



LAFCO MEETING AGENDA

Board Meeting Chambers, 70 West Hedding Street, First Floor
San Jose, CA 95110

April 1, 2015

1:00 PM

**PLEASE NOTE
CHANGE IN TIME**

CHAIRPERSON: Linda J. LeZotte • VICE-CHAIRPERSON: Cat Tucker

COMMISSIONERS: Cindy Chavez, Sequoia Hall, Johnny Khamis, Mike Wasserman, Susan Vicklund Wilson

ALTERNATES: Ash Kalra, Yoriko Kishimoto, Tara Martin-Milius, Terry Trumbull, Ken Yeager

NOTICE TO THE PUBLIC

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

70 West Hedding Street • 11th Floor, East Wing • San Jose, CA 95110 • (408) 299-5127 • www.santaclaralafco.org

COMMISSIONERS: Cindy Chavez, Sequoia Hall, Johnny Khamis, Linda J. LeZotte, Cat Tucker, Mike Wasserman, Susan Vicklund Wilson

ALTERNATE COMMISSIONERS: Ash Kalra, Yoriko Kishimoto, Tara Martin-Milius, Terry Trumbull, Ken Yeager

EXECUTIVE OFFICER: Neelima Palacherla

1. ROLL CALL

2. PUBLIC COMMENTS

This portion of the meeting is reserved for persons desiring to address the Commission 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.

3. APPROVE MINUTES OF FEBRUARY 4, 2015 LAFCO MEETING

PUBLIC HEARING

4. PROPOSED AMENDMENT TO LAFCO BYLAWS

Recommended Action: Approve proposed amendment to the LAFCO Bylaws to state that regular LAFCO meetings will be held at 1:00 P.M.

5. PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2016

Recommended Action:

1. Adopt the Proposed LAFCO Budget for Fiscal Year 2015-2016.
2. Find that the Proposed LAFCO Budget for Fiscal Year 2016 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Proposed LAFCO Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice on the adoption of the Fiscal Year 2016 Final Budget to the cities, the special districts, the County, the Cities Association and the Special Districts Association.

ITEMS FOR ACTION / DISCUSSION

6. APPOINTMENT OF LAFCO PUBLIC MEMBER AND ALTERNATE PUBLIC MEMBER

Recommended Action: Reappoint Susan Vicklund Wilson as Public Member and Terry Trumbull as Alternate Public Member to new four-year terms, for the period from May 2015 to May 2019.

7. UPDATE ON LAFCO'S CITIES SERVICE REVIEW

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

8. REVIEW OF COMPENSATION AND CLASSIFICATION FOR LAFCO CLERK POSITION

Recommended Action: Request that the County review and consider appropriate compensation and classification for the LAFCO Clerk position.

9. EXECUTIVE OFFICER'S REPORT

9.1 LAFCO SUPPORT LETTER FOR THE COUNTY'S APPLICATION TO THE SUSTAINABLE GROWTH COUNCIL FOR A SUSTAINABLE AGRICULTURAL LAND STRATEGY GRANT

For information only.

9.2 GILROY DISPATCH ARTICLE ON LAFCO

For information only.

9.3 ANNUAL MEETING OF SAN ANTONIO HILLS HOMEOWNERS ASSOCIATION

For information only.

9.4 MEETING WITH CITY OF MORGAN HILL STAFF, LANDOWNER, AND DEVELOPER CONCERNING PROPOSED SOUTHEAST QUADRANT PROJECT

For information only.

9.5 MEETING WITH MORGAN HILL COUNCILMEMBER CONSTANTINE, OPEN SPACE AUTHORITY STAFF AND COUNTY PLANNING OFFICE STAFF

For information only.

9.6 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS MEETING

For information only.

9.7 SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION MEETING

For information only.

9.8 INTER-JURISDICTIONAL GIS WORKING GROUP MEETINGS

For information only.

10. PENDING APPLICATIONS / UPCOMING PROJECTS

11. COMMISSIONER REPORTS

12. NEWSPAPER ARTICLES / NEWSLETTERS

13. WRITTEN CORRESPONDENCE

CLOSED SESSION

14. CLOSED SESSION

Public Employee Performance Evaluation (Government Code 54957)
Title: LAFCO Executive Officer

15. ADJOURN

Adjourn to the regular LAFCO meeting on Wednesday, June 3, 2015, at 1:00 PM in the Board Meeting Chambers, 70 West Hedding Street, San Jose.

AYES: Chavez, Hall, Khamis, LeZotte, Tucker, Wasserman

NOES: None

ABSTAIN: Wilson

ABSENT: None

MOTION PASSED

9. FINANCE COMMITTEE FOR FISCAL YEAR 2015-2016 LAFCO BUDGET

The Commission appointed Commissioners Hall, Wasserman and Wilson to the Finance Committee, to work with staff to develop and recommend the proposed FY 2015-2016 LAFCO budget for consideration by the full Commission.

Motion: Chavez

Second: Tucker

AYES: Chavez, Hall, LeZotte, Tucker, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: Khamis

MOTION PASSED

10. UPDATE ON LAFCO'S CITIES SERVICE REVIEW

Ms. Noel presented the staff report.

Commissioner Chavez recommended that the service review process develop a tool to identify where the agencies are working together and where there is further opportunity to work together. She suggested that the Cities Service Review Technical Advisory Committee consider opportunities for collaboration in three areas, including garbage collection, interoperability of emergency and public safety communications systems, and efforts by local jurisdictions to ensure getting back online immediately after a major earthquake or event.

The Commission accepted the report.

Motion: Chavez

Second: Wilson

AYES: Chavez, Hall, LeZotte, Tucker, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: Khamis

MOTION PASSED

11. UPDATE ON THE SOUTHEAST QUADRANT PROJECT

Commissioner Wasserman indicated that while there are many positions and interests involved in the Southeast Quadrant (SEQ) project, he is optimistic that there will be a win-win solution. **Commissioner Hall** announced that he has recused himself from participating in OSA Board actions on SEQ in order to preserve his ability to vote on LAFCO. He questioned the staff time and resources that agencies have invested in the collaboration process, particularly when Morgan Hill has withdrawn from the conversation. **Commissioner Hall** expressed hope for a win-win situation but suggested that staff not waste time if collaboration is not likely. **Chairperson LeZotte** likewise expressed concern over whether there was any real collaboration effort from Morgan Hill and expressed hope that a solution can be found that is consistent with the principles of LAFCO.

The Commission accepted the report and directed staff to continue to work collaboratively with the agencies involved.

Motion: Tucker

Second: Wilson

AYES: Chavez, Hall, LeZotte, Tucker, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: Khamis

MOTION PASSED

12. EXECUTIVE OFFICER'S REPORT

12.1 UPDATE ON COMPLIANCE WITH FPPC REQUIREMENTS: LION'S GATE COMMUNITY SERVICES DISTRICT AND LAKE CANYON COMMUNITY SERVICES DISTRICT

In response to an inquiry by **Commissioner Wilson**, Ms. Noel reported that staff has inquired about the County Clerk of the Board's (COB) decision to defer enforcement action to June 2015. Ms. Noel also reported that Stacey Johnson, General Manager, Lake Canyon Community Services District, has informed staff that he will facilitate Bryan Cameron's FPPC filing. **Commissioner Chavez** requested staff to provide a copy of the COB response to the Commission and to recommend further action as necessary at the April 2015 meeting, if the issue remains unresolved.

The Commission accepted the report and directed staff to forward COB's response to the Commission.

Motion: Chavez

Second: Wilson

AYES: Chavez, Hall, LeZotte, Tucker, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: Khamis

MOTION PASSED

The Commission noted Items 12.2 through 12.10 of the report.

13. CALAFCO RELATED ACTIVITIES

13.1 2015 CALAFCO STAFF WORKSHOP

The Commission authorized staff to attend the 2015 CALAFCO Staff Workshop and authorized travel expenses funded by the LAFCO budget.

Motion: Wilson

Second: Tucker

AYES: Chavez, Hall, LeZotte, Tucker, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: Khamis

MOTION PASSED

13.2 REPORT ON THE 2014 CALAFCO ANNUAL CONFERENCE

The Commission noted the report.

13.3 SANTA CLARA LAFCO RECEIVED CALAFCO 2014 “MOST EFFECTIVE COMMISSION” AWARD

Commissioner Chavez congratulated the Commission and staff for the Award.

13.4 REPORT ON CALAFCO LEGISLATIVE COMMITTEE MEETINGS

The Commission noted the report.

14. PENDING APPLICATIONS

There are none.

15. COMMISSIONER REPORT

Commissioner Chavez announced the Valley Medical Center’s National Wear Red Day celebration on February 6, 2015, at 1:00 p.m., to promote women's heart health and to educate the public about stroke symptoms that are specific to women.

