



**Local Agency
Formation Commission
of Santa Clara County**

777 North First Street
Suite 410
San Jose, CA 95112

SantaClaraLAFCO.org

Commissioners

Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Linda J. LeZotte
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners

Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull

Executive Officer
Neelima Palacherla

**REGULAR MEETING
JUNE 1, 2022 ▪ 1:15 PM
AGENDA**

Chairperson: Rich Constantine ▪ Vice-Chairperson: Mike Wasserman

***** BY VIRTUAL TELECONFERENCE ONLY *****

Pursuant to Government Code section 54953(e), this meeting will be held by teleconference only because the Governor has issued a state of emergency due to COVID-19 and the County Health Officer recommends public bodies continue to meet remotely. No physical location will be available for this meeting. However, members of the public will be able to access and participate in the meeting.

PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS

PUBLIC ACCESS

Members of the public may access and watch a livestream of the meeting on Zoom at <https://sccgov-org.zoom.us/j/94087410208>. Alternately, the public may listen in to the meeting by dialing **(669) 219-2599** and entering **Meeting ID 94087410208#** when prompted.

WRITTEN PUBLIC COMMENTS may be submitted by email to LAFCO@ceo.sccgov.org. Written comments will be distributed to the Commission as quickly as possible. Please note that documents may take up to 24 hours to be posted to the agenda on the LAFCO website.

SPOKEN PUBLIC COMMENTS will be accepted through the teleconference meeting. To address the Commission, click on the link <https://sccgov-org.zoom.us/j/094087410208> to access the Zoom-based meeting.

1. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
2. When the Chairperson calls for the item on which you wish to speak, click on “raise hand” icon. The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak. (Call in attendees press *9 to request to speak, and *6 to unmute when prompted.)
3. When called, please limit your remarks to the time limit allotted.

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, 777 North First Street, Suite 410, 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.

1. ROLL CALL

2. PUBLIC COMMENTS

This portion of the meeting provides an opportunity for members of the public to address the Commission on matters not on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No action may be taken on off- agenda items unless authorized by law. Speakers are limited to THREE minutes. All statements that require a response will be referred to staff for reply in writing.

3. APPROVE CONSENT CALENDAR

The Consent Calendar includes Agenda Items marked with an asterisk (*). The Commission may add to or remove agenda items from the Consent Calendar. All items that remain on the Consent Calendar are voted on in one motion. If an item is approved on the Consent Calendar, the specific action recommended by staff is adopted. Members of the public who wish to address the Commission on Consent Calendar items should comment under this item.

***4. APPROVE MINUTES OF APRIL 6, 2022 LAFCO MEETING**

***5. RESOLUTION 2022-08 ALLOWING FOR VIDEO AND TELECONFERENCE MEETINGS DURING COVID-19 STATE OF EMERGENCY UNDER GC §54953(e)**

Recommended Action: Adopt Resolution No. 2022-08 allowing for video and teleconferencing meetings during COVID-19 State of Emergency under GC §54953(e).

PUBLIC HEARING

6. FINAL BUDGET FOR FY 2023

Recommended Action

1. Adopt the Final Budget for Fiscal Year 2022-2023.
2. Find that the Final Budget for Fiscal Year 2023 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.
4. Direct the County Auditor-Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

ITEMS FOR ACTION / INFORMATION

7. UPDATE ON COUNTYWIDE FIRE SERVICE REVIEW: NEW CONSULTANT AND NEXT STEPS

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

8. EXECUTIVE OFFICER'S REPORT

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

8.1 Update on County's Classification Study for LAFCO

8.2 Meetings with County Planning on Housing Element Update

8.3 Meetings on Potential Monte Sereno Island Annexations

8.4 Inquiries on Lion's Gate Community Services District and Cordeville Subdivision

8.5 Joint Venture Silicon Valley's 2022 State of the Valley Conference

8.6 Special Districts Association Meeting

8.7 Santa Clara County Association of Planning Officials Meeting

8.8 Inter-Jurisdictional GIS Working Group Meetings

8.9 Public Records Act Request

9. CALAFCO RELATED ACTIVITIES

9.1 2022 CALAFCO Annual Conference (October 19 – 21)

Recommended Action: Authorize commissioners and staff to attend the Annual Conference and direct that associated travel expenses be funded by the LAFCO Budget for Fiscal Year 2023.

