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Executive Officer

James M. Underwood  
General Counsel

Kathy Bull  
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## Agenda Item: 9.c.

**Meeting Date:** February 1, 2018

**From:** George Williamson, Executive Officer and Kathy Bull, Office Manager

**Subject:** Policy and Procedures Update

### **Background**

Shasta LAFCO established and adopted written Policies and Procedures March 1, 2001 pursuant to Section 56300(a) of the Cortese-Know-Hertzberg Local Government Reorganization Act of 2000.

In order to keep the Policies and Procedures current, Chapters 1, and 2 of the Policies and Procedures were revised, presented and approved by the Commission on April 6, 2017. On October 5, 2017 Chapters 3 and 4 were revised, presented and approved by the Commission. Chapters 5 and 6 were merged, revised; Chapters 7, 8 and 9 eliminated, presented and approved by the Commission on December 7, 2017.

### **Discussion**

Staff has incorporated previously approved Commission changes and updated the table of contents to reflect those changes. The completed Policy and Procedures with revisions is provided for the Commission's consideration in its entirety.

### **Recommendation**

Approve and adopt the revised Policies and Procedures or provide direction to staff.

Attachment: Draft Policy and Procedures  
Resolution 2018-01 – Revising Policies and Procedures

# **SHASTA LAFCO**

*Shasta Local Agency Formation Commission*



## **POLICIES AND PROCEDURES**

Updated 2/1/2018

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# Shasta LAFCO Policies and Procedures

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# Shasta LAFCO Policies and Procedures

## CHAPTER 1

### COMMISSION ORGANIZATION AND OFFICIAL BUSINESS TRANSACTION

#### Section 1. Introduction

##### 1.1 Statutory Authority

Cortese-Knox-Hertzberg Local Government Reorganization Act (the Act) Section 56300: requires each LAFCO to establish written policies and procedures that discourage urban sprawl, preserve agricultural land resources; encourage orderly formation of local governmental agencies; and facilitate constructive changes in government structure and boundaries. Section 56375 requires each LAFCO's actions on organization change to be consistent with its written policies and procedures.

##### 1.2 Statement of Purpose

The purpose of the policies and procedures set forth in this Chapter is to establish how provisions of the Act, pertaining to commission organization and transaction of official business will be implemented and applied by the Shasta Local Agency Formation Commission hereinafter referred to as "Shasta LAFCO" or "Commission".

#### Section 2. Commission Organization

##### 2.1 Legislative Charge to Commission

Pursuant to Shasta LAFCO statute Section 56325.1: "While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person."

##### 2.2 Commission Composition/Term of Office

The Shasta LAFCO composition shall be as prescribed in LAFCO statute Section 56325, summarized as follows:

- Two regular and one alternate County member appointed by the board of supervisors;
- Two regular and one alternate City member appointed by the city selection committee;
- Two regular and one alternate independent special district member from legislative bodies;

- One regular and one alternate public member, appointed by the other Commission members.

Pursuant to LAFCO statute Section 56334, the term of office of each LAFCO member shall be four years and until the appointment and qualification of his or her successor. The expiration date of the term of office of each member shall be the last Monday in January in the year in which the term of the member expires unless this Commission exercises its statutory authority to specify an alternate expiration date which shall be uniformly applied to all members; provided, however, that the length of a term of office shall not be extended more than once. Any commission membership vacancy shall be filled for the unexpired term by appointment by body that originally appointed the member whose office has become vacant. Refer to Commissioner terms adopted by reference.

### **2.3 Commission Compensation**

Regular and alternate Shasta LAFCO members shall be eligible for reimbursement for reasonable and necessary expenses pursuant to LAFCO statute Section 56334.

### **2.4 Disclosure of Contributions and Expenditures**

LAFCO statute Section 56100.1 permits a Commission to require disclosure of contributions, as defined in Section 82015, expenditures, as defined in Section 82025, and independent expenditures, as defined in Section 82031, made in support of or opposition of a proposal, through the adoption of written policies. This disclosure is in addition to any disclosure already required by Political Reform Act Section 81000.

It is Shasta LAFCO's position that the public interest would be served by adopting policies and procedures pertaining to disclosure of contributions, expenditures, and independent expenditures, as defined, and that adoption of such policies and procedures will promote the open, objective and impartial conduct of Commission business while maintaining the opportunity of the public to present their views and opinions to Commissioners.

Procedures pertaining to disclosure of contributions, expenditures, and independent expenditures shall apply to any proposed change of organization or reorganization, or sphere of influence adoption or amendment, for which an application has been filed with Commission staff, or a sphere of influence review initiated by the Commission.

**2.4.1 Procedures for Disclosure of Contributions and Expenditures:** A Commissioners shall make public each contribution, expenditure, and independent expenditure, by disclosure in the following manner:

1. Disclosures shall be reported by a Commissioner on a form approved by the Commission, and such completed form shall be delivered to the Executive Officer within seven (7) days after receipt of a contribution, expenditure, or independent expenditure. If, however, such delivery to the Executive Officer would thereby occur fewer than ten (10) days before the next Commission



- meeting, the report shall instead be made either orally on the record at such meeting or by distribution of the report form at the time of the meeting.
2. The Executive Officer will place all written reports so received on the Commission website and make them available for public inspection at the Commission office.
  3. Failure to make timely reports as required herein shall not validate Commission action. However, any failure hereunder which becomes known during the statutory period for reconsideration of a Commission action may constitute a ground for reconsideration upon the Commission's own motion and in its discretion.

## **2.5 Election of Chairman, Vice-Chairman**

Pursuant to LAFCO statute Section 56334: "The chairperson of the commission shall be selected by the members of the commission." Consistent with Section 56334, Shasta LAFCO shall conduct the selection of a chairperson and vice-chairperson as follows:

**2.5.1 Election Schedule:** At the first meeting of the calendar year, the members of the Commission shall elect a Chairman and a Vice-Chairman.

**2.5.2 Conduct of Election: The Chairman will conduct the election as follows:**

1. Call for nominations and seconds for Chairman.
2. Nominations for Chairman closed.
3. Call for voice vote; announcement of result.
4. Call for nominations and seconds for Vice-Chairman.
5. Nominations for Vice-Chairman closed.
6. Call for voice vote; announcement of result.

## **2.6 Powers and Duties of Chairman, Vice-Chairman**

**2.6.1 Chairman:** The Chairman shall be the presiding officer. The Chairman shall preserve strict order and decorum at all meetings, state questions coming before the Commission, announce the Commission's decision on all subjects, and decide all questions of order; subject, however, to an appeal to the Commission as a whole, in which event a majority vote shall govern and conclusively determine such questions of order. The Chairman shall vote on all questions. The Chairman shall sign all resolutions, directives, and contracts approved by the Commission. Chairman.

**2.6.2 Vice-Chairman:** In the absence of the Chairman, the Vice-Chairman shall have all of the powers and duties of the Chairman.

## Section 3. Transaction of Official Business

### 3.1 Regular/Special Meetings

**3.1.1 Schedule/Location:** On the call of the Chairman, the regular meetings of Shasta LAFCO shall be held on the first Thursday of every other month, commencing at 9:00 a.m. in the Board of Supervisors Chambers in the Shasta County Administrative Building or a City Council Chamber of an incorporated city in Shasta County, in or around Redding, California. If any regular meeting day falls upon a holiday, the regular meeting of the Commission shall be held at the same place upon the first available day which is not a holiday commencing at the same hour, in which event all hearings, applications, petitions, and other matters before the Commission are continued to the same hour of the next available day which is not a holiday.

**3.1.2 Adjourned Regular Meeting:** Any regular Commission meeting may be adjourned to any day prior the date established for the next regular Commission meeting. If the date to which any such adjourned meeting falls upon a holiday, the adjourned meeting shall be held at the same place on the next available day which is not a holiday at the hour of 9:00 a.m., thereof in which event all hearings and other Commission matters are continued to the same hour of the next available day which is not a holiday.

**3.1.3 Canceled Regular Meeting:** A regular meeting may be canceled by the Executive Officer, with the concurrence of the Chairman, or Vice Chairman in the absence of the Chairman, if it has been determined that there are no changes or organization or reorganization or other business pending which requires Commission action at the time of cancellation, and provided a notice of cancellation is given to members of the Commission not less than seventy-two (72) hours prior to the regular meeting.

**3.1.4 Special Meetings:** Special meetings may be called at any time by the Commission Chairman, or by two of the members of the Commission, by serving notice of the time, place, and purpose of the meeting upon each member of the Commission. Such notice shall be served at least twenty-four hours before the time set for the hearing, and such service shall be deemed to be completed with respect to a member upon the happening of any of the following events:

1. Personal service upon a member.
2. Delivery to the last known residence or business address of the member.
3. The expiration of seventy-two (72) hours after the deposit of said notice in the US mail, postage prepaid, addressed to the last known residence or business address of the member. No other business shall be considered at the special meeting other than that set forth in the notice of hearing. Special meetings called in accordance to the provisions above shall be held in the same location

as regular meetings, and shall commence at the same hour as regular meetings.

**3.1.5 Quorum:** A majority of the Commission shall constitute a quorum for the transaction of business; provided, however, unless specifically otherwise provided, the Commission shall take no action except upon the affirmative vote of at least three members. Less than a quorum may adjourn from time to time.

## **3.2 Order of Agenda/Record of Meetings**

**3.2.1 Order of Agenda:** The agenda of each regular meeting of Shasta LAFCO shall be as far as possible in the following order:

1. Call to Order
  - a. Roll Call
  - b. Pledge of Allegiance
2. Public Comment
3. Agenda Adoption
  - a. Agenda Additions/Changes
  - b. Business/Campaign Conflict Disclosures
4. Special Presentations
5. Consent Calendar
  - a. Minutes/Previous Meeting
  - b. Communications/Publications/Other/Fiscal Information
6. Correspondence
7. Scheduled Public Hearings
8. New Business
9. Old Business
  - a. Invoices for Executive Officer Services
  - b. Budget Items
10. Executive Officer Report
11. Closed Session
12. Commissioner Announcements
13. Staff Announcements
14. Adjournment

**3.2.2 Record of Proceedings:** The Minutes of the meetings shall be kept by the Commission Clerk or such other person as may be designated, with a record of each particular type of business transacted set off in paragraphs with proper subheads; provided, however, that the Commission Clerk shall be required to make a record only of such business as was actually passed upon by a vote of the Commission and shall not be required to record any remarks of members or any other person except at the special request of a member; and provided, further, that a record shall be made of the names and addresses of persons addressing the Commission, the title of such matter to which their remarks related, and whether they spoke in support of, or in opposition to, such matter.

At the next regular Commission meeting, the Minutes of the previous meeting shall be considered for Commission approval. Unless a member requests the reading of the Minutes of a meeting, such Minutes may be approved by consent if each member has previously been furnished a copy thereof. Upon approval by the Commission, the Clerk shall sign the Minutes.

**3.2.3 Meeting Record:** Pursuant to LAFCO statute Section 56379, “any person may, prior to any meeting, request the commission to cause a stenographic or electromagnetic record to be made of a meeting. If the cost of making that record is borne by that person, the commission shall cause the record to be made. The commission may require any person requesting the record to deposit the estimated record making cost with the commission prior to the hearing.

### **3.3 Governing Rules/Meeting Practices**

**3.3.1 Ralph M. Brown Act:** LAFCO meetings are subject to provisions of the Ralph M. Brown (“Open Meeting”) Act as set forth in Government Code Section 54950 et seq, as amended.

**3.3.2 Robert’s Rules of Order:** Except as otherwise specified by the Commission, Robert’s Rules of Order as last revised shall govern the proceedings of the Commission in the conduct of meetings thereof.

**3.3.3 Rules of Conduct:** Every member desiring to speak shall address the Chairman, and upon recognition of the Chairman, shall confine himself or herself to the question under debate, avoiding all personalities and indecorous language. A member once recognized shall not be interrupted when speaking unless it shall be to call that member to order or as otherwise specifically provided. If a member, while speaking, shall be called to order, that member shall cease speaking until the question of order has been determined and, if in order, that member shall be permitted to proceed. The Chairman may move, second, and debate from the Chair; subject only to limitations of debate as are by these rules imposed on all members and shall not be deprived of any of the rights and privileges of a member by reasons of acting as Chairman.

**3.3.4 Addressing the Commission:** All communications from the floor shall be addressed to the Commission and to none other. Any person desiring to address the Commission shall first secure the permission of the Chairman to do so. The person shall step to the podium and give his or her name and address the Commission in an audible tone of voice. Unless further time is granted by a majority of the Commission, each person addressing the Commission shall limit his or her address to a reasonable time as may be limited by the Chairman. Whenever any group of persons wishes to address the Commission on the same subject matter, it shall be proper for the Chairman to request that a spokesperson be chosen by the group to address the Commission, and in the event additional matters are to

be presented by other persons in the group, to limit the number of persons so addressing the Commission so as to avoid unnecessary repetitions.

**3.3.5 Decorum:** When the Commission is in meeting, the members shall preserve order and decorum and no member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Commission, nor disturb any member while speaking, or refuse to obey the orders of the Commission or the Chairman, except as otherwise provided in this chapter. Any person making personal, impertinent, or slanderous remarks, or who shall become boisterous while addressing the Commission shall be forthwith, by the Chairman, barred from further audience at such meeting, unless permission to continue shall be granted by majority vote of the Commission.

**3.3.6 Voting:** The roll need not be called in voting upon a motion except when requested by a member. If the roll is not called, in the absence of an objection the Chairman may order the motion unanimously approved. When the roll is called on any motion, each roll call of the Commission shall be in alphabetical order. When the roll is called on any motion, any member present who does not vote in an audible voice shall be recorded as “aye”.

**3.3.7 Action:** The Commission may act by resolution or voice vote, with the exception that all final organization changes or reorganization determinations shall be by Resolution, signed by the Chairman and attested by the Executive Officer.

### **3.4 Public Hearings/Rehearings**

#### **3.4.1 Order of Hearing:**

Public hearings before Shasta LAFCO shall be according to the conducted in the following order:

1. The Chairman will call for presentation of the staff report.
2. The Chairman will call for questions by the Commission.
3. The Chairman will open the public hearing and call for testimony. The Commission reserves the right to place a time limitation on testimony, provided the time limit is established before any testimony is received.
4. The hearing shall be closed and the matter referred to the Commission for discussion, debate, and action.

