

## REGULAR MEETING AGENDA

### Del Norte Local Agency Formation Commission VIDEO/TELECONFERENCE MEETING June 1, 2020 4:00 pm

#### **LISTEN TO THE MEETING AND COMMENT REMOTELY:**

##### **Join Zoom Meeting:**

<https://us02web.zoom.us/j/83029235891?pwd=R0hPZ3YwalFnaVlmbkczLzRtNVpYUT09>

**Meeting ID:** 830 2923 5891

**Password:** 011648

**Or call in to the following telephone number and use the Meeting ID and Password above:** 1 (669) 900-6833

Due to the ongoing COVID-19 issues, the Governor of the State of California has issued Executive Order N-29-20 and Order N-25-20 establishing social distancing measures and suspending provisions of the Brown Act. For this reason we ask that you:

PLEASE SUBMIT ANY PUBLIC COMMENTS AHEAD OF TIME IF AT ALL POSSIBLE. Please send comments to [eo@delnortelafo.org](mailto:eo@delnortelafo.org). Your comment will be limited to 3000 characters. Your comment will be read aloud during the public comment period. Comments for general public comment and specific agenda items may be submitted until 2 p.m. on Monday June 1, 2020. Please submit only one comment per agenda item and only one general public comment. Comments for general public comment and specific agenda items may also be mailed to Del Norte LAFCo, 1125 16<sup>th</sup> Street Suite, 202 Arcata, CA 95521. Written comments must be received by 2 p.m. Monday June 1, 2020.

IF YOU REQUIRE AN ACCOMMODATION DUE TO DISABILITY under the Americans with Disability Act that does not allow you to participate remotely please notify LAFCo Executive Officer [eo@delnortelafo.org](mailto:eo@delnortelafo.org) or phone number (707) 825-9301. If you know you require an accommodation, please let LAFCO know as soon as possible no later than 24 HOURS before the meeting in order to make other arrangements for viewing the meeting and/ or comment.

1. Call to Order/Roll Call  
Pledge of Allegiance
2. Public Hearings
  - A. Continued Public Hearing - Approve Del Norte Fairgrounds Recreation & Parks District 2020 MSR & SOI Update - Adopt Resolution 20-02 (ATTACHMENT 2A)
  - B. Approve FY 2020-2021 Final Budget - Adopt Resolution 20-03 (ATTACHMENT 2B)
3. Regular Business
  - A. Approval of FY 2020-21 Staffing Services Contract (ATTACHMENT 3A)

**Del Norte Local Agency Formation Commission**  
**VIDEO/TELECONFERENCE MEETING**  
**June 1, 2020 4:00 pm**

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.
- 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 for a future agenda per Government Code Section 54954.2 (a).
- C. Public - Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.

5. Adjournment

Next Meeting Scheduled for July 27, 2020.

**DEL NORTE  
LOCAL AGENCY FORMATION COMMISSION**  
1125 16<sup>th</sup> Street, Suite 202  
Arcata, California 95521  
TEL (707) 825-9301 FAX (707)825-9181  
eo@delnortelafo.org

**AGENDA ITEM 2A**

**MEETING DATE:** June 1, 2020  
**TO:** Del Norte Local Agency Formation Commission  
**FROM:** George Williamson AICP, Executive Officer  
**SUBJECT:** Del Norte County Fairgrounds Recreation and Parks District  
Municipal Service Review and Sphere of Influence Update

---

**RECOMMENDATION**

The following procedures are recommended for the Commission's consideration of this item:

- Receive verbal report from staff;
- Re-Open the public hearing and invite testimony; and
- Discuss item and - if appropriate - close the hearing and consider recommendation:
  1. Adopt Resolution 20-02 approving the Del Norte County Fairgrounds Recreation and Parks District Municipal Service Review and Sphere of Influence 2020 Update

**DISCUSSION**

The Del Norte County Fairgrounds Recreation and Park District (District) is a county-wide, independent special district formed in 2014 to allocate sales tax revenue for Del Norte County Fairgrounds facility operations and programs managed by the 41st District Agricultural Association (41<sup>st</sup> DAA). The Fairgrounds site includes numerous structures, parking lots, rodeo arena, horse barns/arena, open space areas, and natural resource areas. In addition to the annual fair, the site facilities are used year-round by various organizations and to host events. A Del Norte County Fairgrounds Recreation and Park District Municipal Service Review (MSR) and Sphere of Influence (SOI) was prepared as part of District formation.

The State of California owns the Del Norte County Fairgrounds site and facilities, which are governed by the California Governor appointed 41st DAA Board of Directors. The District contracts with the 41st DAA for operating the Fairgrounds facilities and providing services. The 41st DAA has requested that the State relinquish Fairgrounds ownership, but that has not happened. The District formation and sales tax approval has increased funding for 41st DAA programs and services, however the facilities remain State property.

The District is financed primarily through a countywide special sales tax (0.25%) approved by Del Norte County voters in November 2014. The sales tax sunsets in 2022 (7 years) and as determined in District formation conditions, thirty percent (30%) of each year's sales tax revenue is placed in a reserve fund for post 2022 use. This reserve fund has now accumulated over several years and is \$834,110 according the District FY 2019-20 Budget. The proposed FY 2020-21 District budget also includes an increased reserve amount based on this year's sales tax revenues. The District will continue to budget for sales tax revenues (expected to be impacted by the COVID-19 Pandemic) and reserves through 2020 and also project how reserves and other long-term revenue sources will be administered by the District past that date.

**DEL NORTE**  
**LOCAL AGENCY FORMATION COMMISSION**  
1125 16<sup>th</sup> Street, Suite 202  
Arcata, California 95521  
TEL (707) 825-9301 FAX (707)825-9181  
eo@delnortelaftco.org

MSRs and SOI Update are updated every five years, as needed, and LAFCo staff presented a 2020 Administrative Draft MSR and SOI Update to the District Board at their February 27, 2020 Board meeting. This next MSR five-year period will extend past the sales tax sunset. Part of the MSR presentation was an offer by Del Norte LAFCo to work with the District and the 41st DAA, to prepare a five-year budget projection template for FYs 2020-21 to 2024-25. The Board expressed willingness to consider a projection, to better understand the District's financial picture after the sales tax sunset in FY 2021-22. The District Board scheduled the five-year budget projection template for Finance Committee review.

Del Norte LAFCo representatives met with the District Finance Committee on March 11, 2020 to review the 5-year budget projection template through FY 2024-25. The template provides a format to account for current and projected revenues, for the last two years of sales tax and annual expenditures and the three-year period projection after the 2022 sales tax sunset. The template is intended to show how reserves might fund future expenses.

The discussions at both the District Board and Finance Committee meetings, both attended by 41st DAA as well as Del Norte LAFCo representatives, included how best to continue providing financial assistance. This includes an update of the Memorandum of Understanding (MOU) between the District and the 41st DAA as necessary, to reflect agreed upon terms and conditions. This should also include a post sales tax funding program.

In addition, the 41st DAA released a Request for Proposals (RFP) on March 2, 2020 for Planning and Consultant services to prepare a Master Plan and Land Use Update, due April 30, 2020. The consultant selection may extend into summer, given current work and contact restrictions. These restrictions have also limited meetings between the District, 41st DAA and Del Norte LAFCo representatives.

