

**LOCAL AGENCY FORMATION COMMISSION  
SPECIAL MEETING AGENDA**

Wednesday, November 8, 2006  
10:00 a.m.

Room 374A  
Kenneth Hahn Hall of Administration  
500 West Temple Street, Los Angeles 90012

\*\*\*\*\*

A person with a disability may contact the LAFCO office at (818) 254-2454 at least 72 hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

\*\*\*\*\*

1. **CALL MEETING TO ORDER.**
2. **PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIRMAN GLADBACH.**
3. **OTHER ITEMS**
  - a. Financial Report
  - b. Operating Account Register
  - c. Approve minutes of the meeting held October 11, 2006.
  - d. Receive and file Municipal Service Reviews and Spheres of Influence Update.
  - e. Receive and file update on pending applications

4. **PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on items that are not on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Speakers are reminded of the three-minute time limitation.

5. **FUTURE MEETINGS**

December 13, 2006

6. **FUTURE AGENDA ITEMS**

Items not on the posted agenda which, if requested, will be referred to staff or placed on a future agenda for discussion and action by the Commission, or matters requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Commission subsequent to the posting of the agenda.

7. **ADJOURNMENT MOTION**

## **Staff Report**

**November 8, 2006**

### **Agenda Item No. 3a Financial Report**

#### **Background**

LAFCO maintains two distinct and separate financial operations. The first is its Operating Account system that deals with the day to day financial operation of the organization and the second is an Allocable Funding/Reserve Account system that deals with those funds that have been allocated to specialized requirements such as Municipal Service Review activities and a reserve fund. Both financial systems have an investment account and a corresponding checking account.

#### **Operating System**

The LAFCO operating system is comprised of an investment account with the Los Angeles County Treasurer and Tax Collector and a corresponding checking account with Bank of America.

Yearly revenues that are allocated and collected in accordance with Government Code section 56381(c) are placed directly into the investment by the County Auditor-Controller's office as a service to LAFCO. As operating funds are required, they are withdrawn from the investment account and deposited into the corresponding LAFCO Bank of America checking account.

Other sources of revenue such as application fees, etc. are deposited directly to the checking account by LAFCO. Only the Executive Officer or Assistant Executive Officer has authorization to transfer funds out of the investment account to the checking account.

The County Treasurer's office and Bank of America provide monthly reports of LAFCO's accounts. The County Treasurer's system normally reports financial account status six to eight weeks behind each actual month being reported. LAFCO's Executive Officer maintains a detailed accounting of records by month and fiscal year.

Copies of the Executive Officer's account balance sheets and the County Treasurer's Report are attached as follows:

- a. Executive Officer's CASH MANAGEMENT STATUS for 2005/2006 and 2006/2007
- b. County Treasurer's Report of Investments, dated August, 2006

#### **Allocable Funding/Reserve Account**

The allocable/funding reserve system also has an investment account with the Los Angeles County Treasurer and Tax Collector and a corresponding checking account with Bank of America.

These funds, as previously mentioned, are set aside for various activities such as future Municipal Service Review (MSR) activity, major office equipment and office relocation expenses and a normal reserve that is set aside for events such as potential extraneous legal expenses.

Copies of the Executive Officer's account balance sheets and the County Treasurer's Report are attached as:

- c. Allocable Funding and Reserve Account fund distribution
- d. Executive Officer's CASH MANAGEMENT STATUS for the allocable Funding and Reserve Account
- e. County Treasurer's Report of Investment, August, 2006

As always, monthly checking account expenditures are provided to the Commission at each second monthly meeting.

#### **LAFCO Audit, Request For Proposal**

As reported at the October 25, 2006 LAFCO Hearing staff is presently awaiting responses to its request for audit proposals for fiscal years:

- 1. 2003/2004
- 2. 2004/2005
- 3. 2005/2006

#### **2005/2006 Budget versus Actuals**

Attachment f. is a detailed report denoting the 2005/2006 Budget versus actual expenditures.



**STAFF REPORT**

**November 8, 2006**

**STAFF REPORT**

**AGENDA ITEM NO. 3d  
MUNICIPAL SERVICE REVIEWS AND SPHERES OF INFLUENCE UPDATE**

**Sphere Of Influence (SOI) - Municipal Service Review (MSR)  
REMAINING - PROJECTED COMPLETION DATES**

<b>Regional Area Cities / Water Districts</b>	<b>MSR Draft Completion Status</b>	<b>Workshop Meeting Status</b>	<b>SOI Draft Completion Status</b>	<b>Commission Hearing Schedule Projection</b>	<b>Comments</b>
<u>Los Angeles Area</u>					
Cities (8)	May., 2006	Jun., 2006	Jul., 2006	October, 2006	
Water Districts (2)	Mar., 2006	Jun., 2006	Jul., 2006	October, 2006	

**11 Total 8 Cities 2 Water Districts 1 Consolidated Fire** - (To be completed by regional area)

**COMPLETIONS TO DATE**

<u>Catalina</u>					
Cities (1)	Complete	Complete	Complete	Feb. 27, 2004	No Special Districts
<u>Misc. Gov't. Services</u>					
Total Districts (29)	Complete	Complete	Complete	Jun. 23, 2004	
<u>Las Virgenes</u>					
Cities (5)	Complete	Complete	Complete	Aug. 25, 2004	
Water Districts (2)	Complete	Complete	Complete		
<u>High Desert</u>					
Cities (2)	Complete	Complete	Complete	Aug. 25, 2004	
Water Districts (8)	Complete	Complete	Complete		
<u>Santa Clara</u>					
Cities (1)	Complete	Complete	Complete	Jan. 19, 2005	Approved 3 districts at LAFCO Hearing on Dec 14, 2005
Water Districts (5)	Complete	Complete	Complete		
<u>San Gabriel-West</u>					
Cities (18)	Complete	Complete	Complete	Dec. 8, 2004	
Water Districts (8)	Complete	Complete	Complete		
<u>San Gabriel – East</u>					
Cities (13)	Complete	Complete	Complete	July 13, 2005	
Water Districts (5)	Complete	Complete	Complete		
<u>San Districts</u>	(25)	Complete	Complete	Complete	May 25, 2005
<u>South Bay</u>					
Cities (14)	Complete	Complete	Complete	Sept. 28, 2005	
Water Districts (1)	Complete	Complete	Complete		
<u>Gateway</u>					
Cities (26)	Complete	Complete	Complete	Dec. 14, 2005	Approved 3 cities and 1 Water District on Feb. 22, 2006
Water Districts (6)	Complete	Complete	Complete		

**169 Total SOI's / MSR's Completed to date -**

**80 Cities 29 Misc. Districts 35 Water Districts 25 San Districts**