

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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DATE: AUGUST 4, 2006
FROM: MICHAEL TUERPE, LAFCO Analyst
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: LAFCO 3007 – Dissolution of Parker Dam
Recreation and Park District

INITIATED BY:

Local Agency Formation Commission

RECOMMENDATION:

Staff is recommending that the Commission approve LAFCO 3007 by taking the following actions:

1. Determine that LAFCO 3007 is statutorily exempt from environmental review and direct the Clerk of the Commission to file a Notice of Exemption within five (5) days of this action.
2. Approve LAFCO 3007 - Dissolution of Parker Dam Recreation and Park District, subject to the standard terms and conditions, omitting the standard condition for legal defense responsibility, as the Commission is the applicant, and the following additional terms and conditions:
 - a) Upon the effective date of the dissolution:
 1. The County of San Bernardino (County) shall be designated as the successor agency to all rights, responsibilities, properties, equipment, contracts, assets, liabilities, obligations, powers, and duties of the Parker Dam Recreation and Park District (District);

2. County Service Area 70 (CSA 70) will be the designated County entity to settle the affairs of the District and acquire all of its assets.
 - b) Pursuant to the provisions of Government Code Section 56885.5(a)(4), the District is prohibited from taking the following actions unless an emergency situation exists as defined in Section 54956.5:
 1. Approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency.
 2. Appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the Commission.
 - c) The appropriations limit for CSA 70, as the designated entity to succeed to the District, shall be increased to include the estimated appropriation limit of the District, identified as \$11,643 for Fiscal Year 2006-2007, as a result of this dissolution;
 - d) As a function of its responsibilities as the successor agency to wind up the affairs of the District, the County shall pay to the Local Agency Formation Commission (LAFCO) the sum of the District's prior and current outstanding obligations to LAFCO as required by Government Code §56381(b)(1) and the costs for processing the dissolution application;
 - e) Upon the effective date of the dissolution, any and all revenues including cash on hand and any special assessment revenue attributable to the District, including delinquent property tax collections and special assessments, and any and all other collections or assets of the District to be dissolved shall accrue and be transferred to CSA 70;
 - f) Authorize the completion of these proceedings pursuant to Government Code Section 57113, without an election, unless at least 25% of the landowners who own at least 25% of the assessed value of land within the District, or at least 25% of the registered voters within the District, submit a petition requesting that the proposal be submitted for confirmation by the voters;
3. Adopt LAFCO Resolution #2922, setting forth the Commission's findings and determinations concerning this proposal.

BACKGROUND:

LAFCO 3007 is a proposal initiated by the Commission to dissolve the Parker Dam Recreation and Park District (District). The District was formed in April 1955 by vote of the registered voters in the community. In 1961, the board of directors reorganized the District to provide park and recreation and streetlight services to the small community of Parker along the California side of the Colorado River. The District is an independent, self-governed district with an appointed five-member board of directors.

In 1988, the Property Tax Division of the County's Office of the Auditor/Controller-Recorder conveyed its concern to LAFCO about its inability to contact the District, the failure of the District to expend its revenues, and the accumulation of several years of unclaimed tax and interest revenue. LAFCO staff review at that time found no records of any District expenditures over the past decade and no verification that there had been a board of directors after 1983. However, further discussion in the community and the appointment of board members allayed these concerns at that time.

At the May 18, 2005 LAFCO Commission hearing, LAFCO was provided with a request from the Property Tax Manager of the Office of the Auditor/Controller-Recorder that action be taken to dissolve the District. The Auditor's request outlined its rationale as the lack of financial activity on the part of the District up to and including the 2004-05 Fiscal Year and the inability of that office to contact the District (included as a part of Attachment #2). Following receipt of this request, LAFCO staff attempted to contact the District but had no success. On August 17, 2005, the Commission officially initiated the proposal for dissolution of the District.

The balance of this report will address the four factors required for review: 1) boundaries, 2) financial considerations, 3) service considerations, and 4) environmental considerations. These issues and other information are presented below.

BOUNDARIES:

Presently, the District encompasses approximately 14,387 +/- acres (22.48 square miles) in the southeast portion of the County along the California side of the Colorado River. All of the District's land is within unincorporated County territory. The District stretches from Black Meadows Landing on the north to the Colorado River Indian Reservation on the south, and from the Colorado River on the east to the west line of Township 3 North, Ranges 26 and 27 East. The territory includes the areas known as the Community of Parker,

Parker Dam Camp, and Gene Camp. Location and vicinity maps are included as Attachment #1 to this report.