The District MSR and SOI Update was noticed for public hearing at the April Commission meeting, then continued to June 1, 2020 to allow more time for preparing the five-year financial projections. Given meeting restrictions, the projections still under preparation will take more time. LAFCo staff recommends approving the MSR SOI Update at the June 1, 2020 Commission meeting in light of Covid-19 restrictions currently in effect. Del Norte LAFCo representatives will continue to work with District and 41st DAA on this important financial projection. This will include reserve fund condition revision and fund disbursement recommendations.

#### **ATTACHMENTS**

Attachment 1: Del Norte County Fairgrounds Recreation and Park District Commission Draft MSR & SOI Update

Attachment 2: Resolution 20-02 Approving the Del Norte County Fairgrounds Recreation and Park District Commission Draft MSR & SOI Update

# Municipal Service Review & Sphere of Influence Update



Commission Draft  
June 2020



## DEL NORTE LOCAL AGENCY FORMATION COMMISSION

---

### Commissioners

Jason Greenough	Chair & City Member
Roger Gitlin	Vice Chair& County Member
Blake Inscore	City Member
Bob Berkowitz	County Member
Duane (Sparky) Countess	Public Member
Lori Cowan	Alternate County Member
Isaiah Wright	Alternate City Member
Judy Dobbs	Alternate Public Member

### Staff

George Williamson, AICP, Executive Officer  
Vanessa Blodgett, Services Analyst/Administrator  
Elizabeth Cable, Legal Counsel  
Nicole Burshem, PS Business Services, Clerk  
Emily Morris, Assistant Analyst  
Jason Barnes, GIS & Spatial Data Analyst

### Acknowledgements

LAFCo staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by the Del Norte County Fairgrounds Recreation and Park District Administrator, Wilma Madden and the 41st Agricultural District's CEO and General Manager Kim Floyd. This report would not have been possible without their assistance.

## TABLE OF CONTENTS

<b>1.0</b>	<b>INTRODUCTION .....</b>	<b>1</b>
1.1	Statutory Authority .....	1
1.2	Municipal Service Review and Determinations .....	1
1.3	Sphere of Influence Determinations.....	2
1.4	Review Methods .....	3
1.5	California Environmental Quality Act.....	3
<b>2.0</b>	<b>AGENCY PROFILE .....</b>	<b>4</b>
2.1	District Formation .....	4
2.2	Governance Structure and Administration .....	5
2.3	Growth and Population.....	7
2.4	Disadvantaged Unincorporated Communities.....	8
<b>3.0</b>	<b>SERVICES PROVIDED .....</b>	<b>8</b>
3.1	Recreation and Park Services Overview.....	8
3.2	Needs and Deficiencies .....	10
3.3	Other Service Providers .....	11
<b>4.0</b>	<b>FINANCING.....</b>	<b>11</b>
<b>5.0</b>	<b>MSR DETERMINATIONS.....</b>	<b>15</b>
<b>6.0</b>	<b>SPHERE OF INFLUENCE DETERMINATIONS.....</b>	<b>17</b>
<b>7.0</b>	<b>REFERNCES.....</b>	<b>18</b>

## LIST OF FIGURES & TABLES

Figure 1 District Boundary .....	6
Table 1: Del Norte County Fairgrounds Recreation and Parks District Overview.....	4
Table 2: Del Norte County Fairgrounds Recreation and Parks District Board of Directors .....	7
Table 3: Historic and Projected Population in Del Norte County .....	7
Table 4. Del Norte County Fairgrounds Facilities.....	9
Table 5: District Revenues and Expenditures – Three Year Summary.....	12
Table 6: District 2019-20 Budget .....	13
Table 7: District Audit Information Summary .....	14

## 1.0 INTRODUCTION

---

The Del Norte Local Agency Formation Commission (LAFCo) conducts municipal service reviews (hereafter referred to as “service reviews”) to assess existing and future public service conditions for cities and special districts within Del Norte County. This service review allows LAFCo, local agencies, and the public to better understand how public services are provided by the Del Norte County Fairgrounds Recreation and Park District. This chapter provides a background of the service review requirements and an overview of the process and methodology of the review.

### 1.1 Statutory Authority

The fundamental role of the Local Agency Formation Commission (LAFCo) is to implement the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) consistent with local conditions and circumstances. The major goals of LAFCo as established by the CKH Act are to:

- Encourage orderly growth and development;
- Discourage urban sprawl;
- Preserve open-space and prime agricultural lands by guiding minimizing resource loss;
- Exercise its authority to ensure that affected populations receive efficient services;
- Promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide services;
- Make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies to provide for present and future needs;
- Establish priorities by assessing and balancing community service needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions and financial resources; and
- Determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, are where deemed necessary.

### 1.2 Municipal Service Review and Determinations

The CKH Act authorizes LAFCo to conduct comprehensive studies of the delivery of municipal services provided in the county or other area deemed appropriate by the Commission. The term “municipal services” refers to the full range of services that a public agency provides or is authorized to provide. The service review process provides LAFCo with a tool for studying existing and future public service conditions, evaluating organizational options for accommodating growth, and examining whether critical services are provided in an efficient and cost-effective manner. This includes making determinations on the adequacy, efficiency, and effectiveness of these services in relationship to local conditions and circumstances.

The service review process does not require LAFCo to initiate changes of organization based on service review findings; it only requires that LAFCo make determinations regarding the provision of public services in accordance with Government Code Section 56430. However, the service review helps to inform the sphere of influence development process with regard to identifying an appropriate and probable service area for the District. The CKH Act requires that LAFCo review municipal services before or in conjunction with updating spheres of influence and prepare a written statement of determinations with respect to seven factors:



### Municipal Service Review Determinations

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged unincorporated communities<sup>1</sup> within or contiguous to the sphere
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
4. Financial ability of agencies to provide services
5. Status of, and opportunities for, shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery, as required by commission policy

### 1.3 Sphere of Influence Determinations

An SOI is a LAFCo-approved plan that designates an agency's probable physical boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

LAFCo is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCo must update those SOIs every five years. For a SOI update, LAFCo is required to conduct an MSR and adopt related determinations. It must also make the following SOI determinations:

### Sphere of Influence Determinations

1. Present and planned land uses in the area, including agricultural and open space
2. Present and probable need for public facilities and services in the area
3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide
4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency
5. If the city or district provides water, sewer, or fire, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere

<sup>1</sup> "Disadvantaged unincorporated community" means an inhabited community (12 or more registered voters) with an annual median household income that is less than 80 percent of the statewide annual median household income.

## 1.4 Review Methods

The following information was considered in the service review:

- Agency-specific data: Plan for Services, responses to LAFCo Requests for Information, Del Norte County Fair Strategic Plan 2014-2016, personal communications with Kim Floyd and Wilma Madden.
- Demographic data: U.S. Census Bureau; Department of Finance.
- Population projections: Department of Finance.

Information gathered was analyzed and applied to make the required determinations for the District. All information gathered for this report is filed by LAFCo for future reference.

## 1.5 California Environmental Quality Act

The California Environmental Quality Act (CEQA) is contained in Public Resources Code § 21000 et seq. Public agencies are required to evaluate the potential environmental effects of their actions. MSRs are statutorily exempt from CEQA pursuant to § 15262 (feasibility or planning studies) and categorically exempt pursuant to CEQA Guidelines § 15306 (information collection). CEQA requirements are applicable to SOI Updates. The CEQA lead agency for SOI Updates is most often LAFCo, unless an agency has initiated an SOI expansion or update.

