



**LAFCO FINANCE COMMITTEE MEETING AGENDA
SPECIAL MEETING**

Monday, March 19, 2018
3:00 PM

LAFCO Conference Room, 777 North First Street, Suite 410
San Jose, CA 95112

FINANCE COMMITTEE MEMBERS: Sequoia Hall, Sergio Jimenez, Rob Rennie

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)993-4705.

777 North First Street, Suite 410 ▪ San Jose, CA 95112 ▪ (408) 993-4713 ▪ www.santaclaralafco.org

COMMISSIONERS: Sequoia Hall, Sergio Jimenez, Rob Rennie, John L. Varela, Mike Wasserman, Susan Vicklund Wilson, Ken Yeager

ALTERNATE COMMISSIONERS: Sylvia Arenas, Cindy Chavez, Yoriko Kishimoto, Russ Melton, 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 2019

Recommended Action: Consider the proposed Work Plan for Fiscal Year 2019, provide further direction to staff, as necessary, and forward a recommendation to the full Commission.

4. PROPOSED BUDGET FOR FISCAL YEAR 2019

Recommended Action: Consider (a.) independent financial audit services, (b.) fee schedule revision, (c.) classification and compensation review for the LAFCO Clerk position, and (d.) the proposed Budget for Fiscal Year 2019. 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 (FY 2018) WORK PLAN

	PROJECTS	STATUS
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
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
PUBLIC OUTREACH / COMMUNICATION	Develop and implement a public information /communications strategy	In progress
	Participate in CALAFCO conferences / workshops/ white papers	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
SERVICE REVIEW & SPHERE UPDATES	Develop a plan, strategies and priorities for conducting the next round of service reviews	TBD
	Continue to follow up on implementation of recommendations from previous service reviews, as necessary, encouraging principles of good governance and management for special districts	Ongoing
ADMINISTRATION	Prepare budget, and work plan	Ongoing
	Revise LAFCO fee schedule and draft a fee waiver policy	In progress
	Conduct a Strategic Planning Workshop for LAFCO	TBD
	Maintain and enhance LAFCO Website	Ongoing
	Maintain LAFCO database	Ongoing
	Maintain LAFCO's electronic document management system	Ongoing
	Prepare Annual Report	August 2017
	Recruit and hire staff for the new LAFCO Analyst position. Staff training and development	December 2017 Ongoing
	Staff performance evaluation	April – May 2018
	Other administrative functions required of a public agency	Ongoing
OTHER	Review and update policies and procedures	Ongoing
	Mapping Mutual Water companies	Ongoing
	JPA filings	On going
	Track LAFCO related legislation (CALAFCO Leg. Committee)	Ongoing
	Participation / comment on the County / OSA's CAPP	On going
	Conduct Special District member election to the Countywide Redevelopment Oversight Board	May 2018

