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# *Alameda* Local Agency Formation Commission

## **NOTICE OF REGULAR MEETING AND AGENDA**

ALAMEDA LOCAL AGENCY FORMATION COMMISSION

THURSDAY, JANUARY 10, 2019

CITY OF DUBLIN COUNCIL CHAMBER |  
100 CIVIC PLAZA, DUBLIN, CALIFORNIA

Ayn Wieskamp, Chair – Scott Haggerty, Vice Chair – John Marchand – Sblend Sblendorio – Jerry Thorne – Nate Miley – Ralph Johnson  
David Haubert, Alternate – Richard Valle, Alternate – Georgan Vonheeder-Leopold, Alternate – Tom Pico, Alternate

On behalf of the Chair, the Commission welcomes you to its meetings and your interest is appreciated. **If you wish to speak to a matter on the agenda, please complete a Speakers Card and submit it to staff.** When your name is announced, please come forward and give your name and address, and state your comments or questions. If you wish to speak on a matter not on the agenda, please wait until the Chair calls for Public Comment. Speakers may have a time limitation imposed at the discretion of the Chair. Alameda LAFCO meetings are wheelchair accessible. Call (510) 208-4949 (voice) or (510) 834-6754 (TDD) to request a sign-language interpreter. Five working days' notice is required.

Only those issues which are brought up at the public hearing described in this notice, or in written correspondence delivered to the LAFCO Commissioners at or prior to the hearing, may be raised in any legal challenge to the actions taken by the Commission.

1. **2:00 P.M. – Call to Order and Pledge of Allegiance**
2. **Roll Call**
3. **Public Comment:** Anyone from the audience may address the Commission on any matter not listed on the agenda and within the jurisdiction of the Alameda LAFCO. The Commission cannot act upon matters not appearing on the agenda. *Speakers are limited to three (3) minutes.*
4. **Approval of Meeting Minutes: November 8, 2018 Regular Meeting** (Consent) [Draft Minutes](#)
5. **Budget Update for 2018-2019 and Year End Projections** – The Commission will review a report comparing budgeted and actual transactions for 2018-2019 through December 31, 2018 and its projection Alameda LAFCO is on pace to finish the fiscal year with an operating surplus of \$121,434. This includes a \$176,000 fund balance applied to offset agency apportionments. The report is being presented to the Commission to accept and file and to provide direction as needed. [Staff Report](#)

**LAFCO Staff Recommendation:** Accept and file the report as presented and provide direction as needed to staff with respect to any related matters for future consideration.

6. **Adoption of Comprehensive Update to Fee Schedule** (Public Hearing) – The Commission will consider the recommendation to adopt a comprehensive update to the agency's fee schedule to

improve cost recovery and implementation. The proposed update remains unchanged from its second reading presented at the November meeting. The update includes adjusting the fee schedule to emphasize fixed charges and amend the hourly staff rate to a composite from \$125.00 to \$164.00. Staff recommends approval with any desired changes identified by members. [Staff Report](#)

**LAFCO Staff Recommendation:** Adopt the attached draft resolution approving the proposed update to the fee schedule with any desired changes and specify the effective date to be March 11, 2019.

7. **Dissolution of Inactive Special Districts | San Lorenzo Library County Service Area and Livermore-Amador Valley Sewer County Service Area** (Public Hearing) – The Commission will consider initiating the dissolution of the San Lorenzo Library County Service Area and the Livermore-Amador Valley Sewer Study County Service Area after the State Controller’s Office sent notification on November 6, 2018 that both districts are inactive. The Commission must initiate the dissolution of the districts within 90 days of receiving the notification or find that the districts are not inactive. [Staff Report](#)

**LAFCO Staff Recommendation:** Adopt the draft resolutions initiating the dissolutions of the two CSA Districts and continue with the dissolution proceedings at its March 14, 2019 meeting.

8. **Review of Draft Study Schedule for FY2019 to FY2024** (Business) – The Alameda Local Agency Formation Commission (LAFCO) will review a draft five-year study schedule calendaring municipal service reviews and sphere of influence updates beginning FY 2019. The study schedule represents a new methodical approach to manage and telegraph LAFCO’s planning requirement to regularly perform and focus on regional municipal service reviews to inform sphere of influence updates relative to LAFCO’s growth management duties. The draft calendars one to two municipal service reviews per year and covers 47 local affected agencies. The draft is being presented for feedback ahead of a 45-day formal review and comment period before the Commission considers taking final action at the next regular meeting. [Staff Report](#)

**LAFCO Staff Recommendation:** Approve the attached proposed study schedule with any desired changes and initiate a 45-day public review of the proposed update.

9. **Supplemental Report on LAFCO Operational Options and Other Related Items** (Business) – The Commission will receive a supplemental report conducted by Berkson Associates recommending LAFCO seek an alternative operational model transitioning away from the County of Alameda in response to Alameda LAFCO’s Memorandum of Understanding (MOU) with the County set to expire as of June 30, 2019. Staff recommends for Alameda LAFCO to continue to contract services with the County, but as a public-facing entity retain its own office space. Staff requests the Commission authorize the Executive Officer to continue negotiations with the County in amending its MOU to best reflect LAFCO’s current operational needs. [Staff Report](#)

**LAFCO Staff Recommendation:** Accept and file the report and authorize the Executive Officer to continue MOU negotiations with the County ahead of the June 30<sup>th</sup> deadline.

10. **Matters Initiated by Members of the Commission**

11. **Informational Items**

- a. Current and Pending Proposals [Report](#)
- b. Strategic Plan Update [Update](#)
- c. Legislative Update [Update](#)
- d. CALAFCO Quarterly Report [Report](#)

- e. Commissioners with terms ending May 2019:
  - 1. Ayn Wieskamp
  - 2. Scott Haggerty
  - 3. David Haubert

**Adjournment of Regular Meeting**

**12. Next Meetings of the Commission**

**Policy and Budget Committee Meeting**

**Thursday, February 7, 2019 at 1:00 pm at City of Dublin Library, 200 Civic Plaza, Dublin, CA**

**Regular Meeting**

**Thursday, March 14, 2019 at 2:00 p.m., meeting location to be determined.**

**DISCLOSURE OF BUSINESS OR CAMPAIGN CONTRIBUTIONS TO COMMISSIONERS**

Government Code Section 84308 requires that a Commissioner (regular or alternate) disqualify herself or himself and not participate in a proceeding involving an "entitlement for use" application if, within the last twelve months, the Commissioner has received **\$250 or more in business or campaign contributions from an applicant, an agent of an applicant, or any financially interested person who actively supports or opposes a decision on the matter.** A LAFCo decision approving a proposal (e.g., for an annexation) will often be an "entitlement for use" within the meaning of Section 84308. Sphere of Influence determinations are exempt under Government Code Section 84308.

If you are an applicant or an agent of an applicant on such a matter to be heard by the Commission and if you have made business or campaign contributions totaling \$250 or more to any Commissioner in the past twelve months, Section 84308(d) requires that you disclose that fact for the official record of the proceeding. The disclosure of any such contribution (including the amount of the contribution and the name of the recipient Commissioner) must be made either: 1) In writing and delivered to the Secretary of the Commission prior to the hearing on the matter, or 2) By oral declaration made at the time the hearing on the matter is opened. Contribution disclosure forms are available at the meeting for anyone who prefers to disclose contributions in writing.

Pursuant to GC Section 84308, if you wish to participate in the above proceedings, you or your agent are prohibited from making a campaign contribution of \$250 or more to any Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until 3 months after a final decision is rendered by LAFCO. If you or your agent have made a contribution of \$250 or more to any Commissioner during the 12 months preceding the decision, in the proceeding that Commissioner must disqualify himself or herself from the decision. However, disqualification is not required if the Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings. Separately, any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCO office at least three (3) working days prior to the meeting for any requested arraignments or accommodations.

Alameda LAFCO  
Administrative Office  
1221 Oak Street,  
Suite 555 Oakland,  
California 94612  
T: 510.272.3784  
W: [acgov.org/lafco](http://acgov.org/lafco)

**SUMMARY ACTION MINUTES**  
**ALAMEDA LOCAL AGENCY FORMATION COMMISSION**  
**REGULAR MEETING**

**Dublin San Ramon Services District, 7051 Dublin Blvd., Board Room, Dublin, CA**

**November 8, 2018**

**1. Call to Order and Pledge of Allegiance**

Chair Wieskamp called the meeting to order at 2:04 p.m. The Pledge of Allegiance was recited.

**2. Roll Call.**

Roll was called. A quorum was present of the following commissioners:

County Members: Scott Haggerty

City Members: John Marchand, Jerry Thorne and alternate David Haubert (arrived during item 4.b.)

Special District Members: Ayn Wieskamp, Ralph Johnson, and alternate Georgean Vonheeder-Leopold

Public Members: Sblend Sblendorio and alternate Tom Pico

Not Present: County Member Nate Miley and alternate County Member Richard Valle

Staff present: Rachel Jones, Executive Officer; Theresa Rude, Analyst; Andrew Massey, Legal Counsel; and Sandy Hou, Clerk

**3. Public Comment**

Chair Wieskamp invited members in the audience to address the Commission on any matter not listed on the agenda and within the jurisdiction of the Commission. There were no comments.