## 2.0 AGENCY PROFILE

The Del Norte County Fairgrounds Recreation and Park District (District) is a county-wide, independent special district. The District boundary is coterminous with the County boundary (Figure 1). The purpose of the District is to provide revenue to maintain and operate the Del Norte County Fairgrounds facilities and programs. The Fairgrounds are located at 421 Highway 101 in Crescent City, CA. The Fairgrounds site includes numerous structures, a large parking lot, rodeo arena, horse barns/arena, open space areas, and natural resource areas. In addition to the annual fair, the site facilities are used year-round by various organizations.

The State of California owns the Fairgrounds site and facilities, which are governed by the 41<sup>st</sup> District Agricultural Association (41<sup>st</sup> DAA) Board of Directors who are appointees of the Governor of the State of California. The Del Norte County Fairgrounds Recreation and Park District contracts with the Del Norte County Fair 41<sup>st</sup> District Agricultural Association to continue operating the Fairgrounds facilities and services. The Fairgrounds ownership and current Fair Board have not changed as a result of District formation. The District is a conduit for funding the programs and facilities of the 41<sup>st</sup> District Agricultural Association.

**Table 1: Del Norte County Fairgrounds Recreation and Parks District Overview**

Formation	
Agency Name	Del Norte County Fairgrounds Recreation and Park District
Formation Date	November 2014
Principal Act	Public Resources Code (PRC) Section 5780 et seq
Areas Served	County-wide
Contact	
Main Contact	Robyn Holt, Board Chair
E-mail	rholt@dncfrpd.org
District Office	421 Highway 101, Crescent City, CA 95531
Mailing Address	PO Box 402, Crescent City, CA 95531
Website	<a href="https://dncfrpd.org/">https://dncfrpd.org/</a>
Governance	
Governing Body	Board of Directors
Board Meetings	4 <sup>th</sup> Thursday of the month
Staffing	Part-time Administrator

### 2.1 District Formation

The Del Norte County Fairgrounds Recreation and Park District was formed pursuant to Public Resources Code (PRC) Section 5780 et seq in November 2014. The purpose of the district is to provide funding to maintain and operate the Del Norte County Fairgrounds programs and facilities.

## **Background**

In 2011, the state eliminated about \$200,000 in funding to the 41st DAA which jeopardized the continued operation of the Fairgrounds and the County Fair. Facing a potential closure of the Fairgrounds and loss of the County Fair, various funding avenues were explored and the Board of Supervisors reached a decision to pursue creation of the Del Norte County Fairgrounds, Recreation and Parks District. District formation was contingent on voter approval of a 0.25% special sales tax (Measure F). In November 2014 Measure F was passed by the required two-thirds majority approving a 0.25% sales tax to remain in effect for seven years. The sales tax collection started on April 1, 2015. Thirty percent of the sales tax is set aside in reserve by the County to keep the Fair in operation beyond the seven years when the tax expires.

The District and the 41st DAA sought a Lease Agreement with the State of California to transfer possession, control, and management of the fairgrounds to the District. While the approval of the lease agreement was pending, the District and the 41st DAA entered a Memorandum of Understanding (MOU) for the purpose of ensuring that the fairgrounds continue as a viable resource for community events, recreational opportunities, and hosting of the annual County Fair. In 2016, the organizations learned the governor of California had declined to sign the lease agreement. As such, the MOU continued to function and allowed for the transfer of a portion of the sales tax revenue from the District to the 41<sup>st</sup> State Board in order to fund the continued operation of the fairgrounds.

## **District Boundary**

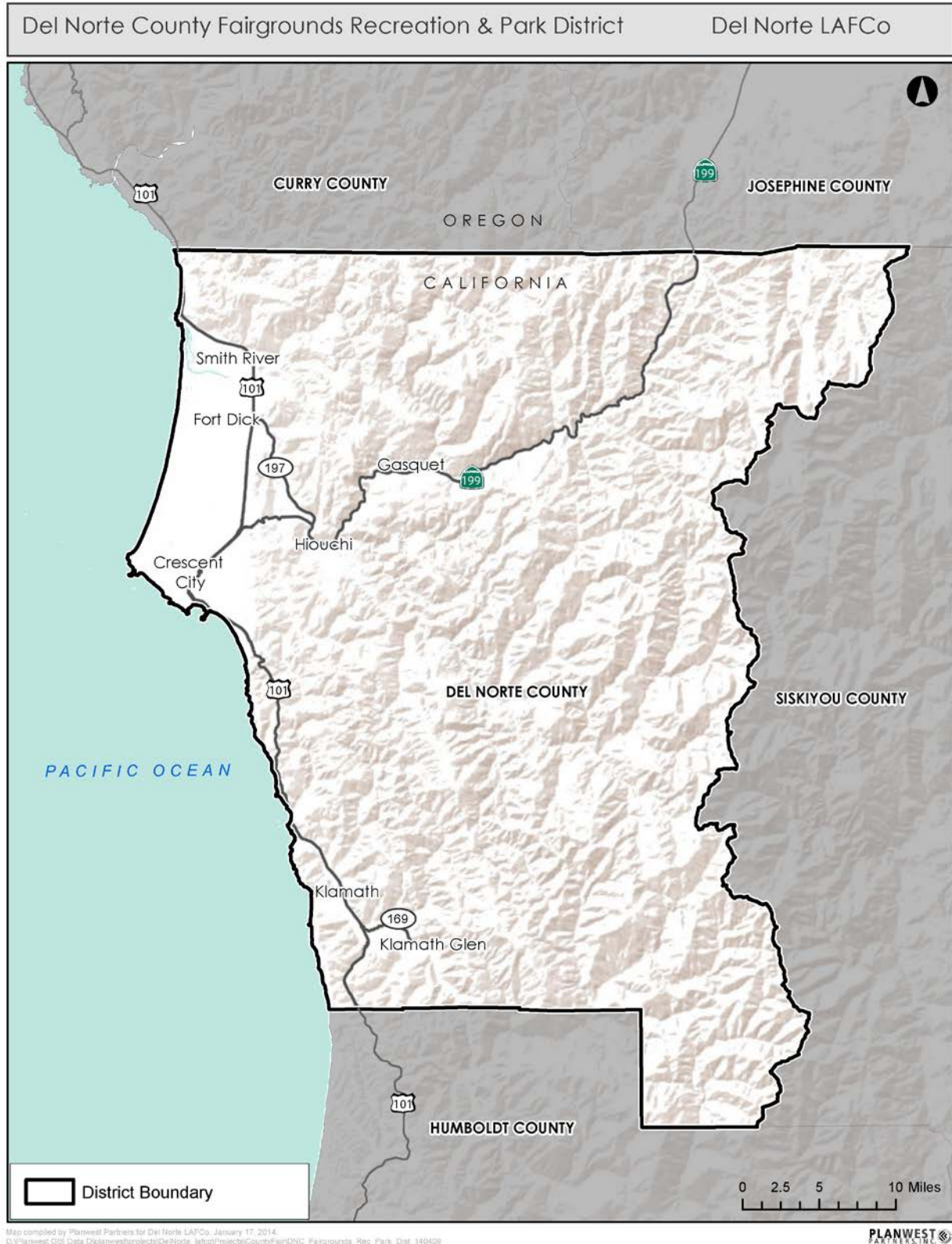
The District's boundary and sphere of influence are coterminous with the Del Norte County boundary as shown on Figure 1.