16. NEWSPAPER ARTICLES / NEWSLETTERS

There were none.

17. WRITTEN CORRESPONDENCE

There were none.

18. ADJOURN

The Commission adjourned the meeting at 1:55 p.m. to the next regular meeting on April 1, 2015 at **1:00 p.m.**, in the Board Meeting Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

Approved:

Linda J. LeZotte, Chairperson
Local Agency Formation Commission of Santa Clara County

By: _____
Emmanuel Abello, LAFCO Clerk

LAFCO MEETING: April 1, 2015
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
Emmanuel Abello, Clerk
SUBJECT: PROPOSED AMENDMENT TO LAFCO BYLAWS

STAFF RECOMMENDATION

Approve proposed amendment to the LAFCO Bylaws to state that regular LAFCO meetings will be held at 1:00 P.M.

BACKGROUND

Section No. 11.1 of the LAFCO Bylaws (as amended on June 4, 2014) provides that the regular meetings of the Commission be held at 1:15 P.M. At the February 4, 2015 meeting, Commissioner Khamis requested that the Commission consider changing the LAFCO meeting time from 1:15 P.M. to 1:00 P.M. The Commission discussed this option and directed staff to schedule the April 1, 2015 meeting to convene at 1:00 P.M. and to notify all recipients of the LAFCO agenda of this specific change in meeting time. Additionally, the Commission directed staff to propose an amendment (Attachment A) to the Bylaws to reflect that LAFCO meetings will be held at 1:00 P.M.

ATTACHMENT

Attachment A: Redline Version of Proposed Amendment to LAFCO Bylaws

LAFCO OF SANTA CLARA COUNTY

BYLAWS

GENERAL

1. NAME AND ADDRESS OF COMMISSION

The Local Agency Formation Commission, established in Santa Clara County pursuant to Chapter 1 (commencing with Section 56000) of Part 1, Division 3, Title 5, of the Government Code, shall be known as the Local Agency Formation Commission of Santa Clara County ("LAFCO of Santa Clara County"), and hereinafter referred to as the "Commission." The address of the Commission shall be 70 West Hedding Street, 11th Floor, East Wing, San Jose, CA 95110.

2. AUTHORITY

LAFCO of Santa Clara County is governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Sections 56000 et seq. of the California Government Code, as amended, and hereinafter referred to as the "CKH Act." The provisions of these bylaws are not intended to preempt State law. In the event of a conflict between the provisions set forth in these bylaws and those set forth in the CKH Act, the provisions of the CKH Act shall prevail.

3. MISSION

The mission of LAFCO of Santa Clara County is to promote sustainable growth and good governance in Santa Clara County by preserving agricultural lands and open space, curbing urban sprawl, encouraging efficient delivery of services, exploring and facilitating regional opportunities for fiscal sustainability, and promoting accountability and transparency of local agencies.

LAFCO of Santa Clara County will be proactive in raising awareness and building partnerships to accomplish this through its special studies, programs and actions.

THE COMMISSION

4. COMPOSITION

The Commission shall consist of seven (7) regular commissioners and five (5) alternate commissioners.

5. SELECTION / APPOINTMENT OF COMMISSIONERS

- 5.1 County. The Board of Supervisors shall appoint two regular commissioners and one alternate commissioner from the Board's membership to serve on the commission. GC §56327(a)
- 5.2 San Jose. The City of San Jose shall appoint one regular commissioner and one alternate commissioner to serve on the commission. Each appointee shall be the mayor or city council member. GC §56327(b)
- 5.3 Cities. The City Selection Committee shall appoint one regular commissioner and one alternate commissioner to serve on the commission. Each appointee shall be a mayor or city council member from one of the County's other 14 cities. Such appointments shall be made in accordance with the procedure established by the City Selection Committee and described in the rules and regulations of that body. GC §56327(c)
- 5.4 Special Districts. The Independent Special Districts Selection committee shall appoint two regular commissioners and one alternate commissioner to serve on the commission. Each appointee shall be elected or appointed members of the legislative body of an independent special district residing in the county but shall not be members of the legislative body of a city or county. Such appointments shall be made in accordance with the procedure established by the Independent Special Districts Selection Committee. GC §56327.3 and §56332
- 5.5 Public Member. The other six commissioners shall appoint one public member and one alternate public member to serve on the commission. Each appointee shall not be a resident of a city which is already represented on the commission. GC §56327(d)

6. TERMS OF OFFICE OF COMMISSIONERS

The term of office of each commissioner shall be four (4) years, expiring on May 31 in the year in which the term of the member expires. Any vacancy in the membership of the Commission shall be filled for the unexpired term by appointment by the body that originally appointed the member whose office has become vacant.

7. ROLE OF COMMISSIONERS

- 7.1 While serving on the Commission, all commissioners shall exercise their independent judgment on behalf of the interests of the public as a whole in

furthering the purposes of the CKH Act and not solely the interests of the appointing authority. GC §56325.1

- 7.2 In each member category, the alternate member shall serve and vote in place of a regular member who is absent or who disqualifies herself or himself from participating on a specific matter before the Commission at a regular/special commission meeting or in closed session.
- 7.3 All alternate members are expected and encouraged to attend and participate in all Commission meetings, even if the regular member(s) is (are) present. Alternate members may attend and participate in closed session meetings of the Commission. However, alternate members may not vote or make a motion when the regular member is present.
- 7.4 The Brown Act allows an exception from its requirements for the attendance of a majority of the members of the Board of Supervisors at noticed meetings of the Commission, provided that a majority of the members of the Board of Supervisors do not discuss among themselves, other than as part of the Commission's scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the Board of Supervisors.
- 7.5 No person may disclose confidential information that has been acquired by being present in a closed session meeting authorized pursuant to the Brown Act to a person not entitled to receive it, unless the Commission authorizes disclosure of that confidential information.

8. APPOINTMENT OF OFFICERS

- 8.1 The Commission shall annually appoint a Chairperson and Vice Chairperson for the next calendar year at the December meeting. The Chairperson and Vice Chairperson shall be appointed based on the following rotation schedule unless otherwise determined by the Commission:
 - Cities member
 - County member
 - San Jose member
 - Special Districts member
 - County member
 - Public member
 - Special Districts member
- 8.2 The Chairperson shall preside at all meetings of the Commission and the Vice-Chairperson shall preside at meetings in the absence of the Chairperson.

9. EXECUTIVE OFFICER

- 9.1 The LAFCO Executive Officer shall be designated in accordance with the terms of the Memorandum of Understanding between the Commission and the County of Santa Clara.
- 9.2 The Executive Officer shall carry out all orders as instructed by the Commission. The Executive Officer shall prepare or cause to be prepared an agenda for each meeting and maintain a record of all proceedings as required by law and these bylaws, and as instructed by the Commission. The Executive Officer shall set all hearing dates, publish notices and shall oversee the performance of all other clerical and administrative services required by the Commission. In addition, the Executive Officer shall by direction of the Commission and in accordance with the terms of the Memorandum of Understanding between the Commission and the County of Santa Clara, hire other staff of the Commission.

10. LEGAL COUNSEL

- 10.1 LAFCO Counsel shall be appointed by the Commission and shall serve at the pleasure of the Commission.
- 10.2 LAFCO Counsel shall attend all meetings of the Commission, give all requested advice on legal matters and represent the Commission in legal actions unless the Commission specifically makes other arrangements.

CONDUCT OF MEETINGS

11. MEETINGS

- 11.1 Regular Commission meetings are held on the first Wednesday of February, April, June, August, October, and December at ~~1:00~~ ~~4:15~~ P.M., in the Board Meeting Chambers at 70 West Hedding Street, San Jose, California, or in another designated location.
- 11.2 The Commission shall establish a schedule of meetings for the following calendar year at its regular meeting in December.

12. QUORUM AND ACTION OF COMMISSION

- 12.1 Four commissioners entitled to vote shall constitute a quorum.
- 12.2 The Commission shall act by resolution or Commission order. All final determinations of the Commission on change of organization or reorganization proposals shall be taken by resolution. The Commission minutes shall reflect the vote on all resolutions. The records and minutes of the Commission shall be signed by the Chairperson and LAFCO Clerk.

12.3 Commissioners are strongly encouraged to vote and not abstain from voting unless they are disqualified by law or because there is an appearance of conflict.

13. ORDER OF BUSINESS

The order of business at Commission meetings shall typically include the following items, unless otherwise directed by the Commission.