Historically, the District has had issues with appointing members to the board of directors. To increase the pool of applicants from which members of the board of directors could be selected, an annexation proposal was submitted in 1993 for the stated purpose to increase the number of registered voters from 21 to 162. This sphere of influence expansion and annexation (LAFCO 2738 and LAFCO 2739 respectively) expanded the District by approximately 8,000 acres (12.5 square miles). Through these efforts, the District provided its services to the ten concessionaires along the Colorado River, ranging from Black Meadows Landing along the shore of Lake Havasu on the north to the River Land Resort on the south across from the City of Parker, Arizona.

Currently, the District has no active board of directors and the current members on file were appointed in 1992 and 1994. Thus, the effort to expand the pool of candidates for membership on the board of directors has not resulted in greater interest in the governance of the District as anticipated.

FINANCIAL CONSIDERATIONS:

In processing a dissolution of a district, LAFCO must consider the financial effects of such a proposal. Research of this dissolution by LAFCO staff, which included interviews and a review of the District's available financial records, indicates that the District has had a lack of activity in its bank accounts, abandoned its primary capital investment, and as early as 1988 more than one entity has expressed concern or taken action regarding its financial capacity. These are among the reasons that the District cannot function properly or meet its obligations to provide its authorized services. The effect of dissolving the District would transfer all rights, responsibilities, properties, equipment, contracts, assets, liabilities, obligations, powers, and duties of the District to the County (with CSA 70 as the designated County entity).

The District's financial challenges and the proposed transfers are in the Plan for Service prepared by LAFCO staff, included as a part of Attachment #2, and are discussed in this report. The following details the transfer of the District's assets and property tax revenues, the status of its financial accounts and property, issues relating to past audits, and its lack of an appropriations limit.

Transfer of Current Assets

As a condition requested by the County, LAFCO staff recommends that CSA 70 be the designated County entity to settle the affairs of the District and acquire all of its assets. These additional resources would provide financial assistance

for administration of the County Consolidated Fire Agency. Included as a part of Attachment #2 is a letter from the County requesting that CSA 70 be the designated entity.

As a part of the necessary actions to settle the affairs of the District, LAFCO staff recommends that a condition be imposed requiring the County to reimburse the Commission for LAFCO's processing costs for this action and for all outstanding obligations pursuant to Government Section 56381(b)(1). Since the Commission initiated this proposal, staff recommends this condition for LAFCO to recover its actual costs for processing this proposal. Furthermore, LAFCO seeks to recover the District's apportionment owed to LAFCO under Government Code Section 56381(b)(1).

Transfer of Property Tax Revenues

Upon successful completion of the proposed dissolution, the property tax revenues derived within the current boundaries of the District will transfer to CSA 70. The County Board of Supervisors approved this exchange on May 16, 2006, pursuant to the provisions outlined in Section 99 of the Revenue and Taxation Code.

As a condition of the Commission's approval in a typical dissolution proposal, the appropriation limit for the agency being dissolved would be added to that of the successor agency. However, the District does not have an appropriations limit and therefore does not comply with Section XIII B of the State Constitution. For the purposes of this proposal, staff has utilized the methodology outlined in Government Code §56811 to develop a provisional appropriation limit. That calculation includes a determination of property tax revenues attributable to the dissolving entity; in this case, staff has used the District's FY 2005-2006 financial records taken from the County's Financial Accounting System identified as follows: Property Taxes of \$5,574, and Other Taxes of \$69 for a total of \$5,643.

However, shifts of property tax revenues to the State (ERAF shifts) lowered the property tax revenues due to cities, counties, special districts and redevelopment agencies for Fiscal Years 2004-2005 and 2005-2006. Additionally, these revenues are slated for return to the local agencies. Thus, property tax revenues for FY 2006-2007 will be significantly higher than FY 2005-2006. To account for this expected increase, staff added \$6,000 to account for the higher property tax revenues, cost-of-living increase, increases in tax assessments from sold property, and payments of prior year taxes. Therefore, for the purposes of this proposal, the appropriation limit for the District is recommended to be set at \$11,643.

As a condition of the Commission’s approval, the appropriations limit for the District will be added to that of CSA 70 following completion of the dissolution.

