



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

777 North First Street  
Suite 410  
San Jose, CA 95112

[SantaClaraLAFCO.org](http://SantaClaraLAFCO.org)

**Commissioners**

Rich Constantine  
Susan Ellenberg  
Sequoia Hall  
Sergio Jimenez  
Linda J. LeZotte  
Mike Wasserman  
Susan Vicklund Wilson

**Alternate Commissioners**

Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull

**Executive Officer**  
Neelima Palacherla

## **LAFCO MEETING MINUTES WEDNESDAY, AUGUST 5, 2020**

### **CALL TO ORDER**

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

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

### **1. ROLL CALL**

**The following commissioners were present:**

- Chairperson Sergio Jimenez
- Vice Chairperson Susan Ellenberg
- Commissioner Rich Constantine
- Commissioner Sequoia Hall
- Commissioner Linda J. LeZotte
- Commissioner Mike Wasserman
- Commissioner Susan Vicklund Wilson (left at 3:07 p.m.)
- Alternate Commissioner Yoriko Kishimoto
- Alternate Commissioner Russ Melton
- Alternate Commissioner Terry Trumbull (voted in place of Commissioner Vicklund Wilson, left at 3:20 p.m.)

**The following commissioners were absent:**

- Alternate Commissioner Cindy Chavez
- Alternate Commissioner Maya Esparza

**The following staff members were present:**

- LAFCO Executive Officer Neelima Palacherla
- LAFCO Assistant Executive Officer Dunia Noel
- LAFCO Analyst Lakshmi Rajagopalan
- LAFCO Clerk Emmanuel Abello
- LAFCO Counsel Mala Subramanian

**2. PUBLIC COMMENTS**

There were none.

**Commissioner Wasserman** proposed a policy on variable time allotted to public speakers depending on the number of speakers. A brief discussion ensued, and it was determined that staff will report back on the options for the Commission’s consideration at a future meeting.

**3. APPROVE MINUTES OF JUNE 3, 2020 LAFCO MEETING**

The Commission approved the minutes of June 3, 2020 meeting.

Motion: Wasserman Second: Constantine

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

NOES: None ABSTAIN: None ABSENT: None

**MOTION PASSED**

**4. COMPREHENSIVE ORGANIZATIONAL REVIEW AND ASSESSMENT STUDY: FINAL REPORT**

Ms. Palacherla provided an overview on the study process and invited LAFCO’s consultant, Katie Kaneko, Principal at Koff & Associates, to present the Final Report. Ms. Kaneko provided a PowerPoint presentation on the Final Report outlining the scope and methodology of the study, and its results and recommendations.

**Chairperson Jimenez** determined that there are no speakers from the public who would like to speak on the item. He expressed appreciation to the members of the Finance Committee for their work on the Study and noted that the Report is thorough.

**Alternate Commissioner Melton**, Finance Committee Chairperson, expressed appreciation to Commissioners Hall and LeZotte, and to the consultant for their work on the Report. He informed that the Finance Committee met on June 25, 2020 and had a robust discussion on the Report, and has forwarded recommendations for the Commission’s consideration at this meeting. He noted that an urgent item is the need to address the LAFCO Executive Officer’s compensation which is significantly below the market rate. **Commissioner Hall** agreed and thanked Alternate Commissioner Melton and noted that he ran efficient Committee meetings, kept members on task and focused on the Committee decisions. **Commissioner LeZotte** agreed and added that the Committee members concur with all the recommendations in the Report, except filling a new position at this time.

**Commissioner Ellenberg** expressed appreciation for the work done on the Study and the detail and clarity of the Report. In response to her inquiry, Ms. Kaneko indicated that the recommendation on Slide #13 pertains to independence of LAFCO from the County structure relative to its operational needs for staffing structure and

compensation, and in conducting a performance evaluation of the Executive Officer. She noted that they did not find this level of involvement of the County at other LAFCOs.

**Commissioner Wasserman** briefly described the steps in the current performance evaluation process of the Executive Officer and indicated that the Commission conducts the evaluation in closed session and the Deputy County Executive only conveys the evaluation results to the employee. In response to his inquiry, Ms. Kaneko stated that she was aware of the process and observed that performance evaluation is more meaningful and effective when done by those who work directly with the individual.

**Commissioner Wasserman** once again outlined the current EO evaluation process and noted that comments from closed session are transcribed by LAFCO Counsel and forwarded to the Deputy County Executive. Ms. Subramanian confirmed the process and noted an additional step where she and the Chair meet with the EO immediately following the closed session to relay the Commission's comments.

**Commissioner Wasserman** noted that it is a unique process and indicated that LAFCO is a subdivision of the County and currently has independence in the work it does such as in conducting studies and hiring of consultants. Ms. Palacherla clarified that per State law LAFCO is an independent local agency and LAFCOs are required to hire their own staff or contract with another agency for staffing. She stated that Santa Clara LAFCO chose to contract with the County for staffing, services and facilities, and that decision was implemented through a Memorandum of Understanding (MOU) following the enactment of the Cortese-Knox-Hertzberg Reorganization (CKH) Act of 2000. She informed that prior to 2000, LAFCO was part of the County and was funded entirely by the County but the CKH Act required LAFCO to be funded by all the agencies represented on it. She noted that LAFCO's MOU with the County describes the services that the County provides to LAFCO and LAFCO's relationship with the County regarding staffing and services, and she noted that this information is the context for further discussion of the Report. **Commissioner Vicklund Wilson** expressed agreement and indicated that LAFCO was part of the County when she was first appointed, and that LAFCO separated from the County following the enactment of CKH Act of 2000.