## **2.2 Governance Structure and Administration**

The District is governed by a five-member Board of Directors elected by District residents. The District Board must meet regularly in compliance with Brown Act requirements. Meetings are noticed, records are posted regularly on the District website, and Board procedures have been developed.

The District Board provides oversight of how District revenue is used for continuing the programs and operations of the Del Norte County Fairgrounds facilities for community recreation opportunities. The District and the 41<sup>st</sup> DAA signed a Memorandum of Understanding (MOU) detailing the agreement between the two parties. The MOU purpose is to enable the District to provide funds to the 41<sup>st</sup> DAA to continue its rendering of services that constitute the provision of facilities and opportunities for community recreation. If the District provides financial assistance, the 41<sup>st</sup> DAA must expend the funds in accordance with the conditions set forth by the District. The 41<sup>st</sup> DAA maintains sole possession and control of the Fairground premises and is responsible for the management, operation, events and activities that take place there. The MOU is in the process of being updated to more accurately reflect the relationship between the District and the 41<sup>st</sup> DAA.

Figure 1 District Boundary



**Table 2: Del Norte County Fairgrounds Recreation and Parks District Board of Directors**

Board Member	Title	Term Expiration
Westbrook, Steven	President	2022
Wakefield, Doug	Vice-President	2022
Renner, Sabina	Secretary	2022
Holt, Robyn	Board Member	2020
Wier, Richard	Board Member	2020

## 2.3 Growth and Population

Del Norte County is the northernmost county on the California Coast. The County, which covers approximately 1,070 square miles, is bounded on the north by Curry County Oregon, on the east by Siskiyou County, on the south by Humboldt County and on the west by the Pacific Ocean. The District covers the entire unincorporated area of Del Norte County and the City of Crescent City. This includes the unincorporated communities of Bertsch-Oceanview, Fort Dick, Gasquet, Hiouchi, Klamath, Klamath Glen, Patrick Creek, and Smith River.

According to the U.S. Census, the total population in Del Norte County was 28,610 in 2010 and estimated at 27,828 in the 2018, which is an approximately 2.7% population decrease from 2010 to 2018<sup>2</sup>. The California Department of Finance projections are reflected in the 2020 and 2030 year population numbers (Table 3). It should be noted that the County population has historically fluctuated and future population increases are also likely.

**Table 3: Historic and Projected Population in Del Norte County**

Year	Total County Population
2000	27,507
2010	28,610
2020	27,558
2030	27,180

Sources: U.S. Census 2000 and 2010; Total Population Projections for California and Counties, Department of Finance, 2019 (<http://www.dof.ca.gov/Forecasting/Demographics/Projections/>)

## Existing and Planned Land Uses

The District covers the entire unincorporated area of Del Norte County and the incorporated area of City of Crescent City. Land uses within the District boundaries are subject to the Del Norte County General Plan and Crescent City General Plan. The majority of Del Norte County is made up of public lands including Redwood State and National Parks and the Smith River National Recreation Area. Del Norte County is comprised of approximately 683,500 acres, of which approximately 192,357 acres (28 percent) are privately owned and 489,697 acres (72 percent) are publicly owned.

<sup>2</sup> U.S. Census QuickFacts. Del Norte County, CA. <https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>

## 2.4 Disadvantaged Unincorporated Communities

LAFCo is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the annual median household income is less than 80% of the statewide annual median household income (pursuant to Government Code Section 56033.5 and Water Code Section 79505.5). Within a DUC, three basic services are evaluated: water, sewage, and fire protection. The District provides park and recreation services; water, sewer, and fire protection services are provided by others.

According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. Del Norte County had an estimated MHI of \$41,287, which is 58% of the state average MHI, thereby qualifying the area as disadvantaged.

## 3.0 SERVICES PROVIDED

---

### 3.1 Recreation and Park Services Overview

The Del Norte County Fairgrounds Recreation and Park District does not directly provide services and has an agreement with the Del Norte County Fair 41<sup>st</sup> District Agricultural Association to continue operating the Fairgrounds facilities and services. The powers and duties of recreation and park districts are defined in Public Resources Code Section 5786-5786.31. The main function of the District – to contract for services – is defined in PRC Section 5786.13 below.

*Section 5786.13.*

A district may contract with other public agencies to provide recreation facilities and programs of community recreation within the district's boundaries.

Other powers a recreation and park district may take on (with subsequent LAFCo approval) include, but are not limited to:

*Section 5786.* A district may:

- (a) Organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community's quality of life.
- (b) Establish systems of recreation and recreation facilities, including, but not limited to, parks and open space.
- (c) Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district's boundaries.

*Section 5786.11.*

- (a) A district may cooperate with any city, county, special district, school district, state agency, or federal agency to carry out the purposes and intent of this chapter. To that end, a district may enter into agreements with those other public agencies to do any and all things necessary or convenient in carrying out the purposes and intent of this chapter.

- (b) A district may jointly acquire, construct, improve, maintain, and operate recreation facilities and programs of community recreation with any other public agency. Nothing in this chapter shall be construed to prohibit any joint or cooperative action with other public agencies.

### Del Norte County Fairgrounds Overview

The Del Norte County Fairgrounds encompass approximately 87.3 acres in the community of Crescent City, California, adjacent to U.S. Highway 101. The site includes a number of buildings, arenas and other structures principally intended to serve the production requirements of the annual county fair, typically held over 4 days on the first weekend in August. In addition, the fairgrounds accommodates a variety of non-Fair functions throughout the year, including special events in the buildings and arenas.<sup>3</sup> The existing fairground facilities and equipment are described in the table below. The buildings are mainly owned by the State of California.

**Table 4. Del Norte County Fairgrounds Facilities**

Building/ Arena	Size (sq. ft.)	Construction Type	Year Built
Main Exhibit Building	13,600	Steel and wood frame	1953
Arts & Crafts Building	5,000	Wood frame	1972
Grandstands & Concessions	1,800 sq. ft. 2,000 seats	Steel	1941/ retrofit 1991
Stables	80 stalls	Wood frame	1961/ 1968/ 2001
Floral Building	5,500	Wood Frame	1984
Indoor Tennis/ Commercial	12,000	Steel and concrete block	1962
ACE Arena	20,000	Steel	2001
Outdoor Horse Arena	30,000	n/a	n/a
Livestock Building	17,500	Block and steel	1966
Poultry Building	4,800	Wood frame	1923
Jr. Building	2,000	Steel	1944
Driving Range	1,380	Steel and wood frame	1994
Outdoor Rodeo Arena	60,000	n/a	n/a
Main Office	1,500	Wood frame	1954
Shop	1,030	Wood frame	2001
School House	1,000	Wood frame	1991
<b>Other Improvements</b>			
7 portable bleachers	350 seats	n/a	n/a
Bandstand shell	240	n/a	n/a
Mobile Home and Garage	1,140/ 864	Wood frame	1989

Many of the fairground facilities are available for rent. The Fairgrounds also offers horse stabling, RV hookups, and boat & trailer storage. Additional equipment available for rent includes:

<sup>3</sup> Strategic Plan 2014-2016, 41<sup>st</sup> District Agricultural Association, The Del Norte County Fair and Fairgrounds.