**3.4.2 Rehearings:** At the next meeting after action has been taken approving or disapproving a proposal, other than a change of organization or reorganization which would be subject to reconsideration proceedings pursuant to Section 56895, the Commission may order a rehearing on any matter. Such order for rehearing may be made upon the Commission’s own approved motion, or at the request of any affected agency or interested party. A rehearing may be granted only upon one or more of the following grounds:

1. A demonstrated proceedings error that may have affected the Commission's decision.
2. A mistake or misunderstanding of fact or law that substantially affected the Commission's decision.
3. The existence of new matters not considered by the Commission and which may have affected the decision.

## **Section 4. Executive Committee**

### **4.1 Authority**

The Executive Committee shall have the Authority to:

- Set agendas;
- Review fiscal and budget matters;
- Review Municipal Services Reviews and Sphere of Influence Update schedule;
- Meet with the staff as needed on commission matters between commission meetings;
- Call for special meetings as needed; and
- Appoint other committees as needed to conduct commission business.

The Executive Committee meets as needed to discuss agency budgets and other agency issues and serves in an advisory role to the full Commission. Executive Committee members are authorized to initiate communication directly with independent accounting firms performing Shasta LAFCO audits.

### **4.2 Composition**

The Executive Committee shall be composed of the chair, vice-chair and one other commission member. The third member should represent a commissioner types (County, City, Special District, Public) not already represented by the chair and vice-chair.

# Shasta LAFCO Policies and Procedures

## CHAPTER 2

### GENERAL OPERATIONS AND ADMINISTRATION

#### Section 1. Introduction

##### 1.1 Statutory Authority

Cortese-Knox-Hertzberg Local Government Reorganization Act Section 56380 provides that, “The commission shall make its own provision for necessary quarters, equipment, and supplies, as well as personnel. The commission may choose to contract with any public agency or private party for personnel and facilities.

As provided in LAFCO statute Section 56381, (a) The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter: (b) After public hearings, consideration of comments, and adoption of a final budget by the commission. the auditor shall apportion the net operating expenses of a commission in the following manner: (1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission’s operational costs.”

Pursuant to Section 56384, “(a) The commission shall appoint an Executive Officer who shall conduct and perform the day-to-day business of the commission. If the executive officer is subject to a conflict of interest on a matter before the commission, the commission shall appoint an alternate executive officer; (b) The commission shall appoint Legal Counsel to advise it. If the commission’s counsel is subject to a conflict of interest on a matter before the commission, the commission shall appoint legal counsel to advise it.: and (c) The commission may appoint such staff as it deems appropriate. If staff for the commission is subject to a conflict of interest on a matter before the commission, the commission shall appoint alternate staff to assist it.”

##### 1.2 Statement of Purpose

The purpose is to establish how the requirements and provisions in the LAFCO statute pertaining to general operations and administration, including the appointment of staff, will be applied by the Shasta Local Agency Formation Commission, hereinafter referred to as “Shasta LAFCO” or “Commission”.

## **Section 2. Budget and Accounting**

### **2.1 Annual Budget**

Pursuant to LAFCO statute, Shasta LAFCO shall annually adopt a budget for operations. The annual budget shall be submitted in a format that is consistent with generally accepted budget documents for local government agencies. At a minimum, the budget shall include provisions for salaries and benefits and services and supplies, including any contract services, necessary to operate and maintain the functions of Shasta LAFCO in a manner that efficiently serves the needs of the general public and meets the statutory intent. To offset expenditures to the fullest extent possible, the budget shall identify and include projected revenues from other agencies, as defined and permitted by statute, as well as fees and charges, as defined and permitted by statute.

The Executive Officer shall prepare and submit proposed and final annual budgets according to the statutory deadlines:

1. Budget objects, sub-objects and line items shall be consistent with standard public agency budgeting practices.
2. Inter-object budget transfers and transfers between sub-objects shall be approved in advance by the Commission.
3. Executive Officer budget transfers between line items may be approved by the Executive Committee so long as this does not deviate from Commission adopted budget object and sub-object expenditure totals, and any such transfer is reported to the Commission at its next meeting.
4. User-fee based expenditure line items shall be budgeted in a separate sub-object to facilitate budget tracking and accounting.
5. Adopted budgets shall reflect Commission's best estimate of annual revenues and carry-over fund balances.
6. Adopted budgets shall separately identify restricted fee-based services of revenues and fund balances.
7. Adopted budgets shall separately identify the estimated fund balance to be maintained solely for future MSR/SOI work to be performed on a staggered period, over three or more years as determined necessary by the Commission.
8. Formal Commission budget reviews shall occur no less than every six (6) months.

### **2.2 Investment Policy:**

#### **2.2.1 Scope**

This policy provides guidelines for the prudent investment of Shasta LAFCO funds and for maximizing the efficiency of Shasta LAFCO's cash management system.

#### **2.2.2 Objectives**

The primary investment activities objectives shall be, in order of priority:



1. Safety of Principal. Investments shall be undertaken in a manner that first seeks to ensure the preservation of principal. The Executive Officer and/or Executive Committee shall evaluate, or cause to be evaluated, each potential investment, seeking both quality in issuer and in underlying security or collateral. The objectives will be to mitigate credit risk and interest rate risk.
2. Liquidity. Investments shall have maturity dates compatible with cash flow requirements and shall permit easy and rapid conversion to cash without substantial value loss.
3. Return on Investment. Investments shall be undertaken to attain market rates of return, consistent with the higher priority objectives of safety of principal and liquidity.

### **2.2.3 Prudence**

LAFCO shall manage its investments under the “prudent person rule” which states, in essence, that a trustee shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived (Government Code §53600.3).

Investment shall be made only in securities and with financial institutions in which LAFCO is legally empowered to invest funds. Commissioners, officers, and employees involved in the investment process shall refrain from personal business activity that could conflict with the prudent execution and management of LAFCO’s investments, or that could impair their ability to make impartial decisions. Said individuals shall not serve on the board of directors of a financial institution in which LAFCO has invested funds.

### **2.2.4 Delegation of Authority**

The Executive Officer is designated as the LAFCO Financial Officer. The Executive Committee is responsible for investment management decisions and activities.

### **2.2.5 Authorized Investments**

1. Passbook Savings and Money Market Checking Accounts. These accounts may be maintained in local branches of commercial banks and/or savings and loan associations. Amounts maintained in such accounts shall be fully insured by the FDIC or fully collateralized.
2. Certificates of Deposit. Cash may be invested in certificates of deposit only if they are fully insured by the FDIC or fully collateralized.

### **2.2.6 Prohibited Investments**

Certain investment practices and instruments are inconsistent with the first objective of this policy, safety of principal, and are therefore prohibited. LAFCO shall not engage in leveraged investing, including but not limited to margin accounts, hedging, or any form of borrowing for the purpose of investment.

### **2.2.7 Reporting**

The Financial Officer shall submit to the Commission a quarterly investment report detailing all investments.

### **2.2.8 Policy Revision**

This policy may be revised by the Commission as necessary.

## **2.3 Financial Policies:**

### **2.3.1 Accounts and Signatures**

1. Bank accounts shall be authorized by motion of the Commission and established by the Executive Officer consistent with LAFCO's Investment Policy, Section 2.2 Such accounts shall be used to manage LAFCO's financial affairs.

Two signatures shall be required on all checks of above Fifty Dollars (\$50.00) except for the payment of regularly scheduled rent, utilities payments consistent with an adopted budget and applicable LAFCO policies. The Executive Officer, the Office Manager, the Commission Chair and the Commission Vice-Chair, shall be bank account signatories.

An employee or officer of LAFCO shall not be able to sign/co-sign a check for him/herself.

The Commission's Executive Committee may approve disbursements above fifty dollars (\$50.00) for payment so long as such payables are consistent with the Commission adopted budget and applicable LAFCO policies.

2. The Executive Officer is designated as the Financial Officer of LAFCO and shall have principal signature authority for all accounts, subject to procedures and safeguards adopted by the Commission. The Executive Officer, the Office Manager, the Commission Chair and the Commission Vice-Chair, shall be bank account signatories.
3. Two commissioners, specifically the Chairman and Vice-Chairman, shall have signature authority for bank accounts and financial transactions.
4. A budget update and financial statement will be reviewed by the Commission no less frequently than quarterly (Policy 2.).

### **2.3.2 Expenditures**

1. The Executive Officer will review all claims and invoices received by LAFCO and may authorize payment as appropriate within the framework and limitations of the budget adopted by the Commission.
2. Claims for expenses, other than budgeted costs are reviewed and approved by the Commission. The Executive Officer may authorize payment of routine claims prior to the Commission's review in order to avoid late charges, ensure prompt payment and to qualify for early payment discounts.
3. An audit of LAFCO's financial statements shall be conducted annually or bi-annually, as determined by the Commission.
4. Received invoices are to be immediately reviewed and approved by the Executive Officer or his/her designee and entered into QuickBooks as payables.
5. Two signatures shall be required on all checks above Fifty Dollars (\$50.00) except for the payment of regularly scheduled rent, utilities payments consistent with an adopted budget and applicable LAFCO policies.
6. An employee or officer of LAFCO shall not be able to sign/co-sign a check for him/herself.
7. The Commission's Executive Committee may approve disbursements above fifty dollars (\$50.00) for payment so long as such payables are consistent with the Commission adopted budget and applicable LAFCO policies.
8. Disbursement reports shall be provided to the Executive Committee, and the Commission each month after warrants are completed. Monthly disbursement reports shall also be made public on the LAFCO website.
9. No accounts payable shall be paid unless they are consistent with the approved budget line item.

#### **User-Fee Based Expenses Accounting:**

1. Each fee-based application shall have a budget that is separate from other LAFCO expenditures.
2. A fee-based applications cost tracking system shall be implemented and maintained.
3. A log shall be kept of each expenditure for supplies that separately shows fee-based application supplies usage and costs.
4. A time log shall be kept for time staff and consultants work on each application for costs tracking purposes.
5. Fee-based application based reports shall be provided to the Commission on a monthly basis.
6. Invoices provided by staff and consultants shall account for all services and expenses incurred, consistent with adopted budget line items.

### **2.3.3 Internal Financial Controls**

The following are LAFCO internal controls and safeguards:

1. The Office Manager and Executive Officer will follow adopted procedures for invoices, claims, disbursements, receipt and deposits of revenues. The Office Manager shall initiate transactions such as purchase orders and payment of invoices and claims. Once a payment is received by LAFCO, it should immediately be reviewed and accounted for in QuickBooks. Once information is entered into QuickBooks, payments should be deposited in bank at the earliest time available. Transfers should be done only with the prior approval of the Commission, or in an emergency by the Commission Chairman based on a recommendation by the Executive Committee.
2. The Executive Officer and/or Commission shall authorize transactions. The Commission will review claims at each regularly scheduled LAFCO meeting. Disbursement reports shall be provided to the Executive Committee, and the Commission each month after warrants are completed. Monthly disbursement reports shall also be made public on the LAFCO website. No accounts payable shall be paid unless they are consistent with the approved budget line item.
3. The Office Manager will prepare payments and checks as specified in the approved procedures.
4. Received invoices are to be immediately reviewed and approved by the Executive Officer or his/her designee and entered into QuickBooks as payables.
5. The Office Manager shall maintain and reconcile records of all financial transactions. The Executive Officer will review reconciliations at least monthly. Financial updates and budget reports will be prepared and presented to the Commission no less frequently than quarterly.
6. Bank statements are to be immediately reconciled upon receipt and reported monthly to the Commission.
7. Bank reconciliation reports shall be provided to the Commission each month, which shall include a copy of the monthly bank statements.
8. Revenue Statements, Aging Payables, and disbursement reports are to be provided monthly to the Commission, and are to be downloaded to the LAFCO website for public viewing following Commission review and acceptance.
9. Financial reports shall be provided on a cash basis on a quarterly basis (30 days maximum after quarter closes) or if needed prior to the quarter completing. Financial reports could also be downloaded onto the website.
10. An outside financial audit will be conducted following the close of each fiscal year (or every other fiscal year if so determined by the Commission) and presented to the Commission when complete.
11. A full annual audit shall be conducted by an independent accounting firm selected by the Commission after the close of each fiscal year unless the Commission determines that a financial compilation or review is appropriate on alternating years. The resulting financial reports shall be made immediately available to the Executive Committee and Commission and shall be posted on the LAFCO website.

### **2.3.4 Fraud/Ethical Behavior**

It is the policy of Shasta LAFCO to follow ethical, responsible, and reasonable procedures related to purchasing, claims, auditing, money management, and other financial matters.

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of personal gain or for the purpose of inducing another to act upon it to his or her injury. Each employee or member of LAFCO should be familiar with the types of improprieties that might occur in his or her area of responsibility and be alert for any indication of irregularity. Any fraud that is suspected or detected shall be reported immediately to the Executive Officer or alternatively to the Commission Chair.

Actions Constituting Fraud: The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act;
2. Forgery or alteration of any document or account belong to LAFCO;
3. Forgery or alteration of a check, bank draft, or any other financial document;
4. Misappropriation of funds, securities, supplies, equipment, or other LAFCO assets;
5. Impropriety in the handling or reporting of money or financial transactions;
6. Disclosing confidential and proprietary information to outside parties;
7. Accepting or receiving anything of material value from contractors, vendors, or persons providing goods or services to LAFCO;
8. Destruction, removal or inappropriate records, furniture, fixtures, and equipment use;
9. Any similar or related irregularity;
10. Personal use of LAFCO credit card or debit card.

The General Counsel has the primary responsibility for investigating suspected fraudulent acts and may use whatever internal and/or external resources are necessary to conduct an investigation. Results of any investigation and subsequent actions will be reviewed by counsel and referred to the Commission if appropriate.

Investigation results are confidential and will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This will avoid damaging the reputations of persons who may be suspected, but subsequently found innocent of wrongful conduct.

## **Section 3. Provisions for Quarters, Equipment and Supplies**

### **3.1 Provisions for Quarters**

It shall be the policy of Shasta LAFCO to establish and maintain an administrative office that is separate and independent from any other local governmental agency or private enterprise. Provisions for lease or rental of an appropriate administrative office shall be made in the annual operating budget. The Executive Officer or General Counsel are authorized to negotiate the terms of any lease or rental agreement for subsequent approval by the Commission. The Executive Officer shall also be responsible for on-going compliance with the terms and conditions of any lease agreement approved by the Commission.