- Roll Call
- Public Comment – 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.
- Consideration of Minutes
- Consent Calendar – Consent calendar consists of those items recommended for approval, not requiring public hearing, and in the opinion of the staff, not involving major issues or problems. A commissioner, staff or member of the public, may request that an item be removed from the Consent Calendar for public discussion.
- Public Hearings
- Items for Action/Discussion
- Executive Officer’s report
- Pending Applications/Upcoming Projects
- Commissioner Reports – An opportunity for commissioners to comment on items not listed on the agenda, provided that the subject is within the jurisdiction of the Commission. No action or discussion by a quorum of the Commission may be taken on off-agenda items unless authorized by law.
- Newspaper Articles/Newsletters
- Written Correspondence
- Adjournment

14. MEETING MINUTES

The Executive Officer shall cause a member of his/her staff to prepare the draft minutes of each meeting which will be included on the agenda of the following meeting, for approval by the Commission.

15. DEADLINES FOR SUBMISSION OF APPLICATIONS

- 15.1 Deadlines for submitting proposals/applications will be no later than 5:00 P.M. on the Thursday immediately following a LAFCO meeting in order to be considered at the next LAFCO meeting. Applications shall be submitted with correct fees on the appropriate forms and in the quantities required,
- 15.2 The Commission will not consider proposals/applications which have been submitted in violation of the deadline unless an emergency situation exists within the territory relating to the proposal which would affect the health and safety of citizens.
- 15.3 The Commission shall establish a schedule of application deadlines for the following calendar year at its regular meeting in December.

16. CLARIFICATION OF MOTIONS

Commissioners shall state motions in such a manner as to assure understanding of all parties as to the content of any terms and conditions to be placed on the Commission's action. It shall be the responsibility of the Chairperson to verify the wording of any motion with staff.

17. ROSENBERG'S RULES OF ORDER

Except as herein otherwise provided, the proceedings of the Commission shall be governed by "Rosenbergs's Rules of Order" on all matters pertaining to parliamentary law. No resolution, proceeding, or other action of the Commission shall be invalid or the legality thereof otherwise affected by the failure of the Commission to observe or follow such rules.

TRAVEL AND EXPENSE REIMBURSEMENT

18. AUTHORIZED EXPENSES

- 18.1 LAFCO funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized LAFCO business. In addition to the day to day business activities of LAFCO, expenses incurred in connection with the following types of activities generally constitute authorized expenses (LAFCO Policy adopted on June 1, 2006):
 - A. Communicating with representatives of local, regional, state and national government on LAFCO business
 - B. Attending educational seminars designed to improve skills and information levels
 - C. Participating in local, regional, state and national organizations whose activities affect LAFCO's interests

- D. Recognizing service to LAFCO (for example, thanking a longtime employee with a retirement gift or celebration of nominal value and cost)
 - E. Attending LAFCO or CALAFCO events
- 18.2 All other expenditures incurred will require prior approval by the Commission.
- 18.3 Any questions regarding the propriety of a particular type of expense should be resolved before the expense is incurred.

19. MEETING PER DIEM / STIPEND

Consistent with LAFCO Resolution # 2006-06, LAFCO commissioners including alternate commissioners will receive a \$100 per diem for attendance at LAFCO meetings. This compensation is in lieu of reimbursement for travel and other expenses incurred in attending the LAFCO meetings.

20. LAFCO COMMISSIONER ATTENDANCE AT CALAFCO CONFERENCE

Regular LAFCO commissioners will be given first priority for attending the CALAFCO Annual Conference. If a regular commissioner is unable to attend, the alternate for that commissioner may attend.

21. TRANSPORTATION, LODGING, MEALS, AND OTHER INCIDENTAL/ PERSONAL EXPENSES

- 21.1 Reimbursement for authorized transportation, lodging, meals and other incidental expenses shall be provided in conformance with the current Travel Policy of the County of Santa Clara.
- 21.2 Registration and travel arrangements including airline reservations must be coordinated through the LAFCO Office.

22. EXPENSE REPORTING

Within 14 calendar days of return from a LAFCO business trip or event, a final accounting of all expenses must be submitted to the LAFCO office. Original receipts are required for processing reimbursement. LAFCO staff will then fill out the necessary forms and submit to the appropriate County department in compliance with the County Travel Policy.

23. AUDITS OF EXPENSE REPORTS

All expenses are subject to verification that they comply with this policy.

24. REPORTS TO LAFCO

At the following LAFCO meeting, a report shall be presented on meetings attended at LAFCO expense.

25. COMPLIANCE WITH LAWS

Some expenditures may be subject to reporting under the Political Reform Act and other laws. LAFCO expenditures, expense report forms and supporting documentation are public records subject to disclosure under the Public Records Act.

26. ETHICS TRAINING

LAFCO is not a local agency whose officials are required to comply with the requirement of ethics training pursuant to Government Code Section 53235. Since LAFCO provides reimbursement for expenses, LAFCO commissioners, Executive Officer and Analyst are encouraged to receive ethics training. LAFCO commissioners who are County supervisors, city council members or special districts board members will receive this training in their respective roles as county, city or special district officials. LAFCO staff will advise the public members of opportunities to receive the training.

Revised on: June 4, 2014

LAFCO MEETING: April 1, 2015
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
SUBJECT: PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2016

STAFF RECOMMENDATION

1. Adopt the Proposed LAFCO Budget for Fiscal Year 2015-2016.
2. Find that the Proposed LAFCO Budget for Fiscal Year 2016 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Proposed LAFCO Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice on the adoption of the Fiscal Year 2016 Final Budget to the cities, the special districts, the County, the Cities Association and the Special Districts Association.

BACKGROUND

LAFCO 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 proposed LAFCO budget. LAFCO is a stand-alone, separate fund within the County's accounting/budget system and the LAFCO budget information is formatted using the County's account descriptions/codes.

Fiscal Year 2015-2016 Budget Timeline

Dates	Staff Tasks / LAFCO Action
March 9 - April 1	Notice period, Draft Budget posted on LAFCO website and available for review and comment
April 1	LAFCO public hearing on adoption of Draft Budget
April 2	Draft Budget, draft apportionments and LAFCO public hearing notice on Final Budget transmitted to agencies
June 3	Public hearing and adoption of Final Budget
June 3 - July 1	Final Budget transmitted to agencies; Auditor requests payment from agencies

LAFCO FINANCE COMMITTEE

At its February 4, 2015 LAFCO meeting, the Commission appointed Commissioners Hall, Wasserman and Wilson, to the LAFCO Finance Committee, and directed the Committee to develop a draft budget for Commission consideration.

The Finance Committee held a meeting on March 12, 2015, to discuss issues related to the budget and to formulate the budget for FY 2016. The Finance Committee discussed current and future budget related issues including the highlights and progress on the current year work plan, and the status of the current year budget.

The Committee discussed the need for review and revisions to the LAFCO fee schedule and directed staff to review the LAFCO fee schedule and propose any revisions, if warranted.

Pursuant to the MOU between LAFCO and the County, in May 2014, the Finance Committee had requested that the County review compensation for the LAFCO Executive Officer and Analyst positions. The County informed LAFCO that as part of the CEMA Realignment process, a 2% salary increase has been recommended for the two positions. The Committee also discussed that the SEIU contract, which represents the LAFCO Clerk position, is set to expire on June 21, 2015. Pursuant to the MOU between LAFCO and the County, LAFCO may request a review of classification and compensation for the LAFCO Clerk position upon receiving notice from the County.

The Committee discussed the proposed work plan and recommended that staff, as part of its outreach efforts, facilitate meetings between the special districts and cities at various staff levels, in order to enable better coordination amongst the agencies.

STATUS OF CURRENT YEAR (FISCAL YEAR 2015) WORK PLAN AND BUDGET

Attachment A depicts the current status of the work items/projects in the Fiscal Year 2015 Work Program, which indicates that substantial progress has been made on each of the work plan items. The LAFCO Annual Report which will be published at the end of the current fiscal year will document all the applications processed by LAFCO and the various activities/projects that LAFCO has completed in Fiscal Year 2015.

Attachment B depicts the current FY budget status. The adopted LAFCO budget for FY 2015 is \$767,543. Based on information through the end of February 2015, total year-end projected expenditures for FY 2015 would be approximately \$70,000 (9%) less than the adopted budget for FY 2015. Actual revenue for FY 2015 is projected to be approximately the same as that in the adopted budget for FY 2015. The County, the cities and the independent special districts paid their respective shares of LAFCO's FY 2015 costs as apportioned by the County Controller. The actual fund balance rolled over at the end of FY 2014 was \$226,111, which is approximately \$54,000 (\$226,111- \$171,979) more than projected in the adopted FY 2015 budget.

