



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

777 North First Street  
Suite 410  
San Jose, CA 95112  
SantaClaraLAFCO.org

**Commissioners**

Susan Ellenberg  
Sequoia Hall  
Sergio Jimenez  
Linda J. LeZotte  
Rob Rennie  
Mike Wasserman  
Susan Vicklund Wilson

**Alternate Commissioners**

Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

**FINANCE COMMITTEE MEETING AGENDA  
SPECIAL MEETING**

**March 18, 2019 • 10:00 AM**

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

**Finance Committee Members: Sequoia Hall, Linda J. LeZotte, Russ Melton**

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**NOTICE TO THE PUBLIC**

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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](http://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](http://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](http://www.santaclaralafco.org).
4. Any disclosable public records related to an open session item on the agenda and distributed to all or a majority of the Commissioners less than 72 hours prior to that meeting are available for public inspection at the LAFCO Office, 777 North First Street, Suite 410, San Jose, California, during normal business hours. (Government Code §54957.5.)
5. In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the LAFCO Clerk 24 hours prior to the meeting at (408) 993-4705.

**1. PUBLIC COMMENTS**

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

**2. STATUS OF CURRENT YEAR WORK PLAN AND BUDGET**

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

**3. PROPOSED WORK PLAN FOR FISCAL YEAR 2020**

**Recommended Action:** Consider the proposed Work Plan for Fiscal Year 2020, provide further direction to staff, as necessary, and forward a recommendation to the full Commission.

**4. PROPOSED BUDGET FOR FISCAL YEAR 2020**

**Recommended Action:** Consider (a.) agenda management and meeting broadcast systems, (b.) delegation of small contract authority to EO, (c.) current classification and compensation review for the LAFCO Clerk position, and (d.) the proposed Budget for Fiscal Year 2020. Provide further direction to staff, as necessary, and forward a recommendation to the full Commission.

**5. ADJOURN**

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

## STATUS OF CURRENT (FY 2019) WORK PLAN ITEM #2

	PROJECTS	STATUS
<b>LAFCO APPLICATIONS</b>	Process applicant initiated LAFCO proposals	Ongoing, as needed
	Comment on potential LAFCO applications, City General Plan updates and/ or related environmental documents	Ongoing, as needed
	Respond to public enquiries re. LAFCO policies, procedures and filing requirements for LAFCO applications	Ongoing, as needed
<b>ISLAND ANNEXATIONS</b>	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
	Update inventory and maps of islands	In progress
	Review and finalize city-conducted island annexations	Ongoing, as needed
<b>PUBLIC OUTREACH / COMMUNICATION</b>	Develop and implement a public information /communications strategy: map, brochure, presentation, exhibits, website	In progress
	Participate in CALAFCO conferences / workshops/ white papers	Ongoing
	Conduct workshops and/or make presentations re. LAFCO program, policies and procedures to local agencies, organizations, commissioners, community groups, staff	Ongoing
	Participate in local, regional, statewide organizations: SDA, SCCAPO, CALAFCO, GIS Working Group	Ongoing
<b>SERVICE REVIEW &amp; SPHERE UPDATES</b>	Develop a plan, strategies and priorities for conducting the next round of service reviews	In progress
	Continue to follow up on implementation of recommendations from previous service reviews, as necessary, encouraging principles of good governance and management for special districts	Ongoing
<b>ADMINISTRATION</b>	Review and update policies and procedures	Ongoing
	Prepare budget, and work plan	Ongoing
	Prepare administrative procedures	Ongoing
	Conduct annual Financial Audit	October 2018
	Conduct a Strategic Planning Workshop for LAFCO	TBD
	Maintain and enhance LAFCO Website	Ongoing
	Maintain LAFCO database	Ongoing
	Maintain LAFCO's electronic document management system	Ongoing
	Prepare Annual Report	August 2018
	Staff training and development	Ongoing
	Staff performance evaluation	April – June 2019
	Other administrative functions required of a public agency	Ongoing
<b>OTHER</b>	Mapping Mutual Water companies	Ongoing
	JPA filings	Ongoing
	Track LAFCO related legislation (CALAFCO Leg. Committee)	Ongoing
	Host the 2019 CALAFCO Staff Workshop	April 2019

