

Bell Canyon SOI Presentation

Presented by: Michael Robkin, President BC CSD

Location: Ventura County Offices

Date: February 15th, 2023

Prepared by:

Greg McHugh, Interim General Manager
Michael Robkin, President Bell Canyon CSD
Peter Machuga, Vice-President Bell Canyon CSD
Enid Turner, Bell Canyon Community Volunteer
Pam Lee, BC CSD Counsel

Thank You

Thank you to the LAFCo staff and Commission for conducting the MSR and delivering a very detailed report.

As a direct result of the MSR, BC CSD has made significant improvements in many aspects of our organization that will benefit all the residents of Bell Canyon.

Executive Summary

Every issue in the MSR is resolved or will be by 3/15/2023

- Confirmed by Mr. Kai Luoma and staff on 2/1/23 meeting with BC CSD Directors and Counsel
- MSR items where BC CSD disagrees with LAFCo are resolved or moot
- BC CSD will continue conversation with LAFCo on some topics
- BC CSD plans to apply for additional powers

Remaining Items

- Final reading of new ordinances scheduled for 2/27/23
- CHP stated they can start as soon as 3/1/23
- Purchase/Sale agreement for Triunfo property being finalized and expects to open escrow in February 2023
- Multi-Use Parcel lease agreement being finalized with HOA
- BC CSD in the process of applying for Park & Rec Facilities power
- District is updating job descriptions to hire PT Permanent GM, Analyst, and Rec Coordinator
 - Hiring of staff may not complete by 3/15/2023

History

- 2005 MSR encouraged closer cooperation between HOA and CSD for efficiency
- 2008 New LAFCo Law passed
- 2010 MSR had no significant issues
- 2013 DA report on 2009 employee who was simultaneously HOA Director and CSD General Manager
 - This past “dual director” problem not be confused with the non-problem of individuals elected to both Bell Canyon HOA (BCA) and Bell Canyon CSD
- 2015 MSR had no significant issues
- 2021 MSR had issues
 - LAFCo and BC CSD disagreed on some aspects of some findings
 - LAFCo did not provide proper opportunity for dialogue with BC CSD before or during the MSR
- 2023 January/February
 - BC CSD Town Hall
 - BC CSD/LAFCO meeting for SOI preparation
 - BC CSD SOI presentation

BC CSD Counsel's Description of Differences and Resolutions

December 2021

- Various misunderstandings regarding latent powers were clarified. BCCSD requested LAFCo to revise some factual inaccuracies in the MSR.
- BCCSD stated that prior BCCSD actions were taken in good faith and with a proper intent.
- Although BCCSD president and legal counsel did not agree with LAFCo staff on every factual point or legal determination, BCCSD and LAFCo determined a mutually acceptable manner of moving forward to address all concerns that were raised.

February 25, 2022

- BCCSD submitted a letter superseding and replacing its prior Nov, 11, 2021 letter objecting to the draft MSR/SOI setting forth a shared understanding with LAFCo concerning the modifications to BCCSD procedures designed to address LAFCo's concerns and establishing a confirmed basis for improved District operations in the future.
- BCCSD's letter confirmed that, rather than continuing to focus on differences in understanding or interpretation of past actions, the most productive path forward is for BCCSD to address the issues raised in the MSR and ensure full legal compliance and effective provision of services to its community through an action and implementation plan.

March 16, 2022

- LAFCo revised some but not all of the factual inaccuracies requested by BCCSD.
- BCCSD reiterated in a comment letter to LAFCo and Commissioners that it did not agree with all factual points or legal conclusions raised in the MSR, but would focus on its action and implementation plan address issues for the SOI.
- BCCSD also reiterated that per the DA investigation from 2013 and FPPC opinion from 1998, there is no conflict of interest between the board members of the BCCSD being on the HOA.
- BCCSD further clarified that there are no missing or misappropriated funds from the BCCSD.

March 23, 2023

- *"the MSR does not conclude that funds are missing"* - LAFCo Exec Director, by email 5/23/2022

2/14/2023

Bell Canyon Community Services District Sphere of Influence

Review

District Expenditures on Rec Events and Front Gate

<u>Proposed Actions</u>	<u>Notes</u>
District will not utilize HOA staff or services to provide services or put on events and activities	Completed/On-going
District will not make future reimbursements to HOA for contribution toward improvements owned by HOA	Completed/On-going
District will potentially enhance District staffing for day-to-day operations	<p>Completed/On-going</p> <p>District explained that the current Recreation Event Coordinator currently works full time for the HOA, and part-time for the district after 5PM. Mr. Luoma confirmed that was acceptable practice.</p> <p>District will be updating the position of General Manager with resolution, job description, and contract</p> <p>District created the position of Management Analyst (PT), with resolution, job description, and pay range Resolution 22-01 adopted 4-25-2022 Resolution 23-06 adopted 2/13/2023</p> <p>District created the position of Recreation Event Coordinator (PT) with resolution, job description, and pay range. Resolution 23-07 adopted 2/13/2023</p> <p>Event Planning and Operation Policy Resolution 23-08 adopted 2/13/2023</p> <p>Bell Canyon Community Services District Sphere of Influence Review</p>

