

## MINTUES

### Del Norte Local Agency Formation Commission October 28, 2013 4:00 p.m.

**Present:** Chairman Rick Holley, Kathryn Murray, Roger Gitlin, Sparky Countess, and Alternate Martha McClure (arrived at 4:20)

**Absent:** Commissioner Gerry Hemmingsen

**Also Present:** George Williamson, Executive Director, Wilma Madden, and Randy Hatfield

1. Call to Order/Roll Call  
Chairman Holley called the meeting to order at 4:00 p.m.
2. Public Hearing
  - A. Smith River Cemetery District Draft MSR/SOI Update (ATTACHMENT 2A)

Mr. Williamson reported it had been challenging to schedule a meeting with the members of this District, but he attended their regular board meeting on October 17th. The District board understands their budgetary situation and they have sufficient funds in reserves that will cover another year to year and a half of operation. They reviewed revenue and expenses and a 7 point program to increase revenue for the District. Mr. Williamson recommended the Commission approve the MSR/SOI and revisit the District's financial situation in one year. He indicated he would be checking with the District on a quarterly basis on their progress. Commissioner Gitlin asked what LAFCO's options were. Mr. Williamson responded that they could increase the size of the SOI, but they cannot until the District is in a better financial situation. The Commission could also make their SOI zero in size and work towards dissolution of the District or consolidation with another district. Commissioner Gitlin asked if the costs would fall on Del Norte County in the worst case scenario. Mr. Williamson replied that it would. Commissioner Countess commented that he had been on the District board twenty or so years ago. There was a discussion at that time on consolidating with the Smith River CSD, but it did not move forward. Commissioner Countess added that he would like to see some sort of assessment levied as a revenue source. Mr. Williamson commented that the property is cared for well, so he was not looking towards dissolution just yet. He added that he believed that the Board does want to make improvements to their budget. Commissioner Murray expressed concern that it took Mr. Williamson having to attend their meeting in order to get to this point. Commissioner Murray felt LAFCO should do a revisit in 6 months to see how the District is doing rather than waiting a full year, just to make sure they are making progress. Commissioner Countess was concerned that no one from the Cemetery Board was in attendance. Mr. Williamson indicated they were advised of the meeting day and time. Chairman Holley asked if the capacity number should be changed. Mr. Williamson replied that he would be asking the District for a capacity assessment. Chairman Holley commented on the lack of an endowment for future costs. Mr. Williamson indicated that it was a good idea and he could include that in the Resolution. Commissioners Gitlin expressed concern at their lack of attendance at the LAFCO meetings and suggested one of the Commissioners attend the District's next meeting with Mr. Williamson. Mr. Williamson responded that they only meet

quarterly, so their next meeting would most likely be in January. Commissioner Gitlin offered to attend with Mr. Williamson. Commissioner Murray asked Mr. Williamson if he had invited their entire board to attend the LAFCO meeting. Mr. Williamson reviewed who he provided the agenda to at the District. Commissioner Murray stated she was not comfortable adopting the Resolution without District Board members attending.

The continued public hearing was opened at 4:21 p.m. There were no comments from public and the public hearing was closed at 4:22 p.m.

Commissioner Gitlin moved to have a Commissioner attend the January quarterly District meeting and that they not adopt the proposed resolution at this time. The motion died for lack of a second. Commissioner Countess stated that he would attend that meeting as a member of the public since he is a resident of Smith River.

On a motion by Commissioner Countess, seconded by Commissioner Gitlin, and carried unanimously by voice vote, the Del Norte Local Agency Formation Commission, directed staff to send the District a letter requesting their presence at the LAFCO November 25 meeting and to continue the public hearing to that date.

Commissioner McClure suggested Mr. Williamson contact Gerry Cochran since he is in charge of the Crescent City Cemetery District and noted that he may have some ideas that could be helpful.

### 3. Regular Business

#### A. Approval of September 23, 2013 Draft Minutes (ATTACHMENT 3A).

On a motion by Commissioner Murray, seconded by Commissioner Gitlin, and unanimously carried, with Commissioner McClure abstaining, the Local Agency Formation Commission approved and adopted the minutes of the September 23, 2013 meeting, as presented.

