



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

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SantaClaraLAFCO.org

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Alternate Commissioners

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Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill

Executive Officer

Neelima Palacherla

LAFCO MEETING: April 2, 2025

TO: LAFCO

**FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Asst. Executive Officer**

SUBJECT: PROPOSED WORK PLAN AND BUDGET FOR FY 2026

FINANCE COMMITTEE / STAFF RECOMMENDATIONS

1. Adopt the Proposed Work Plan for Fiscal Year 2025-2026.
2. Adopt the Proposed Budget for Fiscal Year 2025-2026.
3. Find that the Proposed Budget for Fiscal Year 2026 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
4. Authorize 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 2026 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.

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 proposed budget by May 1 and a final budget by June 15 at noticed public hearings. Both the proposed 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.

FISCAL YEAR 2025-2026 WORKPLAN & BUDGET DEVELOPMENT TIMELINE

Dates	Staff Tasks / LAFCO Action
March 10 - April 2	Notice of this public hearing was advertised in a local newspaper, posted on the LAFCO website and distributed to local agencies. The agenda and a link to the posted agenda packet are also distributed to local agencies, interested persons and organizations. The proposed Workplan and Budget are posted on the LAFCO website and available for public review and comment.
April 2	LAFCO public hearing on adoption of Proposed Workplan and Budget
April 3	Proposed Work Plan and Budget, preliminary apportionments and LAFCO public hearing notice for Final Budget Hearing transmitted to agencies
June 4	LAFCO public hearing and adoption of Final Budget
June 4 - July 1	Final Budget transmitted to agencies; Auditor requests payment from agencies

LAFCO FINANCE COMMITTEE

At its February 5, 2025 LAFCO meeting, the Commission appointed Alternate Commissioner Campos, Alternate Commissioner Chapman and Alternate Commissioner O'Neill to serve on the Finance Committee.

At its special meeting held on March 6, 2025, the Finance Committee discussed the progress on the current year work plan and the status of the current year budget; and recommended the proposed FY 2026 work plan and budget for consideration and adoption by the full commission.

CURRENT YEAR IN REVIEW

PROGRESS REPORT ON FY 2024-2025 WORK PLAN

LAFCO's current fiscal year workplan was adopted at a noticed public hearing held on April 3, 2024. **Attachment A** depicts the current status (through the third quarter of the year) of the 2024-2025 Work Program.

A key focus of this year's work program is the comprehensive review and update of LAFCO policies. To guide Phase 1 of this process, the Commission appointed an Ad-Hoc Committee composed of three commissioners, which developed a detailed work plan and timeline. Over the course of nine meetings, the Committee along with staff carefully reviewed and refined multiple iterations of the policies under consideration, including the development of new policies related to agricultural

worker housing. Additionally, two rounds of public review and comment periods were conducted to gather valuable input from stakeholders. Following this extensive effort, the Commission adopted the Phase 1 policy updates in December 2024. Looking ahead, the Commission is expected to consider a work plan for Phase 2 of the policy update process.

LAFCO has received and is currently processing a special district reorganization and sphere of influence amendment. Staff has conducted pre-application meetings and responded to numerous requests for assistance from local and regional agencies on matters such as city service extensions, city annexations and urban service area amendments, special district annexations, and builders remedy projects.

Additionally, responding to public inquiries remains a significant and growing area of focus, with staff noting an increase in both volume and complexity.

In alignment with the Commission's directive, staff continues to engage in targeted outreach to local entities—including special districts, the County, cities, and community organizations—through informational presentations on LAFCO's role in promoting sustainable growth and good governance. These efforts are undertaken as opportunities arise and as time permits.

Changes in Commission membership due to term expirations have prompted corresponding onboarding activities. The LAFCO office is now fully staffed, with 4.0 FTE positions, including the promotion of the Associate Analyst to the Analyst position in August 2024. Additionally, the implementation of a training and professional development work plan for LAFCO staff is underway, ensuring continued growth, skill enhancement, and alignment with best practices in local government and land use planning.

Several key administrative activities and projects have been completed or are currently underway, including the annual financial audit, the annual report, and the development of a new LAFCO database to efficiently track public inquiries, manage the contacts directory, and improve overall workflow for application processing and management.

Projects that will not be completed by the end of the fiscal year will be incorporated into the proposed FY 2026 work plan to ensure their continued progress and completion in alignment with LAFCO's strategic objectives.

The LAFCO Annual Report for FY 2025 will be published at the close of the fiscal year. This report will document all applications reviewed and processed during the year and will highlight LAFCO's accomplishments, activities, and key projects undertaken or completed throughout the period.

STATUS OF FY 2024-2025 ADOPTED BUDGET

Attachment D includes the FY 2025 budget adopted by the Commission at a noticed public hearing on June 5, 2024, the status of LAFCO's expenditures and revenues as of February 25, 2025, and expenditure and revenue projections for end of FY 2025. The adopted LAFCO budget for FY 2025 is \$1,077,611. It is estimated that the total year-end projected expenditures for FY 2025 would be approximately 1% higher

than the adopted budget primarily due to promotion of the Associate Analyst to Analyst position, which was unanticipated at budget adoption. Staff anticipates that overall, year-end revenue for FY 2025 will be slightly higher than the amount budgeted. LAFCO has received the respective FY 2025 funds from the County, the cities and the independent special districts. The actual fund balance rolled over at the end of FY 2024 was higher at \$237,891, compared to the amount estimated (\$172,301) in the FY 2025 budget. The excess fund balance will be used to cover the extra expenditures, and the remainder unspent amount will carry over into FY 2026 and will be used to reduce net operating expenses that would in turn translate to reduced FY 2026 costs for contributing agencies.

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

Attachment C includes the proposed work plan for FY 2026, as recommended by the Finance Committee, for consideration and adoption by the full commission.

The proposed workplan includes ongoing as well as new projects and outlines detailed projects/activities organized under six broad areas: (1.) LAFCO application processing; (2.) island annexations; (3.) outreach, government/community relations and customer service; (4.) service reviews, special studies and sphere of influence updates; (5.) commission support; and (6.) administrative projects. The work plan assigns priority levels (high, moderate, low); and designates whether the work is to be conducted by staff or outside consultants.