District Expenditures for Parks, Trails, and Restrooms

District will apply to LAFCo for latent power for recreation facilities

Application for latent powers for park and rec facilities requires a plan for services, including initial and ongoing funding sources and maintenance requirements

District in the process of engaging consultant. LAFCo side will take 2-3 months. Consultant side may take 4-6 months.

District will not provide further funding of recreational facilities or trail improvements beyond existing authorized power for hosting recreational events

Completed/On-going

Brown Act Compliance

Board meetings to be accessible to all members of public to attend in person or via teleconference

Completed/On-going

District has included information on agendas welcoming public participation and informing public on how to enter community to attend in person or to attend via teleconference

Notices and agendas will be posted outside of gates on bulletin board.

Electronic Communication Policy
Resolution 23-13 Adopted 2/13/23

Mr. Luoma and Mr. Barnes confirmed that District would not need to apply for latent power for transportation, street maintenance, or lighting to acquire and improve property for parking spot.

BCCSD notes that BC, Los Angeles, Ventura, or LAFCo views on what constitutes safe parking may change, and we may consider applying for Transportation and Lighting powers to improve the parking spot.

Bulletin Board Pictures



Conflict of Interest

<p>District will adopt Conflict of Interest Code</p>	<p>Completed</p> <p>Conflict Of Interest Policy Resolution 22-04 adopted 7-25-2022</p> <p>Policy Manual Resolution 23-03 adopted 1/23/2023</p>
<p>District will adopt policy requiring recusals of board members who simultaneously serve on HOA board from actions involving contracts or expenditures to HOA</p>	<p>Completed</p> <p>Resolution 23-04 adopted 1-31-2023 Dual Directorship Policy</p> <p>Ms. Lee stated that District’s non-use of HOA services for CSD events and activities, and non-comingling or provision of funds to HOA will minimize any potential conflict of interest. Mr. Luoma and Mr. Barnes confirmed that separating HOA and CSD finances, as described by Ms. Lee, should completely resolve the HOA election law and CSD/HOA dual directorship issue.</p>
<p>District will request HOA to adopt a HOA policy limiting number of HOA board members who may serve on District Board</p>	<p>District is limited by election law regarding legal requirements and limitations on who can run for and be elected to District Board (and cannot prohibit HOA board members from running or being elected to District Board).</p>

LAFCo Commission Meeting 3/16/2022

Local Agency Formation Commission Meeting - March 16, 2022

Relationship Between the BCCSD and the HOA

Conflicts of Interest

- Two BCCSD Board members are also HOA Board members
- In 2013 District Attorney advised that the “appearance of impropriety created by their dual directorship” should be eliminated
- No action taken by the BCCSD
- BCCSD to adopt a conflict of interest code, a policy requiring recusal on any financial matters with the HOA (though such matters are to be eliminated), and recommend that the HOA adopt polices limiting the number of HOA board members who serve on CSD board to two.

(Unclear why in February 2022, BCCSD board appointed a third HOA board member to fill a vacancy on the BCCSD board.)

COI Detail: DA Letter and FPPC Letter

DA Letter:

“Although we are aware of no facts that would constitute an unlawful conflict of interest for the individuals serving as members of both the CSD and the BCA Board of Directors, public confidence would be enhanced by eliminating the appearance of impropriety created by their dual directorship.

...

“From the facts presented, the individuals serving as members of both the CSD and BCA Board of Directors do not have an economic interest in the BCA because the BCA is a non-profit corporation, not qualifying as a business entity, and because BC directors do not receive income from the BCA.”

Fair Political Practices Committee (FPPC):

“The Act does not prohibit an individual from serving as a member of the board of directors of a community services district and on the board of a homeowners association.”

No Third Member of the CSD on the HOA in February 2022

- 12/5/2021 Geoff Abadee off the HOA Board with the HOA election
- 1/24/2022 Geoff Abadee sworn in on CSD Board
- Therefore NO third HOA member on CSD board in February or at any time
 - Would NOT have been a COI anyway
 - May have created Quorum issues, but that is not an MSR issue

Overreach

- BC CSD can contract with HOA for various matters, if done in compliance with our powers and CA law. So the statement that “all financials matters to be eliminated” is overly broad.
- Neither LAFCo nor the CSD has the power to tell the HOA – a private organization – who can or cannot run for office or be elected to their board.
 - BC CSD did adopt COI policies relevant to this situation

Traffic Control

District will not engage in traffic enforcement services unless it activates latent power to employ own peace officers OR it contracts for services with CHP or another qualifying public agency

Completed/On-going

District has re-engaged discussions with CHP to resume traffic enforcement services and will be negotiating a contract.