Budget and Accounts

In recent years, there has been little financial activity in the District’s fund on deposit in the County Treasury as illustrated by Figure 1. The District’s only revenue sources are the accumulation of several years of property tax revenue and interest. Since FY 2003-04, the County Auditor/Controller has had no activity in the fund related to expenditures.

Figure 1. Parker Dam Recreation and Park District Revenues and Expenditures – County Treasury *

	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007**
Revenue	\$7,109.90	\$7,385.19	\$7,230.07	\$6,949.73	\$7,526.16	\$768.13
Expenditures	\$5,959.43	\$7,049.43	\$730.00	\$0.00	\$0.00	

* Taken from the County’s Financial Accounting System

** As of August 2, 2006

There is no known current or proposed budget for the District. The only confirmed asset of the District is the cash on account in the County Treasury totaling \$51,398.43 as of August 2, 2006. As previously mentioned, CSA 70 will receive the cash on account in the County Treasury upon the effective date of the dissolution.

In addition, the District has an account in its name at the Wells Fargo Bank branch in Parker, Arizona. Because of confidentiality laws, LAFCO staff could not obtain the account balance. Through phone interviews with the Unclaimed Property Department of Wells Fargo and the branch office, LAFCO staff learned that the account was opened in 1990 and has had no activity in the past few years. Due to the account’s lack of activity and the bank’s unsuccessful attempts to contact the District regarding the account, the bank placed the account in the escheatment process (the process of turning over unclaimed or abandoned property to a state authority). The account is scheduled to transfer to the State of Arizona through its Department of Revenue, Unclaimed Property Division in October 2006. Upon the effective date of the dissolution, CSA 70 will succeed to the Wells Fargo account through completion of this action.

The lack of activity in both the District’s County fund and the Wells Fargo account has prompted concern by the County and action by Wells Fargo for the respective accounts. This signifies the District’s lack of capacity to expend its revenues or function properly.

Sign Located at the Intersection of State Highway 62 and US Highway 95

In June 1991, the District constructed a billboard sign for \$13,920 to promote the District. The sign is located over 20 miles outside the District's boundaries at the intersection of State Highway 62 and US Highway 95, commonly known as Vidal Junction, on parcel 0646-251-18. Since the sign is located on private property, the District paid a lease for placement of the sign. Financial records on file with the County indicate rental payments from 1991 to 1993 with an estimated total cost of \$10,884. The last payment on record was in October 1993. A picture of the sign taken June 2, 2006 with an overlay vicinity map is included as Attachment #3.

In a phone interview, the former owner of the parcel, Lynn Van Voorhis, told LAFCO staff that he and the District entered into a contract for placement of the sign on his property. For the last year of the contract, believed to be 1993, the District failed to pay the lease payment in full. The former District Coordinator, Deena Ingram, when contacted by LAFCO staff, corroborates this statement. However, Mr. Van Voorhis cannot produce a copy of the contract. In addition, it is staff's understanding that payments were made by the District to Mr. Van Voorhis to pay for electricity to light the sign. Review of the available financial records on file with the County is inconclusive, as they do not provide dates or the amounts of the payments.

The current owner of the parcel is Vidal Junction LLC. Brian Jackson, operating partner of Vidal Junction LLC, told LAFCO staff through a phone interview that the sign was on the property when he purchased it in November 2004. He has not taken any action regarding the sign since taking ownership of the property. Upon the effective date of the dissolution, the ownership of the billboard sign will transfer to CSA 70.

The abandonment of this fixed asset by the District further demonstrates poor management of resources.

Audits of the District

Audits for Fiscal Years 1995-1996 to 1999-2000 conducted by an independent auditor expressed reservation about the District's ability to function. The most recent audit on file with the San Bernardino County Auditor/Controller-Recorder is for the year ending June 30, 2000 (included as Attachment #4). The following is an excerpt from the audit (Page 4):

Our audit has disclosed that the District has suffered recurring losses from operations, with no substantial increase in revenues. This coupled with the continuing cost of operations has raised substantial doubt about the District's ability to continue to meet its

current obligations....We previously reported this condition in our reports performed as of and for the years ended June 30, 1996, June 30, 1997, and June 30, 1998.

Importantly, there is no mention in the audits on file regarding an appropriations limit or the Wells Fargo bank account. Failure to address an appropriations limit or disclose a private bank account has a material effect on the governance of the District.