The proposed work plan includes a broad spectrum of responsibilities that LAFCO, as an independent local agency and as a regulatory body of the state, is expected to fulfill in its role of promoting sustainable growth and good governance in Santa Clara County. It incorporates the Commission's legislative functions and mandates and also the Commission's proactive local initiatives and priorities such as its directives for ongoing public outreach and education and its proactive service review and implementation program.

Staff actively manages the workload in order to focus on accomplishing essential activities such as processing applications, completing projects currently underway, maintaining core administrative functions, tracking on-going projects and studies, supporting the commission and responding to local agency and public requests for assistance. Consistent with past practice, LAFCO's statutorily mandated activities take priority over administrative projects that are not statutorily required, and over proactive commission-initiated projects which are discretionary but support LAFCO's mission and statutory requirements.

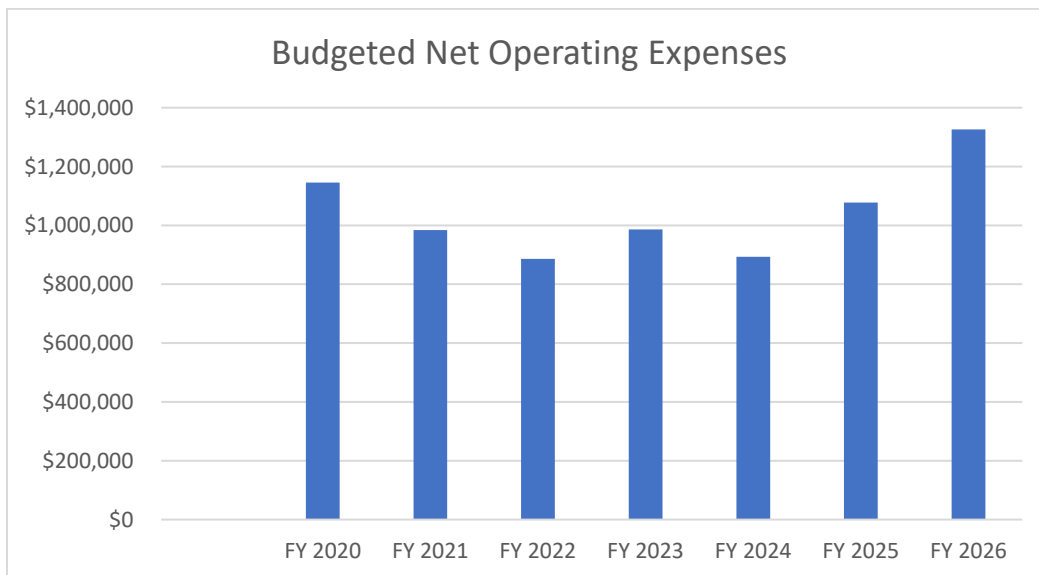
PROPOSED BUDGET FOR FISCAL YEAR 2026

Attachment D includes the proposed Budget for FY 2025-2026 as recommended by the Finance Committee, for consideration and adoption by the full commission. The Finance Committee conducted a thorough review of the work plan and budget and recognized the public benefit of LAFCO's work and the high demand for LAFCO's services from local agencies and the public. The Committee maintained its

commitment to ensure adequate resources that allow the Commission to fulfill its statutory responsibilities and accomplish its work plan while also limiting costs for LAFCO's funding agencies.

The overall projected expenditure for FY 2026 (\$1,464,666) in the proposed budget is 14% higher than the current year budgeted expenses (\$1,280,912). This increase in expenditures is largely due to the increase in the cost of salaries and benefits due to a position promotion that occurred in August 2024.

However, LAFCO's proposed net operating expense for FY 2026 is approximately 26% higher than the FY 2025 budgeted net operating expense. The primary reason for this is because the remaining fund balance (\$63,997) at the end of this year is at its lowest level in years. Since September 2023, the LAFCO office has been fully staffed with 4.0 FTEs and has not benefited from salary savings realized in previous years. Additionally, over the past two years, we have adopted more precise budgeting practices. As a result, year-end fund balances have been significantly smaller. This translates to a trend, starting in FY 2025, of rising operating expenses. While we began the current year with a slightly higher fund balance than anticipated, it has helped offset the additional expenditures from the increase in salary and benefits due to the unanticipated promotion.



DESCRIPTION OF FY 2024-2025 BUDGET LINE ITEMS

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 proposed 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.

The following is a detailed itemization of the proposed budget.

EXPENDITURES

Expenditures are divided into two main sections: Staff Salaries and Benefits (Object 1) which comprise approximately 68% of the total expenditures; and Services and Supplies (Object 2).

OBJECT 1. SALARIES AND BENEFITS \$994,427

This line item supports the salaries and benefits for the 4.0 FTE positions including the Executive Officer position, a Senior Analyst position, an Analyst position, and a Clerk position. All four positions are currently staffed. LAFCO contracts with the County of Santa Clara for staffing and services and in accordance with the MOU between the County and LAFCO, all four positions are staffed through the County Executive's Office. The proposed amount is based on the best available projections from the County at this time for salaries and benefits for the 4 positions. Any changes to the projections for the four positions that may occur within the next couple of months will be reflected in the Final LAFCO budget.

OBJECT 2. SERVICES AND SUPPLIES

5255100 Intra-County Professional \$12,000

This includes the costs for services from various County agencies such as the County Surveyor's Office, the County Assessors' Office, and the Registrar of Voters. The County Surveyor assists with map review and approval for boundary change proposals. In addition, the Surveyor's Office also assists with research to resolve boundary discrepancies. The County Assessor's Office prepares reports for LAFCO and the Registrar of Voters provides data necessary for processing LAFCO applications. This item also allows LAFCO to seek GIS mapping services including support and technical assistance from the County Planning Office, as necessary. This item also includes the approximate annual cost (\$7,806) associated with webcasting the regular LAFCO meetings held in the County Board of Supervisors Chambers. In February 2021, LAFCO and the County entered into an MOU regarding webcasting services and associated costs for LAFCO meetings. As a result of the pandemic and virtual meetings, webcasting of LAFCO meetings did not begin until April 2023.

5255800 Legal Counsel \$85,780

This item covers the cost for general legal services.

