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Mayor
City of Escondido

October 2, 2017

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Jo MacKenzie
Vista Irrigation District

TO: Local Agency Formation Commission

Members

Bill Horn
County Board of
Supervisors

FROM: Executive Officer
Executive Assistant

Dianne Jacob
County Board of
Supervisors

SUBJECT: Reauthorization for the Executive Officer to Establish a
Credit Card on behalf of San Diego LAFCO

Andrew Vanderlaan
Public Member

This item is for the San Diego Local Agency Formation Commission (LAFCO) to reauthorize the Executive Officer to establish a credit card for ministerial overhead expenses. Reauthorization is needed to augment a prior approval by the Commission in May 2002 in establishing an independent expenditure fund and associated credit card that named the former Executive Officer and not transferable to successors.

Lorie Zapf
Councilmember
City of San Diego

Catherine Blakespear
Mayor
City of Encinitas

Ed Sprague
Olivenhain Municipal
Water District

Alternate Members

Background

Greg Cox
County Board of
Supervisors

State law authorizes Local Agency Formation Commissions (LAFCOs) to enter into agreements or contracts with public and private parties for services necessary to meet their regulatory and planning responsibilities. Towards this end, San Diego LAFCO (“Commission”) approved a series of related actions by resolution in May 2002 and marked by authorizing then Executive Officer, Michael D. Ott, to establish an independent expenditure fund on behalf of the agency with a federally insured banking institution. This approval preceded the establishment of a checking account and associated credit line with Wells Fargo to cover relatively minor overhead costs, such as routine support services, office supplies, and staff reimbursements. (Per Commission approval the account balance shall not exceed the adopted expense line dedicated for special department expenses, which totals \$0.045 million in FY 2018).

Chris Cate
Councilmember
City of San Diego

Racquel Vasquez
Mayor
City of Lemon Grove

Harry Mathis
Public Member

Judy Hanson
Leucadia Wastewater
District

Executive Officer

Keene Simonds

Counsel

Michael G. Colantuono

Discussion

As detailed in the preceding section the Commission authorized the previous Executive Officer Michael D. Ott to establish – and among other items – a credit card to cover routine overhead expenses at San Diego LAFCO in May 2002. The subsequent credit card opened with Wells Fargo provided the Commission with a maximum spending balance of \$15,000 with payments made out of one of two general checking accounts also opened with Wells Fargo. The credit card, however and after several attempts to remedy, was cancelled by Executive Officer Ott on August 30, 2017 given Wells Fargo would not transfer signatory authority to the incoming appointee. Wells Fargo stated any signatory changes would require a formal action request by the Commission as the governing body. Outreach to other banking institutions with respect to establishing a new credit card indicated the same formal approval by the Commission would be needed.

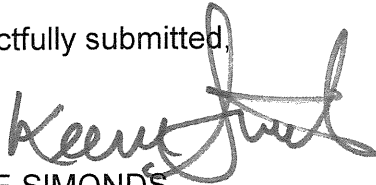
Analysis

The proposed reauthorization serves as a needed update to the Commission’s earlier approval from May 2002 for the new Executive Officer to establish and administer a credit card on behalf of San Diego LAFCO to cover routine overhead expenses. This would involve the Commission adopting a new resolution that assigns authorization to the Executive Officer by position rather than by specific appointee to open a new credit card account with a banking institution. All existing procurement policies and safeguards established by the Commission would remain unchanged.

Recommendation

It is recommended the Commission adopt the attached draft resolution authorizing the Executive Officer to establish and administer a credit card on behalf of San Diego LAFCO with a selected banking institution.

Respectfully submitted,



KEENE SIMONDS
Executive Officer



TAMARON LUCKETT
Executive Assistant

KS:tl:ra

Attachment:

- A) Draft Resolution

**RESOLUTION OF THE
SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
AUTHORIZING THE ESTABLISHMENT OF A CREDIT CARD**

WHEREAS, the San Diego Local Agency Formation Commission (LAFCO) is a State Mandated Government Agency (Taxpayer ID# 95-6000934W) established pursuant to State Law (Government Code Section 56000 et seq.); and

WHEREAS, San Diego LAFCO is responsible for appointing an Executive Officer to – and among other purposes – manage and transact the day to day business of the agency under Government Code Section 56038; and

WHEREAS, and by resolution dated May 6, 2002, San Diego LAFCO authorized the Executive Officer (Michael D. Ott) to establish a federally insured interest-bearing checking and market rate account or other similar type of account(s) with a banking institution for the purpose of minor claims payment; and

WHEREAS, the prior approval made by San Diego LAFCO on May 6, 2002, included authorization for the then Executive Officer to establish a credit card for general overhead expenses and subject to all other procurement policies;

NOW, THEREFORE, BE IT RESOLVED, that on October 2, 2017, San Diego LAFCO:

- (a) The Executive Officer by position is authorized to establish and maintain a credit line (i.e., credit card) on behalf of San Diego LAFCO with a federally insured banking institution with a maximum spending balance of \$15,000.
- (b) The Executive Officer shall serve as the principal signatory for any credit line established on behalf of San Diego LAFCO with the authority to authorize co-signers consistent with adopted policies and procedures.

Passed and adopted by San Diego LAFCO on this 2nd day of October 2017, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

KEENE SIMONDS, Executive Officer

Adopted: October 2, 2017

San Diego, California