Appropriations Limit of the District

The lack of an appropriations limit by the District warrants further discussion. Article XIII B of the State Constitution (Gann Limit) mandates local government agencies to establish an appropriations limit. However, Section 9 of this Article provides exemptions to the appropriations limit. Specifically, Section 9 (c) exempts the appropriations limit for special districts which existed on January 1, 1978 and which did not levy an ad valorem tax on property in excess of 12 ½ cents per \$100 of assessed value for the 1977-1978 fiscal year. However, the tax rate for the District for FY 1977-1978 was 51 cents per \$100 of assessed value. Being over the 12 ½-cent tax rate, the District did not qualify for an exemption from an appropriations limit. Nor does research by LAFCO staff indicate the District qualifies for any other exemption under Section 9. Therefore, the District falls within the requirements of Article XIII B of the State Constitution and must have an appropriations limit. A copy of the FY 1977-1978 property tax rates, with Parker Dam highlighted for reference, is included as Attachment #5.

Conclusion of Financial Considerations

As early as 1988, the District has had financial challenges. First, both the County Treasury and Wells Fargo accounts have had no activity in the past few years. Additionally, both the Property Tax Division of the County's Office of the Auditor/Controller-Recorder and Unclaimed Property Division of Wells Fargo have had no success in contacting the District. In turn, the Property Tax Division requested that LAFCO dissolve the District, and Wells Fargo placed its account in the escheatment process. Second, the District paid roughly \$14,000 for a billboard sign and roughly \$11,000 over three years for placement of the sign on property outside the District's boundaries. Since there is no acting board of directors or lease payments, the sign is essentially abandoned and the taxpayers of the District can no longer enjoy a return on this investment. Third, recurring doubt by the independent auditor regarding the District's finances and the District's lack of disclosure in the audits supports the fact that the District has historically experienced financial challenges. Fourth, failure to comply with an appropriations limit is symptomatic of an agency that neither manages nor governs in an appropriate

manner. Therefore, it is staff's determination that the District is not financially or managerially viable to function.

SERVICE CONSIDERATIONS:

Currently, the District provides no services, as it has no acting board of directors or employees to do so. Yet, it still receives property tax revenues. As a result, the dissolution of the District will have no direct effect upon delivery of park and recreation services within its boundaries.

Board of Directors

LAFCO staff has contacted the San Bernardino County Registrar of Voters and the Clerk of the Board of Supervisors to determine the last known membership of the board of directors. A review of the records on file in the Clerk of the Board office provides the membership roster as of 1994. These records indicate that the District had one member appointed in 1992 with the term of office expiring in 1996 and four members appointed in 1994 with terms of office expiring in 1998. No other records are on file. Moreover, there are no letters of resignation relieving those members of their duty on file, and no qualified successors have taken their place on the board of directors. Even though there is no active board of directors of the District, according to Section 10507 of the Elections Code¹, these members still constitute the board of directors for the District. LAFCO staff has been unable to locate the members of the board of directors. Either the individuals have passed away or the Post Office returned the mailings.

Employees

Review of the District's available financial records indicates that the District did not pay for regular employment as far back as FY 2001-2002. Instead, the District paid for temporary services through the Extra Help expenditure code in its County Treasury fund. The last time the District paid for temporary services was September 2003 in the amount of \$730.00.

Services Provided

The District is authorized by LAFCO to provide park and recreation and streetlight services, and pursuant to SB 707 (rewrite of Recreation and Park District Law in 2001), the District has latent powers. Specifically, Public

¹ Recreation and Park Districts are subject to the Uniform District Election Law, Part 4 (commencing with Section 10500) of Division 10 of the Elections Code. Section 10507 states, "... the term of office of each elective officer, elected or appointed pursuant to this part, is four years or until his or her successor qualifies and takes office."

Resources Code §5786.7 states that the District can activate the following powers by approval from LAFCO and a majority of the District's voters:

1. Purchase or lease of electric power from any agency or entity, public or private, for use within the district.
2. Acquire water and water rights and do any act necessary to furnish sufficient water in the district for any beneficial use.
3. Sell, dispose of, and distribute water and electric power for use within the district.

To the knowledge of LAFCO staff, the District has only provided park and recreation services. Furthermore, the District does not own, operate, or maintain any parks or facilities. LAFCO records of services and/or activities provided by the District include: fireworks shows, chili cook-offs, arts and crafts fairs, and brochures advertising the resorts and their recreational activities.