In February 2009, the Commission retained the firm of Best Best & Krieger for legal services on a monthly retainer. The contract was amended in 2010 to reduce the number of total hours required to 240 hours per year. The contract sets the hourly rate and allows for an annual automatic adjustment to the rates based on the Consumer Price Index (CPI). In 2017, the contract was once again amended to increase the monthly retainer cost and limit the CEQA work within the retainer to 24 hours annually. Any additional CEQA work above 24 hours would be charged outside the retainer at the same hourly rate.

The monthly retainer for FY 2026 increases to \$7,068, based on a 2.8% increase in the Consumer Price Index for the prior calendar year (2024). This item covers the annual retainer fees and includes additional monies to cover approximately 10 hours of work outside the retainer at the hourly rate of \$395.

5255500 Consultant Services \$175,000

This item is budgeted for hiring consultants to assist LAFCO with special projects such as for conducting service reviews and special studies, facilitating a strategic planning workshop, and scanning LAFCO's hardcopy records into the existing electronic document management system, among others. The Commission must take action to authorize such special projects prior to expending funds. This item also includes costs associated with ongoing contracts such as costs for the maintenance and hosting of the LAFCO website by an outside provider; for the contract with an independent financial auditor for conducting the annual financial audits of LAFCO, for a consultant to develop and implement a new LAFCO database.

5285700 Meal Claims \$1,000

This item includes cost of food to support Commission events, workshops, meetings.

5220200 Insurance \$8,000

This item is for the purpose of purchasing general liability insurance and workers' compensation coverage for LAFCO. In 2010, LAFCO switched from the County's coverage to the Special District Risk Management Authority (SDRMA), for the provision of general liability insurance. Additionally, LAFCO also obtains workers' compensation coverage for its commissioners from SDRMA. Workers' compensation for LAFCO staff is currently covered by the County and is part of the payroll charge.

The estimates for FY 2026 were not available from SDRMA as of writing this report. The Final budget will reflect any major revisions to these estimates.

5270100 Rent & Lease \$58,106

This item includes FY 2026 monthly rent for LAFCO office space located at 777 North First Street, Suite 420, San Jose. The original lease term for the office space expired on May 5, 2022. At its February 2, 2022 meeting, the Commission authorized the extension of the lease for a five-year period through April 30, 2027.

5250100 Office Expenses \$5,000

This item includes funds for purchase of books, subscriptions/publications necessary to keep current on laws and trends; and small equipment and supplies for office operations, including printer/photocopier lease.

5255650 Data Processing Services \$24,443

This item includes estimated costs associated with County Technology Solutions & Services Department (TSS) providing IT services to the LAFCO program. According to TSS, the projected costs cover Telecom services for 5 phones- VOIP/Landline (\$2,280), Wireless Carrier Service (\$912), enterprise licensing including MS Adobe special order, Acrobat Pro and MS Visio monthly subscription (\$3,416), and other services (\$17,845) comprising Enterprise Content Management services and

solutions, Kronos support, Architecture and Innovation Services, Claranet services, Data Analytics and Visualizations, digital print and sccLearn. Any further revised cost estimates received from the County will be reflected in the Final LAFCO budget.

5225500 Commissioner's Fees \$10,000

This item covers the \$100 per diem amount for LAFCO commissioners and alternate commissioners to attend LAFCO meetings and committee meetings.

5260100 Publications and Legal Notices \$1,000

This item is for costs associated with publication of hearing notices for LAFCO applications and other projects/ studies, as required by state law. This budgeted amount has been maintained at the same level as the current year.

5245100 Membership Dues \$15,000

This item includes CALAFCO – the California Association of LAFCOs membership dues. At its meeting in December 2023, the CALAFCO Board voted to approve a 3.1% rate adjustment to account for the CPI increase (June 2023 to June 2024), in accordance with the CALAFCO Bylaws. The FY 2026 membership dues for Santa Clara LAFCO is \$12,921.

Additionally, this item includes estimated membership dues for CSDA – the California Special Districts Association. In June 2018, CSDA informed that Santa Clara LAFCO as a customer of SDRMA, must be a member of CSDA pursuant to SDRMA bylaws.

5250750 Printing and Reproduction \$1,500

This covers printing expenses for reports such as service reviews or other studies and documents.

5285800 Business Travel \$21,000

This item includes funding for staff and commissioners to attend conferences and workshops. It would cover costs of air travel, accommodation, conference registration and other expenses at the conferences. CALAFCO annually holds a Staff Workshop (Location TBD, April 2026) and an Annual Conference (San Diego, October 2025) that is attended by commissioners as well as staff.

5285300 Private Automobile Mileage \$1,000

This item provides for mileage reimbursement when staff travels by private car to conduct site visits and attend meetings / training sessions. This budgeted amount has been maintained at the same level as the current year.

5285200 Transportation and Travel (for use of County car) \$600

This item would cover costs associated with the use of a County vehicle for travel to conferences, workshops, site visits and meetings.

5281600 Overhead \$37,324

This overhead charge is established by the County Controller's Office, for service rendered by various County departments that do not directly bill LAFCO. The overhead includes LAFCO's share of the County's FY 2026 Cost Allocation Plan

which is based on actual overhead costs from FY 2024 – the most recent year for which actual costs are available. The overhead amount includes the following charges from:

County Executive’s Office:	\$5,998
Controller-Treasurer:	\$10,157
Employee Services Agency:	\$10,877
OBA:	\$423
BHS-MH - Employee:	\$62
TSS Intragovernmental Service:	\$1,196
Technology Services & Solutions:	\$1,354
Procurement:	\$124
Equal Opp. (County Counsel):	\$1,468
CoB – Harvey Rose Mgt Audit:	\$34

Further, a “roll forward” is applied which is calculated by comparing FY 2024 Cost Plan estimates with FY 2024 actuals. The FY 2024 cost estimates were lower than the actuals by \$4,746; this amount is added to the FY 2026 Cost Plan. This is a state requirement.

5275200 Computer Hardware \$4,000

This item is designated for any required hardware upgrades / purchases.

5250800 Computer Software \$4,000

This amount is designated for computer software purchases, including annual licenses for GIS software (ArcGIS) and records management software (Laserfiche) with 2 hours of online/onsite support.