- Tables
- Brown Padded Chairs
- Green Curtains per foot (10' min.)
- Red/Gray Curtains per foot (10' min.)
- Paneled Walls per event
- Dishes per event
- Food Warmer per event
- Gini Lift (Hourly & Staff operated)
- Black Padded Chairs
- Green Stage (Per section - 22 available)
- Large P.A. System per event
- Portable P.A. System per event

### **Demand for Services**

The Fairgrounds site is used for the annual County Fair, typically held over four days on the first weekend of August. In addition, the Fairgrounds accommodates a variety of non-fair functions throughout the year. According to the Strategic Plan, the total annual attendance of the Fairgrounds site is approximately 135,000, including both fair and interim attendance.<sup>4</sup>

The Fairgrounds facilities and buildings are used year-round by numerous organizations for small meetings and large annual events. Types of organizations/events that use the site on a regular basis include youth and adult sports leagues, political organizations, agricultural clubs, sales and auction events.

## **3.2 Needs and Deficiencies**

The District needs to continue pursuing long-term funding sources. The MOU between the District and the 41<sup>st</sup> DAA is intended to backfill operating losses, rather than fund specific projects. Funds provided by the District so far have covered operating shortfalls along with emergency and routine maintenance items. The 41<sup>st</sup> DAA Fair Board's Strategic Plan identifies minimum maintenance/improvement projects to existing facilities needed to ensure that ongoing operations are safe and enjoyable. Fairground improvement projects would be funded by the 41<sup>st</sup> DAA.

### **2018 Grand Jury Report Summary**

The 2017-2018 Del Norte County Grand Jury undertook an investigation and review of the District from August 2017 through April 2018. It reviewed public documents, attended a joint meeting between the 41<sup>st</sup> DAA and the District Board, interviewed multiple members of the Local District Board, members of the 41<sup>st</sup> DAA Board and employees, and county government officials. In the report, it presents seven findings and recommendations that the District has been actively pursuing. The District is in complete compliance with LAFCo structure and works effectively with the 41<sup>st</sup> DAA State Board to make joint decisions. The report recommendations included:

- Putting a dispute resolution structure in place that could be used when membership changes or diverging priorities result in conflict.
- Increasing public outreach and community participation, including increasing meeting agenda posting locations and greater exposure of meetings on their website
- Resubmit and promote the State of California and Local District Board lease agreement to the new State Governor for local control and operations transfer from the 41<sup>st</sup> State Board
- Provide more detailed income, expenditures and transfers accounting, to provide greater public transparency and accountability.

<sup>4</sup> Strategic Plan 2014-2016, 41<sup>st</sup> District Agricultural Association, The Del Norte County Fair and Fairgrounds.

### 3.3 Other Service Providers

Del Norte County includes parks, resource areas, beaches, and recreational facilities. Most of these areas are small, compared with Federal and State parks, but are strategically located to provide access and use of some of the county's most important recreational features. Del Norte County operates and maintains 24 parks and recreation facilities totaling approximately 160 acres.

The Crescent City area provides opportunities for hiking, bicycling, beach combing, commercial and recreational fishing, camping, surfing, boating, and many other activities. There are approximately 192 acres of parkland within City limits. Major recreational features located within the Crescent City area include Peterson Park, Brother Jonathan Park and Vista Point, Tetrapod Area, Beach Front Park, Cultural Center, public swimming pool, Marine Mammal Center, beach access, Harbor-City bicycle path, Citizens Dock and boat launching facilities, and the B Street Pier. There are also several camping and RV areas within the City including four privately managed and one public RV park.

In addition to County and City owned and maintained park and recreation areas, there are vast amounts of Federal and State park areas that provide recreation opportunities to residents and visitors to Del Norte County. The Smith River National Recreation Area and the National Park portion of Redwood National and State Parks make up the majority of the Federal recreations in the county. The Smith River NRA covers approximately 43 percent of Del Norte County and offers a broad range of recreation uses.

## 4.0 FINANCING

---

The District is financed primarily through a special sales tax (0.25%) applied countywide. This special sales tax was approved by Del Norte County voters in November 2014 and took effect April 1, 2015. The sales tax is a short term (7 years) revenue source and will sunset in 2022. Additional long-term revenue sources need to be pursued and are currently under review by the District. The District is eligible to apply for grants and to accept donations. Existing Fairgrounds facilities and equipment rentals and fair attendance revenues continue to be managed by the current 41<sup>st</sup> DAA Fair Board.

District administrative expenses include costs of liability insurance, part-time contract staff to coordinate and notice board meetings, prepare meeting agendas, and record minutes at District board meetings, and bookkeeping services. Other miscellaneous costs include an annual audit. A District budget overview is shown in Table 5.

The MOU between the District and the 41<sup>st</sup> DAA outlines a process for requesting and using District funds; however it appears that this process has not been fully implemented. The 41<sup>st</sup> DAA is to provide the District a quarterly financial report and request for funding assistance. The financial report and request must contain all sources of projected revenue and the current and ongoing operational expenses and liabilities. In addition, the report and request should specifically list all events, available recreational programs and opportunities, and scheduled uses of facilities

anticipated during the funding request period. Upon receipt of the financial report and request, the District considers the financial report and determine within 30 days whether it will provide financial assistance, in what amount, and for what purposes the money may be spent by the 41<sup>st</sup> DAA. If the District provides financial assistance, the 41<sup>st</sup> DAA must expend the funds in accordance with the conditions set forth by the District. The 41<sup>st</sup> DAA maintains sole possession and control of the Fairground premises and is responsible for the management, operation, events and activities that take place there.

The District Board financial committee operates under Financial and Accounting Policies and Procedures adopted October 29, 2015. These policies are in the process of being updated and in the update process the Board should ensure that more detailed income accounting, expenditures, and transfers that provide greater transparency and accountability to the public are incorporated.

**Table 5: District Revenues and Expenditures – Three Year Summary**

	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Budget</b>	<b>FY 2019-20 Budget</b>
<b>Revenues</b>			
0.25% sales tax revenue	\$491,705	\$502,264	\$490,000
Interest Income	\$7,372	\$7,372	\$15,000
<b>Total Revenue</b>	<b>\$499,077</b>	<b>\$509,636</b>	<b>\$505,000</b>
<b>Expenses</b>			
Administrative	\$12,662	\$25,000	\$25,000
Other Operating Expenditures (41 <sup>st</sup> DAA)	\$300,000	\$300,000	\$250,000
<b>Total Expenses</b>	<b>\$312,662</b>	<b>\$325,000</b>	<b>\$275,000</b>
<b>Net Revenues over Expenses</b>	<b>\$186,415</b>	<b>\$184,636</b>	<b>\$230,000</b>
<b>Reserve Fund</b>	<b>\$632,845</b>	<b>\$783,524</b>	<b>\$834,110</b>

Source: District Budgets

Table 6: District 2019-20 Budget

	Year End Estimates 2018-19	Budget 2019-20
Sales Tax Revenue	484,619.76	490,000.00
Interest Income	15,932.75	15,000.00
Total Revenues	\$ 500,552.51	\$ 505,000.00
Expenditures		
Administrative	21,030.00	25,000.00
Other Operating Expenditures (41st DAA)	236,000.00	250,000.00
Total Expenditures	\$ 312,662.00	\$ 275,000.00
Beginning Cash	\$ 1,240,568.10	\$ 1,409,458.61
Net Revenues over Expenditures	\$ 187,890.51	\$ 230,000.00
Ending Cash	\$ 1,428,458.61	\$ 1,589,458.61
Current Reserve Funding - 30% of Revenue	-	\$ 201,265.61
Prior Year Reserves	\$ 632,844.97	632,844.97
Total Restricted Funds	\$ 632,844.97	\$ 834,110.58
Net Cash Available - Unrestricted	\$ 795,613.64	\$ 755,348.03

It is the District's responsibility to annually review the budget to efficiently allocate expenses and build a reserve fund. The reserve fund is established to make the District sustainable past the initial seven-year period when sales tax revenues are accruing. Thirty percent of annual revenue is placed in the District's reserve fund. The District FY 2018-19 budget shows \$755,348 of unrestricted cash available. The FY 2019-20 Budget shows a reserve fund \$834,110. At this rate it is possible for the reserve fund to exceed \$1,000,000 when the sales tax measure sunsets. It will be important for the District to have a program in place for beneficial use of these funds.