**4. Consent Items**

**a. Approval of Meeting Minutes: September 20, 2018 Regular Meeting**

Upon Motion by Commissioner Marchand, second by Commissioner Johnson, the minutes of September 20, 2018 were approved.

AYES: 6 (Haggerty, Johnson, Marchand, Sblendorio, Thorne, Wieskamp)  
NOES: 0  
ABSENT: 1 (Miley)  
ABSTAIN: 0

**b. Authorization to Approve Audit Expenditure**

Executive Officer Jones clarified that the proposed audit agreement with Harshwal & Company is for a full audit report in compliance with Government Auditing Standards. Upon motion by Commissioner Marchand, second by Commissioner Sblendorio, the audit expenditure was approved.

AYES: 6 (Haggerty, Johnson, Marchand, Sblendorio, Thorne, Wieskamp)  
NOES: 0  
ABSENT: 1 (Miley)  
ABSTAIN: 0

**5. Budget Update for 2018-2019 and Year End Projections**

Executive Officer (EO) provided a summary of the written report, comparing budgeted and actual transactions for 2018-2019 through October 31, 2018. Commissioner Haggerty pointed out a spelling error on page 5 and asked questions about budgeted amounts for Staffing, Training, Consultants and Information Technology. EO responded and was requested to provide more detailed information on these items on the next report.

**6. Proposed Comprehensive Update to Fee Schedule (Public Hearing)**

EO provided a summary of the written report, recommending that the Commission adopt a comprehensive update to the agency’s fee schedule to improve cost recovery and implementation. She pointed out the three ways that the proposed update was restructured from its first reading presented at the July meeting.

Chair Wieskamp opened the public hearing. There were no comments from the public. Chair Wieskamp requested a motion to close the public hearing. Commissioner Haggerty motioned to close the public hearing; Commissioner Johnson seconded.

Discussion:

Commissioner Haggerty requested that when the item returns, the Commissioners be provided with a comparison of old fees to the proposed new fees.

EO responded to a question from Commissioner Sblendorio on the frequency of fee updates by other LAFCOs, noting that generally it’s done every two years and that actually this Commission has its own policy to review the fee schedule every two years.

Chair Wieskamp asked for a vote on the motion to close the public hearing. Motion passed unanimously.

Commissioner Marchand motioned to accept the proposed update and direct staff to initiate a 45-day public review of the proposed update and to schedule a public hearing to take formal action at the January 10, 2019 LAFCO meeting. At that meeting, the staff report for this item is to include a comparison of old fees to new ones. Commissioner Sblendorio seconded and motion passed.

AYES: 5 (Johnson, Marchand, Sblendorio, Thorne, Wieskamp)  
NOES: 0  
ABSENT: 1 (Miley)  
ABSTAIN: 1 (Haggerty)

**7. Eden Township Healthcare District | Report (Public Hearing)**

A review of a report from the Eden Township Healthcare District (ETHD) summarizing its status on completing terms and conditions as a result of the special study conducted on the District and action taken by LAFCO to uphold coterminous sphere of influence (SOI) at its public meeting held on April 11, 2017.

EO provided summary of written report, highlighting a few notable items and indicated that based on the documentation provided to LAFCO, she found the District to have complied with the outlined terms and conditions and recommended the Commission reaffirm the District’s coterminous sphere.

EO also reported back on Commissioner Haggerty’s request to get feedback from the elected officials in the District’s service area regarding the District’s request that rather than sending individual mailed notices to all the registered voters in the service area, the District be allowed to submit the annual report to local newspapers in the area – Castro Valley, San Leandro and Hayward. She noted that while she had notified the elected officials, she had heard back only from the City Manager of San Leandro who had indicated that, while the city council had not seen the report, he believes it is a LAFCO matter and does not see any opposition to the District’s request.

Commissioner Haggerty emphasized that the report should also be posted on the District’s website, which the EO concurred with and noted the District was planning to do so.

Chair Wieskamp opened the Public Hearing.

Michael Mahoney, CEO of the ETHD, addressed the issue of widely distributing the District's annual report, indicating that besides publishing notices in the three local newspapers, it would be posted on the District's website with links to affected Supervisor's websites should they wish, and copies would be made available to the local libraries. Additionally, he agreed to send the report via email to the list they have (those signed up for education classes).

LAFCO EO requested that the Commission approve amending the draft resolution to state that the distribution of the annual report as requested by the District would suffice.

Commissioner Marchand motioned to close the public hearing and to adopt the draft resolution, amended as requested by Staff, reaffirming ETHD's coterminous SOI as a result of its compliance with the terms and conditions identified in Resolution 2017-05. Commissioner Johnson seconded.

Upon the suggestion of Commissioner Haggerty that the District purchase email addresses of registered voters in the District area from the Registrar of Voters, Commissioner Sblendorio requested that the motion be amended to make that a requirement in the resolution. Commissioners Marchand and Johnson agreed with the amendment. Motion passed unanimously.

AYES: 6 (Haggerty, Johnson, Marchand, Sblendorio, Thorne, Wieskamp)  
NOES: 0  
ABSENT: 1 (Miley)  
ABSTAIN: 0

Chair Wieskamp thanked the District for providing the Commission with such a thorough, informative report.

**8. Public Hearing: Proposal for Boundary Adjustment of East Bay Municipal Utility District (EBMUD) and City of Hayward**

Reorganization proposal from EBMUD involving 273 parcels within the City of Hayward and the unincorporated communities of San Lorenzo and Fairview totaling 269.8 acres for the purpose of aligning EBMUD's existing service area with its jurisdictional boundary and to formalize public water services provided within the affected territory to the correct service provider. The item returned to the Commission from its last regular meeting to adequately notice all affected individual landowners with the affected territory of the proposed reorganization.

EO provided summary of written report, concluding with recommendation to adopt the draft resolution approving the reorganization proposal. She reported that notices had been mailed to all the property owners in the affected area and no written opposition had been received.

Chair Wieskamp opened the public hearing.

In response to a question from Commissioner Marchand, Mr. Andrew Lee from EBMUD clarified that the proposal was for water services only and did not include wastewater which EBMUD does not provide in this area. Mr. Lee noted that this proposal was an effort to clarify boundaries that began over 60 years ago. He expressed appreciation to LAFCO staff for their assistance in this administrative cleanup which was made possible by the advance in mapping technology.

Commissioner Sblendorio wondered how much the granting of Out of Area Service Agreements (OASA) in the area may have contributed to the boundary inaccuracies and stressed that it is important that the proper detachments occur when the Commission grants them. EO said that she had found only one in the Hayward area.

Don Keller, a property owner in the affected area, addressed the Commission, saying that he was in favor of the proposal and talked about what he perceived as a boundary overlap in the area that he lived in and requested that it be looked into.

Staff said that actually there was no overlap and that she would be in touch with Mr. Keller about it after the meeting. Mr. Lee from EBMUD further clarified that Mr. Keller is receiving water service from the City of Hayward through an out of area service agreement, and that he can continue doing so, or if he wishes to receive water from EBMUD, then he could submit an application for that. But it is not required.

Commissioner Marchand motioned to close the public hearing and to adopt the draft resolution approving the reorganization proposal of EBMUD and City of Hayward. Commissioner Johnson seconded and motion carried.

AYES: 6 (Haggerty, Johnson, Marchand, Sblendorio, Thorne, Wieskamp)

NOES: 0

ABSENT: 1 (Miley)

ABSTAIN: 0

## 9. Matters Initiated by Members of the Commission

Commissioner Haggerty noted that Joni Pattillo, Special Assistant to the County Administrator, was present to address the Commission. Ms. Patillo said that she was attending as a representative of the County Administrator to address comments that had been made at the previous LAFCO meeting (September 12<sup>th</sup> during the discussion of *item 11 - Report on LAFCO Operational Options*). Ms. Pattillo said that contrary to what had been expressed at that meeting, the previous LAFCO Executive Officer had been informed of LAFCO staffing changes implemented by the County and that the County Administrator would certainly answer any questions about the matter should the Commission so desire.

## 10. Informational Items – Staff provided brief remarks as noted.

### a. Current and Pending Proposals

No current or pending proposals. Expecting a potential proposal from the East Bay Regional Park District for the annexation of Dumbarton Quarry to the Union Sanitary District.

### b. CALFCO White Paper | Creating Sustainable Communities and Landscapes

Highlights the importance of LAFCOs collaborating with local agencies to successfully manage orderly development and growth within their regions and perhaps provides templates for Alameda LAFCO to foster its own policies to reflect current and best practices.

### c. Legislative Update

Relayed final status provided by CALAFCO Legislative Committee on the following bills: AB 1215, AB 2600, AB 2019, and AB 2258

### d. Strategic Plan Update

Projects completed or underway to completion: LAFCO's own E-GIS system that will provide in-time map-making abilities of all jurisdictional boundaries and spheres of influences of member agencies; LAFCO's Independence & Operational Study; Audit for the 2017-2018 Fiscal Year; identification of all Disadvantaged Unincorporated Communities with the County.

### e. CALAFCO Annual Report to the Membership

CALAFCO's recently completed annual report on current and pending activities to its 58-member LAFCOs includes: the financial outlook for CALAFCO and membership fees, future trainings and educational programs, taxation of electronic commerce transaction in the state, and the announcement of CALAFCO's 2019 Annual Conference to be held in Sacramento from October 30<sup>th</sup>-November 1<sup>st</sup>.