Both sides agree to resolve issues.

- Contract to Sacramento
- BC CSD to provide signage of traffic enforcement
- Maximum publicity of CHP presence

CHP stated they can start as soon as 3/1/2023

District has terminated authorization for HOA to provide security personnel to operate decoy vehicle. District has already removed decals re: "State of California"

Completed

See pictures

CSD Tahoe Vehicle Pictures



Emergency Related Services, CERT

District will utilize LAFD/VCFPD for any emergency medical services, CERT training, CPR classes, etc.

Resolved.

All CERT training are now sponsored and paid for by Bell Canyon HOA (BCA).

LAFCo to check if they can share their legal opinion justifying their position on CERT training, that CSD cannot apply for latent power for emergency-related services for CERT training provided by LAFD, VCFPD, or other fully fledged public agency emergency service provider

LAFCo will confirm that District can offer CPR training as a recreational activity

BC CSD notes that Channel Islands CSD apparently has a CERT program and does not have their own Fire Department. BC CSD will explore with LAFCo options for sponsoring and funding CERT for Bell Canyon

Security Services, including burglar and fire alarm services

District will adopt ordinance authorizing the manner in which it provides security services, such as burglar and fire alarm services

New PENDING Ordinance (first reading 2/13/2023)
Ord 23-03 re Security Services

LAFCo confirmed District could install cameras in the park under security services power without violating park and rec facilities powers

LAFCo and BC CSD agree that for security at District events held on HOA-owned property these option are acceptable:

(i) District rents HOA property (e.g. parking lot) and Districts provides security;

OR

(ii) HOA rents HOA property to District under a full-service use/license agreement to include providing security, but only to the extent that transaction is arms-length and HOA also offers this service to other parties that rent or utilize HOA-owned property

Graffiti Abatement

District will adopt ordinance authorizing the manner in which it provides graffiti abatement

Completed

Ord. 22-02 adopted 10-24-2022

Updated PENDING ordinance (first reading 2/13/2023)

Ord 23-02 re Graffiti Abatement

Park and Recreational Facilities

District will apply for the latent power under Government Code Section 61100(e) with LAFCo for the acquisition, construction, improvement, maintenance, or operation of recreational facilities

No money spent on improving park until new Latent power approved.

Application in process.

Triunfo Property

District will proceed with acquiring the Triunfo parcel as soon as possible. However, no improvement will be made to the access parcel of the Park until the District has secured authority to active its powers under Government Code Section 61100(e).

On-going

Purchase/Sale agreement for property being finalized and expects to open escrow in February 2023

Multi-use Parcel

District will enter into a ground lease with the HOA for the latter's use of a portion of the Multi-Use parcel as a bus stop.

District will not provide any funding for the bus stop operation or maintenance, and that will be the sole responsibility of the HOA

District will continue to use the remainder of the Multi-Use parcel for hosting community recreation programs and trash and recycling events, and no further approval from LAFCo is required with respect to such already authorized activities.

Lease agreement being finalized with HOA. Will still need to be approved by BC CSD before going to HOA Board for approval

LAFCo to provide more information on how District can apply to operate a bus stop under transportation power

Completed/On-going

Fire-Safe Council Grant

District has agreed to not further pursue any grants of this nature in the future.

LAFCo has informed the District that it is up to the District to determine how to deal with the existing grant. The District will deal directly with CalFire on disbursement of remaining grant funds, and, following close out of the existing grant, will cease any further activity with respect to this CalFire program

Completed/On-going

Will not apply for more grants from CSD.

Past grant funds received to-date have been passed on the Fire-Safe counsel

Financial Controls

Budget were properly created, however budgets were not updated with changes over the course of the year. This made tracking of funds, accounts, and expenditures difficult and confusing.

However all expenditures were properly approved by the board. No funds are missing.

BC CSD will update the budget per best practice whenever Board approves expenditures.

To better track spending to powers, BC CSD added a field to Chart of Accounts to track expenditures to general and latent powers. No policy change required for this as it is within scope of GM's internal operating procedure.

Additional Financial-related policies adopted:

Travel Policy

Resolution 23-11 Adopted 2/13/2023

Office Access Policy

Resolution 23-12 Adopted 2/13/2023

Resolution 23-09 adopted 2/13/2023

Purchasing Policy

Resolution 23-10 adopted 2/13/2023

Reimbursement Policy

Resolution 23-01 adopted 1/9/2023

Authorize Signatories

THANK YOU