

PLACER LOCAL AGENCY FORMATION COMMISSION

Robert Weygandt, (County), Chair; Joshua Alpine (District), Vice Chair; Bonnie Gore (County); Paul Joiner (City); William Kahrl, (District); Joe Patterson, (City); Susan Rohan, (Public), Alternate Commissioners: Scott Alvord (City); Jeffrey Stark (Public); Jim Holmes, (County); Mike Lynch (District)

REGULAR HEARING AGENDA January 13, 2021 - 4:00 P.M.

PUBLIC PARTICIPATION PROCEDURES:

Public Participation Procedures

In order to protect public health and the safety of our Placer County citizens, attendance for the Placer LAFCO meeting will be offered as a completely virtual Zoom meeting. Placer LAFCO will be closed to public attendance.

PUBLIC PARTICIPATION PROCEDURES DUE TO COVID – 19 Concerns:

In order to protect public health and the safety of our Placer County citizens, the Public Comment for the LAFCO meeting (Local Agency Formation Commission) will be offered through a Zoom meeting webinar. Citizens who wish to comment should be prepared to use Zoom by:

Join from a PC, Mac, iPad, iPhone, or Android

Please click the link below to join the Zoom meeting

<https://placer-ca-gov.zoom.us/j/95667310274>

Meeting ID 956 6731 0274

877 853 5247 (Toll Free) or 888 788 0099 (Toll Free)

Interested parties are encouraged to check Placer LAFCO's website for any updates, including updates to the above call-in numbers and the meeting procedures www.placer.ca.gov/2704/Local-Agency-Formation-Commission-LAFCO

In compliance with Governor Newsom's Executive Order N-29-20-EO on telephone meetings, the public's participation will be supported through web or phone participation for attendees. When Public Comment is opened, participants may "raise hand" to be called upon to give their public comment.

- 1. Those joining online through the web meeting should "Raise Hand" in the Zoom meeting window. They will be called by the name they entered in the Zoom session, and they will be prompted to unmute their microphone so they can state their name for the record and give their comment.***
- 2. Those who are calling in via phone may dial *9 to raise their hand once Public Comment is opened. The Executive Officer will read out the caller's phone number and they will be notified that they are unmuted. The Executive officer will then direct them to state their name for the record and give their comment.***

Alternatively, citizens may submit their comments in written form to the Commission.

If you wish to submit written comments, please submit to Placer LAFCO at kberry@placer.ca.gov prior to 2:00 on June 10, 2020.

Emails received through the email address after 2:00 p.m. the afternoon of the meeting will still become part of the official record and will be retained.

Alternatively, citizens may submit their comments in written form to the Commission. If you wish to submit written comments, please submit to Placer LAFCO at kberry@placer.ca.gov prior to 2:00 on December 10, 2020.

Emails received through the email address after 2:00 p.m. the afternoon of the meeting will still become part of the official record and will be retained.

- 1. Flag Salute**
- 2. Call to Order and Roll Call**
- 3. Approval of Agenda** (Action item)
- 4. Public Comment:** This is the time when persons may address the Commission on items not on the agenda. Please limit comments to three (3) minutes as the Commission is not permitted to take any action on items presented as public comment.
- 5. Review Audit responses:** The Commission will be asked to review and comment on responses to Placer County Auditor's office Audit of Credit Card usage.
- 6. Authorize Memorandum of Understanding:** The Commission will be asked to authorize a Memorandum of Understanding between The Placer County Auditor and LAFCO for services provided.
- 7. LAFCO Work Plan:** The Commission will be asked to review and comment on the draft Work Plan prepared by staff and request final version to be presented to the Commission at their next meeting.
- 8. Executive Officer Reports:**
 - Policy Sub-Committee update
 - Legislative Committee update
 - Proposal Status
 - Staffing
- 9. Commissioner Reports:**
- 10. Closed Session**

Closed Session pursuant to Government Code Section 54957 to consider Public employee performance evaluation. Title: Executive Officer
- 11. Adjournment:** Next Commission meeting is scheduled for February 10, 2021

For further information or to provide written comments on any item on the agenda, please contact the Placer LAFCO. Materials related to an item on this Agenda submitted to the Commission after distribution of the agenda packet are available for public inspection in the Placer LAFCO office at 110 Maple Street, Auburn, CA 95603 during normal business hours. Phone: (530) 889-4097 or kberry@placer.ca.gov. Placer LAFCO is committed to ensuring that persons with disabilities are provided the resources to participate in its meetings. If you require a disability-related accommodation, please contact the Clerk to the Commission at least two business days prior to the meeting date.

