



LAFCO FINANCE COMMITTEE MEETING AGENDA

Thursday, March 9, 2017

9:00 AM

Room 157, First Floor
70 West Hedding Street, San Jose, CA 95110

FINANCE COMMITTEE MEMBERS: Sequoia Hall, Sergio Jimenez, Susan Vicklund Wilson

NOTICE TO THE PUBLIC

1. Pursuant to Government Code §84308, no LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party, or his/her agent; or any participant or his /or her agent, while a LAFCO proceeding is pending, and for three months following the date a final decision is rendered by LAFCO. Prior to rendering a decision on a LAFCO proceeding, any LAFCO commissioner who received a contribution of more than \$250 within the preceding 12 months from a party or participant shall disclose that fact on the record of the proceeding. If a commissioner receives a contribution which would otherwise require disqualification returns the contribution within 30 days of knowing about the contribution and the proceeding, the commissioner shall be permitted to participate in the proceeding. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 within the preceding 12 months by the party, or his or her agent, to a LAFCO commissioner. For forms, visit the LAFCO website at www.santaclaralafco.org. No party, or his or her agent and no participant, or his or her agent, shall make a contribution of more than \$250 to any LAFCO commissioner during the proceeding or for 3 months following the date a final decision is rendered by LAFCO.
2. Pursuant to Government Code Sections 56100.1, 56300, 56700.1, 57009 and 81000 et seq., any person or combination of persons who directly or indirectly contribute(s) a total of \$1,000 or more or expend(s) a total of \$1,000 or more in support of or in opposition to specified LAFCO proposals or proceedings, which generally include proposed reorganizations or changes of organization, may be required to comply with the disclosure requirements of the Political Reform Act (See also, Section 84250 et seq.). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. More information on the scope of the required disclosures is available at the web site of the FPPC: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).
3. Pursuant to Government Code §56300(c), LAFCO adopted lobbying disclosure requirements which require that any person or entity lobbying the Commission or Executive Officer in regard to an application before LAFCO must file a declaration prior to the hearing on the LAFCO application or at the time of the hearing if that is the initial contact. In addition to submitting a declaration, any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them. Additionally every applicant shall file a declaration under penalty of perjury listing all lobbyists that they have hired to influence the action taken by LAFCO on their application. For forms, visit the LAFCO website at www.santaclaralafco.org.
4. Any disclosable public records related to an open session item on the agenda and distributed to all or a majority of the Commissioners less than 72 hours prior to that meeting are available for public inspection at the LAFCO Office, 70 W. Hedding Street, 11th Floor, San Jose, California, during normal business hours. (Government Code §54957.5.)
5. In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the LAFCO Clerk 24 hours prior to the meeting at (408)299-6415.

70 West Hedding Street ▪ 11th Floor, East Wing ▪ San Jose, CA 95110 ▪ (408) 993-4713 ▪ www.santaclaralafco.org

COMMISSIONERS: Sequoia Hall, Sergio Jimenez, Linda J. LeZotte, Rob Rennie, Mike Wasserman, Susan Vicklund Wilson, Ken Yeager

ALTERNATE COMMISSIONERS: Sylvia Arenas, Cindy Chavez, Yoriko Kishimoto, Terry Trumbull

EXECUTIVE OFFICER: Neelima Palacherla

1. PUBLIC COMMENTS

This portion of the meeting is reserved for persons desiring to address the Committee on any matter not on this agenda. Speakers are limited to THREE minutes. All statements that require a response will be referred to staff for reply in writing.

2. STATUS OF CURRENT YEAR WORK PLAN AND BUDGET

Recommended Action: Accept report and provide direction, as necessary.

3. PROPOSED WORK PLAN FOR FISCAL YEAR 2018

Recommended Action: Consider the proposed Work Plan for Fiscal Year 2018, provide further direction to staff, as necessary, and forward a recommendation to the full Commission.

4. PROPOSED BUDGET FOR FISCAL YEAR 2018

Recommended Action: Consider (a.) the proposed Budget for Fiscal Year 2018, and (b.) amendments to LAFCO's agreement with BB&K for legal services. Provide further direction to staff, as necessary, and forward a recommendation to the full Commission.

5. ADJOURN

Recommended Action: Set date and time for the next Finance Committee meeting, as necessary.