In a typical dissolution proposal, the Commission determines what agency will succeed to the services and responsibility of the dissolving agency. In this proposal, CSA 70 is not anticipated to continue the services of park and recreation to the area. The most recent dissolution with no continuation of services is LAFCO 2942 (Dissolution of CSA 77) in 2003. Since no entity continued the service, the County was designated as the successor district. Additionally, the County transferred CSA 77's share of the one percent property tax to another entity.

Furthermore, the proposed dissolution will have no direct effect on the areas in which service is authorized because the District has not provided services for over two years and has no acting board of directors or employees. Provision of park and recreation services by CSA 70 is not anticipated; however, it has the power to provide such services through an improvement zone if it is determined to be appropriate to do so.

RESPONSES TO THIS PROPOSAL:

To date, staff has not received any written correspondence or telephone calls from residents or landowners within the boundaries of the District concerning the dissolution of the District. The lack of response could be due a lack of knowledge of the District since currently there are no services provided or a serving board of directors. Additionally, to date, staff has received no written opposition to this action from subject agencies.

For a proposal involving the dissolution of a park and recreation district, the Commission is required by Government Code Section 56131.7 to notify the

State Department of Park and Recreation (Department) of the proposed dissolution. Staff notified the Department in writing and a letter from Ms. Ruth Coleman, Director, is included as Attachment #6. The Department has no official position or comment on the proposed dissolution, and there is no record of grant funds dispersed to the District by the Department.

ENVIRONMENTAL CONSIDERATIONS:

The Commission's environmental consultant, Tom Dodson and Associates, has reviewed this proposal and recommends that it is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on his understanding that there is no potential for a physical change in the environment because there will be no change in park and recreation service delivery or land use responsibility for property within the District. He further recommends to the Commission that, "...under the current circumstance, no possibility of a significant effect on the environment applies to LAFCO 3007 as approval of the proposed action has no potential to cause a significant effect on the environment." A copy of Mr. Dodson's recommendation is included for the Commission's review as Attachment #7.

If the Commission approves this proposal, it should make the finding that this proposal is statutorily exempt from environmental review, and direct the Clerk of the Commission to file a Notice of Exemption within five days.

PROTEST:

Since this is a Commission-initiated action, there are special provisions outlined in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding protests. Pursuant to Government Code Section 57113, a petition requesting that the proposal be subject to confirmation by the voters must be submitted by either: 1) at least 25% of the landowners who own at least 25% of the assessed value of land within the District, or 2) at least 25% of the registered voters within the District. According to the statute, if the number of landowners or number of registered voters within the study area is under 300, then submission of such a proposal would need to contain at least 25% of the landowners or registered voters, as described above. Otherwise, the threshold for election is ten percent. Because both the number of landowners and the number of registered voters in the study area is under 300, this proposal requires the 25 percent standard.

FINDINGS:

The following findings are required to be provided by Commission policy and Government Code Section 56668:

1. The Registrar of Voters Office has certified that the study area is legally inhabited, containing 56 registered voters as of February 27, 2006.
2. The County Assessor has determined that the assessed value of land and improvements within the District is zero dollars (\$0) because the area consists of publicly held lands. However, there are attached parcels assessed on the unsecured tax roll. The assessed value of lands and improvements of attached parcels within the dissolution area total \$25,712,149 (\$4,588,499 – land; \$21,123,650 – improvements).

Pursuant to the provisions of Government Code Section 56126, the County Assessor was requested to assign values to the public lands within the dissolution area for protest purposes only. The values for these publicly held lands are listed separately as shown below for the individual parcels:

Landowner Name	Assessor Parcel Number	Land Values as of 7/12/2006 for Protest Purposes
All American Pipeline Co	0556-311-46	\$500
United States Government Land	0649-031-01	\$320,000
	0649-031-02	\$1,122,000
	0649-031-03	\$890,000
	0649-031-04	\$475,000
	0649-031-05	\$360,000
	0649-031-06	\$256,000
	0649-031-07	\$280,000
	0649-041-01	\$3,025,000
	0649-041-02	\$1,325,000
	0649-041-03	\$2,750,000
	0649-041-04	\$256,000
	0649-051-03	\$2,700,000
	0649-051-04	\$700,000
	0661-121-03	\$1,500,000
	0661-121-06	\$700,000
	0661-131-02	\$252,000
	0661-131-03	\$2,500,000
	0661-131-04	\$1,500,000
	0661-131-05	\$2,500,000
	0661-131-06	\$1,500,000
	0661-141-04	\$2,200,000
	0661-141-05	\$1,955,000
	0661-141-06	\$2,700,000
	0661-141-08	\$5,000
	0661-141-10	\$1,360,000
	0661-151-04	\$320,000
	0661-191-02	\$320,000
	0661-191-03	\$320,000
	0661-191-04	\$320,000
	0661-191-06	\$3,000,000
	0661-191-07	\$160,000
	0661-191-08	\$160,000
	0661-191-10	\$310,000
0661-201-01	\$160,000	
0661-201-03	\$160,000	
0661-201-04	\$160,000	
0661-201-05	\$2,600,000	
0661-201-06	\$2,600,000	
0661-201-07	\$1,980,000	
0661-201-08	\$1,620,000	
0661-201-09	\$2,160,000	
Total Government Land		\$49,481,000
LA Cellular Telephone Co	0649-031-08	\$1,000