AGENDA ITEM # 2
Attachment B

FY 2018 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	ACTUALS FY 2017	APPROVED FY 2018	YEAR TO DATE 3/9/2018	YEAR END PROJECTIONS 2018
EXPENDITURES														
	Salary and Benefits	\$356,009	\$400,259	\$406,650	\$413,966	\$393,194	\$411,929	\$450,751	\$466,755	\$484,216	\$514,381	\$685,072	\$392,486	\$629,046
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	\$1,292	\$45,000	\$1,376	\$3,000
	5255800 Legal Counsel	\$0	\$9,158	\$67,074	\$52,440	\$48,741	\$56,791	\$53,550	\$52,854	\$57,498	\$71,131	\$70,200	\$32,400	\$65,000
	5255500 Consultant Services	\$19,372	\$75,000	\$76,101	\$58,060	\$102,349	\$59,563	\$35,602	\$37,250	\$39,625	\$0	\$100,000	\$0	\$75,000
	5285700 Meal Claims	\$0	\$368	\$277	\$288	\$379	\$91	\$228	\$209	\$367	\$50	\$750	\$580	\$750
	5220100 Insurance	\$491	\$559	\$550	\$4,582	\$4,384	\$4,378	\$4,231	\$4,338	\$4,135	\$4,679	\$5,000	\$4,893	\$4,893
	5250100 Office Expenses	\$1,056	\$354	\$716	\$639	\$1,212	\$536	\$850	\$783	\$6,266	\$48,632	\$9,236	\$6,457	\$10,000
	Rent and Lease											\$42,764	\$34,040	\$42,000
	5255650 Data Processing Services	\$8,361	\$3,692	\$3,505	\$1,633	\$3,384	\$1,663	\$3,311	\$9,024	\$1,519	\$6,869	\$3,600	\$379	\$3,600
	5225500 Commissioners' Fee	\$5,700	\$5,400	\$3,500	\$3,400	\$4,000	\$4,900	\$5,800	\$4,900	\$6,700	\$5,300	\$10,000	\$3,500	\$9,000
	5260100 Publications and Legal Notices	\$1,151	\$563	\$1,526	\$363	\$916	\$222	\$378	\$2,484	\$487	\$191	\$2,500	\$54	\$200
	5245100 Membership Dues	\$5,500	\$7,000	\$7,000	\$7,000	\$7,000	\$14,473	\$0	\$7,428	\$7,577	\$8,107	\$8,674	\$8,674	\$8,674
	5250750 Printing and Reproduction	\$5	\$0	\$0	\$0	\$0	\$0	\$9	\$177	\$703	\$0	\$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	\$3,877	\$16,000	\$6,625	\$12,000
	5285300 Private Automobile Mileage	\$1,016	\$704	\$832	\$1,185	\$615	\$424	\$409	\$396	\$1,009	\$1,264	\$2,000	\$286	\$700
	5285200 Transportation&Travel (County Cai	\$894	\$948	\$629	\$0	\$384	\$250	\$371	\$293	\$559	\$605	\$1,000	\$47	\$600
	5281600 Overhead	\$42,492	\$62,391	\$49,077	\$46,626	\$60,647	\$43,133	\$42,192	\$34,756	\$49,452	\$0	\$28,437	\$14,219	\$28,437
	5275200 Computer Hardware	\$0	\$451	\$0	\$83	\$2,934	\$1,791	\$2,492	\$0	\$106	\$0	\$3,000	\$0	\$3,000
	5250800 Computer Software	\$0	\$0	\$626	\$314	\$579	\$3,124	\$933	\$1,833	\$2,079	\$754	\$4,000	\$3,456	\$4,000
	5250250 Postage	\$1,160	\$416	\$219	\$568	\$309	\$589	\$246	\$597	\$411	\$209	\$2,000	\$101	\$1,000
	5252100 Staff Training Programs	\$0	\$665	\$491	\$250	\$300	\$0	\$0	\$1,431	\$0	\$0	\$2,000	\$0	\$1,000
	5701000 Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,000	\$0	\$0
TOTAL EXPENDITURES		\$516,530	\$633,691	\$636,478	\$604,238	\$640,540	\$613,895	\$612,816	\$633,929	\$687,043	\$667,342	\$1,084,733	\$509,573	\$902,400
REVENUES														
	4103400 Application Fees	\$46,559	\$41,680	\$35,576	\$48,697	\$37,426	\$45,458	\$63,561	\$27,386	\$146,168	\$20,436	\$35,000	\$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	\$10,830	\$4,000	\$4,241	\$6,500
	Savings/Fund Balance from previous FY	\$271,033	\$368,800	\$334,567	\$275,605	\$209,987	\$208,219	\$160,052	\$226,111	\$187,310	\$293,489	\$246,839	\$331,177	\$331,177
TOTAL REVENUE		\$342,048	\$426,711	\$376,831	\$329,023	\$251,661	\$257,092	\$226,287	\$256,341	\$339,551	\$324,755	\$285,839	\$350,634	\$362,677
NET LAFCO OPERATING EXPENSES		\$174,482	\$206,980	\$259,648	\$275,215	\$388,879	\$356,802	\$386,529	\$377,588	\$347,492	\$342,587	\$798,894	\$158,939	\$539,723
	3400800 RESERVES available				\$100,000	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
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	\$266,298	\$266,298	\$266,298
	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	\$266,298	\$266,298	\$266,298
	Special Distrcits							\$296,892	\$187,521	\$220,668	\$225,778	\$266,298	\$266,298	\$266,298

