keep funding the unfunded liability, and to look into possibly making that switch to be independent.

Mr. Thompson reviewed benefit and salary savings due to one employee leaving LAFCO. He stated that any surplus of benefits not used by an employee is still paid by the department to HR per the County MOU. Mr. Thompson stated he is waiting for clarification on this practice from the County.

Mr. Thompson gave a status on the consultant expenditures for this fiscal year.

Chair Vargas agreed that to continue to be transparent, a breakdown of the benefits would be good.

There was no action taken by the Commission.

c. Review and Consideration of Amendments and Updates to the Commission's Disadvantaged Unincorporated Communities (DUCS) Policy.

Ms. Craig reviewed the current Interim DUC Policy that the Commission approved to use for past MSR's and SOI Reviews. She stated that new policy before the Commission has been updated to define the process and will now be implemented as part of the application process. She stated that this policy needs to be implemented as LAFCO is currently undergoing a Countywide City MSR now that new Census data has been released.

Commissioner Hewitt agreed that an updated policy may change the current list of DUCs and moving forward one could look as to see why it came off that list and the formula for success in that area.

Moved (Hewitt) seconded (Jeffries) to approve the Disadvantaged Unincorporated Communities (DUCS) Policy as recommended by staff.

Chair Vargas called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

- d. Recission/Termination of the Second Amendment to the Professional Service Agreement for the Murrieta Focused Municipal Service Review with West Yost Associates.

Mr. Thompson stated that last month the Commission approved the Second Amendment to the PSA with West Yost Associates contingent on entering into an agreement with subcontractors. He stated an agreement could not be reached and the Amendment needs to be rescinded.

Commissioner Williams asked if this contract is terminated will we have to start the process all over again. Mr. Thompson replied no, the report has already been written and is out for public comment at this time. Commissioner Williams asked how LAFCO is addressing when a district re-submits their financial structure/rate changes to the report. Mr. Thompson stated that all the agencies can submit changes and they will be available to the public and the Commission.

Moved (Wright) seconded (Jeffries) to rescind the Second Amendment to the Professional Service Agreement for the Murrieta Focused Municipal Service Review with West Yost Associates as recommended by staff.

Chair Vargas called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

7. INFORMATION ITEMS: No action to be taken by Commission.

- a. Proposals Received and/or LAFCO Initiated (Government Code Sections 56751 and 56857):

There were no new information items.

- b. Report on Conducting Authority Proceedings.

Mr. Thompson reviewed the Conducting Authority Proceedings report.

8. LEGISLATIVE UPDATE AND POTENTIAL POSITIONS.

Mr. Thompson gave an update on pending legislation. He stated the Omnibus Bill will be introduced by the Assembly Local Government Committee. He reviewed the Small Systems Water Authority Act of 2019, AB 428 (Mayes) - "Spot Bill" Imperial Irrigation District: Retail Electric Service, and the status on Section 56133- Exemptions for Extra-Territorial Service Agreements.

9. EXECUTIVE OFFICER REPORTS.

Mr. Thompson stated that Ms. Craig will begin the recruitment process

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for our recent vacant position. He stated she will revise the position description and classification and work with County HR during the process.

Ms. Craig gave an update on the City MSR being prepared by RSG, Inc. She stated that RSG has been interviewing the cities and they have been very responsive. She stated that she will be working with RSG to map out the DUCs with the new policy approved today.

Mr. Thompson stated that he will be giving a presentation about LAFCO at an upcoming City of Eastvale Council meeting next month.

10. COMMISSIONER COMMENTS/FUTURE ITEMS.

Ms. Wright stated she agrees to reviewing options with CalPERS and looking into what it would take to separate from the County in the future.

Chair Vargas stated that former Council member Raul Mark Yarbrough passed away from complications of Covid-19 and asked to keep his family in thoughts and prayers.

11. ADJOURNMENT.

The Commission adjourned the meeting at 10:27 a.m.

Respectfully submitted,



Gary Thompson
Executive Officer