### **3.2 Provisions for Equipment and Supplies**

It shall be the policy of Shasta LAFCO to make sufficient budget provisions for the equipment, services, and supplies necessary to achieve maximum operational and administrative efficiencies.

The Executive Officer shall be responsible to prepare and submit, in accordance with the deadlines and process established in the LAFCO statute, a proposed and final budget which contains provisions for equipment, services, and supplies, said budgets to be presented in a format acceptable to the Commission and accompanied by a narrative statement which discusses the basis for the proposed expenditures, any major changes which have occurred since adoption of the final budget for the previous year, and a discussion of any estimated revenue shortfalls over the prior year. Further, the Executive Officer shall be responsible to exercise and maintain budgetary controls and expedite the financial transactions associated with expenditures for equipment, services, and supplies.

## **Section 4. Personnel Provisions**

### **4.1 Employment (Employee defined as a W-2 Employee)**

#### **4.1.1 EMPLOYEE ACKNOWLEDGMENT FORM**

I have received and read a copy of the Shasta LAFCO employee policy manual and understand all the policies, guidelines and procedures stated within. The guideline manual describes important information about LAFCO, and I understand that I should consult the LAFCO Executive Officer regarding any questions I might have. I have entered into my employment relationship with LAFCO voluntarily and acknowledge that there is no specified length of employment. Accordingly, either I or LAFCO can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law. Furthermore, I acknowledge that this manual is not a contract of employment.

Since the information, policies, and benefits described herein are necessarily subject to change, I acknowledge that revisions to the manual may occur, except to LAFCO's policy of employment-at-will. I understand that LAFCO reserves the right to modify, supplement or rescind any or all of its policies whenever it deems necessary or useful to do so, at any time with or without notice.

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EMPLOYEE'S NAME (printed)

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EMPLOYEE'S SIGNATURE

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DATE

#### **4.1.2 At-Will Employment**

**Overview.** The intent is to establish the At-Will-Employment Policy.

**Policy.** The employment relationship between Shasta LAFCO and its employees is for an unspecified term and may be terminated by the employee, or LAFCO Executive Officer or the Commission of LAFCO ("Commission") at any time, with or without cause or advanced notice. Also, LAFCO reserves the right to transfer, demote, suspend and administer discipline with or without cause or advance notice.

None of the policies, procedures or contents of this manual is intended to create any contractual obligations which in any way conflict with LAFCO's policy of At-Will-Employment. The at-will relationship can only be modified by a written agreement signed by the employee and the LAFCO Executive Officer. During the first twelve months of employment, employee is learning and adapting to the position and employee is also under review for adequate performance.

#### **4.1.3 Equal Employment Opportunity Policy**

**Overview:** The intent is to establish the Equal Employment Opportunity Policy.

**Policy:** LAFCO is strongly committed to providing equal opportunity to all employees and applicants for employment. LAFCO does not discriminate on the basis of race, color, religion, national origin, ancestry, sex, gender, age, medical condition, sexual orientation, marital status, pregnancy, physical or mental disability, veteran or other protected status, or on the basis of any perception that an applicant or employee has any of these characteristics or on the basis that an applicant or employee is associated with someone who has or is perceived to have these characteristics. LAFCO strictly prohibits the harassment of any individual on any basis listed above (see the Policy Against Harassment for further clarification).

This policy applies to all employment practices, including recruitment, advertising, job application procedures, hiring, firing, advancement, compensation, training, benefits, transfers, social and recreational programs, and any other terms, conditions and privileges of employment.

An employee who believes that he or she has been subjected to any form of unlawful discrimination should make a complaint, preferably written, to the Executive Officer. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If LAFCO determines that unlawful discrimination has occurred, effective remedial action will be taken to deter any future discrimination.

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Commitment Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

#### **4.1.4 Disability Accommodation**

**Overview:** The intent is to establish the Disability Accommodation Policy.

**Policy:** LAFCO is committed to complying fully with state and federal disability discrimination laws. As previously stated, no program or activity administered by the employer shall exclude from participation, deny benefits to or subject to discrimination any individual based on an employee's actual or perceived disability or based on an employee's association with someone who has an actual or perceived disability.

LAFCO is further committed to providing reasonable accommodation to the known physical or mental limitations of an otherwise qualified applicant or employee. If you believe you are a qualified individual with a disability and that you need a reasonable accommodation in order to perform the essential functions of your job, please notify the Executive Officer. The accommodation process is interactive and allows the applicant or employee to identify possible accommodations. However, LAFCO has the right to choose among effective accommodations.

#### **4.1.5 Harassment Policy**

**Overview:** The intent is to establish the Policy Against Harassment.

**Policy:** LAFCO prohibits and will not tolerate harassment of employees, applicants, or persons providing services pursuant to a contract based on factors such as race,



color, religion, national origin, ancestry, sex, gender, age, medical condition, sexual orientation, marital status, pregnancy, physical and mental disabilities, veteran or other protected status, including persons perceived to have any of these characteristics or associating with someone who has or is perceived to have any of these characteristics. LAFCO will also take all reasonable steps to prevent harassment based on protected status by third parties, such as customers, clients and suppliers. All such harassment is prohibited by LAFCO and is against the law.

**Definition:** Harassment is unwelcome and inappropriate conduct directed at an employee, based upon one of the characteristics protected under the federal and state anti-discrimination laws, that substantially prevents an employee from performing his or her duties, serves to threaten or intimidate an employee, and/or produce a hostile work environment. Prohibited unlawful harassment includes, but is not limited to, the following behavior:

1. Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
2. Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawing or gestures;
3. Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis;
4. Threats, demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors.

**Reporting and Complaint Procedure:** An employee who believes that he or she has been subjected to any form of unlawful harassment should promptly make a complaint, preferably written, to the Executive Officer, or if it involves the Executive Officer, to the Chair of the Commission. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If LAFCO determines that unlawful harassment has occurred, effective remedial action will be taken commensurate with the severity of the offense, up to and including termination. Appropriate action will also be taken to deter any future unlawful harassment.

**Retaliation:** Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

#### **4.1.6 Performance Management**

**Overview:** The intent of the performance review process is to maximize organizational productivity and individual potential within a position and LAFCO.

**Policy:** A review and discussion of each employee's performance is conducted to enable the employee and the Executive Officer to discuss the employee's performance relative to his/her goals and objectives in addition to those of LAFCO. The discussion of job performance and goals on an informal, day-to-day basis is strongly encouraged. Additional formal performance evaluations are conducted to provide the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

The performance of all employees is generally evaluated according to a one-year cycle, on or around the employee's anniversary date. However, the frequency of performance evaluations may vary depending upon length of service, job position, past performance, changes in job duties or recurring performance problems.

While merit-based pay adjustments are awarded by LAFCO in an effort to recognize truly superior employee performance, positive performance evaluations do not always guarantee increases in salary or promotions. Salary increases and promotions are solely within the discretion of LAFCO and depend on many factors in addition to performance. Pay increases will be tied to the accomplishment of specific established employee goals. After receiving their review, an employee will be required to sign the evaluation report acknowledging that it has been presented and discussed between the employee and the Executive Officer. LAFCO's provision of performance evaluations does not alter the at-will employment relationship.

**Policy – Executive Officer:** The Executive Officer will provide a self-evaluation of his/her personal performance to each Shasta LAFCO commissioner in January.

Each commissioner will complete an evaluation form following Shasta LAFCO's first meeting of the calendar year. The commissioners will sign their completed evaluation forms and then forward them to the Chair of the Executive Committee.

The forms will not be reviewed by anyone outside the Executive Committee.

The Executive Committee will deliver its performance evaluation, based on the Committee's deliberation and those evaluations which have been submitted to the Committee by other Commissioners and Alternates, to the Executive Officer and the full Commission in closed session.

The Executive Committee will provide a recommendation for salary/compensation or contract adjustments to the Commission in open session. The Commission will vote to accept or reject the Executive Committee's recommendation. If the recommendation is rejected, the Executive Committee will reconvene to re-evaluate its recommendation. The Executive Committee will then present a modified recommendation to the Commission in an open session at the April Shasta LAFCO hearing.

#### **4.1.7 Personnel Records**

**Overview:** The intent is to clarify the guidelines for treatment of employee personnel records and information.

**Policy: General Employees:** Employees have the right to inspect certain documents in their personnel file, as provided by law, in the presence of a LAFCO representative at a mutually convenient time. Only documents previously signed by the employee are allowed to be copied. Employees may add written versions of any disputed item to their file.

LAFCO will attempt to restrict disclosure of your personnel file to authorized individuals within the organization. Any request for information from the file must be made to the Executive Officer or specific designee. Only the Executive Officer or specific designee is authorized to release information regarding current or former employees. Disclosure of personnel information to outside sources will be limited to the extent allowed by law. However, LAFCO will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations, with validly issued subpoenas and as otherwise required by law or legal proceeding to be released.

#### **4.1.8 Termination**

**Overview:** The intent of this policy is to explain the types of termination and LAFCO's procedures for processing terminations.

**Policy:** Employment termination is an inevitable part of personnel activity within any organization, and many termination reasons are routine. Below are examples of some of the most common circumstances under which employment is terminated.

**Voluntary Resignation.** An employee who voluntarily resigns his/her employment is asked to prepare a written letter of resignation informing LAFCO of the intended resignation date. Although not required, employees who voluntarily resign are asked as a courtesy to give LAFCO at least two weeks' notice prior to the

resignation date in order to provide time to search for an adequate replacement if necessary and to ensure a smooth transition for your departure from LAFCO.

An employee is also considered to have voluntarily terminated employment by failing to report to work for three consecutive scheduled workdays without notice, or without prior approval by the Executive Officer.

**Discharge.** The violation of the policies and procedures of LAFCO or any other illegal acts may result in disciplinary action up to and including termination. Disciplinary actions may include verbal and written warnings, suspension, probationary periods and termination of employment, depending on the conduct involved. LAFCO maintains its at-will status at all times. LAFCO reserves the right to utilize any form of disciplinary action, up to and including termination, at any stage it deems appropriate, depending on the circumstances.

**Exit Interview** LAFCO will generally schedule exit interviews at the time of employment termination. The exit interview will provide an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to LAFCO, or return of property owned by LAFCO. Suggestions, complaints and questions are encouraged. Employees will receive their final pay in accordance with applicable state law.

**At-Will Employee** Because employment with Shasta LAFCO is based on mutual consent, both the employee and Shasta LAFCO have the right to terminate employment at-will, with or without cause, at any time. Nothing in this termination policy changes the At-Will Employment policy of Shasta LAFCO.

**Benefits** Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable upon termination will be paid in accordance with applicable state law. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued, and of the terms, conditions and limitations of such continuance.

## **4.2 Salary and Wage Administration:**

### **4.2.1 Compensation Practices**

**Overview:** The intent is to provide guidelines on the compensation practices.

**Policy:** It is the intention of Shasta LAFCO to provide compensation to its employees based on identified responsibilities, skill levels, performance of

responsibilities, educational accomplishments, and current comparable wages for the region.

In conjunction with the annual performance review process, annual compensation reviews may be conducted to assess the employees' performance of the responsibilities as outlined in their job description. Any merit increases are at the discretion of LAFCO and will be determined in the annual budget process with the Commission by recommendation of the Executive Officer. Special compensation adjustments may be made if necessary at the discretion of the Commission.

Annual review of the salary structures may be conducted and if appropriate, adjustments made to accommodate any changes to necessary to the established salary range at LAFCO's discretion of. Compensation issues should be addressed to the Executive Officer.

#### **4.2.2 Employment Categories**

**Overview:** The intent is to define employment classifications so that employees understand their employment status and benefit eligibility.

**Policy:** These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at-will at any time is retained by both the employee and Shasta LAFCO.

Employment Categories: In addition to the above categories, each employee will belong to one other employment category:

1. Executive Officer – Exempt employee, under contract, per Commission set standards.
2. Regular Full Time – Employees who are not in a temporary status and who are regularly scheduled to work Shasta LAFCO's full-time schedule. Generally, they are eligible for Shasta LAFCO's benefit package, subject to the terms, conditions and limitations of each benefit program.
3. Part Time – Employees who are not assigned to a temporary status and who are regularly scheduled to work less than 30 hours per week. While they do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they may be ineligible for some of Shasta LAFCO's other benefit programs.
4. Temporary – Employees who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change in writing signed by the Executive Officer. Temporary

employees are ineligible for Shasta LAFCO's benefit programs.

#### **4.2.3 Pay Policies**

**Overview:** The intent is to clarify wage administration, work hours and time-keeping.

**Payment of Wages:** All employees are paid biweekly (every two weeks). There are 26 pay periods each year with paydays being every other Friday. In the event that the normal payday falls on a Shasta LAFCO holiday, the pay date will be the first day immediately prior to the normal pay date.

**Pay Advances:** Shasta LAFCO does not give advances against wages or un-accrued PTO time.

**Corrections to Payroll:** Errors arising from the payroll processing will be worked out with the payroll contact and the employee. Payment due to a correction will be processed in accordance with state law.

**Overtime Pay:** When Shasta LAFCO's needs cannot be met during regular working hours, employees may be required to work overtime. All overtime work for nonexempt employees must receive prior authorization of the Executive Officer or the Assistant Executive Officer. Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour laws, based on actual hours worked.

**Work Hours:** Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week, at the discretion of the Executive Officer.

**Time-Keeping:** Accurately recording time worked is the responsibility of every hourly employee. Federal and state laws require Shasta LAFCO to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Hourly employees should accurately record the actual time they begin and end their work and the time of their meal periods on a timesheet form provided by Shasta LAFCO. An employee who submits erroneous timesheets will be subject to discipline, up to and including termination. Altering, falsifying, or tampering with time records may result in termination. Any modifications to a time record must be initialed by both the employee and the Executive Officer.

### 4.3 Benefits:

#### 4.3.1 Insurance and Other Benefits

**Overview:** The intent is to provide insurance and other benefits to all regular full-time and part-time employees of Shasta LAFCO. The Commission will review and may change these benefits on an annual basis at its discretion.

**Policy:** Full-time Shasta LAFCO employees will qualify for health insurance, dental insurance and other insurance depending on their classifications. They are also eligible to participate in such programs as the California Public Employees Retirement System (PERS), a qualified 403b plan or a 457 Deferred Compensation Program, as determined by the Commission. The Commission will review and establish the benefits annually at its discretion. A Benefits Summary Chart will be prepared annually setting forth these benefits.