### f. Report on CALAFCO 2018 Annual Conference at Tenaya Lodge in Yosemite



LAFCO Analyst Theresa Rude provided a brief report on the conference and the three Commissioners who attended – Commissioners Vonheeder-Leopold, Johnson, and Pico – also shared some of their impressions and takeaways.

**15. Adjournment of Regular Meeting**

Chair Wieskamp adjourned the meeting at 3:02 p.m.

**16. Next Meetings**

**Policy & Budget Committee**

**Thursday, December 13, 2018 at 1:00 p.m. at the Castro Valley Sanitary District CIP office, 20211 Patio Drive, Castro Valley**

**Regular Meeting**

**Thursday, January 10, 2019 at 2:00 p.m. at City of Dublin, City Council Chambers, 100 Civic Plaza, Dublin**

Respectfully submitted,

Sandy Hou, Commission Clerk

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**TO:** Alameda Commissioners  
**FROM:** Rachel Jones, Executive Officer  
**SUBJECT: Budget Update for 2018-2019 and Year End Projections**

The Commission will review a report comparing budgeted and actual transactions for 2018-2019 through December 31, 2018 and its projection Alameda LAFCO is on pace to finish the fiscal year with an operating surplus of \$121,434. This includes a \$176,000 fund balance applied to offset agency apportionments. The report is being presented to the Commission to accept and file and to provide direction as needed.

### Information

Alameda LAFCO's ("Commission") adopted final budget for 2018-2019 totals \$796,843. This amount represents the total approved operating expenditures for the fiscal year divided between three active expense units: salaries and benefits; services and supplies; and internal services. A matching revenue total was also budgeted to provide a year-end balance of \$0 and with a purposeful aid of a planned \$176,000 transfer from reserves. Budgeted revenues are divided between three active units: intergovernmental contributions, application fees, and investments. The Commission's total fund balance as of July 1, 2018 will be determined after its full audit report expected to be completed by the end of this fiscal year.

### Discussion

This item is for the Commission to receive an update comparison of (a) budget to (b) actual expenses and revenues through the month of December. The report provides the Commission the opportunity to track expenditure trends accompanied by year-end operating balance projections from the Executive Officer. The report is being presented to the Commission to formally accept and file and provide related direction as needed.

Adopted Expenses	Adopted Revenues	Adopted Year End Balance
FY 18-19	FY 18-19	FY 18-19
\$796,843	\$796,843	\$0

## Summary of Operating Expenses

The Commission’s budgeted operating expense total for 2018-2019 is \$796,843. Actual expenses processed through the first six months totaled \$221,971; an amount representing 27.9% of the budgeted total with 50.1% of the fiscal year complete.

Actuals through the first six months and related analysis suggest the Commission is on pace to finish the fiscal year with \$662,670 in total expenses and finish with a remaining balance of \$134,173 and an operating surplus of \$121,434. A discussion on budgeted and actual expenses through the first six months and related year-end projections follow.

Expense Units	Adopted	Projected	Percent Expended	Remaining Balance
Salaries and Benefits	471,653	413,334	88%	58,319
Services and Supplies	243,500	211,854	87%	31,646
Internal Service Charges	31,690	37,482	118%	(5,792)
Contingencies	50,000	-	-	50,000
	\$796,843	\$662,670	83%	\$134,173

### Staffing Unit

The Commission budgeted \$471,653 in Staffing or Salaries and Benefits Unit for 2018-2019 with proceeds largely tied to funding 2.15 fulltime equivalent employees as well as existing retiree obligations. Through the first six months the Commission’s estimated expenses within the affected accounts totaled \$178,291 or 38% of the budgeted amount. It is projected the Commission finish the fiscal year with an expenses total of \$413,334. The remaining \$58,319 is a contingency due to the recruitment and hiring of the Executive Officer and any other related staffing modifications.

### Services and Supplies Unit

The Commission budgeted \$243,500 in the Services and Supplies Unit for 2018-2019 to provide funding for *direct* support services necessary to operate Alameda LAFCO. Through the first six months the Commission’s actual expenses within the affected 14 accounts totaled \$31,955 or 13% of the budgeted amount. One of the affected accounts – Travel and Mileage – finished with balances exceeding the proportional 50% threshold with explanations provided below. In the absence of subsequent amendments at this time, it is projected the Commission will finish the fiscal year with an expense total of \$211,854.

- Travel and Mileage

This account covers the Commission’s transportation costs. The Commission budgeted \$200 in this account for 2018-2019 based on recent actual trends. Actual expenses through December totaled \$1,095 and can be attributed to travel costs for the CALAFCO Annual Conference held in October in Yosemite. Staff projects limited additional mileage costs over the succeeding months.

- Memberships

This account covers the Commission’s annual dues for ongoing membership with several outside agencies and organizations as previously authorized by the members. This includes CALAFCO and the California Special Districts Association memberships. The Commission

budgeted \$9,026 in this account for 2018-2019 based on recent actual trends. Actual expenses through December totaled \$9,026 or 100% of the budgeted amount and tied to providing full payment of all budgeted costs. Staff anticipates a year-end balance of \$0.

### Internal Services and Supplies

The Commission budgeted \$31,690 in the Internal Services and Supplies Unit for 2018-2019 to provide funding for *indirect* support services necessary to operate Alameda LAFCO. Through the first six months the Commission’s actual expenses within the four affected accounts totaled \$11,725 or 37% of the budgeted amount. It is projected the Commission will finish the fiscal year with a negative balance of (\$5,792) due to an increase in Information Technology charges.

### Summary of Operating Revenues

The Commission budgeted operating revenue total for 2018-2019 at \$796,843. Actual revenues collected through the first six months totaled \$590,844. This amount represents 74.1% of the budgeted total with 50% of the fiscal year complete. A summary comparison of budgeted to actual operating revenue follows.

Actuals through the first six months and related analysis suggest the Commission’s year-end revenue totals will tally at \$784,104 and result in a year-end shortfall of \$12,739. An expanded discussion on the budgeted and actual revenues through the first six months follows.

Revenue Units	Adopted	Projected	Percent Expended	Remaining Balance
Agency Contributions	590,844	590,844	100%	0
Application Fees	30,000	10,000	33%	(20,000)
Interest	-	7,260	-	7,260
Fund Balance Offset	176,000	176,000	100%	0
	\$796,843	\$784,104	98%	(\$12,739)

### Agency Apportionments

The Commission budgeted \$590,843 in the Agency Apportionments Unit for 2018-2019. This total budgeted amount was to be divided in two three equal shares at \$196,948 and invoiced among the County of Alameda, 14 cities, and 18 independent special districts as provided under State statute. All payments have been received and the Commission will finish with an ending balance of \$590,843 or 100% of the budgeted amount.

### Application Fees Unit

The Commission budgeted \$30,000 in the Application Fees Unit for 2018-2019. Through the first six months no monies have been collected in this unit. Staff anticipates – and at least for budgeting purposes – the account ultimately tallying at \$10,000 and result in a year-end shortfall of \$20,000.

### Interest Unit

The Commission budgeted \$0 in the Interest Unit for 2018-2019. Through the first six months \$3,025 have been collected in this unit by the County Treasurer. Staff anticipates – and at least for budgeting purposes – the account accruing at the current rate and ultimately tallying at \$7,260.

### **Alternatives for Action**

The following alternatives are available to the Commission:

Alternative One (Recommended):

Accept and files the report as presented and provide direction as needed to staff with respect to any related matters for future consideration.

Alternative Two:

Continue consideration of the report to a future meeting and provide direction for more information as needed.

### **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

Respectfully,

A handwritten signature in blue ink, appearing to read "Rachel Jones", with a long horizontal flourish extending to the right.

Rachel Jones  
Executive Officer

Attachments:

1. 2018-2019 General Ledger through December 31, 2018

# ALAMEDA LOCAL AGENCY FORMATION COMMISSION

Regional Service Planning | Subdivision of the State of California

## Expense Ledger

		FY 2017-2018		FY 2018-2019				
		Final	Actuals	Adopted	Actuals As of 12-31-18 (50.1% of FY)	% of Budget	Projected Year End	Difference
<b>Salary and Benefit Costs</b>								
<u>Account</u>	<u>Description</u>							
60001	Staff Salaries	-	-	321,692	103,310	32.1%	263,373	0
-	Employee Benefits and Retirement (ACERA)	-	-	149,961	74,981	50.0%	149,961	0
		472,385	383,228	471,653	178,291	37.8%	413,334	58,319
<b>Service and Supplies</b>								
<u>Account</u>	<u>Description</u>							
-	Intern	1,600	-	1,600	-	0.0%	-	-
610077	Postage	1,000	1,000	1,000	-	0.0%	-	-
610141	Copier	2,000	2,503	3,000	-	0.0%	-	-
610191	Pier Diems	7,500	7,300	7,700	2,400	31.2%	7,700	0
610211	Mileage/Travel	-	89	200	1,095	547.5%	2,628	(2,428)
610461	Training (Conferences and Workshops)	20,000	17,171	20,000	8,504	42.5%	20,000	0
610241	Records Retention	1,000	1,000	1,000	91	0.0%	1,000	0
610261	Consultants	75,000	75,000	96,000	5,225	0.0%	90,000	6,000
610261	Mapping - County	5,000	5,000	5,000	-	0.0%	5,000	0
610261	Planning Services	25,000	10,000	25,000	-	0.0%	5,000	20,000
610261	Legal Services	40,000	35,000	40,000	1,241	3.1%	40,000	0
610311	CAO - County - Services	11,000	11,000	11,000	-	0.0%	11,000	0
610312	Audit Services	7,500	-	10,000	2,750	0.0%	7,500	2,500
610351	Memberships	8,675	8,774	9,000	9,026	100.3%	9,026	(26)
610421	Public Notices	5,000	2,000	5,000	1,116	0.0%	5,000	0
610441	Assessor - County - Services	5,000	-	2,500	-	0.0%	2,500	0
610461	Special Departmental	500	500	1,500	267	17.8%	1,500	0
620041	Office Supplies	3,000	500	4,000	240	6.0%	4,000	0
		218,775	176,837	243,500	31,955	13.1%	211,854	31,646
<b>Internal Service Charges</b>								
<u>Account</u>	<u>Description</u>							
630051	Office Lease/Rent	3,200	3,200	3,200	1,248	0.0%	3,200	0
630021	Communication Services	3,218	3,218	3,878	970	25.0%	3,878	0
630061	Information Technology (GIS, ITD, Website)	18,081	18,081	21,578	8,748	40.5%	27,370	(5,792)
630081	Risk Management	2,686	2,686	3,034	759	0.0%	3,034	0
		27,185	27,185	31,690	11,725	37.0%	37,482	(5,792)
<b>Contingencies</b>								
		50,000		50,000	-	0.0%	-	50,000
<u>Account</u>	<u>Description</u>							
-	Operating Reserve	-	-	0	-	-	-	-
		-	-	0	-	-	-	-
<b>EXPENSE TOTALS</b>		<b>768,345</b>	<b>587,250</b>	<b>796,843</b>	<b>221,971</b>	<b>27.9%</b>	<b>662,670</b>	<b>134,173</b>

## Revenue Ledger

		FY 2017-2018		FY 2018-2019				
		Adopted	Estimate	Proposed Final	Actuals	% of Budget	Projected Year End	Difference
<b>Intergovernmental</b>								
<u>Account</u>	<u>Description</u>							
-	Agency Contributions	588,345	588,344	590,843	590,844	100.0%	590,844	0
	County of Alameda	196,115	196,114	196,948	196,948	100.0%	196,948	0
	Cities	196,115	196,114	196,948	196,948	100.0%	196,948	0
	Special Districts	196,115	196,114	196,948	196,948	100.0%	196,948	0
		588,345	588,344	590,843	590,844	100.0%	590,844	0
<b>Service Charges</b>								
-	Application Fees	30,000	16,000	30,000	31	0.1%	10,000	(20,000)
<b>Investments</b>								
-	Interest	-	4,000	0	3,025		7,260	7,260
<b>Fund Balance Offset</b>								
		150,000	150,000	176,000	-	0.0%	176,000	0
<b>REVENUE TOTALS</b>		<b>768,345</b>	<b>758,344</b>	<b>796,843</b>	<b>593,900</b>	<b>74.5%</b>	<b>784,104</b>	<b>(12,739)</b>
<b>OPERATING NET</b>		-	171,094	-	371,930		121,434	

## UNRESTRICTED FUND BALANCE

As of June 30th

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**TO:** Alameda Commissioners

**FROM:** Policy and Budget Committee (Johnson, Marchand, Pico)  
Rachel Jones, Executive Officer

**SUBJECT: Adoption of Comprehensive Update to Fee Schedule**

The Commission will consider the recommendation to adopt a comprehensive update to the agency’s fee schedule to improve cost recovery and implementation. The proposed update remains unchanged from its second reading presented at the November meeting. The update includes adjusting the fee schedule to emphasize fixed charges and amend the hourly staff rate to a composite from \$125.00 to \$164.00. Staff recommends approval with any desired changes identified by members.

## Discussion

Alameda LAFCO’s (“Commission”) current fee schedule was last comprehensively reviewed and updated in September 2009 and has remained substantively unchanged since then. The fee schedule, notably, achieves reasonable cost-recovery in processing proposals relative to the Commission’s current budgeted expenses in meeting its prescribed and expanding duties under the Cortese-Knox-Hertzberg Act of 2001(“CKH”).

This noticed public hearing is for the Commission to consider the recommendations of the Policy Committee and to adopt a comprehensive update to the fee schedule through a formal resolution. This hearing follows the Commission performing a second reading on the proposed update at the November 8<sup>th</sup> meeting as well as the initiation of a 45-day public review. The latter included circulating notices to all 47 local agencies subject to Commission oversight. The public review period concluded on December 26<sup>th</sup> and produced no written comments.

The ongoing premise of the proposed update is to improve cost-recovery and implementation and is highlighted by three substantive changes summarized below.

- **Fixed Fees Based on Predetermined Staff Hour Estimate**

Fixed fees would be assigned flat charges based on a predetermined and rounded estimate of total staff hours needed to process relatively standardized boundary changes and multiplied by a composite hourly staff rate. Fixed fees would also be set for other types of proposals, such as outside service extensions and latent power activations based on rounded estimates of the total number of needed staff hours. Additional staff time needed to process proposals where extensive and additional analysis is required would be billed hourly thereafter with accompanying invoices.

A summary of the predetermined and rounded hours allocated to process standard boundary

changes calculated by the Executive Officer is detailed in Attachment One.

▪ **Increase of Hourly Staff Rate**

The current hourly staff rate is \$125.00 for the Executive Officer and \$75.00 for the Commission Clerk and was presumably calculated based on the agency's administrative and overhead costs at the time of the last comprehensive update conducted in 2009. Staff believes it would be timely to increase and establish a composite hourly staff rate at \$164.00 based on budgeted expenses in 2018-2019. The proposed increase incorporates both direct (labor) and indirect (administrative overhead) budgeted costs with the former – direct – weighted to distinguish the differences between staff members in processing proposals. A summary of the cost and time demands calculated in the proposed hourly staff rate by the Executive Officer is detailed in Attachment Two.

- The total calculation of each fee is subsequently rounded to the nearest \$25.00 to make payments simpler and easier to calculate.

▪ **Narrative Introduction to Clarify Policies**

Staff believes it would also be advantageous to provide and clarify LAFCO's policies on its fee schedule to include a narrative introduction to clarify implementing policies. The intent of the introduction is to clarify and highlight key features to aid better understanding of the fee schedule and the associated costs. The narrative would be organized in a manner listing a series of policy statements of the Commission as it relates to the membership's priority in setting, collecting, and reducing or waiving fees. The proposed statements reflect minor and non-substantive changes to LAFCO's current fee policies. The proposed policy amendments may be found in Attachment Five.

## **Conclusion**

Staff finds the proposed update meets the Commission's interests in setting and collecting fees in a fair and responsive manner. The fee schedule, notably, achieves reasonable cost-recovery in processing proposals relative to the Commission's current budgeted expenses in meeting its prescribed and expanding duties under CKH. It is also important to note for regional context that the proposed changes in fees would generally fall within the median rates adopted by other Bay Area LAFCOs.<sup>1</sup>

## **Alternatives for Action**

The following alternatives are available to the Commission:

Alternative One (Recommended):

Adopt the attached draft resolution approving the proposed update to the fee schedule with any desired changes; Specify the effective date of the fee schedule update would be March 11, 2019 to meet the minimum 60 day implementation period unless additional time is prescribed.

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<sup>1</sup> Please refer to Attachment Four.

Alternative Two:

Continue consideration of the report to a future meeting and provide direction for more information as needed.

Alternative Three:

Take no action. This action would effectively affirm the Commission's desire to keep the current fee schedule as is going forward.

**Recommendation**

It is recommended the Commission proceed with Alternative Action One.

**Procedures for Consideration**

Staff has placed the item on the agenda as part of a noticed public hearing. The following procedures, accordingly, are recommended with respect to the Commission's consideration:

1. Receive verbal report from staff (discretionary)
2. Open the public hearing (required); and
3. Discuss item and consider action on recommendation

Respectfully,



Rachel Jones  
Executive Officer

Attachments:

1. Fixed Application Fee Calculations
2. Composite Hourly Staff Rate Calculation
3. Current Fee Schedule and Policies
4. Bay Area LAFCO Application Fees
5. Proposed Update to Fee Schedule and Policy Amendments
6. Draft Resolution to Approve Proposed Fee Schedule Update
7. Proof of Publication – Tri-Valley Herald