9.2 CALAFCO Quarterly Newsletter

For information only.

10. LEGISLATIVE REPORT – UPDATE AND POSITION LETTER

Recommended Action

1. Accept report and provide direction to staff, as necessary.
2. Take a support position on SB 938 and authorize LAFCO staff to send a letter of support signed by the LAFCO Chair.

11. PENDING APPLICATIONS / UPCOMING PROJECTS

11.1 Gilroy Urban Service Area Amendment 2021 – Wren Investors and Hewell

12. COMMISSIONER REPORTS

13. NEWSPAPER ARTICLES / NEWSLETTERS

14. WRITTEN CORRESPONDENCE

15. ADJOURN

Adjourn to the regular LAFCO meeting on August 3, 2022 at 1:15 PM in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.



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ITEM # 4

LAFCO MEETING MINUTES WEDNESDAY, APRIL 6, 2022

CALL TO ORDER

The meeting was called to order at 1:15 p.m.

Pursuant to the provisions of California Governor's Executive Order N-29-20 issued on March 17, 2020, this meeting was held by teleconference only.

1. ROLL CALL

The following commissioners were present:

- Chairperson Rich Constantine
- Commissioner Ellenberg
- Commissioner Sergio Jimenez
- Commissioner Yoriko Kishimoto
- Commissioner Linda J. LeZotte
- Commissioner Mike Wasserman
- Commissioner Susan Vicklund Wilson
- Alternate Commissioner Helen Chapman (arrived at 1:18 p.m.)
- Alternate Commissioner Russ Melton
- Alternate Commissioner Terry Trumbull

The following commissioners were absent:

- Alternate Commissioner Cindy Chavez
- Alternate Commissioner Matt Mahan

The following staff members were present:

- Neelima Palacherla, LAFCO Executive Officer
- Dunia Noel, LAFCO Assistant Executive Officer
- Emmanuel Abello, LAFCO Clerk
- Mala Subramanian, LAFCO Counsel

2. WELCOME NEW COMMISSIONER

Chairperson Constantine welcomed Commissioner Linda J. LeZotte to LAFCO.

3. PUBLIC COMMENTS

There were none.

Chad Mosley, City Engineer and Assistant Director of Public Works, City of Cupertino, offered to answer questions from the Commission.

Chairperson Constantine determined that there are no other speakers from the public and closed the public hearing.

Commissioner Kishimoto expressed agreement with Commissioner LeZotte.

The Commission:

CEQA Action

As a Responsible Agency under the California Environmental Quality Act (CEQA), determine that the proposal is exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the proposed project may have a significant effect on the environment.

Project Action

1. Approved the urban service area (USA) and sphere of influence (SOI) amendment for the cities of Cupertino and San Jose and adopted the SOI determinations.
2. Approved the detachment of approximately 7.91 acres of land (APNs: 375-21-001 and 375-22-001), located west of Lawrence Expressway, from the City of San Jose; and approved its concurrent annexation to the City of Cupertino, conditioned on receiving the County Surveyor-approved legal description and map for the reorganization.
3. Approved the amendment of the Santa Clara County Central Fire Protection District's sphere of influence to include APNs: 375-21-001 and 375-22-001 and adopted the SOI determinations.
4. Approved the annexation of APNs 375-21-001 and 375-22-001 to the Santa Clara County Central Fire Protection District, conditioned on receiving the County Surveyor-approved legal description and map for the annexation.
5. Waived protest proceedings pursuant to Government Code §56662(a).