# FY 2008 - FY 2018 LAFCO FINANCIALS

March 2019

ITEM NO.	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	APPROVED BUDGET FY 2018
<b>EXPENDITURES</b>												
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	\$685,072
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	\$45,000
5255800 Legal Counsel	\$0	\$9,158	\$67,074	\$52,440	\$48,741	\$56,791	\$53,550	\$52,854	\$57,498	\$71,131	\$59,400	\$70,200
5255500 Consultant Services	\$19,372	\$75,000	\$76,101	\$58,060	\$102,349	\$59,563	\$35,602	\$37,250	\$39,625	\$0	\$45,000	\$100,000
5285700 Meal Claims	\$0	\$368	\$277	\$288	\$379	\$91	\$228	\$209	\$367	\$50	\$901	\$750
5220100 Insurance	\$491	\$559	\$550	\$4,582	\$4,384	\$4,378	\$4,231	\$4,338	\$4,135	\$4,679	\$4,893	\$5,000
5250100 Office Expenses	\$1,056	\$354	\$716	\$639	\$1,212	\$536	\$850	\$783	\$6,266	\$48,632	\$15,412	\$9,236
5270100 Rent and Lease											\$41,120	\$42,764
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	\$3,600
5225500 Commissioners' Fee	\$5,700	\$5,400	\$3,500	\$3,400	\$4,000	\$4,900	\$5,800	\$4,900	\$6,700	\$5,300	\$5,400	\$10,000
5260100 Publications and Legal Notices	\$1,151	\$563	\$1,526	\$363	\$916	\$222	\$378	\$2,484	\$487	\$191	\$145	\$2,500
5245100 Membership Dues	\$5,500	\$7,000	\$7,000	\$7,000	\$7,000	\$14,473	\$0	\$7,428	\$7,577	\$8,107	\$8,674	\$8,674
5250750 Printing and Reproduction	\$5	\$0	\$0	\$0	\$0	\$0	\$9	\$177	\$703	\$0	\$0	\$1,500
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	\$16,000
5285300 Private Automobile Mileage	\$1,016	\$704	\$832	\$1,185	\$615	\$424	\$409	\$396	\$1,009	\$1,264	\$590	\$2,000
5285200 Transportation & Travel (County Car Us	\$894	\$948	\$629	\$0	\$384	\$250	\$371	\$293	\$559	\$605	\$0	\$1,000
5281600 Overhead	\$42,492	\$62,391	\$49,077	\$46,626	\$60,647	\$43,133	\$42,192	\$34,756	\$49,452	\$0	\$28,437	\$28,437
5275200 Computer Hardware	\$0	\$451	\$0	\$83	\$2,934	\$1,791	\$2,492	\$0	\$106	\$0	\$0	\$3,000
5250800 Computer Software	\$0	\$0	\$626	\$314	\$579	\$3,124	\$933	\$1,833	\$2,079	\$754	\$4,505	\$4,000
5250250 Postage	\$1,160	\$416	\$219	\$568	\$309	\$589	\$246	\$597	\$411	\$209	\$183	\$2,000
5252100 Staff Training Programs	\$0	\$665	\$491	\$250	\$300	\$0	\$0	\$1,431	\$0	\$0	\$0	\$2,000
5701000 Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,000
<b>TOTAL EXPENDITURES</b>	<b>\$516,530</b>	<b>\$633,691</b>	<b>\$636,478</b>	<b>\$604,238</b>	<b>\$640,540</b>	<b>\$613,895</b>	<b>\$612,816</b>	<b>\$633,929</b>	<b>\$687,043</b>	<b>\$667,342</b>	<b>\$857,865</b>	<b>\$1,084,733</b>
<b>REVENUES</b>												
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	\$35,000
4301100 Interest: Deposits and Investments	\$24,456	\$16,230	\$6,688	\$4,721	\$4,248	\$3,416	\$2,674	\$2,844	\$6,073	\$10,830	\$12,620	\$4,000
3400150 Fund Balance from Previous FY	\$271,033	\$368,800	\$334,567	\$275,605	\$209,987	\$208,219	\$160,052	\$226,111	\$187,310	\$293,489	\$331,177	\$246,839
<b>TOTAL REVENUE</b>	<b>\$342,048</b>	<b>\$426,711</b>	<b>\$376,831</b>	<b>\$329,023</b>	<b>\$251,661</b>	<b>\$257,092</b>	<b>\$226,287</b>	<b>\$256,341</b>	<b>\$339,551</b>	<b>\$324,755</b>	<b>\$373,661</b>	<b>\$285,839</b>
<b>NET LAFCO OPERATING EXPENSES</b>	<b>\$174,482</b>	<b>\$206,980</b>	<b>\$259,648</b>	<b>\$275,215</b>	<b>\$388,879</b>	<b>\$356,802</b>	<b>\$386,529</b>	<b>\$377,588</b>	<b>\$347,492</b>	<b>\$342,587</b>	<b>\$484,204</b>	<b>\$798,894</b>
3400800 RESERVES AVAILABLE				\$100,000	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
<b>COSTS TO AGENCIES</b>												
5440200 County	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$281,780	\$156,002	\$187,521	\$220,668	\$225,778	\$266,298	\$266,298
4600100 Cities (San Jose 50% +other cities 50%)	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$282,625	\$156,002	\$187,521	\$220,668	\$225,778	\$266,298	\$266,298
4600100 Special Districts							\$296,892	\$187,521	\$220,668	\$225,778	\$266,298	\$266,298