5250250 Postage \$500

This amount covers postage costs for mailing notices, agendas, agenda packets and general correspondence.

5252100 Training Programs \$2,000

This item covers the costs associated with attendance at commissioner / staff professional development courses and seminars. CALAFCO conducts University Courses throughout the year on topics of relevance to LAFCO.

REVENUES

4103400 Application Fees \$25,000

It is anticipated that LAFCO will receive approximately \$25,000 in fees from processing applications. The actual amount earned from fees corresponds to the level of application activity.

4301100 Interest \$10,000

It is estimated that LAFCO will receive an amount of approximately \$10,000 from interest earned on LAFCO funds.

3400150 Fund Balance from Previous Fiscal Year (i.e., FY 2025) \$63,997

It is projected that there will be a savings or fund balance of approximately \$63,997 at the end of the current year, which will be carried over to reduce the proposed Fiscal Year 2026 costs for LAFCO's funding agencies (cities, independent special districts and the County).

Projected Year-End [FY 2025] Fund Balance = (Projected Year-End [FY 25] Revenue + Actual Fund Balance from Previous Fiscal Year [FY 24] + Funds Received from Local Agencies in FY 25) - (Projected Year-End [FY 25] Expenses)

= (\$41,074 + \$237,891 + \$1,077,611) - \$1,292,579

= \$63,997

The fund balance excludes the reserves.

RESERVES

3400800 Reserves Available \$200,000

This item includes reserves for two purposes: litigation reserve – for use if LAFCO is involved with any litigation; and contingency reserve – to be used for unexpected expenses. If used during the year, this account will be replenished in the following year. Since 2012, the reserves have been retained in a separate Reserves account, thus eliminating the need for LAFCO to budget each year for this purpose.

The Reserves amount was held at \$250,000 since FY 2020 to timely implement potential recommendations from the Comprehensive Organizational Assessment, and as a tentative measure in recognition that LAFCO operates in an increasingly complex and controversial environment.

In FY 2022, LAFCO reduced the Reserves from \$250,000 to \$200,000, in order to further reduce costs to local agencies given the COVID -19 related economic hardships; and has maintained the reserve level at \$200,000 since then. The Finance Committee recommends maintaining the current level of reserves for FY 2026. This places the proposed Reserve amount at approximately 14% of the total FY 2026 expenditures. LAFCO has not adopted a Reserves policy, however as an independent agency, LAFCO should maintain sufficient reserves for flexibility and stability in the event of unanticipated needs.

FY 2026 NET OPERATING EXPENSES

FY 2026 Net Operating Expenses = (Proposed FY 2026 Expenditures) - (Proposed FY 2026 Fee & Interest Revenues + Projected Fund Balance from FY 2025)

= (\$1,464,666) - (\$35,000 + \$63,997)

= \$1,365,669

The projected operating expense for FY 2026 is based on projected expenditures and revenues as well as on estimated fund balance for the current year. Further revisions may be needed as we get a better indication of current year expenses/revenues towards the end of this fiscal year. Additionally, a more accurate projection of costs/revenues for the upcoming fiscal year could become available, particularly for employee salary and benefits. This could result in changes to the proposed net operating expenses for FY 2026 which will be reflected in the Final budget and which could in turn impact the costs for each of LAFCO's funding agencies.

COST APPORTIONMENT TO CITIES, INDEPENDENT SPECIAL DISTRICTS AND COUNTY

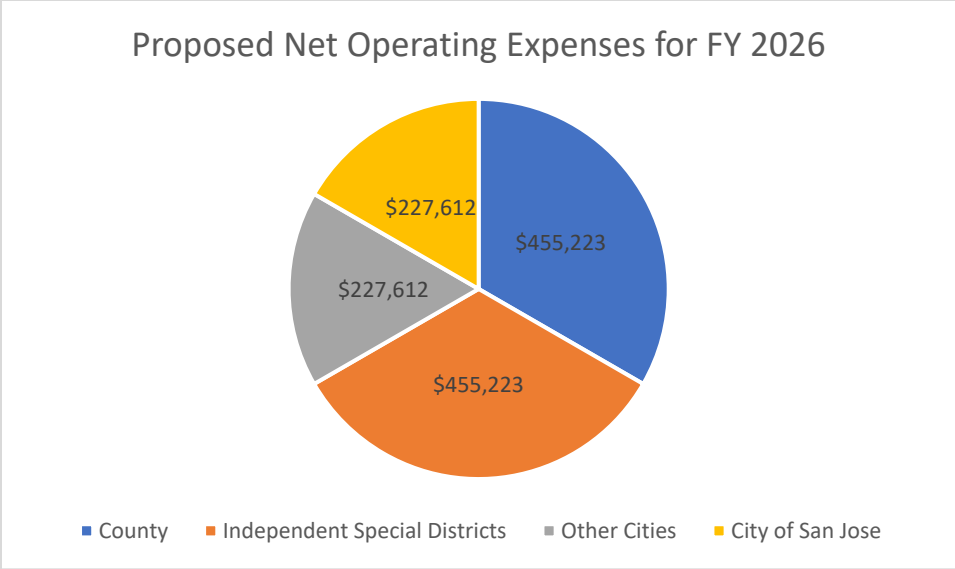
In January 2013, independent special districts were seated on LAFCO. Government Code §56381(b)(1)(A) provides that when independent special districts are represented on LAFCO, the county, cities and independent special districts must each provide a one-third share of LAFCO's operational budget.

The City of San Jose has permanent membership on LAFCO pursuant to Government Code Section 56327. 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. The remaining cities' share must be apportioned in proportion to each city's total revenues, 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.

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.

Therefore, in Santa Clara County, the County pays a third of LAFCO's operational costs, the independent special districts pay a third, the City of San Jose pays one sixth and the remaining cities pay one sixth. Government Code §56381(c) requires the County Auditor to request payment from the cities, independent special districts and the County no later than July 1 of each year for the amount each agency owes based on the net operating expenses of the Commission and the actual administrative costs incurred by the Auditor in apportioning costs and requesting payment.

The following is a draft apportionment to the agencies based on the proposed net operating expenses for FY 2026.