January 13, 2021
Item No. 5

PLACER COUNTY

LOCAL AGENCY FORMATION COMMISSION

110 Maple Street, Auburn California 95603


530-889-4097

Email: lafco@placer.ca.gov

STAFF REPORT

DATE: January 7, 2021

TO: Commissioners Alpine, Gore, Joiner, Kahrl, Patterson, Rohan, Weygandt.
Alternate Commissioners Alvord, Starsky, Holmes, Lynch

FROM: Kris Berry, AICP, Executive Officer 

RE: Placer County Credit Card Audit

SUMMARY

LAFCO staff is provided with Credit Cards for use for travel and other expenses. Periodically, the County Auditors Office performs an audit of the use of the cards. This is a response to the most recent audit.

RECOMMENDED ACTION

It is recommended that the Commission receive the audit response and provide comment.

DISCUSSION

The attached Response to the Audit has been prepared by staff. There were a few, what I would mostly consider minor, error's made by staff. Staff has reimbursed the overage of allowed expenses and have requested additional training when our clerk position is filled.

LAFCO has a strong working relationship with the Auditor's office, and staff appreciates their help with a myriad of different systems. Items pointed out in this Audit were simply unknown to staff or simple mistakes.

Exhibit A Placer County Audit
Exhibit B Staff response to Audit

PLACER COUNTY LOCAL AGENCY FORMATION COMMISSION

110 MAPLE STREET, AUBURN, CALIFORNIA 95603 - 530-889-4097
LAFCO@PLACER.CA.GOV/2704/LOCAL-AGENCY-FORMATION-COMMISSION-LAFCO

COMMISSIONERS:

ROBERT WEYGANDT
CHAIR (COUNTY)

JOSHUA ALPINE
VICE CHAIR (SPECIAL DISTRICTS)

BONNIE GORE
(COUNTY)

PAUL JOINER
(CITY)

WILLIAM KAHRL
(SPECIAL DISTRICTS)

JOE PATTERSON
(CITY)

SUSAN ROHAN
(PUBLIC)

**ALTERNATE
COMMISSIONERS:**

SCOTT ALVORD
(CITY)

JIM HOLMES
(COUNTY)

MIKE LYNCH
(SPECIAL DISTRICTS)

JEFFREY STARSKY
(PUBLIC)

STAFF:

KRISTINA BERRY, AICP
EXECUTIVE OFFICER

VACANT

*CLERK TO THE
COMMISSION*

WILLIAM WRIGHT
LAFCO COUNSEL

January 14, 2021

Ms. Nicole Howard
Assistant Auditor-Controller
Office of the Auditor-Controller
2970 Richardson Drive
Auburn, CA 95603

RE: Procurement Card Audit

Dear Ms. Howard:

The responses to concerns raised in your Audit letter have been prepared and reviewed by the Commission and are attached to this letter.

I appreciate the staff of the Auditor's office and their cooperation in this matter. Once our LAFCO Clerk's position is filled, I would like to request training in accounting standards, credit card review and workday for all staff.

I do appreciate the all of the work the Auditor's office does for LAFCO and would like to maintain our good working relationship.

Thank you,

Kris Berry, AICP
Executive Officer

Observation #1– Purchases were Approved without Adequate Documentation

We identified numerous instances where the procurement purchases were not supported with adequate documentation. This included:

- Travel costs were not supported with Travel Request (TR)/Spend Authorization (SA) number,
- Missing justification for airport daily or garage lot, and
- Missing justification/approval for early boarding fee.