Motion: LeZotte

Second: Kishimoto

AYES: Constantine, Ellenberg, Jimenez, LeZotte, Kishimoto, Wasserman, Vicklund
Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

8. WEST BAY SANITARY DISTRICT 2022-01 (ALPINE ROAD)

Dunia Noel, LAFCO Analyst, presented the staff report.

This being the time and place for the public hearing, **Chairperson Constantine** declared the public hearing open, determined that there are no speakers from the public and closed the public hearing.

The Commission:

Forwarded the following recommendation to the San Mateo Local Agency Formation Commission for its consideration:

CEQA Action

As a Responsible Agency under CEQA, LAFCO has taken the following actions regarding the Mitigated Negative Declaration (MND) for this project:

1. Found that the Initial Study and Mitigated Negative Declaration approved by the County of Santa Clara on February 11, 2021 were completed in compliance with CEQA and are an adequate discussion of the environmental impacts of the project.
2. Found that prior to making a decision on this project, LAFCO reviewed and considered the environmental effects of the project as outlined in the Initial Study and MND.
3. Found that a mitigation monitoring program was approved by the County of Santa Clara as Lead Agency and the monitoring program ensures compliance with the mitigation measures identified in the MND that would mitigate or avoid significant impacts associated with the sphere of influence amendment and reorganization, over which LAFCO has responsibility.

Project Action

4. Approved amendment of the West Bay Sanitary District's sphere of influence (SOI) to include Assessor Parcel Number 142-15-008, as shown in Attachment A, and adopted the SOI determinations.
5. Approved the annexation of approximately 4.15 acres of land (APN 142-15-008), located at 3343 Alpine Road, to the West Bay Sanitary District, as described in Attachment C (Exhibits A & B).
6. Waived protest proceedings pursuant to Government Code §56662(a).

Motion: Wasserman

Second: Jimenez

AYES: Constantine, Ellenberg, Jimenez, LeZotte, Kishimoto, Wasserman, Vicklund
Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

9. PROPOSED WORK PLAN AND BUDGET FOR FY 2023

Ms. Palacherla expressed her appreciation to Commissioner Jimenez and Alternate Commission Melton for their work on the work plan and proposed LAFCO budget for FY 2023. Ms. Palacherla then presented the staff report.

In response to an inquiry by **Commissioner Ellenberg**, Ms. Palacherla advised that as part of the Commission's direction at the February 2022 meeting, staff will work with the County before the current lease expires. In response to **Commissioner Ellenberg**, Ms. Palacherla informed that the County is processing the classification

and staffing study and staff is working through issues, and that it may be completed in the next few months. When completed, staff will report back to the Ad-hoc Committee and the full Commission. In response to a further inquiry by **Commissioner Ellenberg**, Ms. Palacherla informed that LAFCO has no other significant source of revenue aside from the application fees although a few other LAFCOs may have some minor revenue sources. **Commissioner Ellenberg** noted that LAFCO has a solid and responsible budget, and that she is interested on how to build a reserve when needed.

This being the time and place for the public hearing, **Chairperson Constantine** declared the public hearing open, determined that there are no speakers from the public and closed the public hearing.

Commissioner Wasserman moved for approval. **Commissioner Kishimoto** seconded, and she expressed appreciation to Commissioner Jimenez and Alternate Commissioner Melton for their work on the budget. **Chairperson Constantine** expressed agreement.

The Commission:

1. Adopted the Proposed Work Plan for Fiscal Year 2022-2023.
2. Adopted the Proposed Budget for Fiscal Year 2022-2023.
3. Found that the Proposed Budget for Fiscal Year 2023 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
4. Authorized staff to transmit the Proposed Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice for the adoption of the Fiscal Year 2023 Final Budget to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.

Motion: Wasserman

Second: Kishimoto

AYES: Constantine, Ellenberg, Jimenez, LeZotte, Kishimoto, Wasserman, Vicklund
Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

10. DISSOLUTION OF INACTIVE SPECIAL DISTRICT – COUNTY SERVICE AREA FOR LIBRARY SERVICES (CSA-1)

Ms. Noel presented the staff report.