Apportionment of the costs among the 14 cities and among the 17 independent special districts will be calculated by the County Controller’s Office after LAFCO adopts the final budget in June. In order to provide each of the cities and districts with a general indication of their costs in advance, **Attachment E** includes draft estimated apportionments, based on the proposed FY 2026 net operating expenses and the FY 2022-2023 Cities Annual Report from the State Controller’s Office. The final apportionments will be prepared by the County Controller’s Office based on the latest available Cities Annual Report.

ATTACHMENTS

- Attachment A: Status of FY 2025 Work Plan
- Attachment B: LAFCO Financials 2008-2024
- Attachment C: Proposed Work Plan for Fiscal Year 2026
- Attachment D: Proposed LAFCO Budget for Fiscal Year 2026
- Attachment E: Estimated FY 2026 Costs to Agencies

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

PRIORITY* H - High Priority (essential activities: state mandate, Commission directive, requirements)
 M - Medium Priority (important, provided resources allow or time permits)
 L - Low Priority (desirable provided resources allow or time permits, not urgent)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
LAFCO APPLICATIONS	Process applicant-initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal Conduct pre-agenda meetings with County Depts to obtain Assessor & Surveyor reports, as needed Process applications per CKH Act: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H	Several pre-application meetings held (districts reorganization, mutual water company consolidation) Processing a reorganization application
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H	Ongoing (comment letter re. a private water company service area expansion)
	Comprehensive review and update LAFCO policies for context, clarity and consistency with State law	In progress	Staff / Ad Hoc Committee	H	Phase 1 completed in December 2024 Phase 2 will begin soon
	Develop agricultural worker housing policies	Completed as part of Phase 1		H	December 2024
	Prepare flowcharts for LAFCO processes and update application packets and application fee schedules for current requirements and ease of public use	Upon completion of policies update	Staff	L	Internal application processing checklists updated

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L	As needed
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H	As needed
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS & CUSTOMER SERVICE	Conduct outreach to increase awareness of LAFCO's role	<p>Presentations on LAFCO to cities, other agencies or organizations, focus on South County communities, as relevant</p> <p>Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County</p> <p>Seek exhibit opportunities at public spaces / events</p> <p>Maintain website as the primary information resource on LAFCO</p> <p>Increase social media presence</p>	Staff	<p>L</p> <p>M</p> <p>L</p> <p>H</p> <p>L</p>	<p>Presentations provided upon request: Leadership Sunnyvale (12/24), Leadership Morgan Hill (3/25)</p> <p>Ongoing</p> <p>Website updated</p>
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	<p>Attend regular meetings of SDA (quarterly), SCCAPO (monthly), County Planning Dept.(quarterly)</p> <p>Small water systems issues / legislation</p> <p>Collaborate with agencies and entities with goals common to LAFCO</p>	Staff	<p>M</p> <p>M</p> <p>M</p>	<p>Ongoing</p> <p>Ongoing meetings</p>
	Track LAFCO related legislation	EO attend CALAFCO Legislative Committee Meetings	Staff	L	AB 3277
		Commission takes positions and submit letters on proposed legislation		M	SB1209

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
	Respond to public enquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries Update the PRA form for the website Document research on complex inquiries Report to Commission on complex inquiries	Staff	H L L H	Ongoing
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Fire Service Review	Follow up with agencies on implementation of recommendations and report back to the commission	Staff	H	First round completed, ongoing for Table B recommendations
	Countywide Water and Wastewater Service Review	Develop water/wastewater service review workplan and identify method for consultant selection	Staff	M	Upon completion of service review policies revision in Phase 2
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L	Pending city action
	Map Mutual Water companies	Initial maps complete, further work through service review	Staff	L	As needed
	Engage in or support grant/partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L	As needed
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L	JPA information obtained from Fire Service Review

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
COMMISSION SUPPORT	Provide ongoing support to the 12 commissioners for regularly scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Ad Hoc Committee on Policies and the Fire Service Review TAC)	<p>Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings</p> <p>Hold pre-agenda review meeting with Chair</p> <p>Hold pre-meeting calls with individual commissioners to address agenda item questions</p> <p>Process commissioner per diems for attendance at LAFCO meetings</p>	Staff	H	<p>Ongoing</p> <p>Began webcasting LAFCO meetings in June 2023</p>
	Keep the Commission informed	<p>EO report, off-agenda emails, as needed</p> <p>Provide ongoing educational opportunities / events including presentation from local agencies</p>	Staff	H	Ongoing
	Onboarding new Commissioners	<p>Facilitate filing / completion of Form 700, commissioner pledge, ethics training.</p> <p>Update LAFCO letterhead, directory, and website</p> <p>Set up vendor accounts, provide parking permits</p> <p>Conduct new Commissioner orientation</p> <p>Recognize outgoing commissioners for service on LAFCO</p>	Staff	H	Ongoing - as needed

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria Convene ISDSC committee meeting, as necessary Coordinate public member selection process, as necessary	Staff	H	Cities Selection Committee appointments in January 2025 ISDSC to be convened in April – May 2025
	Conduct a Strategic Planning Workshop	2018 Workshop re. LAFCO Communications and Outreach Plan	Staff / Consultant	L	TBD
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L	Attended CALAFCO Annual Conference Commissioner participated as moderator for a general session
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March –June 2025	Staff	H	In progress
	Prepare LAFCO annual budget	March –June 2025	Staff	H	In progress
	Prepare LAFCO Annual Report	August 2024	Staff	H	Completed in October 2024
	Prepare LAFCO Annual Financial Audit	August 2024	Consultant / Staff	H	Completed in February 2025
	Office / facility management	Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers, office security, procurement, installation & maintenance Order and manage office supplies	Staff	H	Ongoing

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
ADMINISTRATIVE PROJECTS		Make travel arrangements and process expense reimbursements. Process mileage reimbursements Office space lease extended (lease extended through April 30, 2027)			
	Records management	Organize scan of LAFCO records to Electronic Document Management System (LaserFische) Maintain LAFCO's hard copy records Maintain and enhance the LAFCO Website Maintain LAFCO database	Staff/ Consultant Staff	H H H	On hold Website content updates completed Service agreement with Assura to develop a database to track public inquiries, manage contacts directory, process applications
	Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships Coordinate with County Controller's Office and track annual collection of payments from member agencies	Staff	H	Ongoing
	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed	Staff	H	Ongoing, and part of Phase 2 policies revision