Section 3.2 of the Procurement Card Program (PCP) discusses the accountability of Cardholder and Approver and states, "Cardholders shall review their statement of transactions and provide the appropriate documentation for all purchases. All transactions must be submitted and reviewed by the Cardholder within the defined timeframe for each cycle period..... Approvers shall review the Cardholder's transactions and confirm that appropriate documentation is provided, the purchase is appropriately budgeted, and in accordance with County policies and procedures. All transactions must include the applicable department accounting information and be reviewed by the Approvers within the defined timeframe for each cycle period."

In addition, Section 3.3 of the Procurement Card Program Procedures Manual (PCPPM) states the Limited Program Administrator (LPA) shall "ensure that any needed documentation is attached to each cardholder statement and that the online documentation represents a full and complete summary of all the needed and required documentation to validate the purchases."

Travel Costs were not Supported with TR/SA Number

Example: On 11/1/2019, two Cardholders incurred lodging expenses in the amount of \$480.75 and \$498.15, respectively during an out-of-town County business trip (to attend a conference). However, we did not find an approved TR or reference of the SA number to support the lodging expense. Although an itemized hotel bill was uploaded in the Wells Fargo system, we did not find other documentation (e.g. copy of conference registration information showing location, dates of conference, conference hotel(s)) that are required for lodging reimbursement.

Section 3.1A¹ of the Meals, Lodging, Travel, and Transportation Policy (MLTTP) states, "With overnight travel, a Travel Request on Official Business form should be completed with the exception of County staff attending Board of Supervisor meetings in Tahoe (or Auburn, for Tahoe staff)."

Please note that the revised MLTTP went into effect on 5/5/2020, and it added language to include Spend Authorization which now reads, "With overnight travel, a Travel Request on Official Business form or Spend Authorization should be completed with the exception of County staff attending Board of Supervisors meetings in Tahoe (or Auburn, for Tahoe staff). Travel Requests and Spend Authorizations are a means of documenting approval for estimated travel costs, and for the latter, committing the funds."

¹ Section 3.1A is now Section 3.1a in the revised MLTTP that was updated on 5/5/2020.

Section 3.6B2² of the MLTTP states, "An itemized hotel bill is always required for lodging reimbursement to be made. Reimbursement should be for single room rate. Required documentation of the conference lodging rate includes copy of conference registration information showing location, dates of conference, conference hotel(s), and single room rate."

Missing Justification for Airport Daily or Garage Lot

Example: On 1/13/2020, the Cardholder incurred \$29 charge for parking at the airport hourly garage. However, we did not find any explanation included in the supporting documents in the Wells Fargo system to justify the special circumstance that would require parking at the daily garage and the Approver approved the statement without the supporting documentation.

Upon inquiry, the Cardholder provided proof of reimbursement for \$11 in parking overage that she made to the County on 2/13/2020. However, although the Cardholder had reimbursed the County, the Cardholder did not upload the proof of reimbursement in the Wells Fargo system.

Page 58 of the Accounting Policies & Procedures Manual (APPM) states, "Expenditures for goods and services must be reasonable and necessary. Reasonable purchases are those for basic goods and services obtained at the lowest possible price.....Services should be the least costly that still perform the required function. Necessary purchases are those required by County departments to fulfill their respective missions."

Section 3.6B3³ of the MLTTP also states that parking expenses are "reimbursable at the least costly rate reasonably available (e.g. economy parking lot at the airport)."

Please note that the revised MLTTP went into effect on 5/5/2020, which now states that travel-related expenses are "reimbursable at the least costly rate reasonably available (e.g. economy parking lot at the airport is preferred, however the daily or garage lot might be allowed under certain travel circumstances if approved by the Department Head)."

Missing Justification/Approval for Early Boarding Fee

Example: On 1/6/2020, the Cardholder purchased two Southwest EarlyBird Check-In for \$25 each and did not provide a reasonable explanation of the business purpose for the purchase of the early boarding fee in the Wells Fargo system.