### 4.4 Time Off

#### 4.4.1 Paid Time Off Benefits

**Overview:** The intent of this policy is to provide Paid Time Off (PTO) for the purpose of illness, other medical requirements, personal time, vacation, family emergencies, etc. The Commission will review and may change any of these leave benefit provisions on an annual basis at its discretion.

**Policy:** Shasta LAFCO provides PTO benefits to all regular full-time and regular part-time employees. PTO benefits are not available for temporary employees. Accumulation of PTO: Full-time employees shall earn the following accrual rate for PTO:

<i>Anniversary</i>	<i>PTO Days Per</i>
One - three years	18 days
Four - nine years	23 days
After 10 years	28 days

Regular part-time employees with continuous service working 20 hours or more per week will accrue PTO in accordance with the above chart, on a pro-rated basis determined by normal hours worked. Active service for all regular employees commences with their first day of work and continues thereafter unless broken by an absence without pay or a leave of absence. Temporary employees do not accrue PTO. Employees cannot accumulate more than 160 hours of PTO.

In order to request time off, employees should submit a Paid Time Off Request form to the Executive Officer. Efforts will be made to accommodate all employees' requests for specific leave time. However, the Executive Officer will also consider the needs of Shasta LAFCO when evaluating PTO requests.

Upon separation from Shasta LAFCO employment, an employee is eligible to be paid for accrued, unused PTO days up to a maximum of 160 hours at 100% of the employee's hourly salary.

Executive Officer Exemption: The Executive Officer may receive benefits or accrual rates that differ, as determined by contract, that supersede application of this section.

#### 4.4.2 Holiday

**Overview:** The intent is to provide paid time off for eligible employees for holidays.

**Policy:** Holiday time off with pay is granted to all regular full-time employees and regular part-time employees (prorated) for days designated by the Shasta LAFCO on an annual basis. Unless otherwise stated by the Commission, the holidays shall be:

New Year's Day	Martin Luther King, Jr. Day
Lincoln's Birthday	Washington's Birthday
Memorial Day	Independence Day
Labor Day	Veterans Day
Thanksgiving Day & day following	December 24th & 25 <sup>th</sup>

#### 4.4.3 Pregnancy Leave

**Eligibility:** In accordance with applicable law and this policy, female employees are eligible for a leave of absence and/or transfer on account of pregnancy, regardless of length of service with Shasta LAFCO. Shasta LAFCO will abide by State and Federal Family Medical Leave Acts.

#### 4.4.4 Other Time Off

**Overview:** This policy applies to all regular full-time and regular part-time employees of Shasta LAFCO. The intent of this policy is to outline other types of paid and unpaid time off available to eligible employees.

**Bereavement Leave:** In the event of a death in the immediate family, three consecutive days of paid bereavement leave will be provided to all regular full-time and regular part-time employees of Shasta LAFCO.

Immediate family is defined as the employee's spouse, parent, child, sibling; the employee's spouse's parent, child, or sibling; the employee's child's spouse; grandparents or grandchildren; the employee's domestic partner. Special consideration will also be given to any other person whose association with the employee is similar to any of the above relationships.



Employees may also, with the approval of the Executive Officer, use any available paid leave for additional time off as necessary. If more time off is requested, it will be granted only at the discretion of the Executive Officer.

Bereavement pay is calculated based on the base pay rate at the time of absence and prorated for part-time employees.

**Jury Duty and Other Court-Related Leaves** Shasta LAFCO encourages employees to fulfill their civic responsibilities by serving jury duty or appearing in court as a witness when required. Shasta LAFCO provides three days of paid time off for jury duty service. For service longer than three days, employees will receive unpaid leave if business permits. If desired, employees may use any accrued PTO.

Employees must show the jury duty summons to the Executive Officer as soon as possible so that arrangements may be made to accommodate their absence. Employees are expected to report for work whenever the court schedule permits, including any remaining parts of a normally scheduled workday.

Shasta LAFCO will provide health insurance benefits for the full term of jury duty absence. Paid leave, and holiday benefits will continue to accrue during jury duty leave.

**Time Off to Vote:** Generally, employees are able to find time to vote either before or after their regular work schedule. If, however, full-time employees are unable to vote in an election during their non-working hours, Shasta LAFCO will grant up to 2 hours of PTO to vote.

Employees requiring time off to vote should make their requests at least two working days prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift, whichever provides the least disruption to the normal work schedule. Employees must submit a voter's receipt on the first working day following the election to qualify for paid time off.

**Military Leave** Military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA).

**Workers' Compensation Leave** If an employee sustains a work-related injury, he or she will be eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational injuries.

Where an employee's work-related injury qualifies as a serious health condition, any Workers' Compensation Leave taken will be considered part of his or her entitlement, if any, to leave under the Family and Medical Rights Act ("FMLA") and

the California Family Rights Act (“CFRA”). Employees on Workers' Compensation Leave should keep their supervisors informed as to their work status and will need to provide a doctor's release before returning to work.

**Volunteer Emergency Leave and Training** If employees volunteer as a firefighter, reserve peace officer, or emergency rescue personnel, they may be entitled to unpaid leave to perform emergency duty. In addition, they may take unpaid leave of up to 14 days per calendar year for the purpose of engaging in fire or law enforcement training. If an employee qualifies for these types of leave, he or she may use accrued PTO during the leave. Time spent on this leave counts for purposes of determining “length of service”. However, PTO will not be accrued and holiday pay will not be received during this leave.

**Family and Medical Leave** Shasta LAFCO will follow the law to the extent applicable.

## **4.5 Conduct and Problems**

### **4.5.1 Computer and Email Usage**

**Overview:** The intent of this policy is to assist in the understanding of the usage of email, the Internet, computer files and software.

**Policy:** Computers, computer files, the email system, and software furnished to employees are Shasta LAFCO property intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization. Employees can have no expectation of privacy in any documents or materials in these systems. Shasta LAFCO reserves the right to access all systems and to monitor use of these systems.

Shasta LAFCO strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, Shasta LAFCO prohibits the use of computers and the email system in ways that are disruptive, offensive to others, or harmful to morale.

For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

Email may not be used to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters. Internet access is for business and related professional use.

Shasta LAFCO purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related

documentation. Unless authorized by the software developer, Shasta LAFCO does not have the right to reproduce such software for use on more than one computer.

Employees may only use software on local area networks or on multiple machines according to the software license agreement. Shasta LAFCO prohibits the illegal duplication of software and its related documentation.

Employees should notify the Executive Officer upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

Shasta LAFCO owned computers, with the exception of laptops designated for remote use, shall not be removed from the premises.

#### **4.5.2 Desk Inspection Policy**

**Overview:** The intent is to assist in the understanding of the usage of email, the Internet, computer files and software.

**Policy:** Although desks, cabinets and shelves are made available for the convenience of employees while at work, employees should remember that all desks, cabinets and shelves remain the sole property of Shasta LAFCO. Moreover Shasta LAFCO reserves the right to open and inspect desks, cabinets, and shelves, as well as any contents, effects, or articles in desks, cabinets, and shelves. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by the Executive Officer or designee.

Prohibited materials, including weapons, explosives, alcohol and non-prescribed drugs or medications, may not be placed in a desk, cabinet or shelf. Employees who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, up to and including termination. Shasta LAFCO is not responsible for any articles that are placed or left in a desk, cabinet, or shelf that are lost, damaged, stolen or destroyed.

#### **4.5.3 Safety**

**Overview:** The intent is to outline safety expectations.

**Policy:** Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition directly to their supervisor immediately.

In case of an accident involving a personal injury, regardless of how serious, employees should notify the Executive Officer immediately. Failure to report accidents can result in a violation of legal requirements, and can lead to difficulties in processing insurance and benefit claims.

If an employee is injured on the job, he or she will be entitled to benefits under the state workers' compensation law in most cases. Shasta LAFCO carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled.

#### **4.5.4 Drug and Alcohol Policy**

**Overview:** The intent is to provide a drug and alcohol free workplace for Shasta LAFCO employees.

**Policy:** It is Shasta LAFCO's desire to provide a drug-free, healthful, and safe workplace.

To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. While on Shasta LAFCO's premises and while conducting business-related activities off Shasta LAFCO's premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs.

Violations of this policy may lead to disciplinary action, up to and including immediate employment termination, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify Shasta LAFCO of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

#### **4.5.5 Employee Complaint Procedure**

**Overview:** The intent of this policy is to outline Shasta LAFCO's problem resolution procedure.

**Policy:** Shasta LAFCO is committed to encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response. Shasta LAFCO strives to ensure fair and honest treatment of all employees. All employees are expected to treat each other with mutual respect. All employees are encouraged to offer positive and constructive criticism.

If there is a disagreement concerning established rules of conduct, policies, or practices, employees may express their concern through the problem resolution procedure. No one will be penalized, formally or informally, for voicing a complaint with Shasta LAFCO in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs where an employee believes that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps:

1. Employee presents problem to the Executive Officer after incident occurs. If the Executive Officer is unavailable or employee believes it would be inappropriate to contact that person, employee may present problem to the Executive Committee.
2. The Executive Officer or Executive Committee responds to problem during discussion and documents the discussion.
3. Employee presents problem to the Executive Officer or Executive Committee in writing if problem is unresolved.
4. The Executive Officer or Executive Committee reviews and considers problem. The Executive Officer informs employee of decision and forwards copy of written response to the employee's file. The Executive Officer has full authority to make any adjustment deemed appropriate to resolve the problem.

#### **4.6 Budgetary Provisions**

It shall be the policy of Shasta LAFCO to make sufficient provisions in the annual budget for salaries and benefits for personnel necessary to carry out defined duties and responsibilities associated with general operations and administration.

#### **4.7 Appointment of Executive Officer and Legal Counsel**

**4.7.1 Executive Officer:** The Commission shall appoint an Executive Officer pursuant to the requirements of LAFCO statute Section 56384. The Commission shall determine, in an action separate from the adoption of this Section, the definition, distinguishing characteristics, examples of duties, employment standards, and compensation parameters for the Executive Officer position, and make its final selection and appointment according to those determinations. Thereafter, the appointed Executive Officer shall become an employee of the Commission, and, as such, shall be subject to the provisions of the "Shasta LAFCO Personnel Policies & Procedures Manual" in an action separate from adoption of this Section.

**4.7.2 Legal Counsel:** The Commission shall appoint a Legal Counsel pursuant to the requirements of LAFCO statute Section 56384. The Commission shall determine, in an action separate from the adoption of this Section, the method

for selection and appointment of Legal Counsel, and make its final selection and appointment according to the approved method. Thereafter, the Commission shall, in an action separate from adoption of this Section, enter into an agreement and contract for Counsel services which shall address and contain provisions for, but not limited to, the terms of agreement, compensation, scope of authority and services, and termination of employment.

## **Section 5. Miscellaneous Provisions**

### **5.1 Contract Services**

It shall be the policy of Shasta LAFCO to make sufficient provisions in the annual budget to contract either with the County of Shasta, another public agency, or the private sector for miscellaneous services to be specifically identified in the adopted budget.

### **5.2 Retention of Records**

The purpose of the policy is to provide guidelines to staff regarding the retention or destruction of records of the Shasta Local Agency Formation Commission (LAFCO); provide for the identification, maintenance, safeguarding and destruction of records in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.

It is the policy of this Commission to retain Shasta LAFCO documents and other records in accordance with the retention schedule established in the attached table. The schedule is in compliance with the minimum retention periods mandated by the California Government Code, the California Code of Civil Procedure, the Code of Federal Regulations, and other legal authorities cited.

#### **5.2.1 Procedure**

- A. The staff member completes and signs a "Request for Destruction of Obsolete Records" form, listing the date and description of each document to be destroyed. A sample form is attached to this policy. The staff member submits the form to the Commission Clerk.
- B. The Commission Clerk checks the documents listed on the submitted form to confirm that each document is: (1) not required to be permanently retained, or (2) has been retained for the legally required period of time. The Commission Clerk also confirms that any applicable reproduction requirements (i.e., microfilming, etc.) for each document are complete. The Commission Clerk also verifies that documents are not relevant to a lawsuit, administrative charge or investigation, or similar proceeding, which is in progress or which can reasonably be anticipated.
- C. The Commission Clerk submits the form to the Executive Officer, who reviews and signs the form and then returns the signed form to the Commission Clerk.

- D. After receiving the signed form from the Executive Officer, the Commission Clerk oversees the destruction of the documents, indicates the method of destruction on the form, signs the form and returns the original signed form to the Executive Officer.
- E. The Executive Officer will retain all original signed forms requesting destruction of records for a minimum period of two (2) years.
- F. The Commission Clerk will keep a master log of all destroyed documents which includes the titles or brief descriptions of the documents that were destroyed, the method of destruction and the date of destruction.

### **5.2.2 General Guidelines**

- A. The Office Manager shall be responsible for policy administration and shall assist all Shasta LAFCO personnel to comply with the provisions of this policy and with the Records Retention Schedule, set forth in Attachment "A."
- B. The following general guidelines apply to all Shasta LAFCO records:
  - 1. The Commission may authorize the destruction of any duplicate records at any time. (Gov. Code §§ 26201, 60200.)
  - 2. Unless otherwise provided by State or federal law, the Commission may authorize the destruction of any original document which is more than two (2) years old without retaining a copy of the document as long as the retention and destruction of the document complies with the retention schedule as set forth in this policy (Gov. Code §§ 26202, 60201.)
  - 3. In addition to the retention period required under this policy, the Commission shall retain original administrative, legal, fiscal and/or historical records with continued value (i.e., records for long-term transactions and/or special projects) until all matters pertaining to such records are completely resolved or the time for appeals has expired. (Gov. Code § 14755, subd. (a); Gov. Code 34090.)
  - 4. Pursuant to Government Code section 60201, the Commission shall not destroy any of the following records:
    - a. Records relating to the formation, change of organization, or reorganization of the Commission;
    - b. Ordinances and resolutions, unless they have been repealed or have become invalid or otherwise unenforceable for five years;
    - c. Minutes of any meeting of the Commission;
    - d. Records relating to any pending claim, litigation, any settlement or other disposition of litigation within the past two (2) years;
    - e. Records that are the subject of any pending request for records under the California Public Records Act, whether or not the record is exempt from disclosure, until the request has been granted or two (2) years after the request has been denied by the Commission;
    - f. Records relating to any pending construction that the Commission has not accepted or for which a stop notice claim may be legally presented;
    - g. Records relating to any nondischarged debt of the Commission;
    - h. Records relating to the title to real property in which the Commission

- has an interest;
- i. Records relating to any nondischarged contract to which the Commission is a party;
  - j. Records that have not fulfilled the administrative, fiscal, or legal purpose for which they were created or received;
  - k. Unaccepted bids or proposals, which are less than two (2) years old, for the construction or installation of any building, structure or other public work;
  - l. Records less than seven (7) years old that specify the amount of compensation or expense reimbursement paid to Commission employees, officers, or independent contractors.