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
	Staff training and development	CALAFCO workshops, conferences, relevant courses	Staff	M	Served on CALAFCO Conference Planning Committee (10/24), coordinated session on environmental justice Served on Workshop Planning Committee (4/25), coordinating session on island annexations
		Training of new LAFCO Clerk		H	Ongoing
		Implementation of the work plan for staff professional development		H	Ongoing
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H	Ongoing
	Staff performance evaluation	April – December 2024	Staff/Commission	H	Completed in February 2025
	Other administrative functions mandated of a public agency (Form 700 annual filing & AB 1234 training compliance, Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H	Ongoing

ITEM # 6
Attachment B

FY 2008 - FY 2024 LAFCO FINANCIALS

ITEM NO.	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	ACTUALS FY 2018	ACTUALS FY 2019	ACTUALS FY 2020	ACTUALS FY 2021	ACTUALS FY 2022	ACTUALS FY 2023	ACTUALS FY 2024
EXPENDITURES																		
	Salary and Benefits	\$356,009	\$400,259	\$406,650	\$413,966	\$393,194	\$411,929	\$450,751	\$466,755	\$484,216	\$514,381	\$628,534	\$713,900	\$744,439	\$730,716	\$639,099	\$697,700	\$823,668
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	\$703	\$3,593	\$346	\$201	\$354	\$3,785	\$9,107
5255800	Legal Counsel	\$0	\$9,158	\$67,074	\$52,440	\$48,741	\$56,791	\$53,550	\$52,854	\$57,498	\$71,131	\$59,400	\$72,276	\$69,975	\$65,791	\$78,977	\$78,326	\$80,945
5255500	Consultant Services	\$19,372	\$75,000	\$76,101	\$58,060	\$102,349	\$59,563	\$35,602	\$37,250	\$39,625	\$0	\$45,000	\$52,650	\$106,709	\$41,966	\$25,389	\$106,867	\$55,742
5285700	Meal Claims	\$0	\$368	\$277	\$288	\$379	\$91	\$228	\$209	\$367	\$50	\$901	\$257	\$166	\$0	\$56	\$1,473	\$273
5220100	Insurance	\$491	\$559	\$550	\$4,582	\$4,384	\$4,378	\$4,231	\$4,338	\$4,135	\$4,679	\$4,893	\$5,296	\$5,893	\$10,452	\$8,591	\$7,042	\$14,982
1151	Office Expenses	\$1,056	\$354	\$716	\$639	\$1,212	\$536	\$850	\$783	\$6,266	\$48,632	\$15,412	\$4,702	\$2,544	\$1,151	\$1,462	\$2,211	\$3,878
5270100	Rent and Lease											\$41,120	\$39,360	\$44,478	\$46,254	\$47,903	\$53,172	\$54,766
5255650	Data Processing Services	\$8,361	\$3,692	\$3,505	\$1,633	\$3,384	\$1,663	\$3,311	\$9,024	\$1,519	\$6,869	\$877	\$11,894	\$15,500	\$21,223	\$18,125	\$27,297	\$24,183
5225500	Commissioners' Fee	\$5,700	\$5,400	\$3,500	\$3,400	\$4,000	\$4,900	\$5,800	\$4,900	\$6,700	\$5,300	\$5,400	\$5,000	\$4,600	\$6,100	\$4,200	\$4,500	\$6,300
5260100	Publications and Legal Notices	\$1,151	\$563	\$1,526	\$363	\$916	\$222	\$378	\$2,484	\$487	\$191	\$145	\$192	\$44	\$90	\$704	\$470	\$134
5245100	Membership Dues	\$5,500	\$7,000	\$7,000	\$7,000	\$7,000	\$14,473	\$0	\$7,428	\$7,577	\$8,107	\$8,674	\$9,615	\$11,822	\$12,144	\$12,316	\$12,921	\$13,936
5250750	Printing and Reproduction	\$5	\$0	\$0	\$0	\$0	\$0	\$9	\$177	\$703	\$0	\$0	\$0	\$799	\$0	\$0	\$435	\$202
5285800	Business Travel	\$7,238	\$8,415	\$4,133	\$8,309	\$3,095	\$4,777	\$5,800	\$4,042	\$5,811	\$3,877	\$13,091	\$4,260	\$6,908	\$0	\$0	\$4,933	\$12,612
5285300	Private Automobile Mileage	\$1,016	\$704	\$832	\$1,185	\$615	\$424	\$409	\$396	\$1,009	\$1,264	\$590	\$689	\$696	\$61	\$0	\$42	\$542
5285200	Transportation&Travel (County Car Usage	\$894	\$948	\$629	\$0	\$384	\$250	\$371	\$293	\$559	\$605	\$0	\$328	\$256	\$0	\$0	\$323	\$0
5281600	Overhead	\$42,492	\$62,391	\$49,077	\$46,626	\$60,647	\$43,133	\$42,192	\$34,756	\$49,452	\$0	\$28,437	\$69,944	\$4,505	\$30,917	\$49,173	\$30,041	\$20,346
5275200	Computer Hardware	\$0	\$451	\$0	\$83	\$2,934	\$1,791	\$2,492	\$0	\$106	\$0	\$0	\$773	\$0	\$0	\$0	\$0	\$0
5250800	Computer Software	\$0	\$0	\$626	\$314	\$579	\$3,124	\$933	\$1,833	\$2,079	\$754	\$4,505	\$3,012	\$1,200	\$4,708	\$1,753	\$1,843	\$1,203
5250250	Postage	\$1,160	\$416	\$219	\$568	\$309	\$589	\$246	\$597	\$411	\$209	\$183	\$117	\$73	\$184	\$159	\$42	\$30
5252100	Staff Training Programs	\$0	\$665	\$491	\$250	\$300	\$0	\$0	\$1,431	\$0	\$0	\$0	\$350	\$525	\$70	\$70	\$35	\$0
5701000	Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES		\$516,530	\$633,691	\$636,478	\$604,238	\$640,540	\$613,895	\$612,816	\$633,929	\$687,043	\$667,342	\$857,865	\$998,208	\$1,021,478	\$972,028	\$888,331	\$1,033,458	\$1,122,849
REVENUES																		
4103400	Application Fees	\$46,559	\$41,680	\$35,576	\$48,697	\$37,426	\$45,458	\$63,561	\$27,386	\$146,168	\$20,436	\$29,864	\$33,049	\$7,587	\$34,622	\$41,847	\$19,637	\$27,615
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	\$12,620	\$12,141	\$18,176	\$10,488	\$7,831	\$25,401	\$32,352
TOTAL REVENUES		\$71,015	\$57,911	\$42,264	\$53,418	\$41,674	\$48,873	\$66,235	\$30,230	\$152,241	\$31,266	\$42,484	\$45,190	\$25,763	\$45,110	\$49,678	\$45,038	\$59,967
AVAILABLE FUND BALANCE																		
3400150	END OF YEAR	\$271,033	\$368,800	\$334,567	\$275,605	\$209,987	\$208,219	\$160,052	\$226,111	\$187,310	\$293,489	\$331,177	\$314,693	\$352,123	\$312,351	\$410,027	\$407,583	\$237,891
3400800	RESERVES AVAILABLE				\$100,000	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$250,000	\$250,000	\$200,000	\$200,000	\$200,000
BUDGETED 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	\$277,942	\$381,904	\$327,928	\$295,443	\$328,658	\$297,729
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	\$277,942	\$381,904	\$327,928	\$295,443	\$328,658	\$297,729
4600100	Independent Special Districts							\$296,892	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904	\$327,928	\$295,443	\$328,658	\$297,729