This being the time and place for the public hearing, **Chairperson Constantine** declared the public hearing open, determined that there are no speakers from the public and closed the public hearing.

Commissioner Wasserman moved for approval and **Commissioner Kishimoto** seconded.

The Commission:

CEQA Action

1. As Lead Agency under CEQA, determined that the proposed dissolution of County Service Area for Library Services (CSA-1) is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines §15061(b)(3).

Project Action

2. Adopted Resolution No. 2022-06 approving dissolution of County Service Area for Library Services (CSA-1).

Motion: Wasserman

Second: Kishimoto

AYES: Constantine, Ellenberg, Jimenez, LeZotte, Kishimoto, Wasserman, Vicklund
Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

11. LAFCO BYLAWS CHANGES & NEW LEGISLATIVE POLICIES

Ms. Noel presented the staff report.

This being the time and place for the public hearing, **Chairperson Constantine** declared the public hearing open, determined that there are no speakers from the public and declared the public hearing closed.

Commissioner Wasserman moved for approval and **Commissioner Ellenberg** seconded.

The Commission:

1. Amended the LAFCO Bylaws to include new policies for:
 - a. Communicating a Position on Proposed Legislation of Relevance to LAFCO
 - b. Providing Written Comments on Documents or Projects of Relevance to LAFCO
2. Adopted new Legislative Policies to guide LAFCO's actions related to legislative matters.

Motion: Wasserman

Second: Ellenberg

AYES: Constantine, Ellenberg, Jimenez, LeZotte, Kishimoto, Wasserman, Vicklund
Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

12. INFORMAL COMPETITIVE PROCUREMENT PROCESS FOR OBTAINING PROFESSIONAL SERVICES TO PREPARE A COUNTYWIDE FIRE SERVICE REVIEW AND BACKGROUND ON TERMINATION OF PREVIOUS CONTRACT

Ms. Palacherla presented the staff report.

Chairperson Constantine indicated that he did not want this item on consent so it is out in the open and the public will understand what is being done for this important study.

Chairperson Constantine determined that there are no speakers from the public on the item.

Commissioner Kishimoto moved for approval of the staff recommendations and **Commissioner Wilson** seconded. **Commissioner Kishimoto** noted that as the Chairperson of the Technical Advisory Committee she was aware of the difficult process with the former consultant. She acknowledged the hard work that EO Palacherla put in to make the study work the first time, and expressed hope for a good product now.

The Commission:

1. Approved the utilization of an Informal Competitive Procurement (ICP) process to seek a proposal from AP Triton Consulting LLC to prepare LAFCO's Countywide Fire Service Review.
2. If the Consultant Interview Panel finds it necessary to seek additional proposals following the consideration of AP Triton's proposal, staff is authorized to issue a Request for Proposals (RFP).
3. Delegated authority to the LAFCO Chair to enter into an agreement with the most qualified consultant, as determined by the Consultant Interview Panel, in an amount not to exceed \$140,000, which may be amended with a contingency amount of up to \$10,000; and to execute any necessary amendments subject to LAFCO Counsel's review and approval.

Motion: Kishimoto

Second: Vicklund Wilson

AYES: Constantine, Ellenberg, Jimenez, LeZotte, Kishimoto, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: Ellenberg

MOTION PASSED

***13. CONSENT ITEM: RESOLUTION TO AFFIRM THE COUNTYWIDE URBAN DEVELOPMENT POLICIES**

The Commission adopted Resolution No. 2022-07 to affirm the Countywide Urban Development Policies and comprehensively document their history and ongoing beneficial impacts.

14. PENDING APPLICATIONS / UPCOMING PROJECTS

The Commission noted the pending application, Gilroy Urban Service Area Amendment 2021 – Wren Investors and Hewell.