**PROPOSED WORK PLAN FOR FISCAL YEAR 2020**

**ITEM #3**

	<b>PROJECTS</b>	<b>TIME FRAME</b>	<b>RESOURCES</b>
<b>LAFCO APPLICATIONS</b>	Process applicant initiated LAFCO proposals	Ongoing, as needed	Staff
	Comment on potential LAFCO applications, City General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff
	Respond to public enquiries re. LAFCO policies, procedures and filing requirements for LAFCO applications	Ongoing, as needed	Staff
<b>ISLAND ANNEXATIONS</b>	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
<b>PUBLIC OUTREACH / COMMUNICATION</b>	Develop and implement a public information /communications strategy	In progress	Consultant / staff
	Participate in CALAFCO conferences / workshops	Ongoing	Staff
	Conduct workshops and/or make presentations re. LAFCO program, policies and procedures to local agencies, organizations, commissioners, community groups, staff	Ongoing	Staff
	Participate in local, regional, statewide organizations: SDA, SCCAPO, CALAFCO, GIS Working Group, SGC, DoC, OPR	Ongoing	Staff
<b>SERVICE REVIEW &amp; SPHERE OF INFLUENCE</b>	Develop a plan, strategies and priorities for conducting the next round of service reviews	In progress	Staff
	Begin conducting next round of service reviews	TBD	Staff / consultant
	Continue to follow up on implementation of recommendations from previous service reviews, as necessary, encouraging principles of good governance and management for special districts	Ongoing	Staff
<b>ADMINISTRATION</b>	Review and update policies and procedures	Ongoing	Staff
	Prepare budget, and work plan	Ongoing	Staff
	Prepare administrative procedures	Ongoing	Staff
	Conduct a Strategic Planning Workshop for LAFCO	TBD	Staff / consultant
	Maintain and enhance LAFCO Website	Ongoing	Staff
	Maintain LAFCO database	Ongoing	Staff
	Maintain LAFCO's electronic document management system, organize scan of LAFCO records to include in EDMS	Ongoing	Staff / consultant
	Prepare Annual Report	August 2019	Staff
	Staff training and development	Ongoing	Staff
	Staff performance evaluation	March-June 2019	Staff, LAFCO
	LAFCO Agenda management and LAFCO meeting broadcast	TBD	Staff / consultant
	Other administrative functions required of a public agency	Ongoing	Staff
<b>OTHER</b>	Mapping Mutual Water companies	Ongoing	Staff
	Engage in SALC partnership opportunities		
	JPA filings	On going	Staff
	Track LAFCO related legislation (CALAFCO Leg. Committee)	Ongoing	Staff