## ALAMEDA LOCAL AGENCY FORMATION COMMISSION

Regional Service Planning | Subdivision of the State of California

### Fixed Application Fee Calculations

Application Process	Staff Hours Change of Organizations		Staff Hours Reorganizations	Staff Hours Out-of-Area-Service Agreements
	With 100% Consent	Less 100% Consent		
1 Initial Consultation with Applicants	0.5	1.0	1.0	0.5
2 Prepare and Issue Letter Listing Costs and Timelines	0.5	0.5	0.5	0.5
3 Receive and Set Up Applicant Proposal	0.5	0.5	0.5	0.5
4 Preliminary Proposal Review - Initial GIS Work	1.5	2.0	5.0	1.5
5 CEQA Review and Document Preparation	1.0	1.0	1.0	0.5
6 Prepare and Circulate Agency Review	1.5	1.5	1.5	1.0
7 Prepare and Circulate Property Tax Exchange Notice	0.5	0.5	0.5	-
8 Prepare and Circulate Petition Verification	0.2	0.2	0.2	-
9 Prepare Certificate of Petition Sufficiency	0.2	0.2	0.2	-
10 Prepare and Circulate Status Letter	2.0	2.0	2.0	2.0
11 Prepare and Post Hearing Notice	0.5	1.5	1.5	0.5
12 Prepare Draft Report and Resolution	10.0	12.0	14.0	10.0
13 Consult with Applicant on Draft and Resolution	1.0	1.0	1.0	0.5
14 Finalize Staff Report and Resolution	2.0	2.0	2.0	2.0
15 Prepare and Circulate Certificate of Filing	0.5	0.5	0.5	0.5
16 Commission Meeting	0.5	1.0	1.0	0.5
17 Prepare and Issue Notice to Applicants	1.0	1.0	1.0	1.0
18 Prepare and Record Environmental Determination	1.0	1.0	1.0	1.0
19 Conducting Authority Proceedings	-	5.0	-	-
20 Work with Applicant on Completing Terms	1.2	2.2	2.2	-
21 Prepare and Record Certificate of Completion	1.0	1.0	1.0	-
22 Prepare and File Boundary Change with SBE	0.5	0.5	0.5	-
23 Close Proposal and File Contents	0.5	0.5	0.5	-
	28.1	38.6	38.6	22.5
<b>Total Staff Hours Rounded:</b>	<b>30.0</b>	<b>40.0</b>	<b>40.0</b>	<b>23.0</b>
Hourly Rate	164			
<b>Proposed Fee</b>	<b>\$4,920</b>	<b>\$6,560</b>	<b>\$6,560</b>	<b>\$3,772</b>
Existing Fees	\$4,500	\$5,000	\$5,000	\$3,500
Net Difference	\$420	\$1,560	\$1,560	\$272
	8.54%	23.78%	23.78%	7.21%

# ALAMEDA LOCAL AGENCY FORMATION COMMISSION

Regional Service Planning | Subdivision of the State of California

## Composite Hourly Staff Rate Calculation 2018-2019

### Calculation 1 | Hourly Inputs

#### Input 1 | Hourly Input Rates

Year	Executive Officer	Analyst	Clerk
	68.44	27.07	31.11

#### Input 2 | Staff Benefits

Category	Executive Officer	Analyst	Clerk
	36.03	37.33	26.77

#### Input 3 | Administrative Costs (Overhead)

Category	Budgeted Amount	Hourly Costs
Planning Services	25,000	12.02
Mapping	5,000	2.40
Legal Services	40,000	19.23
Assesor - County	5,000	2.40
Training	20,000	9.62
Mileage/Travel	200	0.10
Pier Diems	7,700	3.70
Memberships	9,000	4.33
County Services	11,000	5.29
Office/Lease Rent	3,200	1.54
Communications	3,218	1.55
Office Supplies	500	0.24
Publications	5,000	2.40
Information Technology	21,578	10.37
Postage	1,000	0.48
	157,396	75.67

Hourly cost represents the budgeted divided by the annual work hours for one FTE (2080)

### Calculation 2 | Hourly Inputs Per Budgeted Position

Input	Executive Officer	Analyst	Clerk
Hourly Staff Rate	68.44	27.07	31.11
Hourly Benefit Rate	36.03	37.33	26.77
Hourly Administrative Rate	75.67	75.67	75.67
	180.14	140.07	133.55

### Calculation 3 | Weighted Hourly Staff Rate

Factor	Executive Officer	Analyst	Clerk
Calculated Hourly Rate	180.14	140.07	133.55
%Processing Proposal	60	25	15

**Weighted Hourly Staff Rate : 163.88**

**Bay Area LAFCO Application Fees**

As of September 30, 2018

	Contra Costa LAFCO	Santa Clara LAFCO	Napa LAFCO	Sonoma LAFCO	Marin LAFCO	LAFCO Average	Proposed Alameda LAFCO
<b>Change of Organization</b>	\$4,115	\$6,218	\$4,428	\$5,500+	\$4,896	\$5,031	\$5,000
<b>Reorganizations</b>	\$4,698	\$12,122+	-	\$10,000+	\$6,256	\$8296	\$6,565
<b>Out of Area Service Agreements</b>	\$3,400	\$11,912 +	\$3,542	\$4,300	\$3,264	\$5283	\$3,775

## Appendix A - SCHEDULE OF FEES AND CHARGES (Effective September 2009)

*It is the policy of Alameda LAFCo that a proponent shall be responsible for actual application processing cost above and beyond the initial fees paid, except as waived by the Commission on a case-by-case basis. Processing costs include, but are not limited to, LAFCo staff time at Commission-approved rates, direct proposal processing costs (noticing, copying, document verification), all other agency fees and pass-through costs, all consultant costs, all filing fees, costs of elections, and all other associated costs and expenses.*

	Initial Fee Type	Amount
1.	<b>Annexations/Detachments (city and/or district):</b>	
	• 100% consent of property owners and affected agencies	\$4,925 <del>\$4,500</del>
	• Less than 100% consent of property owners & affected agencies	\$6,575 <del>\$5,000</del>
	• Unincorporated island annexation to city (entire island only)	\$500
2.	<b>Changes of Organization Other Than Annexations &amp; Detachments</b> - Consolidation, exercise/divestiture of service class or latent power, merger, or establishment of subsidiary district	\$6,575 <del>\$5,000</del>
3.	<b>City Incorporation/Disincorporation</b>	\$25,000
4.	<b>District Formation/Dissolution</b>	\$6,575 <del>\$5,000</del>
5.	<b>Sphere of Influence (SOI)</b> - Revision, amendment, or review	\$3,775 <del>\$2,500</del>
6.	<b>Request for Reconsideration</b>	\$1,650 <del>\$1,250</del>
7.	<b>Out-of-Area Service Agreements or Service Contracts</b>	\$3,775 <del>\$3,500</del>
8.	<b>Extension of Time Requests</b>	\$400 <del>\$300</del>
9.	<b>Transfer of Jurisdiction</b>	\$300
10.	<b>Special Meeting Fee</b>	\$1,500 <del>\$1,100</del>
11.	<b>Geographic Information System (GIS)</b>	\$135/hr <del>\$100/hr</del>

### SUPPLEMENTAL FEES (in addition to Initial Fees)

Services performed by other public or private entities & fees required by other agencies (e.g., Registrar of Voters, Alameda County Assessor, Alameda County Surveyor, Alameda County Clerk-Recorder, State Department of Fish & Game environmental filing fees, & State Board of Equalization) **will be charged at cost**. **PLEASE NOTE: Non-LAFCo fees and charges are subject to change.** In order to ensure correct payment, please contact the LAFCo office prior to executing a warrant.

Fee Type	Amount
CEQA Compliance: LAFCo as Lead Agency (e.g., preparation of Initial Study, Environmental Impact Report, Negative Declaration, etc.)	Actual Cost with advance deposit of \$5,000 for negative declaration or \$10,000 for environmental impact report (EIR)
Comprehensive Fiscal Analysis	Actual Cost with advance deposit of \$5,000
Alternate Legal Counsel/Executive Officer	Actual Cost
Outside Consultant	Actual Cost
County Surveyor fees	Actual Cost paid directly to the Alameda County Surveyor
County Clerk Recorder	\$50 – payable to Alameda County Clerk Recorder
Environmental Filing Fee (Fish & Game Code §711.4(d))	Actual Cost payable to Alameda County Clerk Recorder <a href="http://www.acgov.org/auditor/clerk/feeincrease.htm">http://www.acgov.org/auditor/clerk/feeincrease.htm</a>
State Board of Equalization Recordation	Actual Cost Payable to State Board of Equalization. Current list of fees can be found online at: <a href="http://www.boe.ca.gov/proptaxes/pdf/jurboundaryreq.pdf">http://www.boe.ca.gov/proptaxes/pdf/jurboundaryreq.pdf</a>

## STAFF BILLING RATES

These rates will be used to calculate final application processing costs above and beyond the initial deposit.

<b>Staff/Function</b>	<b>Rate</b>
Executive Officer	\$125/hr
Clerk	\$75/hr
Planning Services	Actual Cost
Legal Counsel	Actual Cost

## ADMINISTRATIVE SERVICES

The following charges are to be assessed to persons or entities other than applicants.