15. COMMISSIONER REPORTS

There were none.

16. NEWSPAPER ARTICLES / NEWSLETTERS

There were none.

17. WRITTEN CORRESPONDENCE

There were none.

18. ADJOURN

The Commission adjourned at 1:52 p.m., to the next regular LAFCO meeting on June 1, 2022, at 1:15 p.m., in the Board of Supervisors’ Chambers, 70 West Hedding Street, San Jose.

Approved on June 1, 2022.

Rich Constantine, Chairperson
Local Agency Formation Commission of Santa Clara County

By: _____
Emmanuel Abello, LAFCO Clerk

RESOLUTION NO. 2022-08

**RESOLUTION ALLOWING FOR VIDEO AND
TELECONFERENCE MEETINGS DURING THE
COVID-19 STATE OF EMERGENCY UNDER GOVERNMENT CODE § 54953(e)**

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a State of Emergency for COVID-19; and

WHEREAS, Government Code § 54953(e) allows the Commission to continue to meet virtually until such time as the Governor declares the State of Emergency due to COVID-19 over and measures to promote social distancing are no longer recommended; and

WHEREAS, on September 21, 2021, the Santa Clara County Health Officer recommended that public bodies continue to meet remotely to enhance safety at public meetings; and

WHEREAS, in light of this recommendation, the Commission desires for itself and for all other Commission legislative bodies that are subject to the Brown Act to continue to meet via video and/or teleconference; and

WHEREAS, pursuant to Government Code § 54953(e), the Commission will review the findings required to be made every 30 days or thereafter and shall not meet without making those continued findings.

NOW THEREFORE, the Commission does hereby resolve and finds on behalf of itself and all other Commission legislative bodies: (1) a state of emergency has been proclaimed by the Governor; (2) the state of emergency continues to directly impact the ability of the Commission's legislative bodies to meet safely in person; and (3) local officials continue to recommend measures to promote social distancing.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Clara County, on June 1, 2022 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Rich Constantine, Chairperson
LAFCO of Santa Clara County

ATTEST:

APPROVED AS TO FORM:

Emmanuel Abello, LAFCO Clerk

Malathy Subramanian, LAFCO Counsel



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ITEM # 6

Alternate Commissioners

Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull

Executive Officer

Neelima Palacherla

LAFCO MEETING: June 1, 2022

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer

SUBJECT: FINAL BUDGET FOR FY 2023

FINANCE COMMITTEE / STAFF RECOMMENDATIONS

1. Adopt the Final Budget for Fiscal Year 2022-2023.
2. Find that the Final Budget for Fiscal Year 2023 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.
4. Direct the County Auditor-Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

NO CHANGES TO THE DRAFT/PRELIMINARY BUDGET

On April 6, 2022, the Commission adopted its preliminary budget for Fiscal Year 2022-2023. No changes are recommended to the preliminary budget adopted by the commission.

LAFCO ANNUAL BUDGET PROCESS REQUIREMENTS

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) which became effective on January 1, 2001, requires LAFCO, as an independent agency, to annually adopt a draft budget by May 1 and a final budget by June 15 at noticed public hearings. Both the draft and the final budgets are required to be transmitted to the cities, the special districts and the County. Government Code §56381(a) establishes that at a minimum, the budget must be equal to that of the previous year unless the Commission finds that reduced staffing or program costs will nevertheless allow it to fulfill its statutory responsibilities. Any unspent funds at the end of the year may be rolled over into the next fiscal year budget. After adoption of the final budget by LAFCO, the County Auditor is required to apportion

the net operating expenses of the Commission to the agencies represented on LAFCO.

LAFCO and the County of Santa Clara entered into a Memorandum of Understanding (MOU) (effective since July 2001), under the terms of which, the County provides staffing, facilities, and services to LAFCO. The associated costs are reflected in the LAFCO budget. LAFCO is a stand-alone, separate fund within the County's accounting and budget system and the LAFCO budget information is formatted using the County's account descriptions/codes.