Upon inquiry, the Cardholder provided proof of reimbursement for \$50 in early boarding fee that she made to the County on 2/13/2020. However, although the Cardholder had reimbursed the County, the Cardholder did not upload the proof of reimbursement in the Wells Fargo system.

Page 58 of the APPM states, "Expenditures for goods and services must be reasonable and necessary. Reasonable purchases are those for basic goods and services obtained at the lowest possible price.....Services should be the least costly that still perform the required function."

² Section 3.6B2 is now Section 3.3d in the revised MLTTP that was updated on 5/5/2020.

³ Section 3.6B3 is now Section 3.4a in the revised MLTTP that was updated on 5/5/2020.

Necessary purchases are those required by County departments to fulfill their respective missions.”

Further, Section 3.5a4 of the revised MLTTP states, “Upgrade charges or cancellation fees are only allowable with business purpose justification and under unusual circumstances with department head approval.”

Recommendation #1

We recommend Cardholders start the reconciliation process as soon as the purchase cycle has closed to ensure all related documentation are submitted in the Well Fargo system within the reconciliation period. If the Cardholders cannot review their statements by the grace period, they must notify their Approver in advance and upload proof of the communication in Wells Fargo system.

For overnight travel, staff should complete a TR/SA prior to the travel and upload the approved TR in the Wells Fargo system or if SA was used, the SA number should be stated in the “Description” field. In addition, any additional approval from County Executive Officer (CEO), Department Head or designee that is required by County policies and procedures should be uploaded to support the transaction. We recommend the Approving Officials and LPAs perform a detailed review of the supporting documents to ensure completeness, accuracy, and compliance.

Going forward, if a condition or extenuating circumstance exists by the Cardholder which requires airport parking in a lot with a higher rate and upgrade charge for transportation, then the Cardholder must include documentation in Wells Fargo system supporting the justification (for the exception) and approval by the Department Head/the CEO or designee for expenditure exceeding Department Head authorities. In addition, if the Cardholder reimbursed the County for the overage, the Cardholder should upload the proof of reimbursement in Wells Fargo system.

Commission’s Response:

In all instances that staff is aware of, a travel request has been prepared for overnight travel. I recall our clerk preparing one for this trip, however I am unable to locate currently. Staff will take steps to ensure all future overnight trips will have the Travel Request prepared and uploaded to the system. Once a new clerk is on board, Staff will request training for both the Clerk and the Executive Officer to ensure compliance with requirements. Staff will upload receipts into the Credit Card system immediately after receipt.

Staff was unaware that there were different short-term rates at the Airport, and will attempt to park at the lowest rate available. Usually for a one-day trip, the flights are very early in the morning, and return often late at night, which makes parking in the long-term lot unfeasible. Staff has reimbursed the difference in expense.

Staff will not include early boarding fees in future travel. This item has been reimbursed.

Observation #2– Meal Expense Exceeded the Federal Per Diem Rate

We identified an instance in which the Cardholder’s meal expense exceeded the Federal per diem rate.

Section 3.2A5⁴ of the MLTTP states, “Meals and incidentals are reimbursed according to the Federal per diem GSA (General Services Administration) guidelines <http://www.gsa.gov> for the travel destination, if the travel is overnight and approved by the Department Head or is provided for in the employee’s Memorandum of Understanding (MOU).”

Example: The Cardholder traveled overnight to Sacramento to attend a conference and had breakfast in the amount of \$17.40 on 11/1/2019. However, this exceeded the per diem rate of \$16 for breakfast at Sacramento and resulted in an overage of \$1.40 (\$17.40 less \$16 = \$1.40).

Recommendation #2

We recommend the Commission collect \$1.40 to reimburse the County for the per diem overage. Also, we recommend that when a Cardholder reconciles his/her meal transaction, they should include a copy of the per diem rate in Wells Fargo system as supporting documentation. This would allow the approvers/reviewers to ensure that meal expenses for overnight travel did not exceed the allowed guideline.