### **5.2.3 Specific Guidelines**

#### **A. Accounting Records**

##### **1. Accounting Records include, but are not limited to, the following:**

###### **a. Source Documents**

- Invoices, Warrants, Vouchers
- Requisitions/Purchase Orders (attached to invoices)
- Cash Receipts
- Claims (attached to warrants in place of invoices)
- Bank Statements, Deposits & Checks
- Bills
- Various accounting authorizations from Commission minutes, resolutions or contracts

###### **b. Journals**

- Cash Receipts
- Accounts Receivable or Payable Register
- Check or Warrant Register
- General & Payroll Journal

###### **c. Ledgers**

- Expenditures
- Revenue
- Accounts Payable or Receivable Ledger
- Assets/Depreciation
- Warrants payable
- Construction
- General ledger

###### **d. Trial Balance**

###### **e. Adjusting Entries**

###### **f. Statements (Interim or Certified - Individual or All Fund)**

- Balance Sheet
- Analysis of Changes in Available Fund Balance
- Cash Receipts and Disbursements
- Inventory of Fixed Assets (Purchasing)

###### **g. Journal Entries**



- h. Reversing Entries
  - i. Payroll and personnel records include but are not limited to the following:
    - Accident reports, injury claims and settlements
    - Applications, changes or terminations of employee earnings records and summaries
    - Fidelity bonds Garnishments
    - Insurance records of employees Job descriptions
    - Medical histories Retirements Time cards
  - 2. General ledgers must be permanently retained. (Sec. of State Local Gov't. Records Mgmt. Guidelines.)
  - 3. In general, the Commission should retain original source documents that are detailed in a register, journal, ledger or statement until audited plus four (4) years. Certain source documents may be retained for a shorter period of time. Refer to the records retention schedule for specific accounting documents.
  - 4. The Commission may destroy rough drafts, notes, working papers (except audit), cards, listings, nonpermanent indices, and papers used for controlling work or transitory files at any time.
  - 5. In addition to any required legal retention period, the Commission shall not authorize the destruction of any record subject to audit until it has been determined that the audit has been performed. (Gov. Code § 14755, subd. (b); Gov. Code § 34090.)
- B. Long-Term Debt Records
- 1. The Commission may destroy paid bonds, warrant certificates and interest coupons after two (2) years if detailed payment records are retained for ten (10) years.
  - 2. The Commission may not destroy any documents relating to any nondischarged debt. (Gov. Code § 60201, subd. (d)(7).)
- C. Commission Records
- 1. The Commission shall retain original records of the minutes of meetings of the Commission indefinitely. (Gov. Code §§ 34090; 60201.)
  - 2. The Commission shall retain original ordinances and resolutions indefinitely. (Gov. Code §§ 34090; 60201.)
- D. Statements and Reports Filed Pursuant to the Political Reform Act
- 1. Filing officers shall retain original campaign statements and reports for seven (7) years. (Gov. Code § 81009 (c), (e).)
  - 2. Filing officers shall retain copies of statements or reports for four (4) years. The officer does not have to keep more than one copy of a statement or report. (Gov. Code § 81009 (f).)
- E. Contracts
- 1. The Commission shall retain original contracts for four (4) years after completion of the contracts. (Code of Civ. Proc. § 337.)
  - 2. The Commission shall retain contracts with any person or entity that develops real property or furnishes the design, specifications,

surveying, planning, supervision, testing, or observation of construction or improvement to real property for ten (10) years after the completion of the construction or improvement. (Code of Civ. Proc. § 337.15.)

F. Property Records: The Commission shall retain original property records, such as title documents, indefinitely, or until the property is transferred or otherwise no longer owned by the Commission. (Gov. Code §§ 34090, 60201.)

G. Payroll and Personnel Records

1. Payroll and personnel records include, but are not limited to, the following:

- a. Accident reports, injury claims and settlements
- b. Medical histories
- c. Injury frequency charts
- d. Applications, changes and terminations of employees
- e. Insurance records of employees
- f. Time cards
- g. Job descriptions
- h. Performance or rating documents
- i. Earning records and summaries

Records specifying amounts of compensation or expense reimbursement paid to Commission employees, officers, or independent contractors must be retained for seven (7) years after date of payment. (Gov. Code § 60201)

2. The Commission shall retain personnel files for three (3) years after an individual's employment terminates. (29 CFR 1627.3.)

3. The Commission shall retain medical records of employees who have been exposed to toxic substances or harmful physical agents for thirty (30) years beyond the length of employment. Such medical records shall include records maintained by a physician, nurse, or other health care personnel or technician pertaining to exposure to hazardous substances. (29 CFR 1910.1020; 8 Cal. Code Regs. § 3204 (d)(1)(A)(B).)

For employees who are employed by the Commission for less than one year, the Commission does not need to retain the employee's medical records regarding exposure to hazardous substances if the Commission provides the employee with such records upon termination of employment. (Ibid.)

Routine medical records such as first aid records for one-time treatment, observation of minor injuries, records relating to medical leave taken by employees, burns, splinters, etc., should be kept for the length of employment plus three (3) years. (Gov. Code §§ 12946, 34090; 29 C.F.R. 1627.3.)

4. The Commission may destroy fidelity bonds two (2) years after termination and garnishments three (3) years after termination.

5. The Commission shall retain payroll records containing the name,

address, date of birth, sex, job classification, hours worked, and regular and overtime wages for each employee for three (3) years beyond the length of employment and seven (7) years from date of payment. (29 C.F.R. Part 516.5; Labor Code §§ 1174, 1197.5; Gov. Code § 60201.) Payroll registers listing labor costs by employee and program must be kept permanently. (Sec. of State Local Gov't. Records Mgmt. Guidelines.)

6. The Commission shall retain basic time and earning cards or sheets on which are entered daily starting and stopping time of individual employees for seven (7) years. (29 C.F.R. Part 516.6; Gov. Code § 60201.)
7. The Commission shall retain employment applications and employment referral records and files for two (2) years after such records or files are created. (Gov. Code §12946; 29 C.F.R. 1627.3.)
8. The Commission shall retain records regarding the race, sex, and national origin of each applicant and for the job for which such applicant applied for two (2) years from the date of the making of the record or the date of the personnel action involved, whichever occurs later. The Commission may either retain the original documents used to identify applicants, or keep statistical summaries of the collected information. (2 Cal. Code Regs. §7287.0.)
9. The Commission shall retain any records pertaining to any payments, loans, promises or agreements by the Commission to any labor organization or representative of a labor organization for five (5) years. (29 U.S.C. §436.)

#### H. Construction and Engineering Records

1. The Commission shall retain certain original construction records, such as bids, correspondence, and change orders, for four (4) years after project completion, unless the records pertain to a project which includes a guarantee or grant in which event they shall be retained for the life of the guarantee or grant plus four (4) years. The Commission shall retain as-built plans for any public facility or works as long as the facility exists.
2. The Commission may destroy unaccepted bids or proposals for public works after two (2) years. (Gov. Code § 60201.)
3. The Commission shall retain supporting documents on capital improvement projects, including bidder's lists, specifications, reports, plans, work orders, schedules, etc., for ten (10) years after project completion. (Code of Civ. Proc. § 337.15.)

#### I. Exposure/Safety Records and Material Safety Data Sheets (MSDS)

1. The Commission shall retain employee exposure records and exposure assessment records for at least thirty (30) years. Such records should reveal the identity of the toxic substance or harmful physical agent and where and when such substance or agent was used. (8 Cal. Code Regs. § 3204.)
2. The Commission may destroy the material safety data sheet (MSDS)

for a hazardous substance after the Commission stops using the hazardous substance provided it keeps a record of the substance (chemical name if known) and when and where it was used for thirty (30) years (8 Cal. Code Regs. § 3204(d)(1)(B)(2).)

- J. Video Monitoring, Telephone and Radio and Email Communications; Other Video and Audio Recordings
1. The Commission shall retain recordings of routine video monitoring (e.g., building security taping systems) for at least one (1) year. After the one year retention period, the Commission may destroy the video recording upon approval by the Commission. (Gov. Code § 34090.6.)
  2. Upon authorization of the Commission, recordings of telephone and radio communications maintained by the Commission may be destroyed after 100 days. (Gov. Code § 34090.6.)
  3. Video or digital recordings of Commission meetings, made at the direction of the Commission, must be retained at least 30 days after the meeting. (Gov. Code § 54953.5.)
  4. If the Commission keeps another record, such as written minutes, of an event (other than Commission meetings) that is recorded on video tape or digitally recorded, the Commission must keep the video tape recording of the event for at least 90 days after the occurrence of the event. After 90 days, the video tape may be destroyed or erased, upon approval by the Commission. (Gov. Code § 34090.7.)
  5. When an audio tape recording of a meeting (e.g., Commission) is made solely to facilitate the preparation of minutes for that meeting, the tape recording may be destroyed or erased after it is no longer required and after the minutes for that meeting have been approved. (Gov. Code § 34090; 64 Ops.Atty.Gen. 317.)
  6. The California Public Records Act (CPRA, Government Code Sections 6250-6276.48) defines a public record as, “any writing containing information relating to the conduct of the public’s business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.”

#### **5.2.4 Records Retention Schedule**

The “Attachment A - Records Retention Schedule” is incorporated herein by reference. This Records Retention Schedule Policy complies with the California Secretary of State records retention guidelines and may be updated from time to time.

## Attachment A – Records Retention Schedule

Record Type & Description/ Example	Legal Authority	Retention Period
<b>Accident/Illness Reports (OSHA)</b> Not a public record; For Employee Medical Records & Employee Exposure Records regarding exposure to toxic substances or harmful physical agents --Includes Material Safety Data Sheets (MSDS) Does NOT include: health insurance claims; first aid records of one-time treatments for minor injuries; records of employees who worked less than one (1) year if records are given to employee upon termination.	GC 6254(c) 8CCR 32304(d)(1)(A) (B)	Duration of employment plus 30 years
<b>Accounts Payable</b> Invoices and back-up documents, purchase orders, travel expense reimbursements, petty cash, postage, OCERS reports, check requests, receipt books, etc. Invoices, checks, reports, investments, purchase orders	CCP 337 26 CFR 31.6001-1(e)(2); Secretary of State Guidelines recommendation GC 34090 26 CFR31.6001-1(e)(2)	Until audited + 4 years
<b>Accounts Receivable</b> Invoices, checks, reports, investments, receipt book	26 CFR31.6001-1(e)(2)	4 years
<b>Affidavits of Publication / Posting</b> Legal notices for public hearings, publication of ordinances, etc.	GC 34090	2 years
<b>Agenda / Agenda Packets</b> Agendas, agenda packets, staff reports and related attachments, supplemental items and documentation submitted by staff/public in relation to agenda items. Paper copies of agenda packets should be maintained for 1 year as complete packets. Originals will later be imaged for permanent records retention; the filmed record may serve as the permanent record.	GC 34090 GC 34090.5	2 years
<b>Agreements</b> Original contracts and agreements and back-up materials, including leases	CCP 337 CCP 337.2	4 years after termination/ completion
<b>Annexations / Reorganizations</b> Notices, Resolutions, Certificates of Completion; documents may be imaged, but the originals can never be destroyed.	GC 34090 GC 60201(d)(1)	Permanent
<b>Annual Financial Report</b> Independent auditor analysis	GC 34090	Until audited + 2 years
<b>Articles of Incorporation</b>	GC 34090 GC 60201	Permanent
<b>Audit Reports</b> Financial services; internal and/or external reports; independent auditor analyses	GC 34090 Sec. of State Local Gov't. Records Retention Guidelines	Permanent [May be revised at a later time by Sec. of State or County officials]
<b>Audit Hearing or Review</b> Documentation created and or received in connection with an audit hearing or review	GC 34090	2 years
<b>Bank Account Reconciliations</b> Bank statements, , receipts, certificates of deposit, etc.	26 CFR 31.6001-1(e)(2)	Until audited + 4 years; Secretary of State recommends until audited + 5 years
<b>Brochures/ Publications</b> Retain selected documents only for historic value	GC 34090	2 years
<b>Budget, Annual</b> Adjustments, journal entries, account transfers	GC 34090	Until audited + 2 years
<b>Cal-OSHA</b> Personnel logs, supplementary records; annual summary (Federal and State – Cal-OSHA)	LC 6410; 8CCR 14300.33	5 years