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

PRIORITY* H - High Priority (essential activities: state mandate, Commission directive, requirements)
M - Medium Priority (important, provided resources allow or time permits)
L - Low Priority (desirable provided resources allow or time permits, not urgent)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
LAFCO APPLICATIONS	Process applicant-initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal Conduct pre-agenda meetings with County Depts. to obtain Assessor & Surveyor reports, as needed Process applications per CKH Act requirements: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H
	Comprehensive review and update of LAFCO policies for context, clarity and consistency with State law – Phase 2	Develop a Phase 2 workplan /timeline for commission consideration	Staff	H
	Prepare flowcharts for LAFCO processes and update application packets and application fee schedules for current requirements and ease of public use	Upon completion of policies update	Staff	L
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, and provide assistance with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS & CUSTOMER SERVICE	Conduct outreach to increase awareness of LAFCO's role	Presentations on LAFCO to cities, other agencies or organizations, as relevant	Staff	M
		Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County		M
		Seek exhibit opportunities at public spaces / events		L
		Maintain website as the primary information resource on LAFCO		H
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	Attend regular meetings of SDA (quarterly), SCCAPO (monthly), and County Planning Dept. (quarterly)	Staff	M
		Small water systems issues / legislation		M
		Collaborate with agencies and entities with goals common to LAFCO		M
	Track LAFCO related legislation	Commission takes positions and submits letters on proposed legislation	Staff	M
	Respond to public inquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries	Staff	H
		Update the PRA form for the website		L
		Document research on complex inquiries		L
		Report to Commission on complex inquiries		H

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Fire Service Review	Work with interested agencies on implementing recommendations requiring LAFCO action (Table B Recommendations)	Staff	H
	Countywide Water and Wastewater Service Review	Develop water/wastewater service review workplan and identify method for consultant selection	Staff	M
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L
	Map Mutual Water companies	Initial maps complete, further through service review	Staff	L
	Engage in or support grant / partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
COMMISSION SUPPORT	Provide ongoing support to the 12 commissioners for regularly scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Technical Advisory Committees or Ad-Hoc Committees)	<p>Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings</p> <p>Hold pre-agenda review meeting with Chair</p> <p>Hold pre-meeting calls with individual commissioners to address agenda item questions and prepare meeting script for Chair</p> <p>Process commissioner per diems for attendance at LAFCO meetings</p>	Staff	H
	Keep the Commission informed	<p>EO report</p> <p>Off-agenda emails, as needed</p> <p>Provide ongoing educational opportunities/events, including presentations from local agencies</p>	Staff	H
	Onboarding new Commissioners	<p>Facilitate filing / completion of Form 700, commissioner pledge, ethics training</p> <p>Update LAFCO letterhead, directory, and website</p> <p>Set up vendor accounts, provide parking permits</p> <p>Conduct new Commissioner orientation</p> <p>Recognize outgoing commissioners for LAFCO service</p> <p>Organize Commissioner / staff Luncheon</p>	Staff	H
	Commissioners Selection Process	<p>Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria</p> <p>Convene ISDSC committee meeting, as necessary</p> <p>Coordinate public member selection process, as necessary</p>	Staff	H
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March – June 2025	Staff/Finance Committee	H
	Prepare LAFCO annual budget	March – June 2025	Staff/Finance Committee	H
	Prepare LAFCO Annual Report	August 2025	Staff	H
	Conduct a Strategic Planning Workshop	Most recent workshop in 2018 re. LAFCO Communications and Outreach Plan	Staff / Consultant	L
	Prepare LAFCO Annual Financial Audit	October 2025 (Contract with Chavan Associates extended for FY 2024 thru FY 2027)	Consultant / Staff	H
	Office / facility management	Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers, office security, procurement, installation & maintenance Order and manage office supplies Make travel arrangements and process expense reimbursements. Process mileage reimbursements Office space lease through April 30, 2027	Staff	H
	Records management	Organize scan of LAFCO records to Electronic Document Management System (Laserfiche)	Staff/ Consultant	H
		Maintain LAFCO's hard copy records	Staff	H
		Maintain and enhance the LAFCO Website		H
		Maintain LAFCO database		H
	Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships Coordinate with County Controller's Office and track annual collection of payments from member agencies	Staff	H

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed, and as part of Phase 2 Policies Revision	Staff	H
	Staff training and development	CALAFCO workshops, conferences, relevant courses	Staff	H
		Implementation of the work plan for staff professional development		H
		Staff retreat for team bonding and staff development		M
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H
	Staff and EO performance evaluation	May – December 2025	Staff/Commission	H
	Other administrative functions mandated of a public agency (Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H