It is projected that there will be a savings or fund balance of approximately \$124,839 at the end of Fiscal Year 2015, which will be carried over to reduce the proposed Fiscal Year 2016 costs for the funding agencies (cities, independent special districts and the County).

$$\begin{aligned} \text{Proj. Year-End [FY 15] Fund Balance} &= (\text{Projected Year-End [FY 15] Revenue} + \text{Actual} \\ &\quad \text{Fund Balance from Previous Fiscal Year [FY 14]} + \\ &\quad \text{Funds Received from Local Agencies in FY 15}) - \\ &\quad (\text{Projected Year-End [FY 15] Expenses}) \\ &= (\$33,000 + 226,111 + \$562,564) - \$696,836 \\ &= \$124,839 \end{aligned}$$

Please note that the fund balance excludes the \$150,000 set aside as a reserve, which is expected to be unused at the end of FY 2015 and will be rolled over to the next year as-is and maintained as the reserve.

PROPOSED WORK PROGRAM FOR FISCAL YEAR 2015-2016

LAFCO is mandated by the state to process jurisdictional boundary change applications in accordance with provisions of the Cortese Knox Hertzberg Act. Associated with this mandate, LAFCO has several responsibilities/requirements including but not limited to adopting written policies and procedures, maintaining a web site, serving as a conducting authority for protest proceedings and conducting public hearings and providing adequate public notice. Other state mandates for LAFCO include preparation of service reviews and the corresponding sphere of influence review and update for each city and special district within the county.

The LAFCO work program for FY 2015- 2016 is presented in **Attachment C**. The proposed work program for FY 2016 will focus on service reviews and sphere of influence updates for the 15 cities; and continued monitoring of implementation of

recommendations from this and previous service reviews. LAFCO expects to receive large, complex urban service area amendment applications in FY 2016. Given the Commission's interest to be proactive in raising awareness and building partnerships to accomplish its mission, the work plan includes an item to develop a public information / communications strategy. The work plan also includes an item to work on programs to improve our local community's understanding of the importance of preserving agricultural lands. In other areas of work, including island annexations, application processing, public outreach/communication and administration, it is similar to the work plan for the current year. The timely implementation of the various work plan items is greatly dependent on the number and complexity of applications filed with LAFCO.

PROPOSED BUDGET: FISCAL YEAR 2015-2016

The Finance Committee recommended the proposed budget for FY 2015-2016 (**see Attachment D**). The proposed total expenditures for FY 2016 is \$815,701 which is approximately 6% higher than the FY 2015 adopted budget. The following is a detailed itemization of the proposed budget.

EXPENDITURES

The expenditures are divided into two main sections: Staff Salary and Benefits (Object 1), and Services and Supplies (Object 2).

OBJECT 1. SALARIES AND BENEFITS \$499,823

This includes salary and benefits for the three LAFCO staff members including Executive Officer, Analyst and Clerk, who are all staffed through the County Executive's Office. The LAFCO Executive Officer and LAFCO Analyst positions within the CEMA bargaining unit, received a 2% salary increase through the CEMA Realignment process that is retroactive to July 2014. Per the CEMA contract, the two positions are also scheduled for an additional 3.25% general wage increase on July 1, 2015.

The LAFCO Clerk position is represented by SEIU 521 bargaining unit whose contract is set to expire on June 21, 2015. Pursuant to the MOU between LAFCO and the County, LAFCO will request a review of classification and compensation for the LAFCO Clerk position.

The proposed salary / benefits amount reflects the above described general salary increases and a potential 2% salary increase for the Clerk position. The proposed amount is based on the best available projections from the County. Any further changes to the projections that occur within the next couple of months will be reflected in the Final LAFCO budget.

OBJECT 2. SERVICES AND SUPPLIES

5258200 INTRA-COUNTY PROFESSIONAL \$45,000

This amount includes costs for services from various County agencies such as the County Surveyor's Office, the County Assessors' Office, the Registrar of Voters etc.

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. It is estimated that 250 to 300 hours of service will be required in the next fiscal year.

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 maintenance and technical assistance from the County Planning Office, as necessary.

5255800 LEGAL COUNSEL \$59,000

This item covers the cost for general legal services for the fiscal year. 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). The monthly retainer for FY 2016 increases to \$4,877, based on a 2.8% increase in the Consumer Price Index for the prior calendar year 2014.

5255500 CONSULTANT SERVICES \$100,000

This item is allocated for hiring consultants to assist LAFCO with special projects. This year, the amount is allocated for hiring consultants to develop a public information / communications strategy and for programs to improve our local community's understanding of the importance of preserving agricultural lands.

5285700 MEAL CLAIMS \$750

This item is being maintained at \$750.

5220200 INSURANCE \$5,600

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. Rates will remain unchanged in Fiscal Year 2016.

5250100 OFFICE EXPENSES \$2,000

This item is being maintained at \$2,000 and provides for purchase of books, periodicals, small equipment and supplies throughout the year.

5255650 DATA PROCESSING SERVICES \$5,000

This item includes costs associated with County Information Services Department providing IT services to the LAFCO program which include: Techlink Center Services, Integrated Workplace Management System, Enterprise Content Management, Security

and Privacy and Claranet – the County network. Additionally, this item also includes costs associated with hosting the LAFCO website by an outside provider.

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 in the Fiscal Year 2016.

5260100 PUBLICATIONS AND LEGAL NOTICES \$2,500

This is being maintained at \$2,500 and includes costs associated with publication of hearing notices for LAFCO applications and other projects/ studies, as required by state law.

5245100 MEMBERSHIP DUES \$7,577

This amount includes funding for membership dues to CALAFCO - the California Association of LAFCOs. The CALAFCO Board voted to apply a projected 2% CPI increase this year. As a result, the 2016 CALAFCO dues will increase slightly to \$7,577.

5250750 PRINTING AND REPRODUCTION \$1,500

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

5285800 BUSINESS TRAVEL \$15,000

This item includes costs incurred by staff and commissioners to attend conferences and workshops. It would cover air travel, accommodation, conference registration and other expenses at the conferences. CALAFCO annually holds a Staff Workshop and an Annual Conference that is attended by commissioners as well as staff. In addition, this item covers expenses for travel to the CALAFCO Legislative Committee meetings. The Executive Officer serves on the CALAFCO Legislative Committee.

5285300 PRIVATE AUTOMOBILE MILEAGE \$2,000

This item provides for mileage reimbursement when staff travels by private car to conduct site visits and attend meetings / training sessions.

5285200 TRANSPORTATION AND TRAVEL (for use of County car) \$1,000

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

5281600 OVERHEAD \$47,951

This is an amount 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 2016 Cost Allocation Plan which is based on actual overhead costs from FY 2014 – the most recent year for which actual costs are available. This amount totals to \$47,392 and includes the following charges from:

County Executive's Office: \$24,118
Controller-Treasurer: \$8,331

Employee Services Agency:	\$3,252
OBA:	\$3,903
Other Central Services:	\$129
ISD Intergovernmental Service:	\$4,983
ISD:	\$2,599
Procurement:	\$77

Secondly, a “roll forward” is applied which is calculated by comparing FY 2014 Cost Plan estimates with FY 2014 actuals. Since the FY 2014 cost estimates were lower than the actuals by \$559, this amount is added to the FY 2016 Cost Plan. This is a state requirement.

5275200 COMPUTER HARDWARE \$3,000

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

5250800 COMPUTER SOFTWARE \$4,000

This amount is designated for computer software purchases, and annual licenses for GIS software and records management (LaserFische) hardware/software annual maintenance agreement.

5250250 POSTAGE \$2,000

This amount covers postage costs associated with mailing notices, agendas, agenda packets and other correspondence and is being maintained at \$2,000.

5252100 TRAINING PROGRAMS \$2,000

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

5701000 RESERVES \$0

No additional funds are budgeted for reserves in FY 2016.

REVENUES

4103400 APPLICATION FEES \$30,000

It is anticipated that LAFCO will receive approximately \$30,000 in fees from processing applications. The actual amount earned from fees is not within LAFCO control and depends entirely on the level of application activity.

4301100 INTEREST \$3,000

It is estimated that LAFCO will receive an amount of approximately \$3,000 from interest earned on LAFCO funds.

RESERVES

3400800 RESERVES \$150,000

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. LAFCO currently retains \$150,000 in reserves separate from operating expenses. No additional funds are budgeted for this purpose in FY 2016.

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.

Calculation of Net Operating Expenses

$$\begin{aligned} \text{FY 2016 Net Operating Expenses} &= (\text{Proposed FY 2016 Expenditures}) - (\text{Proposed FY} \\ &\quad \text{2016 Fee \& Interest Revenues} + \text{Projected Fund} \\ &\quad \text{Balance from FY 2015}) \\ &= \$815,701 - (\$33,000 + \$124,839) \\ &= \$657,862 \end{aligned}$$

Please note that the projected operating expenses for FY 2016 are based on projected savings and expenses for the current year. Further revisions may be needed as we get a better indication of current year expenses towards the end of this fiscal year.