### Annual Audit Information

The accounting policies applied to and procedures used by the District conform to accounting principles applicable to District Agricultural Associations as prescribed by the State Administrative Manual and the Accounting Procedures Manual. The District's activities are accounted for as an enterprise fund. The Governmental Accounting Standards Board (GASB) defines an enterprise fund as a fund related to an organization financed and operated in a manner similar to a private business enterprise where the intent is to recover the costs of providing goods or services to the general public primarily through user charges<sup>5</sup>. The District posted its annual audits for fiscal years 2015-16, 2016-17 and 2017-18 prepared by Donald R. Reynold, Certified Public Accountant to its website at (<https://dncfrpd.org>).

<sup>5</sup> Del Norte County Fairgrounds Recreation & Parks District Financial Statements for the year ended June 30, 2017

**Table 7: District Audit Information Summary**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
<b>Revenues</b>			
Sales Tax	\$389,788	\$480,402	\$502,269
<b>Total Revenue</b>	<b>\$388,788</b>	<b>\$480,402</b>	<b>\$502,269</b>
<b>Expenses</b>			
Administration	\$16,822	\$15,551	\$12,663
Prior Expenses	\$48,411	\$30,000	\$0
Contribution to other Agencies	\$209,000	\$239,574	\$300,000
<b>Total Expenses</b>	<b>\$274,233</b>	<b>\$285,125</b>	<b>\$312,663</b>
<b>Revenue/Expenses</b>	<b>\$115,729</b>	<b>\$195,277</b>	<b>\$189,606</b>

Source: District Audits prepared by Donald R. Reynold, Certified Public Accountant

#### **41st District Agricultural Association Audit Information**

The California Department of Food and Agriculture’s Audit Office conducted a performance audit of the 41<sup>st</sup> DAA from January 1, 2017-December 31, 2018. Based on the procedures as specified within the audit methodology, all sales tax (Measure F) funds were fully accounted for without exception. The audit did find compliance deficiencies in the MOU between the 41<sup>st</sup> DAA and the District. The District and the 41<sup>st</sup> DAA are working together to comply with the audit recommendations and to update and implement the MOU accordingly.

## 5.0 MSR DETERMINATIONS

---

56430(a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

### **1) Growth and population projections for the affected area.**

The District covers the entire unincorporated area of Del Norte County and the City of Crescent City. According to the U.S. Census, the total population in Del Norte County was 28,610 in 2010 and estimated at 27,828 in the 2018, which is an approximately 2.7% population decrease from 2010 to 2018. California Department of Finance projections could mean population decreases resulting in a 2030 population of approximately 27,180.

### **2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere.**

According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. Del Norte County had an estimated MHI of \$41,287, which is 58% of the state average MHI, thereby qualifying the area as disadvantaged.

### **3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies (including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere).**

The present and planned capacity of the Fairgrounds accommodates the annual County Fair and other regular and special events throughout the year. The 41<sup>st</sup> DAA's proposed maintenance/improvement projects will improve the adequacy and capacity of the Fairgrounds facilities and services. The District supports park and recreation services; sewer, water, and structural fire protection services within the District are provided by other agencies.

### **4) Financing ability of agencies to provide services.**

The District is financed primarily through a special sales tax (0.25%) applied countywide. This special sales tax was approved by Del Norte County voters in the November 2014. The sales tax is a short-term revenue source (7 years) and additional long-term revenue sources need to be pursued and implemented by the District. The District has established a reserve fund to make it sustainable past the initial seven-year period when sales tax revenues are accruing. Thirty percent of annual revenue is placed in the District's reserve fund, which according the FY 2019-20 Budget has \$834,110. The current District budget also shows \$755,348 of unrestricted cash available. The District should continue to work with the 41<sup>st</sup> DAA to implement specific processes to follow when providing financial assistance and update the MOU between them and the 41<sup>st</sup> DAA if necessary,

to reflect agreed upon terms and conditions. This should include a post sales tax recreational use funding program.

**5) Status of and, opportunities for, shared facilities.**

The District does not directly provide services and has an agreement with the Del Norte County Fair 41st District Agricultural Association to continue operating the Fairgrounds facilities and services. The Fairgrounds facilities are unique, there are no other service providers that have these types of services or a similar type of property within District boundaries. The District shares space with the Fair Board and District meetings are generally held at the Fairgrounds offices.

**6) Accountability for community service needs, including governmental structure and operational efficiencies.**

The District is governed by a five-member Board of Directors elected by District residents. The District Board meets regularly in compliance with Brown Act requirements. Meetings are noticed and records are posted regularly on the District website including meeting agendas, minutes, budgets, and audits. The 41st DAA maintains sole possession and control of the Fairground premises and is responsible for the management, operation, events and activities that take place there.

The District Board provides oversight of how District revenue is used for continuing the programs and operations of the Del Norte County Fairgrounds facilities for community recreation opportunities. The District and the 41st DAA signed a MOU detailing the agreement between the two parties. The MOU terms and conditions should be implemented by both organizations.

**7) Any other matter related to effective or efficient service delivery, as required by commission policy.**

The District and the 41st DAA signed a MOU detailing the agreements between the two parties. The MOU is structured for effective and efficient service delivery. The District, as an independent special district, is authorized to receive sales tax revenues. The 41st DAA is staffed and equipped for service delivery and this capacity is enhanced by additional revenues.

## 6.0 SPHERE OF INFLUENCE DETERMINATIONS

---

The District's sphere of influence is coterminous with District Boundaries. According to §56425(e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

**1) The present and planned land uses in the area, including agricultural and open-space lands.**

The District covers the entire unincorporated area of Del Norte County and the City of Crescent City. Land uses within District boundaries are subject to the Del Norte County General Plan and Crescent City General Plan. The district largely contains resource and rural residential land. The majority of Del Norte County is made up of public lands including Redwood State and National Parks and the Smith River National Recreation Area. Little change in actual or designated land uses within the District is anticipated over the next 20 years. As the District sphere is coterminous with the District boundary and the Del Norte County boundary, there is no opportunity to expand the SOI and therefore no recommended changes.

**2) The present and probable need for public facilities and services in the area.**

The Fairgrounds site is used for the annual County Fair, typically held over four days on the first weekend of August. In addition, the Fairgrounds accommodates a variety of non-fair functions throughout the year. The Fairgrounds facilities and buildings are used year-round by numerous organizations for small meetings and large annual events. Types of organizations/events that use the site on a regular basis include youth and adult sports leagues, political organizations, agricultural clubs, sales and auction events.