Commission’s Response:

The breakfast was in the Hotel, and the quickest option available. Other meals were paid for by staff for reimbursement, and the cost would have been offset. However, these costs were never submitted for reimbursement. At all times traveling we attempt to follow the General Services Administration Standards. The \$1.40 was reimbursed to LAFCO.

The Commission’s responses to the recommendations identified in our audit are included above in Red. We did not audit the responses and accordingly, we do not express an opinion on them.

We appreciate the courtesy and cooperation of the Commission’s staff throughout the course of the audit.

⁴ Section 3.2A5 is now Section 3.2c2 in the revised MLTTP that was updated on 5/5/2020.

PLACER COUNTY

LOCAL AGENCY FORMATION COMMISSION

110 Maple Street, Auburn California 95603


530-889-4097

Email: lafco@placer.ca.gov

STAFF REPORT

DATE: January 7, 2021

TO: Commissioners Alpine, Gore, Joiner, Kahrl, Patterson, Rohan, Weygandt.
Alternate Commissioners Alvord, Starsky, Holmes, Lynch

FROM: Kris Berry, AICP, Executive Officer 

RE: Memorandum of Understanding between Placer County Auditor's office and LAFCO

RECOMMENDED ACTION

It is recommended that the Commission approve the attached Memorandum of Understanding between Placer County Auditor's Office and LAFCO+

DISCUSSION

The Auditor's office provides several different services to LAFCO, including General Accounting functions; Accounts Payable; calculation, billing and collection of apportionment costs and payroll. When this fiscal year's budget was prepared, a cost of \$3,500 for these services was included in the budget. This MOU formalizes this amount.

Exhibit A Memorandum of Understanding



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

ANDREW C. SISK, CPA
Auditor-Controller
E-mail: asisk@placer.ca.gov

NICOLE C. HOWARD, CPA
Assistant Auditor-Controller
E-mail: nhoward@placer.ca.gov

June 10, 2020

To the Board of Directors and Management
Local Agency Formation Commission (LAFCO)

The Auditor-Controller is pleased to confirm our understanding of the terms and costs of our services under this agreement for the 2020-2021 fiscal year.

A. Scope of Services

The Auditor-Controller will provide the following services to Local Agency Formation Commission (LAFCO) ("Commission"):

1. **General Accounting** – includes use of County's centralized accounting system and recording of financial system entries submitted by the Commission. Transactions will be reviewed for authorization by appropriate Commission personnel prior to processing. This also includes compiling the Commission's financial information to report within the County's A-87 Cost Plan, if applicable.
2. **Accounts Payable** – includes processing payment claims by warrant, wire or ACH. Claims will be reviewed to validate authorized Commission signers have approved the payment prior to processing, recording and mailing payments. Any invoices submitted with payment claims will be scanned and archived for retention. Review of invoices for mathematical accuracy and appropriateness of expenditure is not part of the service agreement. Maintaining vendors and payments for purposes of 1099 reporting along with issuing 1099 forms for the calendar year, if applicable.
3. **Adopted Budget** – includes recording your Commission's adopted budget, ensuring expenditures do not exceed authorized budget and processing budget revisions.

B. Term

The term of this Agreement will commence on July 1, 2020 and end on June 30, 2021. Subject to written agreement of the parties, this agreement may be renewed annually.

C. Responsibilities of Auditor-Controller

The Auditor-Controller's responsibility under this Agreement is to perform the services enumerated above. The Auditor-Controller will not audit accounting entries, payment claims or budget transactions, nor will we validate the appropriateness of accounting transactions or claims for payment.

The Auditor-Controller's services are not designed to detect instances of fraud, noncompliance with laws or regulations or significant errors; however, the Auditor-Controller will communicate to Commission any known and suspected fraud, noncompliance with laws or regulations or significant errors that come to their attention. Neither the County nor the Auditor-Controller will be held liable should any instances of

fraud, noncompliance with laws or regulations or significant errors be subsequently discovered by either Commission or through a claim or lawsuit to Commission.

