



Lou Ann Texeira
 Executive Officer

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 Special District Member

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 County Member
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 City Member

July 14, 2010 (Agenda)

July 14, 2010
 Agenda Item 11

Contra Costa Local Agency Formation Commission
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

Policies and Procedures Update

Dear Members of the Commission:

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 requires each LAFCO to establish written policies and procedures. Presently, we have the *Commissioner Handbook*, which contains a mix of policies and procedures. In addition, we have various applications and related forms. Periodically, the Commission adopts updates and revisions to these documents in accordance with changes in State law or Commission policy.

Commissioners Tatzin and Uilkema serve as the Policies & Procedures Committee. On June 28, the Committee met to discuss updates to the Handbook.

In anticipation of purchasing the electronic document management system, the Committee submits revisions to the **Capital Asset Management** policy (1.5 Budget and Financial Procedures - Section G.3 - Attachment 1); and a new **Document Retention and Destruction** policy (Section 1.11 - Attachment 2). In addition, the Chair has asked that the Committee draft a policy relating to Commissioner **Representation** (1.4 Rules and Procedures – Section F.5 - Attachment 3).

RECOMMENDATION - It is recommended that the Commission approve updates to the Commissioner Handbook as submitted by the Policies & Procedures Committee and presented in the attached.

Please contact the LAFCO office if you have any questions.

Sincerely,

LOU ANN TEXEIRA
 EXECUTIVE OFFICER

Attachment 1 – Capital Asset Management (1.5 Budget and Financial Procedures - Section G.3)
 Attachment 2 – Document Retention and Destruction Policy (new Section 1.11)
 Attachment 3 – Commissioner Representation (1.4 Rules and Procedures – Section F.5)

1.5. **BUDGET AND FINANCIAL PROCEDURES**

3) ~~Capital~~ Fixed Assets Management

~~Contra Costa County currently manages LAFCO's fixed assets.~~

(a) Capitalization Policy

Capital assets include furniture, fixtures and equipment with a useful life of ~~10~~ three or more years and a value of \$5,000 or more. Capital assets owned by LAFCO are accounted for at their historical cost, or estimated historical cost, if actual cost is not available. Such assets, except land, are subject to depreciation over their estimated useful lives.

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(b) Inventory of Capital Assets

LAFCO will maintain an inventory of capital assets, including equipment and furniture. The inventory will be maintained by staff, ~~and will be updated annually at the close of the fiscal year.~~ New assets will be added to the inventory as acquired and subtracted from the inventory as disposed. At the end of the fiscal year, the Executive Officer shall conduct a physical inventory of capital assets and make appropriate adjustments to the inventory. An annual inventory report shall be provided to the Commission. The inventory report shall include date of acquisition, cost, description (including color, model, and serial number), location of asset, depreciation method, and estimated useful life.

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(c) Depreciation and Useful Life

Capital assets are depreciated using the straight line method over the estimated useful life. Estimated useful lives of fixed assets shall be determined by the Executive Officer in consultation with the County Auditor and in accordance with standard accounting policies and procedures. Furniture and fixtures will typically be assigned a useful life of up to 10 years, most office equipment (including computers) will be assigned a useful life of 3-5 years; and leased assets will be designated "life of lease."

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(d) Repair of Fixed Assets

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property. Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of the property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

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(e) Disposition of Fixed Assets

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Attachment 1

In the event a ~~non-expendable~~ capital asset is sold, scrapped, donated or stolen, adjustments will be made to the capital asset inventory.

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1.11 DOCUMENT RETENTION AND DESTRUCTION POLICY

Except as otherwise provided herein, and subject to the conditions contained in this policy, all original records and documents maintained by LAFCO will be retained for a period of five (5) years. A true copy of all documents shall be kept in a safe and separate place for security purposes.

As used in this policy, the term “record” (or “record of proceedings”) is defined to mean documents that evince decisions or actions taken by the Commission in fulfillment of its statutory responsibilities. Records maintained by the Commission include the following: Records of proceedings (LAFCO application, petition or other initiating documents; statement of property valuation; statement of tax rate area assignment; indemnification and agreements to pay; Certificates of Filing and Completion; copies of public hearing notice; environmental review documents prepared for purposes of complying with the California Environmental Quality Act ("CEQA"); plan for service; map and legal description; staff reports; impartial analysis; order for change of organization/ reorganization; documentation of election and results; Statement of Boundary Change; State Board of Equalization acknowledgement letter, LAFCO meeting minutes, Municipal Service Reviews) ; and Administrative/Financial documents (budgets, accounts payable, accounts receivable, audits, invoices, ledgers, registers, Commissioner reimbursements, Commissioner policies and procedures, agreements, contracts, leases, purchase orders, requisitions, recruitment/selection/resumes, claims).

Limited Exceptions to Five Year Retention Period. Original statements of economic interest (Form 700) will be retained by the Commission for a period of seven (7) years. Environmental review documents that are prepared by a lead agency other than LAFCO (i.e., Environmental Impact Reports and other CEQA documents that are approved or adopted by LAFCO but are not prepared by LAFCO as the lead agency for the project), will be retained by the Commission for a period of two (2) years. Environmental review and CEQA documents prepared by LAFCO as the lead agency for the environmental review of the project will be retained for a period of (5) five years.

Destruction Authorized Following Required Retention Period. At the conclusion of the applicable required retention period, the Executive Officer is authorized to destroy records as needed, provided that a photographic or electronic copy of the original record is first made and preserved in the manner specified in Government Code section 56382. The reproductions must be made as accessible for public reference as the original records were.

1.4 **RULES AND PROCEDURES**

F. **Commission Representation**

- 1) *Chair to Act as Ceremonial Representative* – The Chair is delegated to act as the Commission’s ceremonial representative at public events and functions. In the Chair’s absence, the Vice Chair is delegated to assume this responsibility. In both the Chair and Vice Chair’s absence, the Chair shall appoint another Commission member or alternate to assume this responsibility.
- 2) *Ministerial Duties* – The Chair is delegated to sign Commission correspondence and resolutions and perform other ministerial functions as needed.
- 3) *Spokesperson* – The Commission may, from time to time, designate a spokesperson to represent the Commission on a particular matter.
- 4) *Commission Member Participation in Community Activities* – From time to time, Commission members and alternates may participate in community activities, committees, events and task forces.

Unless specifically authorized by the Commission, when a Commission member or alternate participates in such activities, the member or alternate is acting as an interested party rather than acting on behalf of the Commission.

Acting or participating on behalf of the Commission is limited to those instances when the Commission has formally designated the Commission members or alternate as its representative for the matter.

- 5) ~~Advocacy~~ **Representation** - **LAFCO members shall represent the official policies or positions of the Contra Costa LAFCO to the best of their ability when designated by the Commission as delegates and/or spokespersons for this purpose. When presenting their individual opinions and positions, Commissioners shall explicitly state they are not doing so on behalf of the Contra Costa LAFCO.**

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