In response to an inquiry by **Commissioner Constantine**, Ms. Kaneko informed that a number of factors were considered in selecting the comparator group, including the frequency of sphere of influence updates, service reviews, meetings and occurrences in news reports. In response to his follow-up inquiry, Ms. Kaneko advised that the number of news articles on LAFCO indicates how much it is involved in the community, the amount of attention it receives and the number of controversial issues it is dealing with, among others, as these impact workload.

**Alternate Commissioner Kishimoto** noted that this a comprehensive and thoughtful study of LAFCO. In response to inquiries by **Alternate Commissioner Kishimoto**, Ms. Kaneko stated that even though LAFCO has a small staff, it is

common among LAFCOs and an industry trend to have assistant executive officers who are experienced analysts and who are resource to their executive officers. Ms. Kaneko stated that some LAFCOs conduct more frequent municipal service reviews (MSRs) to address urgent issues like consolidation of districts that have become insolvent due to present economic conditions. She indicated that she does not have information on how the County has dealt with the disparity in the Executive Officer's compensation.

**Commissioner Hall** commended the consultant for developing a methodology to compare Santa Clara LAFCO with other LAFCOs and noted that this has been thoroughly discussed by the Finance Committee. He informed that LAFCO must move forward rather than discuss the past and he stressed the importance of the Assistant Executive Officer position as part of succession planning and in ensuring organizational stability in a small agency. He noted that the current MOU provides a County process for hiring a new executive officer and he indicated his preference for an entirely LAFCO process which includes using an independent recruiter.

A brief discussion ensued on the inquiry by **Commissioner Constantine** regarding the metrics for the comparator agency analysis and Ms. Kaneko and EO Palacherla clarified and indicated that more detailed information on the topic can be found in the agenda materials for the April 2020 LAFCO meeting and that both the Finance Committee and the full commission have considered the matter previously in multiple meetings.

In response to an inquiry by **Commissioner LeZotte**, Ms. Palacherla indicated that the Executive Officer's compensation issue was brought to the County's attention previously pursuant to the terms of the MOU without any resultant changes. She indicated that when the County again notified LAFCO that union bargaining contracts were expiring last year, the Finance Committee recommended a comprehensive study before taking it back to the County. **Commissioner LeZotte** recalled these events and expressed agreement.

A brief discussion ensued, and it was determined that the Finance Committee recommendations will be taken up in separate actions.

The Commission received the Comprehensive Organizational Review and Assessment Study Final Report.

Motion: Ellenberg

Second: Wasserman

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

NOES: None

ABSTAIN: None

ABSENT: None

### **MOTION PASSED**

A discussion ensued regarding the proposal by **Commissioner Constantine** to add a 5<sup>th</sup> staff position for another analyst as soon as possible when the senior analyst becomes Assistant Executive Officer. In response to an inquiry by **Commissioner Constantine**, Ms. Kaneko indicated that the Assistant Executive Officer's role



2. Maintain the current 4 full-time equivalent staffing level for LAFCO, with an option for the Commission to consider the potential addition of 1 full-time equivalent in the future.
3. Implement the market salary adjustment for the LAFCO Executive Officer, as recommended in the Study.
4. Revise the LAFCO Executive Officer performance evaluation process to provide the Commission more autonomy in the evaluation/salary setting process, as recommended in the Study.
5. Create a LAFCO Assistant Executive Officer classification and implement the associated salary range for the new classification; and reclassify one current LAFCO Analyst to the new classification, as recommended in the Study.
6. Retitle and revise the current LAFCO Analyst classification to create a 3-level LAFCO Analyst (Associate/I/II) classification series and reclassify one current LAFCO Analyst to LAFCO Analyst II, as recommended in the Study.
7. Retitle and revise the current LAFCO Office Specialist classification to a LAFCO Clerk / Office Manager classification and implement the market salary adjustment for the position, as recommended in the Study.
8. Ensure that the current LAFCO Office Specialist is working in-class and not out-of-class in terms of responsibilities and tasks.
9. Review and revise the current LAFCO-County MOU to make class and compensation changes necessary to support LAFCO operations as recommended in the Study, and to continue a productive relationship with the County.
10. Create the Organizational Assessment Ad-Hoc Committee composed of Chairperson Jimenez, Vice-Chairperson Ellenberg and one representative from the Finance Committee to meet with appropriate County representatives and discuss the implementation of the above recommendations including the amendment of the LAFCO-County MOU.

Motion: Ellenberg

Second: Hall

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

NOES: None      ABSTAIN: None      ABSENT: None

**MOTION PASSED**

Alternate Commissioner Trumbull is now voting in place of Commissioner Vicklund Wilson who has left the meeting. **Chairperson Jimenez** determined that there will still be a quorum even after Alternate Commissioner Trumbull leaves the meeting.