COST APPORTIONMENT TO CITIES, DISTRICTS AND THE COUNTY

The CKH Act requires LAFCO costs to be split in proportion to the percentage of an agency's representation (excluding the public member) on the Commission. Santa Clara LAFCO is composed of a public member, two County board members, two city council members, and since January 2013 – two special district members. Government Code §56381(b)(1)(A) provides that when independent special districts are seated on LAFCO, the county, cities and districts must each provide a one-third share of LAFCO's operational budget.

Since the City of San Jose has permanent membership on LAFCO, as required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. Therefore in Santa Clara County, the City of San Jose pays one sixth and the remaining cities pay one sixth of LAFCO's operational costs. Per the CKH Act, the remaining cities' share must be apportioned in proportion to each city's total revenue, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county. Each city's share is therefore based on the 2019/2020 Report – which is the most recent edition available.

Government Code Section 56381 provides that the independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts' share to individual districts. The SDA's agreement requires each district's cost to be based on a fixed percentage of the total independent special districts' share.

The estimated apportionment of LAFCO's FY 2023 costs to the individual cities and districts is included as Attachment B. The final costs will be calculated and invoiced to the individual agencies by the County Controller's Office after LAFCO adopts the final budget.

ATTACHMENTS

- Attachment A: Final LAFCO Budget for Fiscal Year 2023
- Attachment B: Costs to Agencies Based on the Final Budget

**FINAL LAFCO BUDGET
FISCAL YEAR 2022- 2023**

**ITEM # 6
Attachment A**

ITEM # TITLE	APPROVED BUDGET FY 2022	ACTUALS Year to Date 2/28/2022	PROJECTIONS Year End FY 2022	FINAL BUDGET FY 2023
EXPENDITURES				
Object 1: Salary and Benefits	\$844,239	\$412,232	\$691,414	\$810,419
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$10,000	\$0	\$10,000	\$10,000
5255800 Legal Counsel	\$75,896	\$48,562	\$75,000	\$78,326
5255500 Consultant Services	\$150,000	\$25,239	\$100,000	\$150,000
5285700 Meal Claims	\$750	\$56	\$100	\$750
5220100 Insurance	\$8,500	\$8,590	\$8,590	\$9,237
5250100 Office Expenses	\$5,000	\$1,098	\$2,000	\$5,000
5270100 Rent & Lease	\$47,784	\$35,838	\$47,784	\$53,182
5255650 Data Processing Services	\$22,048	\$10,665	\$22,048	\$28,038
5225500 Commissioners' Fee	\$10,000	\$1,300	\$7,000	\$10,000
5260100 Publications and Legal Notices	\$1,000	\$551	\$1,000	\$1,000
5245100 Membership Dues	\$12,500	\$12,316	\$12,316	\$12,887
5250750 Printing and Reproduction	\$1,500	\$0	\$500	\$1,500
5285800 Business Travel	\$10,000	\$0	\$0	\$10,000
5285300 Private Automobile Mileage	\$1,000	\$7	\$150	\$1,000
5285200 Transportation&Travel (County Car Usage)	\$600	\$0	\$100	\$600
5281600 Overhead	\$49,173	\$24,587	\$49,173	\$30,041
5275200 Computer Hardware	\$3,000	\$0	\$1,000	\$3,000
5250800 Computer Software	\$5,000	\$853	\$4,000	\$5,000
5250250 Postage	\$1,000	\$3	\$500	\$1,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000 Reserves	-\$50,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,210,990	\$581,897	\$1,033,675	\$1,222,980
REVENUES				
4103400 Application Fees	\$30,000	\$24,077	\$30,000	\$30,000
4301100 Interest: Deposits and Investments	\$6,000	\$4,283	\$6,000	\$6,000
TOTAL REVENUE	\$36,000	\$28,360	\$36,000	\$36,000
3400150 FUND BALANCE FROM PREVIOUS FY	\$288,660	\$312,351	\$312,351	\$201,006
NET LAFCO OPERATING EXPENSES	\$886,330	\$241,186	\$685,324	\$985,974
3400800 RESERVES Available	\$200,000	\$200,000	\$200,000	\$200,000
COSTS TO AGENCIES				
5440200 County	\$295,443	\$295,443	\$295,443	\$328,658
4600100 Cities (San Jose 50% + Other Cities 50%)	\$295,443	\$295,443	\$295,443	\$328,658
4600100 Special Districts	\$295,443	\$295,443	\$295,443	\$328,658

LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS
Estimated Costs to Agencies Based on the Final FY 2023 LAFCO Budget

Net Operating Expenses for FY 2023				\$985,974
JURISDICTION	REVENUE PER 2019/2020 REPORT	PERCENTAGE OF TOTAL REVENUE	ALLOCATION PERCENTAGES	ALLOCATED COSTS
County	N/A	N/A	33.3333333%	\$328,658.00
Cities Total Share			33.3333333%	\$328,658.00
San Jose	N/A	N/A	50.0000000%	\$164,329.00
Other cities share			50.0000000%	\$164,329.00
Campbell	\$64,253,019	1.7539391%		\$2,882.23
Cupertino	\$123,486,910	3.3708692%		\$5,539.32
Gilroy	\$124,499,405	3.3985077%		\$5,584.73
Los Altos	\$58,920,260	1.6083688%		\$2,643.02
Los Altos Hills	\$18,781,680	0.5126907%		\$842.50
Los Gatos	\$51,842,412	1.4151621%		\$2,325.52
Milpitas	\$200,526,874	5.4738585%		\$8,995.14
Monte Sereno	\$4,295,543	0.1172571%		\$192.69
Morgan Hill	\$108,189,286	2.9532842%		\$4,853.10
Mountain View	\$423,194,503	11.5521016%		\$18,983.45
Palo Alto	\$703,037,932	19.1910943%		\$31,536.53
Santa Clara	\$1,109,294,952	30.2808470%		\$49,760.21
Saratoga	\$33,333,495	0.9099171%		\$1,495.26
Sunnyvale	\$639,698,827	17.4621026%		\$28,695.30
Total Cities (excluding San Jose)	\$3,663,355,098	100.0000000%		\$164,329.00
Total Cities (including San Jose)				\$328,658.00
Special Districts Total Share		(Fixed %)	33.3333333%	\$328,658.00
Aldercroft Heights County Water District		0.06233%		\$204.85
Burbank Sanitary District		0.15593%		\$512.48
Cupertino Sanitary District		2.64110%		\$8,680.19
El Camino Healthcare District		4.90738%		\$16,128.50
Guadalupe Coyote Resource Conservation District		0.04860%		\$159.73
Lake Canyon Community Services District		0.02206%		\$72.50
Lion's Gate Community Services District		0.22053%		\$724.79
Loma Prieta Resource Conservation District		0.02020%		\$66.39
Midpeninsula Regional Open Space District		5.76378%		\$18,943.12
Purissima Hills Water District		1.35427%		\$4,450.92
Rancho Rinconada Recreation and Park District		0.15988%		\$525.46
San Martin County Water District		0.04431%		\$145.63
Santa Clara Valley Open Space Authority		1.27051%		\$4,175.63
Santa Clara Valley Water District		81.44126%		\$267,663.21
Saratoga Cemetery District		0.32078%		\$1,054.27
Saratoga Fire Protection District		1.52956%		\$5,027.02
South Santa Clara Valley Memorial District		0.03752%		\$123.31
Total Special Districts		100.00000%		\$328,658.00
Total Allocated Costs				\$985,974.00

* Based on the FY 2019-2020 Annual Cities Report:

https://www.sco.ca.gov/Files-ARD-Local/LocRep/2019-20_Cities_Revenues_LAFCO_Fee_CalculationsADA.pdf