Additionally, a more accurate projection of costs for the upcoming fiscal year could be made available by the County, particularly for employee salary/benefits. This could result in changes to the proposed net operating expenses for FY 2016 which could in turn impact the costs for each of the agencies. The following is a draft apportionment to the agencies based on the proposed net operating expenses for FY 2016 (\$657,862).

Cost to Agencies

County of Santa Clara	\$219,287
City of San Jose	\$109,644
Remaining 14 Cities in the County	\$109,644
17 Independent Special Districts	\$219,287

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 Budget.

ATTACHMENTS

Attachment A:	Status of FY 2015 Work Plan
Attachment B:	Status of FY 2015 Budget
Attachment C:	Proposed Work Program for Fiscal Year 2016
Attachment D:	Proposed LAFCO Budget for Fiscal Year 2016
Attachment E:	Estimated Costs to Agencies Based on the Proposed Budget

Status of Current Year (FY 2015) WORK PLAN AGENDA ITEM # 5 Attachment A

	PROJECTS	Status
SERVICE REVIEWS & SPHERE OF INFLUENCE UPDATES	Cities Service Review	In progress
	Follow up on implementation of recommendations for Phase 2 districts: BSD	Complete, including FPPC compliance issues for CSDs
	Follow up on implementation of recommendations for Phase 1 districts: RRRPD, SSCVMD	Complete, continue to address any new issues brought forward
	Follow up on Water Service Review Report recommendations	In progress, potential dissolution of Pacheco Pass Water District
	Saratoga Fire District Special Study	Completed in August 2014
	Follow up on Fire Service Review Report recommendations: Los Altos Hills Fire District reserves	TBD
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with potential annexations and potential USA amendments	Ongoing, as needed
	Review and finalize city-conducted island annexations	Ongoing, as needed
LAFCO APPLICATIONS	Process applicant initiated LAFCO proposals	Ongoing, as needed
	Comment on potential LAFCO applications, City General Plan updates and/ or related environmental documents	Extensive work in progress, as needed
	Respond to public enquiries re. LAFCO policies, procedures and filing requirements for LAFCO applications	Ongoing, as needed
PUBLIC OUTREACH / COMMUNICATION	Maintain boundaries of cities and special districts in GIS	Ongoing, as needed
	Publish updated wall map of cities	In progress
	Participate in CALAFCO conferences / workshops	Ongoing, as needed
	Conduct workshops and/or make presentations re. LAFCO program, policies and procedures to local agencies, organizations, commissioners, community groups, staff	Ongoing, as needed
	Participate in local, regional, statewide organizations: SDA, SCCAPO, CALAFCO, GIS Working Group	Ongoing, as needed
ADMINISTRATION	Track LAFCO related legislation (CALAFCO Legislative Committee)	Ongoing, as needed
	Maintain and enhance LAFCO Website	Completed, launched
	Maintain LAFCO database	Ongoing, as needed
	Maintain LAFCO's electronic document management system (archiving LAFCO records)	Ongoing, as needed
	Prepare Annual Report	October 2014
	Staff training and development	Ongoing, as needed
	Staff performance evaluation	In progress
OTHER	Review and update policies and procedures	Ongoing, comprehensive effort- TBD
	Mapping Mutual Water Companies	In progress
	Summit on Agriculture	September 2014

FY 2015 LAFCO BUDGET STATUS

ITEM #	TITLE	ACTUALS								APPROVED		YEAR TO DATE PROJECTIONS	
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	2015	2015	3/3/2015	2015	
EXPENDITURES													
Object 1: Salary and Benefits		\$356,009	\$400,259	\$406,650	\$413,966	\$393,194	\$411,929	\$450,751	\$465,700	\$303,173	\$466,643		
Object 2: Services and Supplies													
5255100	Intra-County Professional	\$66,085	\$57,347	\$13,572	\$4,532	\$6,118	\$5,260	\$5,663	\$45,000	\$3,682	\$5,000		
5255800	Legal Counsel	\$0	\$9,158	\$67,074	\$52,440	\$48,741	\$56,791	\$53,550	\$58,000	\$33,766	\$57,300		
5255500	Consultant Services	\$19,372	\$75,000	\$76,101	\$58,060	\$102,349	\$59,563	\$35,602	\$100,000	\$0	\$85,000		
5285700	Meal Claims	\$0	\$368	\$277	\$288	\$379	\$91	\$228	\$750	\$130	\$500		
5220100	Insurance	\$491	\$559	\$550	\$4,582	\$4,384	\$4,378	\$4,231	\$5,600	\$4,162	\$5,600		
5250100	Office Expenses	\$1,056	\$354	\$716	\$639	\$1,212	\$536	\$850	\$2,000	\$720	\$2,000		
5255650	Data Processing Services	\$8,361	\$3,692	\$3,505	\$1,633	\$3,384	\$1,663	\$3,311	\$4,000	\$1,617	\$2,700		
5225500	Commissioners' Fee	\$5,700	\$5,400	\$3,500	\$3,400	\$4,000	\$4,900	\$5,800	\$10,000	\$3,000	\$7,000		
5260100	Publications and Legal Notices	\$1,151	\$563	\$1,526	\$363	\$916	\$222	\$378	\$2,500	\$2,404	\$3,000		
5245100	Membership Dues	\$5,500	\$7,000	\$7,000	\$7,000	\$7,000	\$14,473	\$0	\$7,428	\$7,428	\$7,428		
5250750	Printing and Reproduction	\$5	\$0	\$0	\$0	\$0	\$0	\$9	\$1,500	\$85	\$100		
5285800	Business Travel	\$7,238	\$8,415	\$4,133	\$8,309	\$3,095	\$4,777	\$5,800	\$15,000	\$1,817	\$8,000		
5285300	Private Automobile Mileage	\$1,016	\$704	\$832	\$1,185	\$615	\$424	\$409	\$2,000	\$344	\$1,000		
5285200	Transportation&Travel (County Ca	\$894	\$948	\$629	\$0	\$384	\$250	\$371	\$1,000	\$140	\$1,000		
5281600	Overhead	\$42,492	\$62,391	\$49,077	\$46,626	\$60,647	\$43,133	\$42,192	\$36,065	\$17,378	\$36,065		
5275200	Computer Hardware	\$0	\$451	\$0	\$83	\$2,934	\$1,791	\$2,492	\$3,000	\$2,492	\$2,500		
5250800	Computer Software	\$0	\$0	\$626	\$314	\$579	\$3,124	\$933	\$4,000	\$1,832	\$3,500		
5250250	Postage	\$1,160	\$416	\$219	\$568	\$309	\$589	\$246	\$2,000	\$557	\$1,000		
5252100	Staff Training Programs	\$0	\$665	\$491	\$250	\$300	\$0	\$0	\$2,000	\$1,281	\$1,500		
5701000	Reserves	\$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	\$767,543	\$386,008	\$696,836		
REVENUES													
4103400	Application Fees	\$46,559	\$41,680	\$35,576	\$48,697	\$37,426	\$45,458	\$63,561	\$30,000	\$18,010	\$30,000		
4301100	Interest: Deposits and Investments	\$24,456	\$16,230	\$6,688	\$4,721	\$4,248	\$3,416	\$2,674	\$3,000	\$1,517	\$3,000		
Savings/Fund Balance from previous FY		\$271,033	\$368,800	\$334,567	\$275,605	\$209,987	\$208,219	\$160,052	\$171,979	\$226,111	\$226,111		
TOTAL REVENUE		\$342,048	\$426,711	\$376,831	\$329,023	\$251,661	\$257,092	\$226,287	\$204,979	\$245,638	\$259,111		
NET LAFCO OPERATING EXPENSES		\$174,482	\$206,980	\$259,648	\$275,215	\$388,879	\$356,802	\$386,529	\$562,564	\$140,370	\$437,725		
3400800 RESERVES													
COSTS TO AGENCIES													
5440200	County	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$281,780	\$156,002	\$187,521	\$187,521	\$187,521		
4600100	Cities (San Jose 50% + other cities 50	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$282,625	\$156,002	\$187,521	\$187,521	\$187,521		
Special Districts							\$296,892	\$187,521	\$187,521	\$187,521	\$187,521		