Status of Current Year (FY 2017) WORK PLAN

	PROJECTS	STATUS
SERVICE REVIEWS & SPHERE OF INFLUENCE	Special Studies / Service Reviews	On hold until office move completed
	Follow up on implementation of recommendations from Cities Service Review	
	Follow up on Water Service Review Report recommendations: PPWD	
	Follow up on Fire Service Review Report recommendations: Los Altos Hills Fire District reserves	
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with potential annexations and potential USA amendments	Ongoing, as needed
	Review and finalize city-conducted island annexations	Ongoing, as needed
LAFCO APPLICATIONS	Process applicant initiated LAFCO proposals	Ongoing, as needed
	Comment on potential LAFCO applications, City General Plan updates and/ or related environmental documents	Ongoing, as needed
	Respond to public enquiries re. LAFCO policies, procedures and filing requirements for LAFCO applications	Ongoing, as needed
PUBLIC OUTREACH / COMMUNICATION	Maintain boundaries of cities and special districts in GIS	Ongoing
	Develop a public information /communications strategy	On hold until office move completed
	Participate in CALAFCO conferences / workshops	Ongoing
	Conduct workshops and/or make presentations re. LAFCO program, policies and procedures to local agencies, organizations, commissioners, community groups, staff	Ongoing
	Participate in local, regional, statewide organizations: SDA, SCCAPO, CALAFCO, GIS Working Group	Ongoing
ADMINISTRATION	Lease private space and move LAFCO office	Ongoing
	Recruit and hire staff for the new LAFCO Analyst position	In progress
	Maintain and enhance LAFCO Website / mapping	Ongoing
	Maintain LAFCO database	Ongoing
	Maintain LAFCO's electronic document management system (archiving LAFCO records)	Ongoing
	Prepare Annual Report	August 2016
	Staff training and development	Ongoing
	Staff performance evaluation	April – June 2016
	Prepare budget, work plan, fee schedule revisions	In progress
OTHER	Review and update policies and procedures	Ongoing, comprehensive effort on hold until move is completed
	Track LAFCO related legislation (CALAFCO Legislative Committee)	Ongoing
	Mapping Mutual Water companies	Ongoing
	Program to improve community's understanding of the importance of agriculture to future of Santa Clara County / Participation in the County / OSA's SALC Plan	Ongoing