3. This proposal has no effect on and does not conflict with the County General Plan.
4. In compliance with Commission policy, notice of the hearing has been provided by publication of an eighth-page legal ad in The Sun, a newspaper of general circulation in the area and the Parker Pioneer, a local newspaper. Individual notice has been provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notification.
5. The Commission's Environmental Consultant has reviewed this proposal and recommends that a statutory exemption be issued for LAFCO #3007. Mr. Dodson's response is included as Attachment #7 to this report.
6. The area within Parker Dam Recreation and Park District is presently served by the following local agencies:

County of San Bernardino
County Service Area 38 (fire protection) (majority)
County Service Area 38 Improvement Zone J (majority)
County Service Area 70 (multi-function county service area)
Mojave Desert Resource Conservation District
Palo Verde Community College District
Palo Verde Community College District-School Fac. Improvement
District No. 2004-1

This dissolution proposal only directly affects the Parker Dam Recreation and Park District.

7. Pursuant to Government Code Section 56881, no services will be impacted by the dissolution of the District because the District has not provided services for over two years and only sporadically provided service within the prior decade. This dissolution will result in greater accountability of the District's share of the one percent ad valorem property tax through transfer to CSA 70 (Consolidated Fire Agency).
8. This proposal and its anticipated effects comply with adopted Commission policies.
9. All notices required by law have been provided. To date, no protest to this proposal has been submitted. As required by Government Code Section 56131.7, notice of this application was provided to the State Department of Park and Recreation. Ms. Ruth G. Coleman, Director, has

provided a response which indicates no official position or comment on the proposed dissolution. The Department has indicated that there is no record of grant funds dispersed to the District by the Department.

10. Pursuant to the provisions of Revenue and Taxation Code Section 99, the County Board of Supervisors has adopted a property tax resolution indicating that the District's property tax share will be transferred to County Service Area 70 as a result of this proposal.

CONCLUSION:

Ongoing financial and governance challenges have plagued the Parker Dam Recreation and Park District as far back as 1988. This is evidenced by the District not having an active board of directors, no current employees, no provision of services for over two years, a lack of financial activity in its accounts, no current or proposed budget, no appropriations limit, lack of disclosure in its audits, mismanaging and abandoning a capital asset, and reoccurring doubt of the District's viability by an independent auditor and the Office of the Auditor/Controller of the County.

With tax dollars as its primary revenue, these deficiencies point to a systemic and continuing failure by the District to manage the agency. Therefore, staff believes that upon the effective date, this dissolution will:

1. Result in greater accountability with the County assuming responsibility for closure of the affairs of a dormant district.
2. Result in greater accountability of the District's assets and share of the 1% ad valorem property tax, as it will support the administration of the County Consolidated Fire Agency.

For these reasons, and those detailed in the staff report, staff recommends approval of LAFCO 3007.

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Attachments:

1. Maps of Parker Dam Recreation and Park District
2. Dissolution Application, Plan for Service, Letter from the Office of the Auditor/Controller-Recorder dated April 18, 2005, Letter from the Public and Support Services Group dated August 4, 2006
3. Picture of the Billboard Sign with Vicinity Map Overlay
4. Independent Audit of the Parker Dam Recreation and Park District for the Year Ending June 30, 2000

5. Fiscal Year 1977-1978 Tax Rates
6. Letter from Ruth Coleman, Director, State Department of Parks and Recreation dated June 2, 2006
7. Response from the Commission's Environmental Consultant, Tom Dodson and Associates
8. Draft Resolution #2922