<b>Record Type &amp; Description/ Example</b>	<b>Legal Authority</b>	<b>Retention Period</b>
<b>Checks</b> Includes payroll, canceled and voided checks	GC 34090 CCP 337 26 CFR 31.6001-1(e)	Until audited +4 years; Secretary of State Guidelines recommends until audited + 5 years
<b>Citizen Feedback</b> General correspondence	GC 34090	2 years
<b>Claims Against the Agency</b> Paid/denied	GC 34090; GC 25105.5	Until settled + 5 years (May be imaged after 3
<b>Complaints/Requests</b> Various files, not related to specific lawsuits involving the agency and not otherwise specifically covered by the retention schedule	GC 34090	2 years
<b>Contracts</b> Original contracts and agreements and back-up materials	CCP 337	4 years after termination/ completion
<b>Correspondence</b> General correspondence, including letters and e-mail; various files, not otherwise specifically covered by the retention schedule	GC 34090	2 years
<b>Deferred Compensation Reports</b> Finance - pension/retirement funds	29 CFR 516.5 29 CFR 1627.3	3 years
<b>Demographic/ Statistical Data</b>	GC 34090	Current + 2 years
<b>Deposits, Receipts</b> Receipts for deposited checks, coins, currency	GC 34090 CCP 337	Until audited + 4 years
<b>DMV Drive Information Reports</b> Part of personnel records – not a public record	GC 34090 GC 6254(c)	While current + 2 years
<b>Economic Interest Statements - Form 700 (copies)</b> Copies of statements forwarded to Fair Political Practices Commission	GC 81009(f), (g)	4 years (can image after 2 years)
<b>Economic Interest Statements - Form 700 (originals) – Elected</b> Originals of statements of designated employees	GC 81009(e), (g)	7 years (can image after 2 years)
<b>Employee Files</b> Personnel - not a public record	GC 12946 GC 6254(c)	While current + 2 years
<b>Employee Information Applicant Identification Records</b> Personnel – data recording race, sex, national origin of applicants	2 CCR 7287(b). (c)(2)	2 years
<b>Employee Information, General</b> Name, address, date of birth, occupation	GC 12946 29 CFR 1627.3 LC 1174	3 years
<b>Employee Information – Applicant Identification Records</b> Personnel – data regarding race, sex, national origin of applicants	2 CCR 7287(b)(c)2	2 years
<b>Employee Information, Payment</b> Rate of pay and weekly compensation earned	GC 60201	7 years
<b>Employee</b> May include release authorizations, certifications, reassignments, outside employment, commendations, disciplinary actions, terminations, oaths of office, evaluations, pre-employee medicals, fingerprints, identification cards	29 CFR 1627.3 GC 12946	Length of employment + 3 years
<b>Employee, Motor Vehicle Pulls (DMV)</b>	GC 12946	2 years
<b>Employee Programs</b> Includes EAP and Recognition	GC 34090 GC 12946	Current + 2 years
<b>Employee, Recruitment</b> Alternate lists/logs, examination materials, examination answer sheets, job bulletins	GC 12946 GC 34090 29 CFR 1602 et. seq. 29 CFR 1627.3	Current + 2 years
<b>Employee, Reports</b> Employee statistics, benefit activity, liability loss	GC 34090	Current + 2 years

<b>Record Type &amp; Description/ Example</b>	<b>Legal Authority</b>	<b>Retention Period</b>
<b>Employee Rights - General</b>	GC 12946 29 CFR 1602.31	Length of employment + 2 years
<b>Employment Applications - Not Hired</b> Applications submitted for existing or anticipated job openings, including any records pertaining to failure or refusal to hire applicant	GC 34090 GC 12946 29 CFR 1627.3	2 years
<b>Employment Eligibility Verification (I-9 Forms)</b> Federal Immigration and Nationality Act; Immigration Reform/Control Act 1986	8 USC 1324a (b)(3) Pub. Law 99-603	3 years after date of hire, or 1 year after date of termination, whichever is later
<b>Employment - Surveys and Studies</b> Includes classification, wage rates	GC 12946 GC 34090 29 CFR 516.6	2 years
<b>Employment - Training Records, Non-Safety</b> Volunteer program training - class training materials, internships	GC 34090 GC 12946	Length of employment + 2 years
<b>Employment - Personnel (by name)</b> Paperwork documenting internal and external training	GC 34090 GC 12946	Length of employment + 2 years
<b>Employment - Vehicle Mileage Reimbursement Rates</b> Annual mileage reimbursement rates	GC 34090	Until superseded
<b>Environmental Quality California Environmental Quality Act (CEQA)</b> Exemptions, Environmental Impact Reports, mitigation monitoring, Negative Declarations, Notices of Completion and Determination, comments, Statements of Overriding Considerations	GC 34090 CEQA Guidelines	Permanent
<b>Environmental Quality Environmental Review</b> Correspondence, consultants, issues, conservation	GC 34090	Completion + 2 years
<b>ERISA Records – Plan Reports</b> Employee Retirement Income Security Act of 1974 – plan reports, certified information filed	29 USC 1027	6 years
<b>ERISA Records – Benefits Due</b> Employee Retirement Income Security Act of 1974 – records of benefit due	29 USC 1059	Indefinitely
<b>Family and Medical Leave Act (Federal)</b> Records of leave taken, agency policies relating to leave, notices, communications relating to taking leave	29 CFR 825.500 GC 12946	While employed +3 years (Federal) or 2 years (State)
<b>Fixed Assets - Inventory</b> Reflects purchase date, cost, account number	GC 34090	Until audited + 2 years
<b>Fixed Assets - Surplus Property</b> Auction, disposal, listing of property	GC 34090 CCP 337	Until audited + 4 years
<b>Forms</b> Administrative - blank		Until Superseded
<b>Fund Transfers</b> Internal; bank transfers & wires	GC 34090	Until audited + 2 years
<b>Grants – Unsuccessful</b> Applications not entitled	GC 34090	2 years
<b>General Ledgers</b> All annual financial summaries	GC 34090 CCP 337	Permanent [May be revised at a later time by Sec. of State or County officials]
<b>Gifts/Bequests</b> Receipts or other documentation	GC 34090	Until completed + 2 years
<b>Grants Federal, State, or other grants</b> Grants documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub-recipient dockets, environmental review, grant documents, inventory, consolidated plan, etc.	GC 34090 24 CFR 570.502 24 CFR 85.42	Until completed + 4 years

<b>Record Type &amp; Description/ Example</b>	<b>Legal Authority</b>	<b>Retention Period</b>
<b>Information Services, Internet/World Wide Web</b>	GC 34090	Until superseded + 2 years
<b>Information Systems, Inventory</b> Hardware/software inventory logs; systems manuals	GC 34090	Until superseded + 2 years
<b>Information Systems, Program Files and Directories</b>	GC 34090	2 years
<b>Information Systems, Tapes</b> System generation	GC 34090	2 years
<b>Insurance</b> Personnel related	GC 34090	Current + 2 years
<b>Insurance, Joint Powers Agreement</b> Accreditation, MOU, agreements and agendas	GC 34090	Current + 2 years



### **5.3 Maintenance of Website**

Shasta LAFCO will establish and maintain a website pursuant to LAFCO statute Section 56150. Once established, the Commission's regular meeting notices and agenda shall be posted on the site, and whenever the statute requires notice to be published, posted, or mailed, that notice will also be given in electronic format on the website provided by the Commission.

# Shasta LAFCO Policies and Procedures

## CHAPTER 3

### GENERAL POLICIES AND STANDARDS

#### Section 1. General Policies Pertaining to Changes of Organization or Reorganization

Shasta LAFCO shall apply the following policies for changes of organization or reorganization proposals, as follows:

##### 1.1 Communication Among Local Agencies

Shasta LAFCO encourages communication and collaborative planning and studies among public agencies (such as the County, cities, and special districts), members of the public, and private sector service providers.

##### 1.2 Public Accessibility and Accountability

Shasta LAFCO recognizes that the public's ability to participate in the local governance process is improved when the government structure is clear and accessible and when decision-makers are accountable to the public. The Commission shall consider this principle when it evaluates proposals for changes of organization or reorganization.

##### 1.3 Discouraging Urban Sprawl

Shasta LAFCO has been directed by the State Legislature to discourage urban sprawl, and the Commission will generally deny proposals that can reasonably be expected to result in sprawl. Sprawl is characterized by irregular, dispersed, and/or disorganized urban or suburban growth patterns occurring at a relatively low density and in a manner that precludes or hinders efficient delivery of municipal services, especially roads, sewer, and water.

##### 1.4 Premature Extension of Urban Services

Shasta LAFCO discourages the extension of urban services (i.e., water and sewer service) in the absence of either existing development or plans for imminent development. Unless exceptional circumstances exist, no application for a change of organization or reorganization will be accepted until all discretionary approvals for any pending application for land use entitlements, including land divisions pertaining to the subject territory, are granted.

##### 1.5 Adequate Services

Shasta LAFCO shall consider the ability of an agency to effectively and efficiently deliver

adequate, reliable, and sustainable services and shall not approve a proposal that has significant potential to diminish the level of service in the agency's current jurisdiction. The agency will be required to provide satisfactory documentation of capacity to provide service within a reasonable period of time.

## **1.6 Efficient Services**

Shasta LAFCO has determined that community needs are met most effectively and efficiently by proposed changes of organization and reorganization which:

- a. diminish or eliminate a threat to public health and safety;
- b. consolidate the activities and services of public agencies in order to obtain economies from the provision of consolidated services;
- c. restructure agency boundaries and service areas to provide more logical, effective, and efficient local government services.

## **1.7 Social and Economic Interests**

Shasta LAFCO shall consider the impacts of a proposal and any alternative proposals on adjacent areas, on social and economic interests, and on the local government structures of the County. The Commission may deny a proposal if adverse impacts are not mitigated to an acceptable level.

## **1.8 Boundaries**

Shasta LAFCO encourages and will favorably consider proposals where it can be demonstrated and findings or determinations can be made that the boundary of the proposed change of organization or reorganization is definite, certain and fully described, conforms with lines of assessment or ownership, and does not create islands or corridors of unincorporated territory (CKH Act § 56668(f)).

Shasta LAFCO also encourages and will favorably consider proposals that seek to correct illogical boundaries within the affected agency's sphere of influence. Conversely, Shasta LAFCO discourages boundaries which split neighborhoods or divide an existing identifiable community, commercial district, or other area having a social or economic identity, are drawn for the exclusive purpose of encompassing revenue-producing territories, or would cause city limits to fall within the road right-of-way or make road islands of county maintained roads.

Shasta LAFCO will also exercise its statutory authority to modify proposed boundaries to include or exclude territory to accomplish policy objectives of this section.

## **1.9 Unincorporated Islands**

Shasta LAFCO acknowledges that unincorporated islands are generally costly for county government to serve and often have service impacts on the surrounding city. Cities should be encouraged to annex unincorporated islands or land that is substantially

surrounded by a city (G.C. § 56744 and 56375.3). Shasta LAFCO discourages the formation of special districts within unincorporated islands for services that are readily available from the surrounding city.

### **1.10 Conformance with General and Specific Plans**

Shasta LAFCO shall approve changes of organization or reorganization only if the proposal is consistent with the applicable General Plan or Specific Plan. Shasta LAFCO shall discourage proposals that promote urban development in areas not planned for urban uses.

### **1.11 Consistency with Spheres of Influence**

Shasta LAFCO encourages and will favorably consider proposals where it can be demonstrated and findings or determinations can be made that the proposal is consistent with the sphere of influence of any local agency that may be applicable to the proposal being reviewed (CKH Act § 56668(h)).

### **1.12 Environmental Review**

Shasta LAFCO shall operate in accordance with the CEQA and the regulations of the California Resources Agency, which establishes the guidelines for its implementation. Furthermore, whenever an agency other than the Commission is involved in the approval of a project, the Commission prefers that the other agency be designated as the “Lead Agency.” For annexations and/or reorganizations involving annexation to a city, the city shall act as the Lead Agency under CEQA for the proposal.

## **Section 2. Agricultural and Open Space**

### **2.1 Legislative Responsibility**

Shasta LAFCO’s decisions shall reflect its legislated responsibility to work to maximize the retention of prime agricultural land and open space while facilitating the logical and orderly expansion of urban areas. As such, development of existing vacant lands for urban uses within the jurisdictional boundaries of a local agency shall be encouraged before any annexation proposal or change to a sphere of influence is approved which would lead to, or allow, the development of prime agricultural or open space lands outside the existing jurisdiction of any local agency.

### **2.2 Evaluation of Agricultural and Open Space Land**

A proposal which includes agricultural or open-space designated land shall be evaluated in light of the existence of the following factors:

- a. “prime agricultural land” as defined in G.C. §56064;

- b. “open space” as defined in G.C. §56059;
- c. land that is under contract to remain in agricultural or open-space use, such as a Williamson Act Contract or Agricultural/Open-Space Easement;
- d. land which has an agricultural or open-space designation;
- e. the adopted General Plan policies of the County and the affected city;
- f. the physical and economic integrity of both agricultural lands proposed for conversion to urban use and adjoining land in agricultural use;
- g. the potential for the premature conversion of agricultural or open-space designated land to urban use; and
- h. the policies and priorities in G.C. §56377.

### **2.3 Conversion of Agriculture and Open Space Land**

Shasta LAFCO will apply a heightened level of review when considering proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of prime agricultural land or open space uses to other uses. The Commission will approve such proposals only when the Commission finds that the proposal will lead to planned, orderly, and efficient development and/or provision of services. For purposes of this standard, a proposal leads to planned, orderly, and efficient development only if all of the following criteria have been considered:

- a. the land subject to the change of organization or reorganization is contiguous either to lands developed with an urban use or to lands which have received all discretionary approvals for urban development;
- b. the proposed development of the subject lands is consistent with the sphere of influence plan(s) of the affected agency or agencies;
- c. the land subject to the change of organization is likely to be developed within five years. For large development projects, annexation should be phased wherever feasible. If the Commission finds phasing infeasible for specific reasons, it may approve annexation if all or a substantial portion of the subject land is likely to develop within a reasonable period of time;
- d. insufficient vacant non-prime or open space land exists within the existing agency boundaries or applicable sphere boundaries that is planned and developable for the same general type of use; and
- e. The proposal will have no significant adverse effect on the physical and economic integrity of other ag/open space lands.

## **Section 3. Disadvantaged Unincorporated Communities**

### **3.1 Definition**

A Disadvantaged Unincorporated Community (DUC) is defined as a developed area that has been identified as such by Shasta LAFCO, the County or applicable city; or one that meets all the following criteria:

- a. is substantially developed with at least 15 dwelling units at a density not less than one unit per acre;
- b. does not have reliable public water, sewer, or structural fire protection service available;
- c. includes 12 or more registered voters; and
- d. has a median household income level of 80% or less than the statewide median household income.

The Commission may determine that a community is a DUC due to its unique circumstances even when it does not meet all the criteria identified above.

### **3.2 Request for Determination**

In addition to those DUCs identified by Shasta LAFCO or other agencies, residents or property owners may request that Shasta LAFCO determine whether a specific area meets the definition listed above to be treated as a DUC. The review shall be conducted by Shasta LAFCO staff and shall, if appropriate, be submitted for consideration and approval by the Commission.