AGENDA ITEM # 2

FY 2017 LAFCO BUDGET STATUS

ITEM # TITLE	ACTUALS FY 2008	ACTUALS FY 2009	ACTUALS FY 2010	ACTUALS FY 2011	ACTUALS FY 2012	ACTUALS FY 2013	ACTUALS FY 2014	ACTUALS FY 2015	ACTUALS FY 2016	APPROVED FY 2017	YEAR TO DATE 3/3/2017	YEAR END PROJECTIONS 2017
EXPENDITURES												
Salary and Benefits	\$356,009	\$400,259	\$406,650	\$413,966	\$393,194	\$411,929	\$450,751	\$466,755	\$484,216	\$674,370	\$341,758	\$545,976
Object 2: Services and Supplies												
5255100 Intra-County Professional	\$66,085	\$57,347	\$13,572	\$4,532	\$6,118	\$5,260	\$5,663	\$4,379	\$18,523	\$45,000	\$817	\$10,000
5255800 Legal Counsel	\$0	\$9,158	\$67,074	\$52,440	\$48,741	\$56,791	\$53,550	\$52,854	\$57,498	\$65,000	\$39,352	\$65,000
5255500 Consultant Services	\$19,372	\$75,000	\$76,101	\$58,060	\$102,349	\$59,563	\$35,602	\$37,250	\$39,625	\$100,000	\$0	\$10,000
5285700 Meal Claims	\$0	\$368	\$277	\$288	\$379	\$91	\$228	\$209	\$367	\$750	\$50	\$400
5220100 Insurance	\$491	\$559	\$550	\$4,582	\$4,384	\$4,378	\$4,231	\$4,338	\$4,135	\$7,000	\$4,618	\$5,000
5250100 Office Expenses	\$1,056	\$354	\$716	\$639	\$1,212	\$536	\$850	\$783	\$6,266	\$12,000	\$2,264	\$12,000
5255650 Data Processing Services	\$8,361	\$3,692	\$3,505	\$1,633	\$3,384	\$1,663	\$3,311	\$9,024	\$1,519	\$5,000	\$2,975	\$5,000
5225500 Commissioners' Fee	\$5,700	\$5,400	\$3,500	\$3,400	\$4,000	\$4,900	\$5,800	\$4,900	\$6,700	\$10,000	\$3,300	\$6,000
5260100 Publications and Legal Notices	\$1,151	\$563	\$1,526	\$363	\$916	\$222	\$378	\$2,484	\$487	\$2,500	\$106	\$1,000
5245100 Membership Dues	\$5,500	\$7,000	\$7,000	\$7,000	\$7,000	\$14,473	\$0	\$7,428	\$7,577	\$8,107	\$8,107	\$8,107
5250750 Printing and Reproduction	\$5	\$0	\$0	\$0	\$0	\$0	\$9	\$177	\$703	\$1,500	\$0	\$500
5285800 Business Travel	\$7,238	\$8,415	\$4,133	\$8,309	\$3,095	\$4,777	\$5,800	\$4,042	\$5,811	\$16,000	\$3,853	\$6,000
5285300 Private Automobile Mileage	\$1,016	\$704	\$832	\$1,185	\$615	\$424	\$409	\$396	\$1,009	\$2,000	\$980	\$2,000
5285200 Transportation&Travel (County Cai	\$894	\$948	\$629	\$0	\$384	\$250	\$371	\$293	\$559	\$1,000	\$629	\$1,000
5281600 Overhead	\$42,492	\$62,391	\$49,077	\$46,626	\$60,647	\$43,133	\$42,192	\$34,756	\$49,452	\$0	\$0	\$0
5275200 Computer Hardware	\$0	\$451	\$0	\$83	\$2,934	\$1,791	\$2,492	\$0	\$106	\$3,000	\$0	\$3,000
5250800 Computer Software	\$0	\$0	\$626	\$314	\$579	\$3,124	\$933	\$1,833	\$2,079	\$4,000	\$754	\$4,000
5250250 Postage	\$1,160	\$416	\$219	\$568	\$309	\$589	\$246	\$597	\$411	\$2,000	\$172	\$2,000
5252100 Staff Training Programs	\$0	\$665	\$491	\$250	\$300	\$0	\$0	\$1,431	\$0	\$2,000	\$0	\$1,000
5701000 Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,000	\$0	\$66,000
TOTAL EXPENDITURES	\$516,530	\$633,691	\$636,478	\$604,238	\$640,540	\$613,895	\$612,816	\$633,929	\$687,043	\$985,227	\$409,735	\$753,983
REVENUES												
4103400 Application Fees	\$46,559	\$41,680	\$35,576	\$48,697	\$37,426	\$45,458	\$63,561	\$27,386	\$146,168	\$30,000	\$15,216	\$25,000
4301100 Interest: Deposits and Investments	\$24,456	\$16,230	\$6,688	\$4,721	\$4,248	\$3,416	\$2,674	\$2,844	\$6,073	\$3,000	\$4,241	\$5,000
Savings/Fund Balance from previous FY	\$271,033	\$368,800	\$334,567	\$275,605	\$209,987	\$208,219	\$160,052	\$226,111	\$187,310	\$274,894	\$293,489	\$293,489
TOTAL REVENUE	\$342,048	\$426,711	\$376,831	\$329,023	\$251,661	\$257,092	\$226,287	\$256,341	\$339,551	\$307,894	\$312,946	\$323,489
NET LAFCO OPERATING EXPENSES	\$174,482	\$206,980	\$259,648	\$275,215	\$388,879	\$356,802	\$386,529	\$377,588	\$347,492	\$677,333	\$96,789	\$430,494
3400800 RESERVES available				\$100,000	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$174,000	\$108,000
COSTS TO AGENCIES												
5440200 County	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$281,780	\$156,002	\$187,521	\$220,668	\$225,778	\$225,778	\$225,778
4600100 Cities (San Jose 50% +other cities 50	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$282,625	\$156,002	\$187,521	\$220,668	\$225,778	\$225,778	\$225,778
Special Districts							\$296,892	\$187,521	\$220,668	\$225,778	\$225,778	\$225,778