**Commissioner LeZotte** nominated Finance Committee Chairperson Melton, to serve on the Ad-Hoc Committee along with Chairperson Jimenez and Vice Chairperson Ellenberg.

Motion: LeZotte

Second: Hall

AYES: Constantine, Ellenberg, Hall, Jimenez, LeZotte, Wasserman, Trumbull

NOES: None                  ABSTAIN: None                  ABSENT: None

**MOTION PASSED**

**5. UPDATE ON RANCHO RINCONADA RECREATION AND PARK DISTRICT SPECIAL STUDY & AMENDMENT OF CONSULTANT SERVICE AGREEMENT**

**Chairperson Jimenez** determined that there are no members of the public who would like to speak on the item.

The Commission:

1. Accepted the status report.
2. Authorized the LAFCO Executive Officer to amend the Berkson Associates service agreement, subject to LAFCO Counsel's review and approval, in order to (a) extend the agreement to June 30, 2021, and (b) include an additional \$5,000 in the contract, for a total contract amount not to exceed \$20,000.

Motion: Wasserman                                  Second: Ellenberg

AYES: Constantine, Ellenberg, Hall, Jimenez, LeZotte, Wasserman, Trumbull

NOES: None                  ABSTAIN: None                  ABSENT: None

**MOTION PASSED**

**6. ADOPTION OF AMENDED CONFLICT OF INTEREST CODE**

**Chairperson Jimenez** determined that there are no members of the public who would like to speak on the item.

The Commission adopted Resolution No. 2020-02 adopting LAFCO's amended Conflict of Interest Code.

Motion: Wasserman                                  Second: Hall

AYES: Constantine, Ellenberg, Hall, Jimenez, LeZotte, Wasserman, Trumbull

NOES: None                  ABSTAIN: None                  ABSENT: None

**MOTION PASSED**

**7. LEGISLATIVE REPORT**

**7.1 LAFCO Position Letter on SB 414 (Caballero) Small System Water Authority Act of 2020**

**Chairperson Jimenez** determined that there are no members of the public who would like to speak on the item.

The Commission took an opposed position on SB 414 (Caballero) and directed staff to send letters of opposition to the author and the Assembly Appropriations Committee.

Motion: Wasserman

Second: Ellenberg

AYES: Constantine, Ellenberg, Hall, Jimenez, LeZotte, Wasserman, Trumbull

NOES: None

ABSTAIN: None

ABSENT: None

**MOTION PASSED**

## **7.2 Report on CALAFCO Legislative Committee Meetings**

The Commission noted the report.

## **8. FY 2019-2020 ANNUAL REPORT**

Ms. Palacherla presented the FY 2019-2020 Annual Report. She announced that the Commission's Public Communications and Outreach initiative has received an Award of Excellence from the American Planning Association (California) under the Public Communications category. She described how LAFCO's work ensures that quality of life is not sacrificed despite the pressure of growth and noted that as we deal with the challenges of climate change and the pandemic, LAFCO will continue to play a critical role in shaping a better future. She recognized staff's work and expressed appreciation to the commissioners for their leadership and guidance, and for making LAFCO's work possible. She also expressed appreciation to LAFCO's member agencies –the County, the cities and the special districts, for their support.

**Chairperson Jimenez** expressed the Commission's appreciation for the work that staff do that makes Santa Clara LAFCO continue to shine statewide.

The Commission accepted the FY 2019-2020 Annual Report.

Motion: Hall

Second: Wasserman

AYES: Constantine, Ellenberg, Hall, Jimenez, LeZotte, Wasserman, Trumbull

NOES: None

ABSTAIN: None

ABSENT: None

**MOTION PASSED**

## **9. CALAFCO RELATED ACTIVITIES**

### **9.1 Nominations to the 2020/2021 CALAFCO Board of Directors**

Ms. Rajagopalan presented the report.

In response to inquiry by **Chairperson Jimenez**, Ms. Palacherla indicated that the Commission will have to approve the nomination at this meeting. In response to inquiry by **Alternate Commissioner Trumbull**, Ms. Palacherla informed that the open positions are those for County and Special District members.





**11. PENDING APPLICATIONS / UPCOMING PROJECTS**

There are none.

**12. COMMISSIONER REPORTS**

There were none.

**13. NEWSPAPER ARTICLES / NEWSLETTERS**

There were none.

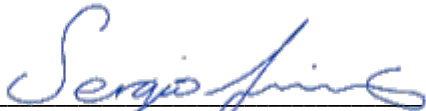
**14. WRITTEN CORRESPONDENCE**

There was none.


**15. ADJOURN**

The Commission adjourned at 3:23 p.m., to the next regular LAFCO meeting on October 7, 2020 at 1:15 p.m., by teleconference.

Approved on October 7, 2020.



Sergio Jimenez, Chairperson  
Local Agency Formation Commission of Santa Clara County

DocuSigned by:  
By:   
Emmanuel Abello, LAFCO Clerk