**3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The present capacity of the Fairgrounds is sufficient to accommodate the annual County Fair and other regular and special events throughout the year. On-going maintenance/ improvement projects will improve the Fairgrounds facilities and services. The funds provide to the 41<sup>st</sup> DAA by the District have covered operating shortfalls along with emergency and routine maintenance of fairground facilities. The sales tax is a short-term revenue source and additional long-term revenue sources are under consideration by the District.

**4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

The District serves the entire unincorporated area of Del Norte County and the incorporated area of Crescent City; other communities include the unincorporated communities of Bertsch-Oceanview, Fort Dick, Gasquet, Hiouchi, Klamath, Patrick Creek, and Smith River.



5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

The District does not provide sewer, municipal and industrial water, or structural fire protection services. The District SOI has no ability to expand due to already covering the entire County and therefore it is not proposed to be updated. The Municipal Services Review determination made for disadvantaged unincorporated communities applies to this determination as well.

## 7.0 REFERENCES

---

CA Department of Finance, 2019. Total Population Projections for California and Counties, <http://www.dof.ca.gov/Forecasting/Demographics/Projections/>

Del Norte County Fair and Fairgrounds Strategic Plan 2014-2016, 41st District Agricultural Association.

Madden, W. District Administrator, personal communication, July 2019.

U.S. Census 2000 and 2010

U.S. Census QuickFacts. Del Norte County, CA.

<https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>

**DEL NORTE  
LOCAL AGENCY FORMATION COMMISSION**  
1125 16<sup>th</sup> Street, Suite 202  
Arcata, California 95521  
TEL (707) 825-9301 FAX (707)825-9181  
eo@delnortelafo.org

**RESOLUTION 20-02  
APPROVING THE DEL NORTE FAIRGROUNDS PARK & RECREATION DISTRICT  
MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATE**

WHEREAS, the Del Norte Local Agency Formation Commission, hereinafter referred to as the "Commission", is authorized to establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Del Norte County; and

WHEREAS, the Commission staff prepared a municipal service review to evaluate the availability and performance of governmental services provided by the Del Norte Fairgrounds Park & Recreation District, pursuant to California Government Code Section 56430; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner prescribed by law; and

WHEREAS, the Executive Officer's report and recommendations on the sphere of influence update were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all evidence presented at a public hearing on June 1, 2020; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56425.

**NOW, THEREFORE, BE IT RESOLVED** as follows:

1. The Commission hereby accepts the Del Norte Fairgrounds Park & Recreation District Municipal Service Review, incorporated herein by reference.
2. The Del Norte Fairgrounds Park & Recreation District sphere of influence included within the Municipal Service Review has been appropriately informed by the Commission's evaluation of the level and range of governmental services provided.
3. Pursuant to Government Code Section 56425(e), the Commission makes written statement of determinations for the Del Norte Fairgrounds Park & Recreation District Municipal Service Review & Sphere of Influence Update, hereby incorporated by reference.
4. The Commission, as Lead Agency, determines that the sphere of influence update is exempt from further review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of significantly affecting the environment given no new land use or municipal service authority is granted.

**PASSED AND ADOPTED** at a meeting of the Del Norte Local Agency Formation Commission, State of California, on the 1st day of June 2020, by the following vote:

AYES:	Commissioners:
NOES:	Commissioners:
ABSENT:	Commissioners:
ABSTAIN:	Commissioners:

---

Jason Greenough, Chair

Attest:

---

George Williamson, Executive Officer

**DEL NORTE  
LOCAL AGENCY FORMATION COMMISSION**  
1125 16<sup>th</sup> Street, Suite 202  
Arcata, California 95521  
TEL (707) 825-9301 FAX (707)825-9181  
eo@delnortelaftco.org

**AGENDA ITEM 2B**

**MEETING DATE:** June 1, 2020  
**TO:** Del Norte Local Agency Formation Commission  
**FROM:** George Williamson AICP, Executive Officer  
**SUBJECT:** FY 2020-2021 Final Budget Adoption

---

**RECOMMENDATION**

The following procedures are recommended with respect to the Commission's consideration of this item:

- Receive verbal report from staff;
- Open the public hearing and invite testimony; and
- Discuss item close the hearing and consider action on recommendation:
  - 1) Adopt Resolution 20-03 approving the final FY 2020-2021 budget, as shown in Exhibit A.

**BACKGROUND**

Local Agency Formation Commissions (LAFCo) are responsible under State law for annually adopting a proposed budget by May 1st and a final budget by June 15th. State law specifies the proposed and final budgets shall - at a minimum - be equal to the budget adopted for the previous fiscal year unless LAFCo finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties.

The proposed FY 2020-21 budget was reviewed and approved on April 20, 2020.

**DISCUSSION**

Conditions due to the pandemic are having a significant impact on municipal budgets. Recent County Auditor reports show interest amounts higher than those reported in the draft budget. As such, for the final FY 2020-21 Budget, staff propose use of interest funds to reduce County and City contributions to last year's amounts, as shown in attached budget (Exhibit A to Resolution 20-03). The Executive Officer sent letters to both the City of Crescent City and the County of Del Norte informing them that the City and County funding obligations would not increase to \$40,152.50 as proposed and instead would maintain the FY 2019-20 levels of \$39,852.50. The proposed FY 2020-2021 Budget was provided to the County and City of Crescent City, no comments were received.

A FY 2020-21 CALAFCO Board Meeting travel expense allocation of \$4,300.00 is requested to allow for Commissioner Inscore to participate in (as travel restrictions allow) up to four CALAFCO Board Meetings and the annual conference. The Commissioner may decide to attend the meetings in person or remotely depending on meeting scheduling and logistics. This amount would come from Contingency (unrestricted) Funds.

**ATTACHMENT**

Resolution No. 20-03 Adopting a Final Budget for Fiscal Year 2020-2021

**DEL NORTE  
LOCAL AGENCY FORMATION COMMISSION**  
1125 16<sup>th</sup> Street, Suite 202  
Arcata, California 95521  
TEL (707) 825-9301 FAX (707)825-9181  
eo@delnortelaftco.org

**RESOLUTION 20-03  
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2020-2021**

WHEREAS, the Del Norte Local Agency Formation Commission ("Commission") is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt a proposed budget for the next fiscal year no later than May 1 and a final budget no later than June 15th for the next fiscal year; and

WHEREAS, the Commission approved a proposed budget at a noticed public hearing on April 20, 2020; and

WHEREAS, at Commission direction, the Executive Officer circulated the proposed budget to local funding agencies that contribute to the Commission's budget; and

WHEREAS, the Executive Officer prepared a report with recommendations for a final budget; and

WHEREAS, the Executive Officer's report was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard fully and considered all of the evidence presented at its public hearing on the final budget held on June 1, 2020; and

WHEREAS, the Commission determined the proposed budget projects the staffing and program costs of the agency as accurately and appropriately as is possible.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Final Fiscal Year 2020-2021 Budget as presented in Exhibit A is approved.
2. The overall operating costs provided in the final budget will allow the Commission to fulfill its regulatory and planning responsibilities as required under Government Code Section 56381 (a).