<b>Charge Type</b>	<b>Amount</b>
Copying	\$0.10 per page
Faxing	\$0.10 per page
Mailing or Shipping	Actual Cost
Research/Archive Retrieval	\$125/hr (after initial two hrs)
Duplication of Meeting Recording	Actual Cost



## Alameda LAFCo Fee Policies

- ~~1. LAFCo shall establish a fee schedule pursuant to Government Code §56383.~~
- ~~2. Applications submitted to LAFCo shall be accompanied by an initial fee as detailed in this schedule. The initial fee is non-refundable and covers routine application procedures including pre-application meeting, file setup, preliminary project review, issuance of a status letter, and creation of a staff report. Additional costs in excess of initial fee (including LAFCo staff time, consultant fees and miscellaneous costs such as noticing, copying, etc) shall be charged at actual cost. Applicants are responsible for any fees or charges incurred by LAFCo or required by other agencies in the course of processing an application. Payment of all fees pursuant to the most recent fee schedule is required before an application is deemed complete and issued a certificate of filing. Subsequent billings will be due prior to LAFCo filing with the State Board of Equalization and issuing a Certificate of Completion. No proceeding shall be completed until all fees due have been paid in full.~~
- ~~3. Additional LAFCo staff time and administrative costs shall not be charged for city annexation applications that are comprised solely of one, entire unincorporated island. However, should such applications be continued at the request of the applicant more than once from the initial date of hearing, applicants will be charged the administrative costs associated with rescheduling the public hearing (e.g., noticing, etc.).~~
- ~~4. If the processing of an application requires that LAFCo contract with another agency or with a private firm or individual for services that are beyond the normal scope of LAFCo staff work (e.g., drafting an Environmental Impact Report or Comprehensive Fiscal Analysis), the applicant shall be responsible for all costs associated with that contract. The applicant will provide LAFCo with a deposit sufficient to cover the cost of the contract.~~
- ~~5. The Executive Officer may stop work on any proposal until the applicant submits a requested deposit.~~
- ~~6. Written appeal of fees and/or deposits, specifying the reason for the appeal, may be submitted to LAFCo prior to the submission of an application or prior to the submission of additional funds. The appeal will be considered at the next regular meeting of the Commission.~~
- ~~7. The Commission may waive fees as provided pursuant to Government Code Section 56383(d).~~
- ~~8. Upon completion of a project, the Executive Officer shall issue to the applicant a statement detailing all expenditures in excess of the deposit. Excess funds shall be refunded to the applicant as appropriate.~~
- ~~9. Research and record retrieval assistance after the first 2 hours of staff time will be charged at actual cost and billed to individual/agency requesting assistance or applied towards an applicant's initial fee. After two hours of staff time, the requestor shall provide billing information including a contact name, mailing address, telephone number and email address.~~
- ~~10. A fully executed indemnification agreement, as approved by LAFCo legal counsel, shall be required for any application approved by the Commission and before a certificate of completion is issued.~~
- ~~11. Where the Commission approves an out-of-area service agreement and an application for the jurisdictional change is filed within one year of the out-of-area service agreement being approved by the Commission, the LAFCo fee for that jurisdictional change shall be reduced by 50%. After one year from LAFCo approval of the out-of-agency service agreement, the applicant will be required to pay the full application processing fee.~~
- ~~12. Pursuant to Government Code §56384, LAFCo is authorized to appoint an alternate executive officer or legal counsel in the event that the Commission determines that a conflict of interest exists. The applicant will be responsible for all alternate executive officer or legal counsel costs unless the conflict exists due to circumstances outside the control of the applicant. In that case, the applicant will be responsible for paying the regular LAFCo Executive Officer or Legal Counsel hourly rate for time spent processing the application and the balance of alternate appointment costs will be borne by the Commission.~~

## Schedule of Fees and Deposits

These are the policies of the Alameda Local Agency Formation Commission (LAFCO) with respect to setting fees and deposits in fulfilling the agency's regulatory and planning duties prescribed under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

1. This schedule shall be administered in accordance with provisions of California Government Code Section 56383.
2. This schedule includes both "fixed" and "at-cost" fees. Fixed fees represent costs estimated for processing routine proposals and are based on a number of predetermined staff hours. At-cost fees apply to less routine proposals and based on the number of actual staff hours.
3. Proposals submitted to the Commission shall be accompanied by a non-refundable initial fee as detailed in this schedule. All deposit amounts tied to at-cost proposals shall be determined by the Executive Officer. The Executive Officer shall provide a written accounting of all staff time and related expenses billed against the deposit. If the cost in processing a proposal begins to approach or exceed the deposited amount, the Executive Officer shall request additional monies from the applicant.
4. All initial fees shall be submitted in check and made payable to the "Alameda Local Agency Formation Commission."
5. Proposals will not be deemed complete until the initial fee has been collected by the Executive Officer as detailed in this schedule.
6. Applicants are responsible for any fees or charges incurred by the Commission and or required by other governmental agencies in the course of the processing of a proposal.
7. Additional staff time shall be charged to the applicant at an hourly rate of \$163.00.
8. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
9. Additional staff time and administrative costs shall not be charged for city annexation proposals involving one or more entire unincorporated island subject to California Government Code Section 56375.3.
10. If the processing of a proposal requires the Commission contract with another agency, firm or individual for services beyond the normal scope of staff work, such as the drafting of an Environmental Impact Report or Comprehensive Fiscal Analysis, the applicant shall be responsible for all costs associated with that contract. The applicant will provide the Commission with a deposit sufficient to cover the costs of the contract.

11. The Executive Officer may stop on any proposal until the applicant submits a requested deposit.
12. Upon completion of an at-cost proposal, the Executive Officer shall issue to the applicant a statement detailing all billable expenditures from a deposit. The Executive Officer shall refund the applicant for any remaining monies from the deposit less one-half hour of staff time to process the return as provided in this schedule.
13. Applicants may request the Commission reduce or waive a fee. All requests must be made in writing and cite specific factors justifying the reduction or waiver and will be considered by the Commission relative to public interest and agency mission. Requests by landowners or registered voters shall be considered by the Commission at the next regular meeting. Requests by local agencies may be considered at the time the application is presented to the Commission for action.
14. With respect to instances where the Commission approves an outside-area-service agreement under California Government Code Section 56133, the fee for a subsequent change of organization or reorganization involving the affected territory will be reduced by one-half if filled within one calendar year.
15. Requests for research on any particular subject will be provided at no cost for the first two hours. This includes, but is not limited to, archival retrieval, identifying properties relative to agency boundaries, and discussing proposals. Any additional research time will be billed at an hourly rate provided in this schedule.
16. The Commission shall bi-annually review this schedule to help maintain an appropriate level of cost-recovery.

These fees must be submitted to the Commission as part of the proposal filing; proposal will be deemed incomplete without the designated payment. Any fees designated at-cost will require a deposit as determined by the Executive Officer.

Change of Organization: Annexations and Detachments

- Proposals with 100% Consent from Landowners \$4,925
- Proposals with Less than 100% Consent from Landowners \$6,575

Change of Organization or Reorganization

- City Incorporations and Disincorporations \$25,000
- Special District Formations, Consolidations, Mergers and Dissolutions \$6,575
- Special District Requests to Activate or Deactivate Powers \$6,575

Other Service Requests

- Outside Area Service Extension (20hrs) \$3,775
- Request for Reconsideration (10hrs) \$1,650
- Request for Time Extension (2.5hrs) \$400
- Municipal Service Reviews Actual Cost
- Sphere of Influence Establishment / Amendment / Review (20hrs) \$3,775
- Special Meeting (9hrs) \$1,500

Staff Billing Rate \$164 per hour

Administrative Services

- Copying \$0.10 per page
- Faxing \$0.10 per page
- Mailing or Shipping Actual Cost
- Duplication of Meeting Recording Actual Cost
- Geographic Information Systems \$135 per hour<sup>1</sup>

SUPPLEMENTAL FEES

Some or all of the following types of services shall be required by outside agencies in the course of processing proposals or requests submitted to Alameda LAFCO. Applicable fees will be identified by Alameda LAFCO staff during the consultation process with the applicant and shall be collected by LAFCO on behalf of the affected agencies. Should certain fees be collected but ultimately not needed, Alameda LAFCO shall immediately remit to the applicant.

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<sup>1</sup> The current billing rate with Community Services Agency of Alameda County.

These fees generally apply to proposals that have been approved by the Commission and are not required at the time of filing. An exception involves the fee registered voter lists, which may be required before the Commission takes action on an application if the underlying activity is subject to protest proceedings. Other fees in this section apply to service requests that are not tied to a specific proposal, such as research and photocopying.

Fees Made Payable to the County of Alameda

- County Surveyor Review Actual Cost
- County Clerk Recorder \$50

Fees Made Payable to LAFCO or Third-Parties

- Comprehensive Fiscal Analysis Actual Cost with Advance Deposit of \$5,000
- Planning Services Actual Cost
- Legal Counsel Actual Cost
- Consultant Actual Cost
- Alternate Legal Counsel / Executive Officer Actual Cost
- County Community Development Agency / GIS Update \$135 per hour

Fees Made Payable to the State Board of Equalization Actual Cost

**ALAMEDA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION NO. 2019-XX**

**COMPREHENSIVE UPDATE TO THE ADOPTED FEE SCHEDULE**

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) authorizes the Alameda Local Agency Formation Commission (“Commission”) to adopt a schedule of fees and deposits; and

**WHEREAS**, the Commission established and adopted by resolution a fee schedule on September 10, 2009 in a manner provided by law; and

**WHEREAS**, the Commission reviewed the proposed comprehensive fee schedule update as part of a second-reading on November 8, 2018; and

**WHEREAS**, the Commission has scheduled and noticed a public hearing on January 10, 2019 to consider taking formal action on the proposed comprehensive fee update; and

**WHEREAS**, the Commission has heard and fully considered all written and verbal comments provided on the proposed comprehensive update to the fee schedule; and

**WHEREAS**, the adoption and setting of fees are not projects under the California Environmental Quality Act under Regulations Code Section 15273(a).

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

1. The proposed comprehensive update to the fee schedule shown as Exhibit A is approved.
2. The effective date of the approved update shall be 60 days out and commence on March 11, 2019.