FY 2015 LAFCO BUDGET STATUS

PROPOSED WORK PLAN FOR FISCAL YEAR 2016 **AGENDA ITEM # 5**
Attachment C

	PROJECTS	TIME FRAME	RESOURCES
SERVICE REVIEWS & SPHERE OF INFLUENCE UPDATES	Cities Service Review	To be completed in December 2015	Consultant
	Follow up on implementation of recommendations from Cities Service Review	TBD	Staff
	Follow up from Special Districts Service Review	Ongoing	Staff
	Follow up on Water Service Review Report recommendations: PPWD	Ongoing	Staff
	Follow up on Fire Service Review Report recommendations: Los Altos Hills Fire District reserves	TBD	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
LAFCO APPLICATIONS	Process applicant initiated LAFCO proposals	Ongoing, as needed; major proposals expected in FY 2016	Staff
	Comment on potential LAFCO applications, City General Plan updates and/ or related environmental documents	Ongoing extensive work, as needed	Staff
	Respond to public enquiries re. LAFCO policies, procedures and filing requirements for LAFCO applications	Ongoing, as needed	Staff
PUBLIC OUTREACH / COMMUNICATION	Maintain boundaries of cities and special districts in GIS	Ongoing, as needed	Staff
	Develop a public information /communications strategy	TBD	Consultant
	Participate in CALAFCO conferences / workshops	Ongoing, as needed	Staff
	Conduct workshops and/or make presentations re. LAFCO program, policies and procedures to local agencies, organizations, commissioners, community groups, staff	Ongoing, as needed	Staff
	Participate in local, regional, statewide organizations: SDA, SCCAPO, CALAFCO, GIS Working Group	Ongoing, as needed	Staff
ADMINISTRATION	Track LAFCO related legislation (CALAFCO Legislative Committee)	Ongoing, as needed	Staff
	Maintain and enhance LAFCO Website / mapping	Ongoing, as needed	Staff
	Maintain LAFCO database	Ongoing, as needed	Staff
	Maintain LAFCO's electronic document management system (archiving LAFCO records)	Ongoing, as needed	Staff
	Prepare Annual Report	August 2015	Staff
	Staff training and development	Ongoing	Staff
	Staff performance evaluation	February 2015	Staff, LAFCO
	Prepare budget, work plan, fee schedule revisions	Ongoing, as needed	Staff
OTHER	Review and update policies and procedures	Ongoing	Staff
	Mapping Mutual Water companies	Ongoing	Staff
	Program to improve community's understanding of the importance of agriculture to future of Santa Clara County	TBD	Consultant

**PROPOSED LAFCO BUDGET
FISCAL YEAR 2015 - 2016**

AGENDA ITEM # 5
Attachment D

ITEM # TITLE	APPROVED	ACTUALS	PROJECTIONS	PROPOSED
	BUDGET FY 2015	Year to Date 3/3/2015	Year End 2015	FY 2016 BUDGET
EXPENDITURES				
Object 1: Salary and Benefits	\$465,700	\$303,173	\$466,643	\$499,823
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$3,682	\$5,000	\$45,000
5255800 Legal Counsel	\$58,000	\$33,766	\$57,300	\$59,000
5255500 Consultant Services	\$100,000	\$0	\$85,000	\$100,000
5285700 Meal Claims	\$750	\$130	\$500	\$750
5220100 Insurance	\$5,600	\$4,162	\$5,600	\$5,600
5250100 Office Expenses	\$2,000	\$720	\$2,000	\$2,000
5255650 Data Processing Services	\$4,000	\$1,617	\$2,700	\$5,000
5225500 Commissioners' Fee	\$10,000	\$3,000	\$7,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$2,404	\$3,000	\$2,500
5245100 Membership Dues	\$7,428	\$7,428	\$7,428	\$7,577
5250750 Printing and Reproduction	\$1,500	\$85	\$100	\$1,500
5285800 Business Travel	\$15,000	\$1,817	\$8,000	\$15,000
5285300 Private Automobile Mileage	\$2,000	\$344	\$1,000	\$2,000
5285200 Transportation&Travel (County Car Usage)	\$1,000	\$140	\$1,000	\$1,000
5281600 Overhead	\$36,065	\$17,378	\$36,065	\$47,951
5275200 Computer Hardware	\$3,000	\$2,492	\$2,500	\$3,000
5250800 Computer Software	\$4,000	\$1,832	\$3,500	\$4,000
5250250 Postage	\$2,000	\$557	\$1,000	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$1,281	\$1,500	\$2,000
5701000 Reserves	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$767,543	\$386,008	\$696,836	\$815,701
REVENUES				
4103400 Application Fees	\$30,000	\$18,010	\$30,000	\$30,000
4301100 Interest: Deposits and Investments	\$3,000	\$1,517	\$3,000	\$3,000
TOTAL REVENUE	\$33,000	\$19,527	\$33,000	\$33,000
3400150 FUND BALANCE FROM PREVIOUS FY	\$171,979	\$226,111	\$226,111	\$124,839
NET LAFCO OPERATING EXPENSES	\$562,564	\$140,370	\$437,725	\$657,862
3400800 RESERVES	\$150,000	\$150,000	\$150,000	\$150,000
COSTS TO AGENCIES				
5440200 County	\$187,521	\$187,521	\$187,521	\$219,287
4600100 Cities (San Jose 50% + Other Cities 50%)	\$187,521	\$187,521	\$187,521	\$219,287
Special Districts	\$187,521	\$187,521	\$187,521	\$219,287

AGENDA ITEM # 5
Attachment E

LAFCO COST APPORTIONMENT: County, Cities, Special Districts
Estimated Costs to Agencies Based on the Proposed 2016 LAFCO Budget

Proposed LAFCO Net Operating Expenses for 2016				\$657,862
Jurisdictions	Revenue per 2011/2012 Report*	Percentage of Total Revenue	Allocation Percentages	Allocated Costs
County	N/A	N/A	33.3333333%	\$219,287.34
Cities Total Share			33.3333333%	\$219,287.33
San Jose	N/A	N/A	50.0000000%	\$109,643.67
Other cities share			50.0000000%	\$109,643.66
Campbell	\$42,136,384	2.0782315%		\$2,278.65
Cupertino	\$101,768,890	5.0193988%		\$5,503.45
Gilroy	\$73,549,973	3.6275982%		\$3,977.43
Los Altos	\$40,559,754	2.0004697%		\$2,193.39
Los Altos Hills	\$8,965,078	0.4421715%		\$484.81
Los Gatos	\$35,566,167	1.7541783%		\$1,923.35
Milpitas	\$108,110,368	5.3321703%		\$5,846.39
Monte Sereno	\$2,398,104	0.1182782%		\$129.68
Morgan Hill	\$56,304,100	2.7770051%		\$3,044.81
Mountain View	\$180,902,676	8.9223993%		\$9,782.84
Palo Alto	\$469,550,000	23.1589310%		\$25,392.30
Santa Clara	\$583,863,212	28.7970351%		\$31,574.13
Saratoga	\$21,802,406	1.0753283%		\$1,179.03
Sunnyvale	\$302,034,437	14.8968048%		\$16,333.40
Total Cities (excluding San Jose)	\$2,027,511,549	100.0000000%		\$109,643.66
Total Cities (including San Jose)				\$219,287.33
Special Districts Total Share			33.3333333%	\$219,287.33
Aldercroft Heights County Water District		0.06233%		\$136.68
Burbank Sanitary District		0.15593%		\$341.93
Cupertino Sanitary District		2.64110%		\$5,791.60
El Camino Hospital District		4.90738%		\$10,761.26
Guadalupe Coyote Resource Cons. District		0.04860%		\$106.57
Lake Canyon Community Services District		0.02206%		\$48.37
Lion's Gate Community Services District		0.22053%		\$483.59
Loma Prieta Resource Cons. District		0.02020%		\$44.30
Midpeninsula Regional Open Space District		5.76378%		\$12,639.24
Purissima Hills County Water District		1.35427%		\$2,969.74
Rancho Rinconada Rec. and Park District		0.15988%		\$350.60
San Martin County Water District		0.04431%		\$97.17
Santa Clara County Open Space District		1.27051%		\$2,786.07
Santa Clara Valley Water District		81.44126%		\$178,590.37
Saratoga Cemetery District		0.32078%		\$703.43
Saratoga Fire Protection District		1.52956%		\$3,354.13
South Santa Clara Valley Memorial District		0.03752%		\$82.28
Total Special Districts		100.00000%		\$219,287.33
Total Allocated Costs				\$657,862.00

* As of March 23, 2015, SCO has not posted the FY12-13 Annual Cities Report.
Still using data from the prior year for the Cities allocation percentages.

LAFCO MEETING: April 1, 2015
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
Emmanuel Abello, Clerk
SUBJECT: APPOINTMENT OF LAFCO PUBLIC MEMBER AND ALTERNATE
PUBLIC MEMBER

STAFF RECOMMENDATION

Reappoint Susan Vicklund Wilson as Public Member and Terry Trumbull as Alternate Public Member to new four-year terms, for the period from May 2015 to May 2019.