**PASSED AND ADOPTED** at a meeting of the Del Norte Local Agency Formation Commission on the 1st day of June, 2020, by the following vote:

AYES:	Commissioners:
NOES:	Commissioners:
ABSENT:	Commissioners:
ABSTAIN:	Commissioners:

---

Jason Greenough, Chair

---

George Williamson, Executive Officer

ATTACHMENT: Exhibit A: FY 2020-21 Final Budget

DEL NORTE  
LOCAL AGENCY FORMATION COMMISSION  
1125 16<sup>th</sup> Street, Suite 202  
Arcata, California 95521  
TEL (707) 825-9301 FAX (707)825-9181  
eo@delnortelafo.org

EXHIBIT A  
FY 2020-2021 FINAL BUDGET

		<b>FY 2020-21</b>
<b>Account</b>	<b>EXPENDITURES</b>	<b>Final</b>
<b>Line #</b>	<b>SERVICES &amp; SUPPLIES</b>	
20150	Insurance	\$2,400.00
20200	CALAFCO Membership	\$1,373.00
20221	Printing	\$50.00
20223	Postage	\$50.00
20230	Professional Services	
	MSR/SOI Preparation	\$24,500.00
	Application Processing	\$10,000.00
20231	Prof. Serv. Executive Officer/ Admin.	\$47,520.00
20232	Prof. Serv. Legal Counsel	\$2,000.00
20240	Advertising/Publications	\$400.00
	Conferences (CALAFCO when funds available)	\$0.00
70530	Interfund-Cost Plan	\$1,692.00
20233	Public Member Stipend (up to 8 mtgs @ \$40/mtg)	\$320.00
	<b>TOTAL EXPENDITURES</b>	<b>\$90,305.00</b>
	<b>REVENUES</b>	
91125	Project Revenue (Application Deposit)*	\$10,000.00
90300	Interest	\$600.00
90780	Del Norte County	\$39,852.50
90781	City of Crescent City	\$39,852.50
07100	Funds from Account #42801007100	\$0.00
	<b>TOTAL REVENUES</b>	<b>\$90,305.00</b>
	<b>Contingency (Unrestricted) Fund Allocations</b>	
	Authorized CALAFCO Board Travel Expenses	\$4,300.00
	<b>FUND BALANCE</b>	
07100	Account #42801007100	\$16,552.00
*Deposit paid by applicants to cover application processing. Projected amount for auditor use in issuing payment for expense claims.		

**DEL NORTE  
LOCAL AGENCY FORMATION COMMISSION**  
1125 16<sup>th</sup> Street, Suite 202  
Arcata, California 95521  
TEL (707) 825-9301 FAX (707)825-9181  
execofficer@delnorte.lafco.ca.gov

**AGENDA ITEM 3A**

**MEETING DATE:** June 1, 2020  
**TO:** Del Norte Local Agency Formation Commission  
**FROM:** George Williamson AICP, Executive Officer  
**SUBJECT:** Staffing Services Agreement Extension

---

**RECOMMENDATION**

Staff recommends the Commission extend "Agreement for the Provision of Executive Officer Services for Del Norte LAFCo" for FY 2020-2021.

**DISCUSSION**

The "Agreement for the Provision of Executive Officer Services for the Del Norte Local Agency Formation Commission", between the Commission and Planwest Partners, has been guiding staffing services since 2008. The term and budget provisions have been extended annually based on favorable Commission action.

Approved past amendments have clarified which charges, including travel expenses, meeting staffing and minutes recording (by a subcontractor), application processing costs, and published noticing costs in the Daily Triplicate, may be itemized and submitted for reimbursement separate from hourly costs for staffing services.

Planwest Partners Inc. will continue to provide office equipment, clerical assistance, utilities, telephone, and office supplies at no charge to the Commission. Reimbursable charges include (1) public hearing notices in the Daily Triplicate, (2) PS Business Services costs to perform staffing, recording, copying and posting services (as a subcontractor) and (3) meeting travel as stated below:

6. **STATUS OF CONTRACTOR:** At all times during the term of this Agreement, CONTRACTOR shall be responsible for his own operating costs and expenses, property and income taxes, workers' compensation insurance, and other operating costs and expenses in connection with performance of services under this Agreement. CONTRACTOR shall receive reimbursement of costs advanced by CONTRACTOR on behalf of COMMISSION, as well as other expenses, in addition to fees for services, within adopted budget. Reimbursable costs include, but are not limited to, out of county automobile mileage for travel at the current IRS rate per mile, newspaper publishing and mailing of public notices, subcontractor costs for noticing, staffing, minutes recording, and packet printing and distribution at LAFCo meetings, and other items necessary for LAFCo activities.

**ATTACHMENT**

Professional Services Contract Extension

ATTACHMENT 3A



**PROFESSIONAL SERVICES CONTRACT EXTENSION**

**DATE:** June 1, 2020  
**TO:** Jason Greenough, Chair  
Del Norte LAFCo  
**FROM:** George Williamson, AICP  
**SUBJECT:** Del Norte LAFCo Agreement for Executive Officer Services

Planwest Partners Inc. is authorized to continue providing professional staffing services to the Del Norte Local Agency Formation Commission (LAFCo), for the 2020-2021 Fiscal Year. Planwest will perform the tasks and activities for Del Norte LAFCo identified in Exhibit A, Scope of Services (attached).

All provisions of the Agreement for the Provision of Executive Officer Services for the Del Norte LAFCo remain in effect, except:

Part 5 - Term, which will be extended from July 1, 2020 to June 30, 2021.

\_\_\_\_\_  
Jason Greenough, Chair  
Del Norte LAFCo

\_\_\_\_\_  
Date



## **“EXHIBIT A” - SCOPE OF SERVICES**

### **Task 1 Performance of Executive Officer Duties**

Perform Executive Officers duties including preparing staff reports, proposed findings and other agenda materials for routine Del Norte Local Agency Formation Commission (LAFCo) activities: This includes coordinating boundary adjustment proposals; reviewing applications for provision of new and extended services outside city and district boundaries; reviewing Sphere of Influence and Municipal Service Review reports and amendments; and reviewing environmental documents for California Environmental Quality Act (CEQA) compliance, submitted by member organizations. Preparation of all application materials for LAFCo actions would be the responsibility of the applicant and /or member organization, or may be prepared by the Executive Officer for an additional cost paid by applicant and /or member organization.

### **Task 2 Develop and Implement Policies**

Develop and implement policies within Del Norte LAFCo's authority under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

### **Task 3 Maintain Website Postings**

Provide materials to CALAFCO webmaster, to keep the Del Norte LAFCo website update, and to make Agendas and Minutes available to the public in an electronic web-based format.

### **Task 4 Organization and Administration of LAFCo Business**

Respond to inquiries and provide technical assistance and make information available to interested public agencies and individuals.

### **Task 5 Record Keeping**

Distribute, file, publish and keep records of agendas, notices and other required official documents on behalf of LAFCo, and keep the Commission informed of LAFCo budget activities.

### **Task 6 Staff Support at Meetings**

Schedule, post notices and provide staff support at up to eight LAFCo meetings in accordance with the Act and LAFCo policies and procedures. Additional meeting support will be provided on a time and materials basis.

### **Task 7 Representation**

Represent Del Norte LAFCo to CALAFCO and to various other policy-making agencies as directed by the Commission.

### **Task 8 Keep LAFCo Informed**

Inform LAFCo of new legislation, correspondence, CALAFCO activities, current events and matters of interest related to LAFCo.