**PASSED AND ADOPTED** by the Alameda Local Agency Formation Commission on January 10, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

\_\_\_\_\_  
Ayn Weiskamp  
Chair

\_\_\_\_\_  
Rachel Jones  
Executive Officer

# ALAMEDA LOCAL AGENCY FORMATION COMMISSION

Regional Service Planning | Subdivision of the State of California

## Fixed Application Fee Calculations

Application Process	Staff Hours Change of Organizations		Staff Hours Reorganizations	Staff Hours Out-of-Area-Service Agreements
	With 100% Consent	Less 100% Consent		
1 Initial Consultation with Applicants	0.5	1.0	1.0	0.5
2 Prepare and Issue Letter Listing Costs and Timelines	0.5	0.5	0.5	0.5
3 Receive and Set Up Applicant Proposal	0.5	0.5	0.5	0.5
4 Preliminary Proposal Review - Initial GIS Work	1.5	2.0	5.0	1.5
5 CEQA Review and Document Preparation	1.0	1.0	1.0	0.5
6 Prepare and Circulate Agency Review	1.5	1.5	1.5	1.0
7 Prepare and Circulate Property Tax Exchange Notice	0.5	0.5	0.5	-
8 Prepare and Circulate Petition Verification	0.2	0.2	0.2	-
9 Prepare Certificate of Petition Sufficiency	0.2	0.2	0.2	-
10 Prepare and Circulate Status Letter	2.0	2.0	2.0	2.0
11 Prepare and Post Hearing Notice	0.5	1.5	1.5	0.5
12 Prepare Draft Report and Resolution	10.0	12.0	14.0	10.0
13 Consult with Applicant on Draft and Resolution	1.0	1.0	1.0	0.5
14 Finalize Staff Report and Resolution	2.0	2.0	2.0	2.0
15 Prepare and Circulate Certificate of Filing	0.5	0.5	0.5	0.5
16 Commission Meeting	0.5	1.0	1.0	0.5
17 Prepare and Issue Notice to Applicants	1.0	1.0	1.0	1.0
18 Prepare and Record Environmental Determination	1.0	1.0	1.0	1.0
19 Conducting Authority Proceedings	-	5.0	-	-
20 Work with Applicant on Completing Terms	1.2	2.2	2.2	-
21 Prepare and Record Certificate of Completion	1.0	1.0	1.0	-
22 Prepare and File Boundary Change with SBE	0.5	0.5	0.5	-
23 Close Proposal and File Contents	0.5	0.5	0.5	-
	28.1	38.6	38.6	22.5
<b>Total Staff Hours Rounded:</b>	<b>30.0</b>	<b>40.0</b>	<b>40.0</b>	<b>23.0</b>
Hourly Rate	164			
<b>Proposed Fee</b>	<b>\$4,920</b>	<b>\$6,560</b>	<b>\$6,560</b>	<b>\$3,772</b>
Existing Fees	\$4,500	\$5,000	\$5,000	\$3,500
Net Difference	\$420	\$1,560	\$1,560	\$272
	8.54%	23.78%	23.78%	7.21%



# ALAMEDA LOCAL AGENCY FORMATION COMMISSION

Regional Service Planning | Subdivision of the State of California

## Composite Hourly Staff Rate Calculation 2018-2019

### Calculation 1 | Hourly Inputs

#### Input 1 | Hourly Input Rates

Year	Executive Officer	Analyst	Clerk
	68.44	27.07	31.11

#### Input 2 | Staff Benefits

Category	Executive Officer	Analyst	Clerk
	36.03	37.33	26.77

#### Input 3 | Administrative Costs (Overhead)

Category	Budgeted Amount	Hourly Costs
Planning Services	25,000	12.02
Mapping	5,000	2.40
Legal Services	40,000	19.23
Assesor - County	5,000	2.40
Training	20,000	9.62
Mileage/Travel	200	0.10
Pier Diems	7,700	3.70
Memberships	9,000	4.33
County Services	11,000	5.29
Office/Lease Rent	3,200	1.54
Communications	3,218	1.55
Office Supplies	500	0.24
Publications	5,000	2.40
Information Technology	21,578	10.37
Postage	1,000	0.48
	157,396	75.67

Hourly cost represents the budgeted divided by the annual work hours for one FTE (2080)

### Calculation 2 | Hourly Inputs Per Budgeted Position

Input	Executive Officer	Analyst	Clerk
Hourly Staff Rate	68.44	27.07	31.11
Hourly Benefit Rate	36.03	37.33	26.77
Hourly Administrative Rate	75.67	75.67	75.67
	180.14	140.07	133.55

### Calculation 3 | Weighted Hourly Staff Rate

Factor	Executive Officer	Analyst	Clerk
Calculated Hourly Rate	180.14	140.07	133.55
%Processing Proposal	60	25	15

**Weighted Hourly Staff Rate : 163.88**

## Bay Area LAFCO Application Fees

As of September 30, 2018

	Contra Costa LAFCO	Santa Clara LAFCO	Napa LAFCO	Sonoma LAFCO	Marin LAFCO	LAFCO Average	Proposed Alameda LAFCO
Change of Organization	\$4,115	\$6,218	\$4,428	\$5,500+	\$4,896	\$5,031	\$5,000
Reorganizations	\$4,698	\$12,122+	-	\$10,000+	\$6,256	\$8296	\$6,565
Out of Area Service Agreements	\$3,400	\$11,912 +	\$3,542	\$4,300	\$3,264	\$5283	\$3,775

## Appendix A - SCHEDULE OF FEES AND CHARGES (Effective September 2009)

*It is the policy of Alameda LAFCo that a proponent shall be responsible for actual application processing cost above and beyond the initial fees paid, except as waived by the Commission on a case-by-case basis. Processing costs include, but are not limited to, LAFCo staff time at Commission-approved rates, direct proposal processing costs(noticing, copying, document verification), all other agency fees and pass-through costs, all consultant costs, all filing fees, costs of elections, and all other associated costs and expenses.*

	Initial Fee Type	Amount
1.	<b>Annexations/Detachments (city and/or district):</b>	
	• 100% consent of property owners and affected agencies	\$4,925 <del>\$4,500</del>
	• Less than 100% consent of property owners & affected agencies	\$6,575 <del>\$5,000</del>
	• Unincorporated island annexation to city (entire island only)	\$500
2.	<b>Changes of Organization Other Than Annexations &amp; Detachments</b> - Consolidation, exercise/divestiture of service class or latent power, merger, or establishment of subsidiary district	\$6,575 <del>\$5,000</del>
3.	<b>City Incorporation/Disincorporation</b>	\$25,000
4.	<b>District Formation/Dissolution</b>	\$6,575 <del>\$5,000</del>
5.	<b>Sphere of Influence (SOI)</b> - Revision, amendment, or review	\$3,775 <del>\$2,500</del>
6.	<b>Request for Reconsideration</b>	\$1,650 <del>\$1,250</del>
7.	<b>Out-of-Area Service Agreements or Service Contracts</b>	\$3,775 <del>\$3,500</del>
8.	<b>Extension of Time Requests</b>	\$400 <del>\$300</del>
9.	<b>Transfer of Jurisdiction</b>	\$300
10.	<b>Special Meeting Fee</b>	\$1,500 <del>\$1,100</del>
11.	<b>Geographic Information System (GIS)</b>	\$135/hr <del>\$100/hr</del>

### SUPPLEMENTAL FEES (in addition to Initial Fees)

Services performed by other public or private entities & fees required by other agencies (e.g., Registrar of Voters, Alameda County Assessor, Alameda County Surveyor, Alameda County Clerk-Recorder, State Department of Fish & Game environmental filing fees, & State Board of Equalization) **will be charged at cost.**  
**PLEASE NOTE: Non-LAFCo fees and charges are subject to change.** In order to ensure correct payment, please contact the LAFCo office prior to executing a warrant.

Fee Type	Amount
CEQA Compliance: LAFCo as Lead Agency (e.g., preparation of Initial Study, Environmental Impact Report, Negative Declaration, etc.)	Actual Cost with advance deposit of \$5,000 for negative declaration or \$10,000 for environmental impact report (EIR)
Comprehensive Fiscal Analysis	Actual Cost with advance deposit of \$5,000
Alternate Legal Counsel/Executive Officer	Actual Cost
Outside Consultant	Actual Cost
County Surveyor fees	Actual Cost paid directly to the Alameda County Surveyor
County Clerk Recorder	\$50 – payable to Alameda County Clerk Recorder
Environmental Filing Fee (Fish & Game Code §711.4(d))	Actual Cost payable to Alameda County Clerk Recorder <a href="http://www.acgov.org/auditor/clerk/feeincrease.htm">http://www.acgov.org/auditor/clerk/feeincrease.htm</a>
State Board of Equalization Recordation	Actual Cost Payable to State Board of Equalization. Current list of fees can be found online at: <a href="http://www.boe.ca.gov/proptaxes/pdf/jurboundaryreq.pdf">http://www.boe.ca.gov/proptaxes/pdf/jurboundaryreq.pdf</a>

## STAFF BILLING RATES

These rates will be used to calculate final application processing costs above and beyond the initial deposit.

<b>Staff/Function</b>	<b>Rate</b>
Executive Officer	\$125/hr
Clerk	\$75/hr
Planning Services	Actual Cost
Legal Counsel	Actual Cost

## ADMINISTRATIVE SERVICES

The following charges are to be assessed to persons or entities other than applicants.