PROPOSED WORK PLAN FOR FISCAL YEAR 2018

	PROJECTS	TIME FRAME	RESOURCES
LAFCO APPLICATIONS	Process applicant initiated LAFCO proposals	Ongoing, as needed	Staff
	Comment on potential LAFCO applications, City General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff
	Respond to public enquiries re. LAFCO policies, procedures and filing requirements for LAFCO applications	Ongoing, as needed	Staff
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with potential annexations and potential USA amendments	Ongoing, as needed	Staff
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff
PUBLIC OUTREACH / COMMUNICATION	Develop and implement a public information /communications strategy	High priority	Consultant / staff
	Participate in CALAFCO conferences / workshops	Ongoing	Staff
	Conduct workshops and/or make presentations re. LAFCO program, policies and procedures to local agencies, organizations, commissioners, community groups, staff	Ongoing	Staff
	Participate in local, regional, statewide organizations: SDA, SCCAPO, CALAFCO, GIS Working Group	Ongoing	Staff
SERVICE REVIEW & SPHERE OF INFLUENCE UPDATES	Develop a plan, strategies and priorities for conducting the next round of service reviews	TBD	Staff
	Continue to follow up on implementation of recommendations from previous service reviews, as necessary	Ongoing	Staff
ADMINISTRATION	Prepare budget, work plan, fee schedule revisions	Ongoing	Staff
	Maintain and enhance LAFCO Website / mapping	Ongoing	Staff
	Maintain LAFCO database	Ongoing	Staff
	Maintain LAFCO's electronic document management system (archiving LAFCO records)	Ongoing	Staff
	Prepare Annual Report	August 2017	Staff
	Staff training and development	Ongoing	Staff
	Staff performance evaluation	February - April 2018	Staff, LAFCO
	Other administrative functions required of a public agency	Ongoing	
OTHER	Review and update policies and procedures	Ongoing	Staff
	Mapping Mutual Water companies	Ongoing	Staff
	JPA filings		
	Track LAFCO related legislation (CALAFCO Legislative Committee)	Ongoing	Staff
	Program to improve community's understanding of the importance of agriculture to future of Santa Clara County / Participation in the County / OSA's SALC Plan	In progress	Staff

**PROPOSED LAFCO BUDGET
FISCAL YEAR 2017 - 2018**

ITEM # TITLE	APPROVED BUDGET FY 2017	ACTUALS Year to Date 3/3/2017	PROJECTIONS Year End 2017	PROPOSED FY 2018 BUDGET
EXPENDITURES				
Object 1: Salary and Benefits	\$674,370	\$341,758	\$545,976	\$685,072
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$817	\$10,000	\$45,000
5255800 Legal Counsel	\$65,000	\$39,352	\$65,000	\$65,000
5255500 Consultant Services	\$100,000	\$0	\$10,000	\$100,000
5285700 Meal Claims	\$750	\$50	\$400	\$750
5220100 Insurance	\$7,000	\$4,618	\$5,000	\$7,000
5250100 Office Expenses	\$12,000	\$2,264	\$12,000	\$50,764
5255650 Data Processing Services	\$5,000	\$2,975	\$5,000	\$36,428
5225500 Commissioners' Fee	\$10,000	\$3,300	\$6,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$106	\$1,000	\$2,500
5245100 Membership Dues	\$8,107	\$8,107	\$8,107	\$8,674
5250750 Printing and Reproduction	\$1,500	\$0	\$500	\$1,500
5285800 Business Travel	\$16,000	\$3,853	\$6,000	\$16,000
5285300 Private Automobile Mileage	\$2,000	\$980	\$2,000	\$2,000
5285200 Transportation&Travel (County Car Usage)	\$1,000	\$629	\$1,000	\$1,000
5281600 Overhead	\$0	\$0	\$0	\$28,437
5275200 Computer Hardware	\$3,000	\$0	\$3,000	\$3,000
5250800 Computer Software	\$4,000	\$754	\$4,000	\$4,000
5250250 Postage	\$2,000	\$172	\$2,000	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000 Reserves	\$24,000	\$0	\$66,000	\$42,000
TOTAL EXPENDITURES	\$985,227	\$409,735	\$753,983	\$1,113,125
REVENUES				
4103400 Application Fees	\$30,000	\$15,216	\$25,000	\$30,000
4301100 Interest: Deposits and Investments	\$3,000	\$4,241	\$5,000	\$3,000
TOTAL REVENUE	\$33,000	\$19,457	\$30,000	\$33,000
3400150 FUND BALANCE FROM PREVIOUS FY	\$274,894	\$293,489	\$293,489	\$246,839
NET LAFCO OPERATING EXPENSES	\$677,333	\$96,789	\$430,494	\$833,286
3400800 RESERVES Available	\$174,000	\$174,000	\$108,000	\$150,000
COSTS TO AGENCIES				
5440200 County	\$225,778	\$225,778	\$225,778	\$277,762
4600100 Cities (San Jose 50% + Other Cities 50%)	\$225,778	\$225,778	\$225,778	\$277,762
Special Districts	\$225,778	\$225,778	\$225,778	\$277,762