#### B. Del Norte County Fair Board – Plan for Services for Potential Special District Formation (ATTACHMENT 3B).

Mr. Williamson reported on the discussion at the previous LAFCO meeting and that he had attended two of the Fair Board meetings since that time. They have committed funds to look into a special district formation. Mr. Williamson complimented Randy Hatfield on his resourcefulness on acquiring equipment for the fairgrounds. He added they hoped to have the petition process completed by mid-February, 2014, with a goal of a November 2014 ballot for the formation and election of board members. Mr. Williamson reviewed the items included in the agenda packet. Commissioner Murray commented that it would be helpful to see a timeline for the major improvement projects along with estimated costs and the Fair Board's priority list for the projects. Commissioner Countess asked what fairgrounds' budget was annually. Mr. Hatfield responded that the budget was \$590,000 and they bring in \$480,000 from rents and the annual county fair. They have cut back on employees (Mr. Hatfield is the only full-time employee). Mr. Hatfield added that they have enough money in reserves to operate

through 2016. Commissioner McClure commented that the 66% majority vote needed for election passage is difficult and thought that simultaneously looking at a private non-profit status in case the measure fails would be beneficial. Mr. Hatfield commented that quite a few fair boards have a private non-profit for some special projects, but use of the money is restrictive. The benefit of non-profit is that they can go after grants that a government entity is not eligible for. Mr. Hatfield commented that they do have estimates for the projects and he had thought about including them on this list. The timeline is unknown at this point. Chairman Holley asked why the ¼ cent sales tax would only last 7 years. Mr. Hatfield responded that the plan is for it to replace the funds from the State, not for major construction projects. The 7 year period would give the fairgrounds a chance to work on non-profit status, update their master plan and review other uses of the fairgrounds property that would generate revenue. Commissioner McClure asked if the State would allow the transfer from State ownership. Mr. Hatfield responded that they would most likely do a long-term lease rather than actual ownership transfer. Commissioner Gitlin commented that he was not generally in favor of additional taxes, but did not want to see the fair go away, either. Commissioner Gitlin indicated that he was in favor of private commercial uses. Chairman Holley asked about the use of the tax money towards improvement projects. Mr. Hatfield replied that the money they are asking for the voters to approve will not be for the major improvement projects, but will make it whole on an operational level and give the new organization time to look at other options for funding in the long-term. Commissioner Murray commented that the non-profit idea has merit. No action needed or taken.

C. Report on Klamath Glen motorhome fire – Klamath FPD (ATTACHMENT 3C).

Mr. Williamson presented his report on the motorhome fire. He added that he has been working with former Crescent Fire Protection District Chief John McFarland, who has a relationship with the Klamath Fire Chief. Commissioner Gitlin expressed concern over the Klamath Fire Protection District's staffing issues and wondered if the Yurok Tribe was sufficiently involved and whether the Department is meeting their municipal service commitment. Mr. Williamson indicated he would continue to work on this item. No action needed or taken

D. Budget Update for reduced SLIP Renewal fee (ATTACHMENT 3D.).

Mr. Williamson reported on the budget amendment and the reduction in cost.

On a motion by Commissioner Murray, seconded by Commissioner Countess, and carried on a unanimous polled vote, the Local Agency Formation Commission approved the amendment to the adopted budget.

E. Letter of Support to Del Norte LTC to request Cal-Trans review of 2003 Study of Last Chance Grade alternate route (ATTACHMENT 3E).

Mr. Williamson confirmed the letter was sent following the last meeting. Commissioner Gitlin commented that these letters of support certainly assist in making the case to CalTrans that an alternate route needs to be determined.

Chairman Holley thanked Mr. Williamson for the letter, commenting that it was well written.

4. Inquiries, Correspondence, Application Status and Referrals

A. Staff - The Executive Officer will provide a report of current projects, issues of interest, and pending legislation.

CALAFCO Quarterly (ATTACHMENT 4A)

California Economic Summit (<http://www.caeconomy.org/>)

Mr. Williamson briefly reviewed both items.

B. Commission - On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a referral to staff or request a business matter be placed on a future agenda per Government Code Section 54954.2 (a).

The following commissioners made reports: None.

C. Public - Public comment on items of interest to the public within the subject matter jurisdiction of the Local Agency Formation Commission, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.

The following persons addressed the commission: No comments were received from the public.

5. Adjournment

There being no further business to come before the commission, Chairman Holley adjourned the meeting at 5:00 p.m. until the next regularly scheduled meeting on November 25, 2013.

Respectfully submitted,

Wilma Madden, Recording Secretary