### **3.3 Identification of DUCs**

The Commission will identify DUCs, for the purpose of:

- a. **Municipal Service Reviews:** Any MSR conducted by Shasta LAFCO for a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, shall identify any DUCs within and contiguous to the sphere of influence of that city or special district and describe the present and probable needs and deficiencies for the provision of those public facilities and services within such DUC.
- b. **Sphere of Influence Updates:** For any updates to a sphere of influence of a city or special district that provides public facilities or services related to wastewater, municipal and industrial water, or structural fire protection, the Commission shall consider and prepare written determinations regarding the present and probable needs and deficiencies for those public facilities and services for any DUC within or contiguous to the sphere of influence of the city or special district.
- c. **City Annexations.** DUCs located adjacent to areas proposed for annexation to a city shall be included in the annexation or reorganization proposal or be separately proposed for annexation unless the Commission has determined that the disadvantaged community would not benefit by annexation, or if at least 50% of the registered voters within the affected territory have indicated opposition to annexation.

# Shasta LAFCO Policies and Procedures

## CHAPTER 4

### ORGANIZATION CHANGES AND REORGANIZATION

#### Section 1. Shasta LAFCO Jurisdiction

##### 1.1 Specific Authority

Shasta LAFCO has the specific authority to review and approve or disapprove:

- a. Annexations to, or detachments from, cities or districts;
- b. Formation or dissolution of districts;
- c. Incorporation or disincorporation of cities;
- d. Consolidation or reorganization of cities or districts;
- e. Merger of a city and a district;
- f. Establishment of subsidiary districts;
- g. The establishment of, and amendments to, spheres of influence;
- h. Extensions of service beyond an agency's jurisdictional boundaries; and
- i. Provision of new or different services by districts.

##### 1.2 Limited Authority to Initiate Proposals

Under specific circumstances, Shasta LAFCO may initiate proposals resulting in the formation, dissolution, or consolidation of districts; merger of a city and district; establishment of a subsidiary district; or reorganizations that include any of the aforementioned changes of organization.

##### 1.3 Limitation of Authority Relating to Land Use Conditions.

In order to carry out the legislative policies identified above, Shasta LAFCO has the power to approve or disapprove applications, or to impose reasonable conditions of approval. However, while Shasta LAFCO is charged with consideration of the impacts of land use in its determination, it is prohibited from directing specific land use or zoning actions. Shasta LAFCO can deny an application where the land use that would result violates CKH Act statutory policies.

#### Section 2. Notice and Public Participation

##### 2.1 Public Participation Encouraged

Shasta LAFCO encourages participation in its decision-making process. The CKH Act provides for a wide dissemination of notice. Shasta LAFCO shall not necessarily be limited to the minimum requirements by law and policy. The Commission will provide

opportunity for the public to be heard at LAFCO meetings in accordance with the procedures set forth in its Administrative Policies.

## **2.2 Unnecessary Public Hearings Eliminated**

Where LAFCO is authorized by CKH Act to consider a proposal without public hearing, the proposal will be considered by the Commission without a public hearing, unless the Executive Officer or the Commission determines that the matter is of sufficient public interest or controversy to warrant a public hearing (CKH Act §56662, 56664).

## **Section 3. Initiation of Proceedings**

### **3.1 Methods to Initiate Proceedings**

The CKH Act permits initiation of applications to Shasta LAFCO by resolution of an affected agency or by direct landowner/voter petition. Proposals for changes of organization or reorganization through resolution or petition must contain the same information, as required by CKH Act § 56700, with the exception of the signature requirement, which applies solely to proposals by petition.

If the proposal will require a public hearing and is submitted by resolution of application, prior to adopting the resolution, the initiating agency may notify registered voters and property owners and affected/interested agencies (G.C. §56654).

## **Section 4. Application Requirements**

### **4.1 Pre-Application**

Shasta LAFCO encourages a pre-application discussion between the proponent and Shasta LAFCO staff, which can save the prospective applicant substantial time once the process has begun. Shasta LAFCO staff will review procedures, applicable spheres of influence, information requirements, environmental review requirements, processing fees, and provide application forms.

### **4.2 Application Materials**

Applications to the Commission must contain CKH Act (G.C. §56652 and 56653) required information and materials, including a completed application form, a plan for services, and the applicable fees or deposit toward fees as specified by the Shasta LAFCO Fee Schedule.

Except when the Commission is the Lead Agency pursuant to the California Environmental Quality Act, (CEQA) (as defined in Public Resources Code §21067), an application must also contain complete documentation of the Lead Agency's



environmental determination. No application for a change of organization or reorganization will be deemed complete and scheduled for hearing unless Revenue and Taxation Code (Section 99) requirements for tax apportionment agreements have been satisfied.

#### **4.3 Fees and Indemnification**

The application shall also include an agreement to pay costs and indemnification pursuant to the current Shasta LAFCO fee schedule. The agreement to pay costs and indemnification must be signed by the applicant for the application to be deemed complete.

#### **4.4 Authorized Officer**

Where the application is by resolution of application from an agency, the application and related agreements must be signed by an authorized officer of the agency.

### **Section 5. Commission Proceedings**

**5.1** Upon submittal of an application, the Executive Officer shall review the proposal and within 30 days of its receipt either:

- a. Determine that the application is complete and issues a Certificate of Filing, setting the Commission hearing within 90 days. After receiving an application and before issuance of a Certificate of Filing, the Executive Officer shall give mailed notice to affected agencies, county departments, school districts, and other affected counties' LAFCOs pursuant to CKH Act §56658(b), unless the subject agency has already given notice pursuant to CKH Act §56654(c); or
- b. Determine that the application is not complete and notifies the proponent pursuant to CKH Act §56658(g).

**5.2** If a proposal involves a district annexation that is not initiated by the annexing district, or a proposal involving the detachment of territory from a city, the proposal shall be scheduled as an informational item for the next Commission meeting and the annexing district or detaching city shall be notified that the proposal has been submitted. No later than 60 days after the date the proposal is on the Commission's agenda as an informational item the annexing district or detaching city may transmit a resolution terminating the proceedings (CKH Act. §56751, 56857).

**5.3** The Executive Officer, at least 21 days prior to the date set for hearing, shall give notice by publication, posting, website, and mailed notice to landowners and registered voters (CKH Act §56660 and 56661). Some Commission actions can be made without notice and hearing, such as annexations and detachments with written consent of all landowners. Notice and opportunity to request a public hearing must be given to agencies whose boundaries are affected (CKH Act §56662).

**5.4** The Executive Officer shall review the application and any comment received, and shall prepare a written report and recommendation. The report reviews pertinent factors and policies, procedures, spheres of influence, and general and specific plans.

**5.5** The Executive Officer shall mail the report at least five days prior to the hearing to each commissioner, each person named in the application to receive a report, each affected local agency requesting a report, each agency whose boundaries or sphere of influence will be changed, and the Shasta LAFCO Executive Officer of any other affected county (CKH Act §56665).

**5.6** The Commission shall hear the proposal on the noticed date and time. The hearing may be continued for up to 70 days (CKH Act §56666). The Commission must consider a number of factors and policies in compliance with CKH Act. §56668 and 56668.3.

## **Section 6. Commission Proceedings/Action**

In its actions, the Commission may:

- a. approve the proposal as submitted;
- b. approve the proposal with an amendment;
- c. approve the proposal with conditions; or
- d. deny the proposal.

Within 35 days after the conclusion of the hearing, the Commission shall adopt a resolution approving, approving conditionally, or disapproving the proposal (CKH Act §56880). Upon execution of the resolution, copies shall be mailed to the chief petitioners, if any, and the affected agencies whose boundaries would be changed by the proposal. (CKH Act §56882)

If the proposal is approved, a protest hearing shall be scheduled unless it has been waived in accordance with CKH Act §56663. If the proposal is approved with conditions, the resolution of approval shall include a description of the required terms and conditions for approval. If the proposal is denied, no further proceedings shall be taken on that proposal and no similar proposal involving the same territory may be initiated for one year unless the Commission waives that stipulation as detrimental to the public interest (CKH Act §56884).

## **Section 7. Reconsideration of Shasta LAFCO Decisions**

### **7.1 Request and Fees**

A request for reconsideration shall be made in accordance with G.C. §56895 within 30 days of the Commission's determination and shall be accompanied by the appropriate

reconsideration fee deposit as established in the Shasta LAFCO Fee Schedule. If the request does not specify the required grounds for reconsideration or does not otherwise comply with statutory requirements, the Executive Officer shall return the incomplete request to the requesting party, along with a statement of the deficiency. A request will be placed on the Commission's agenda only if the requesting party supplies the missing information before the end of the 30-day reconsideration period.

## **7.2 Grounds for Reconsideration**

Shasta LAFCO will consider changing its previous determination only under one or more of the following circumstances:

- a. Compelling new evidence about the proposal, which was previously unavailable is brought to the Commission's attention;
- b. Factors significant to the Commission decision were overlooked or have changed, such as a change in an applicable federal, state, or local law; or
- c. A significant, prejudicial error in procedure is found.

## **Section 8. Conducting Authority Proceedings**

### **8.1 Waiver of Conducting Authority Proceedings**

The Commission may waive final Conducting Authority proceedings in accordance with CKH Act. §56662 and 56663, and otherwise authorize the Executive Officer to file a Certificate of Completion upon approval of a change of organization or reorganization and satisfaction of all terms and conditions pursuant to G.G. §57200.

### **8.2 Setting the Matter for Hearing**

Within 35 days of final Shasta LAFCO action, the Executive Officer shall set the matter for hearing and cause a notice thereof to be published in accordance with G.C. §57025. The date of the hearing shall not be less than 21 nor more than 60 days, after the date the notice is given. The hearing may be continued for up to 60 days.

### **8.3 Conclusion of Hearing**

Within thirty (30) days of the protest hearing, the Executive Officer shall, based on the value of written protests filed, either order the change, order the change subject to an election, or terminate the proposal. The Executive Officer shall report to the Commission at its next meeting the outcome of any protest hearing that is conducted.

### **8.4 Delegation of Authority to Conduct Protest Hearing**

The Commission shall delegate to the Executive Officer the authority to conduct protest hearings unless it specifies otherwise. The purpose of delegating certain duties to the

Executive Officer is to increase scheduling flexibility, to avoid extending Commission meetings to conduct non-discretionary procedures, and to expedite the boundary change process. If the Commission chooses to retain such authority, this decision shall be stated in the terms and conditions for approval of the subject proposal. The Executive Officer shall have the authority to issue the appropriate order upon completion of the protest proceedings.

## **Section 9. Elections**

### **9.1 Elections Code**

Special elections on changes of organization or reorganization are governed by the general election provisions and the local election provisions of the Elections Code. If the Conducting Authority determines that there is any inconsistency between the general elections provisions and the local elections provisions, the local provisions shall control. Elections proceedings are pursuant to CKH Act §57125 et seq.

### **9.2 Election by County or City**

When the Conducting Authority determines that an election shall be conducted, the Conducting Authority shall inform either the board of supervisors or the city council of the affected city of that determination. The board or the city council shall then do all of the following: (1) Call, provide for, and give notice of a special election on the question; (2) Designate precincts and polling places; (3) Take any other action necessary to call, provide for, and give notice of the special election and to provide for the conduct and the canvass of returns of the election; (4) Direct the elections official to conduct the necessary election.

### **9.3 Confirmation of Election Results**

The canvass of ballots cast shall be conducted pursuant to the Elections Code, and upon completion of the canvass the elections official shall immediately report the results to the Shasta LAFCO Executive Officer. Within 30 days of the report of the canvass of the election, the Conducting Authority shall issue a resolution confirming the election results. If the majority of votes are in favor, the resolution shall also order the change of organization or reorganization. If the majority of votes cast are not in favor, the resolution shall call for the termination of all further proceedings.

## **Section 10. Final Filing**

The effective date of the change of organization or reorganization is the date the signed Certificate of Completion is filed at the County Recorder's office unless otherwise specified by the Commission (G.C. §57202). A certificate of completion will not be filed until any and all conditions are satisfied. If the Certificate of Completion has not been filed

within one year after the Commission approves a proposal, the proceeding is deemed abandoned unless the Commission authorizes an extension prior to the expiration of that year (CKH Act §56895).

The Certificate of Completion, including the recording numbers affixed by the County recorder, will be distributed to affected agencies, County surveyor, County assessor, County auditor, and the State Board of Equalization. The State Board of Equalization will distribute relevant information to the Department of Finance, the Controller, and to the Secretary of State, as appropriate (CKH Act §57203, 57204).

## **Section 11. Specific Application Requirements**

### **11.1 Provision of New Services by Districts**

The Commission is responsible for determining latent powers for special districts under the Commission's jurisdiction. Towards this end, the Commission shall periodically review and update the functions and services established for each special district as part of its periodic review of municipal services pursuant to G.C. §56430. In conducting a municipal service review, the Commission may require the special districts to provide current information concerning established functions and services. The Commission may remove any function or service established for a special district if the Commission determines that the function of service is not currently being provided by the district.

Any special district desiring to undertake the provision of any new or different function or class of service, or divest an existing power within its boundaries, shall adopt a resolution of application for filing with LAFCO pursuant to G.C. §56824.12. In addition, applications for provision of new or different functions or classes of service must be accompanied by a plan for providing service consistent with G.C. §56653.

### **11.2 Extension of Services by Contract**

**11.2.1 Commission Approval Required.** Except for the specific situations exempted by G.C. §56133(e), a city or district shall not provide new or extended services to any party or property outside its jurisdictional boundaries unless it has obtained written approval from LAFCO, consistent with the CKH Act and the policies described herein.

**11.2.2 Extension of Services within Sphere.** Annexation to cities and special districts involving territory located within the affected agency's sphere of influence is generally preferred to extending services by contract or agreement. The Commission recognizes, however, there may be local circumstances that justify approval of extended services by contract or agreement within the affected agency's sphere of influence.

Such local circumstances most frequently involve extension of service to meet an

existing health and safety need, where annexation is not practical or deemed undesirable for other policy reasons. The Commission will give great weight to properly documented existing health and safety needs when considering justification of such extensions. The Commission discourages use of contract service extensions for the purpose of extending services to new development. The Commission will approve such extensions only under extraordinary circumstance and may apply strict limitations on such services

**11.2.3. Extension of Services Outside Sphere.** The Commission shall authorize a city or special district's request to provide new or extended services outside their jurisdictional boundary and sphere of influence only in response to an existing or future threat to public health or safety in accordance with G.C. §56133(c).