PROPOSED WORK PLAN FOR FISCAL YEAR 2019

	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	In progress	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, encouraging principles of good governance and management for special districts	Ongoing	Staff
ADMINISTRATION	Prepare budget, and work plan	Ongoing	Staff
	Prepare administrative procedures	TBD	Staff
	Conduct a Strategic Planning Workshop for LAFCO	TBD	Staff / consultant
	Maintain and enhance LAFCO Website	Ongoing	Staff
	Maintain LAFCO database	Ongoing	Staff
	Maintain LAFCO's electronic document management system	Ongoing	Staff
	Prepare Annual Report	August 2018	Staff
	Staff training and development	Ongoing	Staff
	Staff performance evaluation	March-May 2018	Staff, LAFCO
	Other administrative functions required of a public agency	Ongoing	Staff
OTHER	Review and update policies and procedures	Ongoing	Staff
	Mapping Mutual Water companies	Ongoing	Staff
	JPA filings	On going	Staff
	Track LAFCO related legislation (CALAFCO Leg. Committee)	Ongoing	Staff
	Host the 2019 CALAFCO Staff Workshop	TBD	Staff / CALAFCO

**PROPOSED LAFCO BUDGET
FISCAL YEAR 2018 - 2019**

ITEM # TITLE	APPROVED	ACTUALS	PROJECTIONS	PROPOSED
	BUDGET FY 2018	Year to Date 2/28/2018	Year End 2018	FY 2019 BUDGET
EXPENDITURES				
Object 1: Salary and Benefits	\$685,072	\$392,486	\$629,046	\$691,802
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$1,376	\$3,000	\$45,000
5255800 Legal Counsel	\$70,200	\$32,400	\$65,000	\$70,200
5255500 Consultant Services	\$100,000	\$0	\$75,000	\$100,000
5285700 Meal Claims	\$750	\$580	\$750	\$750
5220100 Insurance	\$5,000	\$4,893	\$4,893	\$6,000
5250100 Office Expenses	\$9,236	\$6,457	\$10,000	\$10,000
5270100 Rent & Lease	\$42,764	\$34,040	\$42,000	\$42,764
5255650 Data Processing Services	\$3,600	\$379	\$3,600	\$4,123
5225500 Commissioners' Fee	\$10,000	\$3,500	\$9,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$54	\$200	\$2,500
5245100 Membership Dues	\$8,674	\$8,674	\$8,674	\$8,926
5250750 Printing and Reproduction	\$1,500	\$0	\$500	\$1,500
5285800 Business Travel	\$16,000	\$6,625	\$12,000	\$16,000
5285300 Private Automobile Mileage	\$2,000	\$286	\$700	\$2,000
5285200 Transportation&Travel (County Car Usage)	\$1,000	\$47	\$600	\$605
5281600 Overhead	\$28,437	\$14,219	\$28,437	\$79,368
5275200 Computer Hardware	\$3,000	\$0	\$3,000	\$3,000
5250800 Computer Software	\$4,000	\$3,456	\$4,000	\$4,000
5250250 Postage	\$2,000	\$101	\$1,000	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000 Reserves	\$42,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,084,733	\$509,573	\$902,400	\$1,102,538
REVENUES				
4103400 Application Fees	\$35,000	\$21,158	\$25,000	\$30,000
4301100 Interest: Deposits and Investments	\$4,000	\$5,705	\$6,500	\$4,000
TOTAL REVENUE	\$39,000	\$26,863	\$31,500	\$34,000
3400150 FUND BALANCE FROM PREVIOUS FY	\$246,839	\$331,177	\$331,177	\$259,171
NET LAFCO OPERATING EXPENSES	\$798,894	\$151,533	\$539,723	\$809,367
3400800 RESERVES Available	\$150,000	\$150,000	\$150,000	\$150,000
COSTS TO AGENCIES				
5440200 County	\$266,298	\$266,298	\$266,298	\$269,789
4600100 Cities (San Jose 50% + Other Cities 50%)	\$266,298	\$266,298	\$266,298	\$269,789
Special Districts	\$266,298	\$266,298	\$266,298	\$269,789