D. Responsibilities of Commission Management

Commission is responsible for (1) ensuring all transactions are submitted and/or approved by authorized staff, (2) reviewing all transactions prior to submittal to ensure appropriateness of the expenditure, compliance with laws or regulations and to check for significant errors and fraud; (3) retaining all source documents, and (4) providing all Commission Board authorized budgets and budget amendments. Commission is encouraged to routinely provide accounting reports and payment registers to its Board for review.

Commission agrees to inform County of significant noncompliance, fraud and/or errors immediately upon discovery.

For all services provided Commission management agrees to assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, and/or experience to understand the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Commission agrees to hold the County and the Auditor-Controller harmless for any subsequent claims or lawsuits that may arise from the results of the services.

Annual Cost and Billing

The annual cost of services identified above is \$3,500. Your Commission will be billed by journal entry during the third quarter of the fiscal year for the entire annual costs. A copy of the journal entry will be provided to your Commission.

Agreement

The Auditor-Controller appreciates the opportunity to be of service to you and believes this letter accurately summarizes the significant terms of your agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements. Please execute this document and return the original version to my office at your earliest convenience.

Sincerely,

Andrew C. Sisk, CPA
Auditor-Controller

We, the undersigned, have read and agree to the terms of this Agreement. We represent we have the authority to execute this Agreement on behalf of the Local Agency Formation Commission (LAFCO).

Authorized Signature Director: _____ Dated: _____

Authorized Signature Board Chair: _____ Dated: _____

Commission Name: _____

January 13, 2021
Item No. 7

PLACER COUNTY

LOCAL AGENCY FORMATION COMMISSION

110 Maple Street, Auburn California 95603


530-889-4097

Email: lafco@placer.ca.gov

STAFF REPORT

DATE: January 7, 2021

TO: Commissioners Alpine, Gore, Joiner, Kahrl, Patterson, Rohan, Weygandt.
Alternate Commissioners Alvord, Starsky, Holmes, Lynch

FROM: Kris Berry, AICP, Executive Officer 

RE: LAFCO Work Plan, January 2021 – June 2022

RECOMMENDED ACTION

It is recommended that the Commission review and comment on the proposed work plan prepared by staff.

DISCUSSION

The proposed work plan shows a recommended work plan by staff. Staff has prepared this plan based on previous discussion of the Commission and on legally required mandates. The list is not exhaustive, but a broad reflection of the majority of work done by LAFCO staff.

There are also unknowns to this workload such as proposals that are unknown at this time. It is also difficult to predict the timing of proposals when they have not been submitted at this time. The list of these proposals are proposals in which the Executive Officer has spent time with and discussed application processes to applicants.

Items highlighted in red are considered by staff to be high priority items.

Staff is requesting that the Commission comment and review this list. Staff will then redesign the plan in a calendar format with estimated dates of initiation and completion. It has been prepared for an eighteen-month time frame, with anticipation that it will be reviewed and if need be revised in the preparation of the 21-22 and 22-23 budget which will also include a work plan.

Exhibit A LAFCO Workplan 2021-2022

EXHIBIT A

PLACER LAFCO
WORK PROGRAM 2021-June 2022

Municipal Service Reviews

MSR Request for proposals initiated February 2021:

Update Lincoln 2021

Auburn 2021

Colfax 2021

Loomis 2021

MSR Request for Proposals initiated June 2021:

Rocklin 2022

West slope water 2022

Recreation Districts 2022

Policy Sub-Committee staffing

Processing of current and future proposals

Lincoln "SUB D", LAFCO 2020-03

Lincoln Village 5

Potential annexation to city of Auburn

Potential Meeks Bay Fire annexation to North Tahoe Fire Protection District

Potential Nevada Irrigation annexation of Dewitt territory

Potential processing of dissolution of the Suburban Pines CSD

Potential Sphere of Influence studies on recently adopted Municipal Service Reviews

Training of new staff

Continued outreach with public, districts and cities

Preparation of 2021-2022 budget

Ongoing review of environmental documents

Staff support to CALAFCO Legislative Committee and Conferences

Election of Special District Commission members

Items identified in Red are considered High Priority by staff.