**PROPOSED LAFCO BUDGET  
FISCAL YEAR 2019- 2020**

**ITEM #4**

<b>ITEM # TITLE</b>	<b>APPROVED BUDGET FY 2019</b>	<b>ACTUALS Year to Date 3/4/2019</b>	<b>PROJECTIONS Year End 2019</b>	<b>PROPOSED FY 2020 BUDGET</b>
<b>EXPENDITURES</b>				
Object 1: Salary and Benefits	\$720,316	\$475,955	\$725,480	\$756,913
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$2,787	\$10,000	\$45,000
5255800 Legal Counsel	\$70,200	\$36,762	\$65,000	\$72,240
5255500 Consultant Services	\$100,000	\$36,550	\$100,000	\$100,000
5285700 Meal Claims	\$750	\$257	\$750	\$750
5220100 Insurance	\$6,000	\$5,296	\$5,296	\$6,000
5250100 Office Expenses	\$10,000	\$4,039	\$10,000	\$10,000
5270100 Rent & Lease	\$42,764	\$31,996	\$42,764	\$44,478
5255650 Data Processing Services	\$5,068	\$7,400	\$10,000	\$14,825
5225500 Commissioners' Fee	\$10,000	\$2,700	\$5,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$97	\$200	\$2,500
5245100 Membership Dues	\$8,926	\$9,615	\$9,615	\$11,836
5250750 Printing and Reproduction	\$1,500	\$0	\$1,500	\$1,500
5285800 Business Travel	\$16,000	\$1,598	\$10,000	\$16,650
5285300 Private Automobile Mileage	\$2,000	\$648	\$1,000	\$2,000
5285200 Transportation&Travel (County Car Usage)	\$605	\$378	\$600	\$605
5281600 Overhead	\$79,368	\$34,972	\$79,368	\$61,183
5275200 Computer Hardware	\$3,000	\$726	\$2,000	\$3,000
5250800 Computer Software	\$4,000	\$539	\$2,000	\$5,000
5250250 Postage	\$2,000	\$100	\$1,000	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000 Reserves	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$1,131,997</b>	<b>\$652,415</b>	<b>\$1,082,573</b>	<b>\$1,168,480</b>
<b>REVENUES</b>				
4103400 Application Fees	\$35,000	\$30,295	\$35,000	\$35,000
4301100 Interest: Deposits and Investments	\$4,000	\$5,626	\$6,500	\$6,000
<b>TOTAL REVENUE</b>	<b>\$39,000</b>	<b>\$35,921</b>	<b>\$41,500</b>	<b>\$41,000</b>
3400150 FUND BALANCE FROM PREVIOUS FY	\$259,171	\$314,693	\$314,693	\$107,446
<b>NET LAFCO OPERATING EXPENSES</b>	<b>\$833,826</b>	<b>\$301,801</b>	<b>\$726,380</b>	<b>\$1,020,034</b>
3400800 RESERVES Available	\$150,000	\$150,000	\$150,000	\$150,000
<b>COSTS TO AGENCIES</b>				
5440200 County	\$277,942	\$277,942	\$277,942	\$340,011
4600100 Cities (San Jose 50% + Other Cities 50%)	\$277,942	\$277,942	\$277,942	\$340,011
Special Districts	\$277,942	\$277,942	\$277,942	\$340,011