**11.2.4 Administrative Approval Under Urgent Circumstances.** The Commission authorizes the Executive Officer, in accordance with G.C. §56133(d), to administratively approve a city or special district's request for extended services by contract or agreement if there is an existing and urgent public health or safety emergency as identified in writing from the local public health officer. The Commission shall ratify the Executive Officer's determination at the next regularly scheduled meeting.

**11.2.5 Exemptions to LAFCO Approval Requirement.** Commission approval may not be required for cities or special districts to provide new or extended services outside their jurisdictional boundaries in accordance with the provisions of G.C. §56133(e). The Executive Officer shall consult with cities and districts to determine whether extended services agreements are subject to Commission review.

**11.2.6 Anticipation of Later Annexation.** G.C. §56133 (b) authorizes the Commission to approve contracts for extension of services "in anticipation of a later change of organization". The Commission defines the term "anticipation of a later change of organization" as follows: a) The inclusion of the area to be served within the sphere of influence of the serving agency shall be sufficient to comply with this provision.

**11.2.7 Agreements Consenting to Annex.** Whenever the Commission determines to condition the approval upon a later annexation of the affected property, the condition shall normally include a requirement that the owner record an agreement consenting to annex the territory, which agreement shall bind future owners of the property. The agreement shall be prepared by Shasta LAFCO legal counsel and provided to the landowners for execution and recording. Proof of recordation will be required before the LAFCO contract approval becomes final and effective.

### **11.3 Shasta LAFCO Initiated Proposals**

**11.3.1** As provided under G.C. §56375(a), the Commission is authorized to initiate the following specific types of proposals:

- a. Consolidation of two or more special districts.
- b. Dissolution of one or more special districts, where another agency or agencies can assume service responsibilities.
- c. Merger of a special district with a city, where the city encompasses the entire district.
- d. Establishment of a subsidiary district of a city, where at least 70% of the district's territory and population are within the city.
- e. Reorganization which includes two or more of the above changes of organization.

**11.3.2** The Commission will consider initiation of such proposals in instances in which the following conditions apply:

- a. A sphere of influence, municipal service review, or other governmental study has shown that a proposal may result in lower overall public service costs, greater local government access and accountability, or both.
- b. The Commission can complete the necessary review, analysis, and processing with its own staff resources, or funds are available to pay for additional assistance needed to complete the review and processing of the proposal.

**11.3.3** The Commission reserves its discretion to initiate such proceedings in exceptional circumstances in which there exists a level of public concern about a district's services or governance which, in the Commission's view, warrants initiation of a proposal. The Commission may refer the proposal to a reorganization committee as provided in G.C. §56827. As an alternative, the Commission may refer the proposal to an advisory committee composed of a representative from each affected district and any additional representative the Commission deems appropriate.

# Shasta LAFCO Policies and Procedures

## CHAPTER 5

### SPHERES OF INFLUENCE AND MUNICIPAL SERVICE REVIEWS

#### Section 1. Spheres of Influence

##### 1.1 Legislative Authority and Intent

A sphere of influence is described by Section 56076 as “a plan for the probable physical boundaries and service area of a local government agency as determined by the commission”. The sphere of influence is an important benchmark that defines the primary area within which urban development is to be encouraged. The Commission shall use spheres of influence to:

- a. promote orderly growth and development within and adjacent to communities;
- b. promote cooperative planning efforts among cities, the County, and special districts to address concerns regarding land use and development standards, premature conversion of agriculture and open space lands, and efficient provision of public services;
- c. guide future local government reorganization that encourages efficiency, economy, and orderly changes in local government; and
- d. assist property owners in anticipating the availability of public services in planning for the use of their property.

##### 1.2 Sphere Review

Shasta LAFCO shall, as necessary, review and update spheres of influence every five years. If a local agency or the County desires amendment or revision of an adopted sphere of influence, the local agency by resolution may file such a request with the Executive Officer. The request shall state the nature of the proposed amendment and the reasons for the request, include a map of the proposed amendment, and contain additional data and information as may be required by the Executive Officer. Shasta LAFCO encourages any private individual desiring a revision of an adopted Sphere of Influence to request that the affected local agency initiate sphere reconsideration by resolution to promote consultation between the parties.

##### 1.3 Sphere Determinations

In determining the Sphere of Influence of each local governmental agency, the Commission shall consider and prepare a written statement of its determinations with respect to each of the following:

- a. Growth and population projections for the affected area;
- b. The location and characteristics of any disadvantage unincorporated communities within or contiguous to the sphere;



- c. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies;
- d. Financial ability of the agency to provide services;
- e. Status of, and opportunities for, shared facilities;
- f. Accountability for community service needs, including governmental structure and operational efficiencies; and Evaluation of Management Efficiencies;
- g. Any other matter affecting or related to effective or efficient service delivery, as required by Commission policy.

#### 1.4 Sphere Consistency

Spheres of Influence shall be a declaration of policy which shall be a primary guide to Shasta LAFCO in the decision on any proposal under its jurisdiction. Every determination made by Shasta LAFCO shall be consistent with the spheres of influence of the agencies affected by those determinations. Any proposal which is inconsistent with an agency's adopted sphere of influence shall not be approved until Shasta LAFCO, at a noticed public hearing, has considered an amendment or revision to that agency's sphere. Inclusion within an agency's sphere does not assure annexation to that agency. Shasta LAFCO shall evaluate boundary change proposals as they relate to all of the relevant factors listed in the Act.

#### 1.5 Sphere Types

- a. **Coterminous Spheres** – Shasta LAFCO may allocate a sphere of influence boundary which is “coterminous” to an agency’s jurisdictional boundary in the case where Shasta LAFCO determines, after due consideration of all factors, that insufficient evidence has been presented to support the agency’s ability to expand and provide services beyond its jurisdictional boundary within the next five years.
- b. **Expanded Spheres** – The Commission may adopt expanded spheres, as needed, to accommodate planned and orderly urban development.
- c. **Reduced Spheres** – Shasta LAFCO may consider removal of land from an agency’s sphere of influence if the territory consists of agricultural lands, open space lands or agricultural preserves whose preservation would be jeopardized by inclusion within the agency's sphere, and/or if the land is not expected to be developed for urban uses or require urban-type services within the next 10 years or more. If the land is inside the affected agency’s jurisdictional boundary, exclusion of these areas from an agency's sphere indicates that detachment is appropriate.
- d. **Zero Spheres** – Shasta LAFCO may adopt a zero sphere of influence encompassing no territory for an agency. This occurs if Shasta LAFCO determines that the public service functions of the agency are either nonexistent, no longer needed, or should be reallocated to some other agency. The local agency which has been assigned a zero sphere should ultimately be dissolved.
- e. **Consolidated Spheres** – Two or more local agencies providing the same service(s) may be allocated a consolidated Sphere of Influence to include the areas served by both agencies. This would be the case where Shasta LAFCO determines that the particular service(s) should be provided to the entire area by a single local agency.

- f. **Service-Specific Spheres** – If territory within the proposed sphere boundary of a local agency does not need all of the services of the agency, a “service specific” sphere of influence may be designated.

## **1.6 Overlapping Spheres**

Shasta LAFCO encourages the reduction of overlapping spheres of influence to avoid unnecessary and inefficient duplication of services or facilities. When possible, a single larger general purpose agency, rather than a number of adjacent smaller ones, established for a given service in the same general area will be preferred. Where an area could be assigned to the sphere of influence of more than one agency providing a particular needed service, the following hierarchy shall apply dependent upon ability to serve:

- a. Inclusion within a city Sphere of Influence.
- b. Inclusion within a multi-purpose district Sphere of Influence.
- c. Inclusion within a single-purpose district Sphere of Influence.

In deciding which of two or more equally ranked agencies shall include an area within its Sphere of Influence, Shasta LAFCO shall consider the agencies' service and financial capabilities, social and economic interdependence, topographic factors, and the effect that eventual service extension will have on adjacent agencies.

## **1.7 Islands or Corridors**

Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.

## **1.8 Sphere Planning Considerations**

Spheres of influence shall reflect city and County General Plans, plans of regional agencies, growth management policies, annexation policies, resource management policies, and any other policies related to ultimate boundary or service area of an affected agency unless those plans or policies conflict with the legislative intent of the Act.

Where inconsistencies between plans exist, Shasta LAFCO shall rely upon that plan which most closely follows the Legislature's directive to discourage urban sprawl, direct development away from prime agricultural land and open-space lands, and encourage the orderly formation and development of local governmental agencies based upon local conditions and circumstances.

## **1.9 Agriculture and Open Space Lands**

Territory not in need of urban services, including open space, agriculture, recreational, rural lands, or residential rural areas shall generally not be assigned to an agency's sphere of influence unless the area's exclusion would impede the planned, orderly and efficient development of the area. In addition, Shasta LAFCO may adopt a sphere of influence that excludes territory currently within that agency's boundaries. This may occur when Shasta LAFCO determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency's sphere. Exclusion of these areas from an agency's sphere of influence indicates that detachment is appropriate.

## **1.10 Areas of Planning Concern**

Shasta LAFCO recognizes the many inter-relationships and impacts which one agency's land use, planning, and governmental decisions may have on other agencies even though they may be outside of the Sphere of Influence of the secondary agency. Consequently, Shasta LAFCO, when necessary, will seek to establish and identify Areas of Planning Concern with the assistance and guidance of the affected cities and the County. A "Planning Concern Area" will usually be larger than the adopted Sphere of Influence boundary and may take into consideration the planning area of the city as identified within their local general plans. Once established, Shasta LAFCO will solicit the cooperation and involvement of the affected cities and the County to jointly involve one another in planning decisions for these areas.

## **1.11 Future Study Areas**

Shasta LAFCO may establish future study areas outside of adopted Spheres of Influence. These areas indicate territory which may ultimately be appropriate for inclusion within an agency's sphere upon future study or modified conditions.

## **1.12 Memorandum of Agreements (for City Sphere Amendments and Updates)**

Prior to submitting an application to Shasta LAFCO for a new city sphere of influence or a city sphere of influence update, the city shall meet with the County to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements as contained in G.C. §56425. If an agreement is reached between the city and County the agreement shall be forwarded to Shasta LAFCO. The Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by Shasta LAFCO and the County, and Shasta LAFCO shall give great weight to the agreement to the extent that it is consistent with Shasta LAFCO policies in its final determination of the city sphere.

## **Section 2. Municipal Service Reviews**

### **2.1 Authority**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the Commission to prepare a municipal service review prior to or in conjunction with its mandate to review and update each local agency's sphere of influence every five years as necessary. A minor sphere of influence amendment will not require a service review. A minor sphere of influence amendment is one that does not have any adverse regional, planning, economic, or environmental impacts.

### **2.2 Sphere Updates**

The Commission shall generally schedule municipal service reviews in conjunction with sphere of influence updates. The Commission will consider service review determinations and recommendations when rendering sphere of influence findings.

### **2.3 Services Subject to Review**

Municipal service reviews shall be limited to public services typically required by and associated with urban development.

### **2.4 Agencies Subject to Review**

Shasta LAFCO has concluded that the following agencies in Shasta County provide services which are municipal in nature, and as such, are subject to the services review requirement: County, Community Services Districts, Irrigation Districts County Service Areas, Water Districts, Vector Control Districts Cities, Fire Protection Districts, Cemetery Districts, Resource Conservation Districts, Healthcare Districts

### **2.5 Types of Service Reviews**

The Commission shall generally prepare three types of municipal services reviews as summarized below.

- a. **Service-Specific.** A service-specific municipal service review will examine particular governmental service across multiple local agencies on a countywide basis.
- b. **Region-Specific.** A region-specific municipal service review will examine the range of governmental services provided by local agencies within a particular area.
- c. **Agency-Specific.** An agency specific municipal service review will examine the breadth of governmental services provided by a particular local agency.

### **2.6 Scope and Content**

The Commission shall determine the priority, schedule, procedure and content for service reviews. The scope and schedule of service reviews should remain flexible

enough to accommodate legislative changes and changes in local conditions.

## **2.7 Contracting with Outside Consultants**

The Commission may contract with outside consultants, as needed, to assist with the preparation of municipal service reviews.

## **2.8 Stakeholder Collaboration**

The Commission shall encourage collaboration, cooperation and information sharing among service review stakeholders.

## **2.9 Recommendations to Improve Services**

Service reviews shall contain recommendations for sphere of influence or government structure changes needed to implement positive service changes. Where more detailed analysis of service option is necessary, service reviews shall contain recommendation for special studies where there is the potential to reduce service gaps and improve service levels.

## **2.10 Written Determinations**

Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCOs to conduct reviews of municipal services and make written determinations with respect to the following factors:

- a. Growth and population projections for the affected area;
- b. The location and characteristics of any disadvantage unincorporated communities within or contiguous to the sphere;
- c. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies;
- d. Financial ability of the agency to provide services;
- e. Status of, and opportunities for, shared facilities;
- f. Accountability for community service needs, including governmental structure and operational efficiencies; and Evaluation of Management Efficiencies
- g. Any other matter affecting or related to effective or efficient service delivery, as required by Commission policy.

## **2.11 Adoption**

Service reviews shall be adopted by resolution.

**SHASTA LAFCO RESOLUTION 2018-01**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION  
REVISING POLICIES AND PROCEDURES ADOPTED PURSUANT TO THE  
CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT**

**WHEREAS**, this Commission, having adopted and established written Policies and Procedures on March 1, 2001 pursuant to Chapter 1, Part 2, Section 56300(a) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and,

**WHEREAS**, this Commission, having last approved a revised written Policies and Procedures in September 2011; and,

**WHEREAS**, this Commission, having approved revised portions of the written Policies and Procedures on April 6, 2017; October 5, 2017 and December 7, 2017; and,

**WHEREAS**, this Commission, having considered a proposed revision of the Policies and Procedures in its entirety;

NOW, THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED as follows:

Chapters 1, 2, 3 and 4 of the Policies and Procedures have been revised. Chapters 5 and 6 have been merged together and revised. Chapters 7, 8, 9 have been eliminated. Table of Contents have been updated to reflect the changes completed.

DULY PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Shasta at a regular commission meeting held February 1, 2018 by the Local Agency Formation Commission of the County of Shasta by the following votes:

Ayes:  
Noes:  
Abstain:  
Absent:

ATTEST:

APPROVE:

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Kathy Bull, Manager  
Shasta LAFCO

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Irwin Fust, Chairman  
Shasta LAFCO