BACKGROUND

At the February 4th LAFCO meeting, the Commission indicated that they would like to reappoint Susan Vicklund Wilson as Public Member and Terry Trumbull as Alternate Public Member to new four-year terms, for the period from May 2015 to May 2019. The Commission directed staff to place the item on the April 1, 2015 LAFCO agenda for action.

LAFCO Public Member, Susan Vicklund Wilson's and Alternate Public Member, Terry Trumbull's terms on LAFCO expire in May 2015. Both Commissioners have expressed interest in being reappointed to LAFCO. Government Code Section 56327 requires that the public member be appointed by the other members of the commission. The statute leaves the public member selection process to the discretion of the commission except to provide that the public member must not be a resident of a city which is already represented on the commission.

At the February 4th LAFCO Meeting, LAFCO staff presented the following two possible options for appointing the public member and alternate public member:

Option 1: Reappoint Public Member Susan Vicklund Wilson and Alternate Public Member Terry Trumbull each to a 4-year term.

Option 2: Use a formal recruitment process to fill the public member and alternate public member positions.

LAFCO MEETING: April 1, 2015
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: UPDATE ON LAFCO's CITIES SERVICE REVIEW

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

CITIES SERVICE REVIEW

Management Partners, LAFCO's consultant, continues to collect relevant data from the 15 cities and other affected agencies and organizations in order to develop a data profile for each city. The consultant will provide a data profile to each city and will request that the city review and verify the collected data. Once the data is verified, Management Partners will analyze the data and develop findings.

The Cities Service Review Technical Advisory Committee (TAC) met on February 25th and received an update on the consultant's data collection efforts, including the upcoming interviews with key city staff; discussed the service review evaluation criteria/factors which will be used to develop specific service review determinations for the cities and the performance benchmarks that will be used for analyzing various types of municipal services. Staff also discussed the results of its preliminary analysis of disadvantaged unincorporated communities (DUCs) in Santa Clara County.

In March, Management Partners and LAFCO staff met with key staff (i.e. City Manager, Public Works Director, Planning Director, and Community Services/Parks & Recreation Director) from each city in order to collect specific qualitative data. The interviews also provided LAFCO staff with an opportunity to meet collectively with key city staff and to hear firsthand about any service challenges a city may be experiencing, how they plan to address these challenges, and the city's long-term growth and development plans.

It is anticipated that the TAC will meet in May to discuss data analysis and preliminary findings.

LAFCO MEETING: April 1, 2015
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: REVIEW OF COMPENSATION AND CLASSIFICATION FOR LAFCO
CLERK POSITION

STAFF RECOMMENDATION

Request that the County review and consider appropriate compensation and classification for the LAFCO Clerk position.

BACKGROUND

On March 23, 2015, Executive Officer Palacherla received notice from the County Executive's Office that the bargaining unit (SEIU Local 521) contract for the LAFCO Clerk position ends on June 21, 2015. Per the Memorandum of Understanding (MOU) between the County and LAFCO, LAFCO may now request that the County review and consider appropriate compensation and classification for the LAFCO Clerk position.

The MOU states that the County shall notify LAFCO at least ninety (90) days prior to the termination of the LAFCO Clerk's bargaining unit contract to allow LAFCO to timely submit requests for review of compensation and classification. During this period, LAFCO may request that the County Executive's Office review the LAFCO Clerk's compensation and classification to determine that they are appropriate for the position. Should the County undertake a classification study for the LAFCO Clerk's position, the County Employee Services Agency will consult with the LAFCO Finance Committee.

ATTACHMENT

Attachment A: March 23, 2015 Memo from the County Notifying LAFCO of SEIU Contract Expiration

County of Santa Clara

Office of the County Executive

County Government Center, East Wing
70 West Hedding Street
San Jose, California 95110
(408) 299-5105

AGENDA ITEM # 8
Attachment A



DATE: March 23, 2015
TO: LAFCO of Santa Clara County
FROM: Sylvia Gallegos, Deputy County Executive
RE: **NOTICE OF SEIU CONTRACT EXPIRATION**

The SEIU contract, which is the bargaining unit contract for the LAFCO Clerk position, ends on June 21, 2015. This notice is being provided by the County to LAFCO pursuant to the Memorandum of Understanding between the County and LAFCO, in order to allow LAFCO to timely submit requests for review of compensation and classification for the position.

Please let me know if you have any questions.

LAFCO MEETING: April 1, 2015
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: EXECUTIVE OFFICER'S REPORT

9.1 LAFCO SUPPORT LETTER FOR THE COUNTY'S APPLICATION TO THE SUSTAINABLE GROWTH COUNCIL FOR A SUSTAINABLE AGRICULTURAL LAND STRATEGY GRANT

For Information Only.

The County of Santa Clara, in partnership with the Santa Clara County Open Space Authority (OSA), has submitted a proposal for a \$100,000 Sustainable Agricultural Land Strategy Grant to the Sustainable Growth Council. Executive Officer Palacherla provided a letter (see Attachment A) in support of the grant proposal, on behalf of LAFCO.

The proposal seeks to develop the *Southern Santa Clara County Sustainable Agricultural Lands Policy Framework*, an integrated mapping, modeling and policy framework that will support strategic investment in agricultural land protection and agricultural viability to implement climate adaptation and greenhouse gas (GHG) emission goals. The proposed study area includes farmlands stretching from south of San Jose to south of Gilroy and the framework is intended to create a collaborative and comprehensive strategy to prevent conversion of these critical lands as a key approach to climate action.

9.2 GILROY DISPATCH ARTICLE ON LAFCO

For Information Only.

Executive Officer Palacherla wrote an article on LAFCO for the Gilroy Dispatch newspaper, which was printed on March 13th. The article (see Attachment B) explained the reason for LAFCO's creation, the purpose of LAFCO and the role of LAFCO in managing growth and preserving open space and agricultural lands within the county. This is part of LAFCO's ongoing efforts to provide greater outreach to the public and local agencies and is timely, given that both the Cities of Gilroy and Morgan Hill are

considering whether to apply to LAFCO for urban service area expansions that consist of several hundred acres of agricultural land.

9.3 ANNUAL MEETING OF SAN ANTONIO HILLS HOMEOWNERS ASSOCIATION

For Information Only.

On February 11th, at the request of Santa Clara County Supervisor Joe Simitian, Executive Officer Palacherla attended the annual meeting of the San Antonio Hills Homeowners Association, to provide LAFCO related information to the attendees. The Association represents homeowners within unincorporated islands in Los Altos Hills and Los Altos. Over the years, homeowners in this area have had several questions concerning the definition and purpose of urban service area and sphere of influence boundaries, scope of LAFCO's service reviews, and process for annexing lands into a city.

9.4 MEETING WITH CITY OF MORGAN HILL STAFF, LANDOWNER, AND DEVELOPER CONCERNING PROPOSED SOUTHEAST QUADRANT (SEQ) PROJECT

For Information Only.

On February 24th, LAFCO staff met with Steve Rymer (City Manager, City of Morgan Hill), Andrew Crabtree (Planning Director, City of Morgan Hill), Bill Chiala (Landowner within SEQ), and Gordon Jacoby (Developer with lands within SEQ area) in order to discuss the proposed SEQ project. Mr. Chiala and Mr. Jacoby shared a draft proposal that they have jointly developed for the lands owned by the Chiala Family and for some adjacent lands owned by other property owners. Subsequently, Mr. Chiala has invited LAFCO staff to visit his farm in the SEQ and to meet with members of the Chiala Family.

9.5 MEETING WITH MORGAN HILL COUNCILMEMBER CONSTANTINE, OPEN SPACE AUTHORITY STAFF AND COUNTY PLANNING OFFICE STAFF

For Information Only.

At the request of Morgan Hill Councilmember Rich Constantine, Executive Officer Palacherla facilitated a meeting between Councilmember Constantine, Andrea Mackenzie (General Manager, Santa Clara County Open Space Authority), Bill Shoe (Principal Planner, County Planning Office), and LAFCO staff concerning the City of Morgan Hill's proposed Southeast Quadrant (SEQ). On March 23rd, the partner agencies met with Councilmember Constantine and reiterated the various concerns that they have with the proposed project and process. These concerns have already been brought to the City's attention, through numerous comment letters, and discussions and meetings with City staff.

The partner agencies conveyed that the City's SEQ project and Agricultural Lands Preservation Program, as they currently exist, are unlikely to achieve the City's stated goal of preserving agricultural lands in the SEQ. The partner agencies reiterated their

interest in collaborating with the City to develop an alternate vision for the SEQ, one that will achieve a successful outcome. If their proposal for the Sustainable Agricultural Lands Strategy Grant is approved, the agencies conveyed that an alternate vision and successful plan for the SEQ can be developed collaboratively through their proposed *Southern Santa Clara County Sustainable Agricultural Lands Policy Framework*. Such an approach would also allow the partner agencies and the City to jointly apply for future State or Federal grants for developing easement projects and for critical agricultural infrastructure needs planning in the SEQ.