PROPOSED LAFCO BUDGET

FISCAL YEAR 2025- 2026

ITEM #	TITLE	APPROVED BUDGET FY 2025	ACTUALS Year to Date 2/25/2025	PROJECTIONS Year End FY 2025	PROPOSED BUDGET FY 2026
EXPENDITURES					
Object 1:	Salary and Benefits	\$862,484	\$580,917	\$946,609	\$994,427
Object 2:	Services and Supplies				
5255100	Intra-County Professional	\$10,000	\$0	\$10,000	\$12,000
5255800	Legal Counsel	\$85,780	\$48,125	\$82,000	\$88,766
5255500	Consultant Services	\$150,000	\$18,525	\$100,000	\$175,000
5285700	Meal Claims	\$750	\$139	\$700	\$1,000
5220100	Insurance	\$6,737	\$0	\$0	\$8,000
5250100	Office Expenses	\$5,000	\$1,887	\$4,000	\$5,000
5270100	Rent & Lease	\$56,416	\$42,102	\$56,416	\$58,106
5255650	Data Processing Services	\$22,517	\$16,832	\$22,517	\$24,443
5225500	Commissioners' Fee	\$10,000	\$3,800	\$8,000	\$10,000
5260100	Publications and Legal Notices	\$1,000	\$702	\$1,000	\$1,000
5245100	Membership Dues	\$14,509	\$14,318	\$14,318	\$15,000
5250750	Printing and Reproduction	\$1,500	\$416	\$1,500	\$1,500
5285800	Business Travel	\$21,000	\$6,078	\$16,000	\$21,000
5285300	Private Automobile Mileage	\$1,000	\$497	\$800	\$1,000
5285200	Transportation&Travel (County Car Usage)	\$600	\$0	\$300	\$600
5281600	Overhead	\$21,119	\$10,594	\$21,119	\$37,324
5275200	Computer Hardware	\$4,000	\$0	\$2,000	\$4,000
5250800	Computer Software	\$4,000	\$2,261	\$4,000	\$4,000
5250250	Postage	\$500	\$24	\$300	\$500
5252100	Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000	Reserves	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES		\$1,280,912	\$747,217	\$1,292,579	\$1,464,666
REVENUES					
4103400	Application Fees	\$25,000	\$21,074	\$21,074	\$25,000
4301100	Interest: Deposits and Investments	\$6,000	\$19,711	\$20,000	\$10,000
TOTAL REVENUE		\$36,000	\$40,785	\$41,074	\$35,000
3400150	FUND BALANCE FROM PREVIOUS FY	\$172,301	\$237,891	\$237,891	\$63,997
NET LAFCO OPERATING EXPENSES		\$1,077,611	\$468,541	\$1,013,614	\$1,365,669
3400800	RESERVES Available	\$200,000	\$200,000	\$200,000	\$200,000
COSTS TO AGENCIES					
5440200	County	\$359,204	\$359,204	\$359,204	\$455,223
4600100	Cities (San Jose 50% + Other Cities 50%)	\$359,204	\$359,204	\$359,204	\$455,223
4600100	Special Districts	\$359,204	\$359,204	\$359,204	\$455,223

LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS

Estimated Costs to Agencies Based on the Preliminary FY 2026 LAFCO Budget

Preliminary Net Operating Expenses for FY 2026				\$1,365,669
JURISDICTION	REVENUE PER 2022/2023 REPORT	PERCENTAGE OF TOTAL REVENUE	ALLOCATION PERCENTAGES	ALLOCATED COSTS
County	N/A	N/A	33.3333333%	\$455,223.00
Cities Total Share			33.3333333%	\$455,223.00
San Jose	N/A	N/A	50.0000000%	\$227,611.50
Other cities share			50.0000000%	\$227,611.50
Campbell	\$81,150,037	1.8865076%		\$4,293.91
Cupertino	\$131,485,364	3.0566608%		\$6,957.31
Gilroy	\$127,015,477	2.9527487%		\$6,720.80
Los Altos	\$72,145,869	1.6771863%		\$3,817.47
Los Altos Hills	\$21,047,529	0.4892952%		\$1,113.69
Los Gatos	\$66,269,927	1.5405874%		\$3,506.55
Milpitas	\$214,374,038	4.9835868%		\$11,343.22
Monte Sereno	\$5,142,039	0.1195378%		\$272.08
Morgan Hill	\$130,786,193	3.0404071%		\$6,920.32
Mountain View	\$449,519,762	10.4500562%		\$23,785.53
Palo Alto	\$834,039,393	19.3890442%		\$44,131.69
Santa Clara	\$1,431,529,099	33.2789808%		\$75,746.78
Saratoga	\$37,994,793	0.8832709%		\$2,010.43
Sunnyvale	\$699,101,862	16.2521303%		\$36,991.72
Total Cities (excluding San Jose)	\$4,301,601,382	100.0000000%		\$227,611.50
Total Cities (including San Jose)				\$455,223.00
Special Districts Total Share		(Fixed %)	33.3333333%	\$455,223.00
Aldercroft Heights County Water District		0.06233%		\$283.74
Burbank Sanitary District		0.15593%		\$709.83
Cupertino Sanitary District		2.64110%		\$12,022.89
El Camino Healthcare District		4.90738%		\$22,339.52
North Santa Clara Resource Conservation District		0.04860%		\$221.24
Lake Canyon Community Services District		0.02206%		\$100.42
Lion's Gate Community Services District		0.22053%		\$1,003.90
Loma Prieta Resource Conservation District		0.02020%		\$91.96
Midpeninsula Regional Open Space District		5.76378%		\$26,238.05
Purissima Hills Water District		1.35427%		\$6,164.95
Rancho Rinconada Recreation and Park District		0.15988%		\$727.81
San Martin County Water District		0.04431%		\$201.71
Santa Clara Valley Open Space Authority		1.27051%		\$5,783.65
Santa Clara Valley Water District		81.44126%		\$370,739.36
Saratoga Cemetery District		0.32078%		\$1,460.26
Saratoga Fire Protection District		1.52956%		\$6,962.91
South Santa Clara Valley Memorial District		0.03752%		\$170.80
Total Special Districts		100.00000%		\$455,223.00
Total Allocated Costs				\$1,365,669.00