9.6 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS (SCCAPO) MEETING

For Information Only.

In March, LAFCO staff attended the SCCAPO meeting that was hosted by the City of Saratoga and held at Hakone Gardens, which was added to the National Register of Historic Places in 2013. Executive Officer Palacherla provided an update on LAFCO's Cities Service Review and reported that, as part of the service review, Management Partners and LAFCO staff would be meeting with key city staff in March to collect qualitative data.

The SCCAPO meeting featured a presentation from Tom Mumley (Assistant Executive Officer, San Francisco Regional Water Quality Control Board) and Adam Oliveri (Program Staff, Santa Clara Valley Urban Runoff Pollution Prevention Program) on the State's proposed changes to municipal regional stormwater permits and how these changes will impact the cities and other local agencies in Santa Clara County.

9.7 SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION MEETING

For Information Only.

In March, Executive Officer Palacherla attended the quarterly meeting of the Santa Clara County Special Districts Association and provided attendees with information on LAFCO's Cities Service Review and offered to provide a more detailed presentation at a later date, focused on potential opportunities that might exist for partnerships between cities and special districts. She also reminded the attendees that the LAFCO website (the interactive mapping tool, special district profiles and the service review page) is a good starting point for considering potential overlapping interests between cities and special districts.

9.8 INTER-JURISDICTIONAL GIS WORKING GROUP MEETINGS

For Information Only.

Analyst Noel attended the February and March 2015 meetings of the Inter-Jurisdictional GIS Working Group that includes staff from various county departments that use and maintain GIS data, particularly LAFCO related data. At the meeting, participants shared

updates on current GIS and boundary change activities within their department or agency.

ATTACHMENTS

Attachment A: LAFCO's Letter of Support for Sustainable Agricultural Land Strategy Grant – *Southern Santa Clara County Sustainable Agricultural Lands Policy Framework* (dated March 17, 2015)

Attachment B: "LAFCO: Careful growth for county," Gilroy Dispatch, March 13, 2015.



AGENDA ITEM # 9.1
Attachment A

March 17, 2015

California Department of Conservation
Division of Land Resource Protection
Re: Sustainable Agricultural Land Strategy Grants
801 K Street, MS 18-01
Sacramento, CA 95814

Subject: Letter of Support for Sustainable Agricultural Land Strategy Grant -
Southern Santa Clara County Sustainable Agricultural Lands Policy Framework

To Whom It May Concern:

On behalf of the Local Agency Formation Commission of Santa Clara County (LAFCO), I am writing in support of Santa Clara County's grant application to the Strategic Growth Council for a Sustainable Agricultural Land Strategy Grant. Santa Clara County, in partnership with the Santa Clara Valley Open Space Authority seeks to develop a Southern Santa Clara County Sustainable Agricultural Lands Policy Framework, an integrated mapping, modeling and policy framework that will support strategic investment in agricultural land protection and agricultural viability to implement climate adaptation and greenhouse gas (GHG) emission goals.

The mission of LAFCO is to promote sustainable growth and good governance in Santa Clara County by preserving agricultural and open space lands, curbing urban sprawl, and encouraging efficient delivery of services. LAFCO fulfills this mission by regulating the boundaries of cities and special districts; and by raising awareness and building partnerships through its studies and programs.

70 West Hedding Street ▪ 11th Floor, East Wing ▪ San Jose, CA 95110 ▪ (408) 299-5127 ▪ www.santaclaralafco.org

COMMISSIONERS: Cindy Chavez, Sequoia Hall, Johnny Khamis, Linda J. LeZotte, Cat Tucker, Mike Wasserman, Susan Vicklund Wilson

ALTERNATE COMMISSIONERS: Ash Kalra, Yoriko Kishimoto, Tara Martin-Milius, Terry Trumbull, Ken Yeager

EXECUTIVE OFFICER: Neelima Palacherla

In a county projected to add more than a half million new residents in the next 25 years, LAFCO is keen on ways for local government to accommodate this growth and provide cost effective services while ensuring that valuable resources such as agricultural lands are preserved. Such an approach to growth and conservation not only achieves LAFCO's goals, it aligns very strongly with state mandates and regional goals / plans for reducing greenhouse gas emissions.

Recently, LAFCO, in partnership with American Farmland Trust, and Committee for Green Foothills, hosted a summit on "The importance of Agriculture to the Future Well-Being and Health of our County", which generated a lot of interest in preserving the remaining agricultural land in this county. Attendees noted the lack of a shared vision for preserving agricultural land and identified the development of a comprehensive plan as a logical next step. This proposal to develop a strategic plan for agricultural land preservation is therefore timely in leveraging the momentum and interest within the community on this issue. It will also serve as a valuable resource for LAFCO in its decisions regarding the timing and location of urban development, and conservation of agricultural lands.

Santa Clara County is one of the fastest growing counties in California and has already lost 45 percent of its most valuable farmland to development. Santa Clara County's urban edge farmlands can help sustain cities and further the State's climate adaptation and GHG emission goals, but only if these lands are strategically protected and stewarded through integrated policies, planning and investment as well as collaborative action.

To sustain the Valley's natural environment, maintain the health of our communities and increase resiliency and adaptation in the face of climate change, we urge the Strategic Growth Council and the Department of Conservation to favorably consider this important project application by Santa Clara County and its partner, the Open Space Authority.

Sincerely,



Neelima Palacherla
Executive Officer

OPINION

NEELIMA PALACHERLA

Guest Columnist

AGENDA ITEM # 9.2
Attachment B

LAFCO: careful growth for county

Santa Clara County is one of the fastest growing counties in the state and is projected to add more than half a million new residents in the next 25 years.

What is the best way to accommodate this growth and build communities in ways that allow local governments to provide cost effective services while ensuring that valuable natural resources such as open space and agricultural lands are preserved?

This is a major challenge for local governments and a core concern for the Local Agency Formation Commission of Santa Clara County, which is more commonly known as LAFCO.

It's an independent, state-mandated local agency whose purpose is to discourage urban sprawl, preserve open space and agricultural lands and encourage efficient delivery of services.

Those goals are fulfilled by regulating the boundaries of cities and special districts and by conducting studies to inform the agency's regulatory duties.

LAFCO of Santa Clara County has seven members, including two county supervisors, one San Jose City Council member, one council member from any of the other 14 cities in the county, two special district board members and one public member selected by the other six. As LAFCO members, they must act on behalf of the countywide public interest, consistent with locally adopted LAFCO policies and the state mandate.

In the 1950s, California experienced dramatic population growth and economic development. Demand for housing, jobs and services triggered rampant, unplanned, sprawling development that resulted in inefficient public service delivery systems and massive conversion of agricultural and open space lands to urban use. In response, the State Legislature created LAFCOs in 1963 and gave them the responsibility for encouraging orderly growth and development in each county.

Early in the 1970s, Santa Clara LAFCO, the 15 cities and the County jointly adopted policies that call for urban development to only occur within cities and for urban expansion to occur in an orderly, planned manner within adopted urban service areas, whose further expansion is subject to LAFCO approval.

Subsequently, cities proposed urban service area boundaries that identified lands they intended to annex for urban development and these boundaries were adopted by LAFCO.

Since urban service areas are key to where and when future growth will occur and services will be provided, the commission reviews each expansion request very carefully.

One of LAFCO's first considerations in reviewing an expansion proposal is whether there are infill development opportunities and whether the city has used its existing supply of vacant land before seeking to expand its urban service area.

Among many other factors, LAFCO also will consider whether the expansion would result in conversion of agricultural or open space lands, whether the services and infrastructure needed to support the proposed growth can be financed and provided without negatively impacting current city services, and whether there is an adequate water supply available.

The creation of LAFCO and the implementation of its policies has slowed the spread of urban development in Santa Clara County. This has, in turn, allowed for the preservation of an informal "greenbelt" around the urbanized area that consists of protected open space lands, farmlands and scenic hillsides. Consequently, despite experiencing significant growth over the years, our county remains a very desirable place to live and work.

Today, LAFCO continues to play a vital role in promoting sustainable growth and good governance in Santa Clara County. Through its actions to curb sprawl and preserve open space and agricultural lands, LAFCO can play a key role in addressing emerging issues such as the reduction of greenhouse gas emissions.

Neelima Palacherla is Executive Officer of the Local Agency Formation Commission of Santa Clara County. She wrote this for the Dispatch. Visit LAFCO at, www.santaclaralafco.org