<b>Charge Type</b>	<b>Amount</b>
Copying	\$0.10 per page
Faxing	\$0.10 per page
Mailing or Shipping	Actual Cost
Research/Archive Retrieval	\$125/hr (after initial two hrs)
Duplication of Meeting Recording	Actual Cost

## Alameda LAFCo Fee Policies

- ~~1. LAFCo shall establish a fee schedule pursuant to Government Code §56383.~~
- ~~2. Applications submitted to LAFCo shall be accompanied by an initial fee as detailed in this schedule. The initial fee is non-refundable and covers routine application procedures including pre-application meeting, file setup, preliminary project review, issuance of a status letter, and creation of a staff report. Additional costs in excess of initial fee (including LAFCo staff time, consultant fees and miscellaneous costs such as noticing, copying, etc) shall be charged at actual cost. Applicants are responsible for any fees or charges incurred by LAFCo or required by other agencies in the course of processing an application. Payment of all fees pursuant to the most recent fee schedule is required before an application is deemed complete and issued a certificate of filing. Subsequent billings will be due prior to LAFCo filing with the State Board of Equalization and issuing a Certificate of Completion. No proceeding shall be completed until all fees due have been paid in full.~~
- ~~3. Additional LAFCo staff time and administrative costs shall not be charged for city annexation applications that are comprised solely of one, entire unincorporated island. However, should such applications be continued at the request of the applicant more than once from the initial date of hearing, applicants will be charged the administrative costs associated with rescheduling the public hearing (e.g., noticing, etc.).~~
- ~~4. If the processing of an application requires that LAFCo contract with another agency or with a private firm or individual for services that are beyond the normal scope of LAFCo staff work (e.g., drafting an Environmental Impact Report or Comprehensive Fiscal Analysis), the applicant shall be responsible for all costs associated with that contract. The applicant will provide LAFCo with a deposit sufficient to cover the cost of the contract.~~
- ~~5. The Executive Officer may stop work on any proposal until the applicant submits a requested deposit.~~
- ~~6. Written appeal of fees and/or deposits, specifying the reason for the appeal, may be submitted to LAFCo prior to the submission of an application or prior to the submission of additional funds. The appeal will be considered at the next regular meeting of the Commission.~~
- ~~7. The Commission may waive fees as provided pursuant to Government Code Section 56383(d).~~
- ~~8. Upon completion of a project, the Executive Officer shall issue to the applicant a statement detailing all expenditures in excess of the deposit. Excess funds shall be refunded to the applicant as appropriate.~~
- ~~9. Research and record retrieval assistance after the first 2 hours of staff time will be charged at actual cost and billed to individual/agency requesting assistance or applied towards an applicant's initial fee. After two hours of staff time, the requestor shall provide billing information including a contact name, mailing address, telephone number and email address.~~
- ~~10. A fully executed indemnification agreement, as approved by LAFCo legal counsel, shall be required for any application approved by the Commission and before a certificate of completion is issued.~~
- ~~11. Where the Commission approves an out-of-area service agreement and an application for the jurisdictional change is filed within one year of the out-of-area service agreement being approved by the Commission, the LAFCo fee for that jurisdictional change shall be reduced by 50%. After one year from LAFCo approval of the out-of-agency service agreement, the applicant will be required to pay the full application processing fee.~~
- ~~12. Pursuant to Government Code §56384, LAFCo is authorized to appoint an alternate executive officer or legal counsel in the event that the Commission determines that a conflict of interest exists. The applicant will be responsible for all alternate executive officer or legal counsel costs unless the conflict exists due to circumstances outside the control of the applicant. In that case, the applicant will be responsible for paying the regular LAFCo Executive Officer or Legal Counsel hourly rate for time spent processing the application and the balance of alternate appointment costs will be borne by the Commission.~~

## Schedule of Fees and Deposits

These are the policies of the Alameda Local Agency Formation Commission (LAFCO) with respect to setting fees and deposits in fulfilling the agency's regulatory and planning duties prescribed under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

1. This schedule shall be administered in accordance with provisions of California Government Code Section 56383.
2. This schedule includes both "fixed" and "at-cost" fees. Fixed fees represent cost estimated for processing routine proposals and based on a number of predetermined staff hours. At-cost fees apply to less routine proposals and based on the number of actual staff hours.
3. Proposals submitted to the Commission shall be accompanied by a non-refundable initial fee as detailed in this schedule. All deposit amounts tied to at-cost proposals shall be determined by the Executive Officer. The Executive Officer shall provide a written accounting of all staff time and related expenses billed against the deposit. If the cost in processing a proposal begins to approach or exceed the deposited amount, the Executive Officer shall request additional monies from the applicant.
4. All initial fees shall be submitted in check and made payable to the "Alameda Local Agency Formation Commission."
5. Proposals will not be deemed complete until the initial fee has been collected by the Executive Officer as detailed in this schedule.
6. Applicants are responsible for any fees or charges incurred by the Commission and or required by other governmental agencies in the course of the processing of a proposal.
7. Additional staff time shall be charged to the applicant at an hourly rate of \$164.00.
8. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
9. Additional staff time and administrative costs shall not be charged for city annexation proposals involving one or more entire unincorporated island subject to California Government Code Section 56375.3.
10. If the processing of a proposal requires the Commission contract with another agency, firm or individual for services beyond the normal scope of staff work, such as the drafting of an Environmental Impact Report or Comprehensive Fiscal Analysis, the applicant shall be responsible for all costs associated with that contract. The applicant will provide the Commission with a deposit sufficient to cover the costs of the contract.

11. The Executive Officer may stop on any proposal until the applicant submits a requested deposit.
12. Upon completion of an at-cost proposal, the Executive Officer shall issue to the applicant a statement detailing all billable expenditures from a deposit. The Executive Officer shall refund the applicant for any remaining monies from the deposit less one-half hour of staff time to process the return as provided in this schedule.
13. Applicants may request the Commission reduce or waive a fee. All requests must be made in writing and cite specific factors justifying the reduction or waiver and will be considered by the Commission relative to public interest and agency mission. Requests by landowners or registered voters shall be considered by the Commission at the next regular meeting. Requests by local agencies may be considered at the time the application is presented to the Commission for action.
14. With respect to instances where the Commission approves an outside-area-service agreement under California Government Code Section 56133, the fee for a subsequent change of organization or reorganization involving the affected territory will be reduced by one-half if filled within one calendar year.
15. Requests for research on any particular subject will be provided at no cost for the first two hours. This includes, but is not limited to, archival retrieval, identifying properties relative to agency boundaries, and discussing proposals. Any additional research time will be billed at an hourly rate provided in this schedule.
16. The Commission shall bi-annually review this schedule to help maintain an appropriate level of cost-recovery.

These fees must be submitted to the Commission as part of the proposal filing; proposal will be deemed incomplete without the designated payment. Any fees designated at-cost will require a deposit as determined by the Executive Officer.

#### Change of Organization: Annexations and Detachments

- Proposals with 100% Consent from Landowners \$4,925
- Proposals with Less than 100% Consent from Landowners \$6,575

#### Change of Organization or Reorganization

- City Incorporations and Disincorporations \$25,000
- Special District Formations, Consolidations, Mergers and Dissolutions \$6,575
- Special District Requests to Activate or Deactivate Powers \$6,575

#### Other Service Requests

- Outside Area Service Extension (20hrs) \$3,775
- Request for Reconsideration (10hrs) \$1,650
- Request for Time Extension (2.5hrs) \$400
- Municipal Service Reviews Actual Cost
- Sphere of Influence Establishment / Amendment / Review (20hrs) \$3,775
- Special Meeting (9hrs) \$1,500

Staff Billing Rate \$164 per hour

#### Administrative Services

- Copying \$0.10 per page
- Faxing \$0.10 per page
- Mailing or Shipping Actual Cost
- Duplication of Meeting Recording Actual Cost
- Geographic Information Systems \$135 per hour<sup>1</sup>

#### SUPPLEMENTAL FEES

Some or all of the following types of services shall be required by outside agencies in the course of processing proposals or requests submitted to Alameda LAFCO. Applicable fees will be identified by Alameda LAFCO staff during the consultation process with the applicant and shall be collected by LAFCO on behalf of the affected agencies. Should certain fees be collected but ultimately not needed, Alameda LAFCO shall immediately remit to the applicant.

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<sup>1</sup> The current billing rate with Community Services Agency of Alameda County.



These fees generally apply to proposals that have been approved by the Commission and are not required at the time of filing. An exception involves the fee registered voter lists, which may be required before the Commission takes action on an application if the underlying activity is subject to protest proceedings. Other fees in this section apply to service requests that are not tied to a specific proposal, such a research and photocopying.

Fees Made Payable to the County of Alameda

- County Surveyor Review Actual Cost
- County Clerk Recorder \$50

Fees Made Payable to LAFCO or Third-Parties

- Comprehensive Fiscal Analysis Actual Cost with Advance Deposit of \$5,000
- Planning Services Actual Cost
- Legal Counsel Actual Cost
- Consultant Actual Cost
- Alternate Legal Counsel / Executive Officer Actual Cost
- County Community Development Agency / GIS Update \$135 per hour

Fees Made Payable to the State Board of Equalization Actual Cost

**NOTICE OF PUBLIC HEARING  
ALAMEDA LOCAL AGENCY FORMATION COMMISSION**

**NOTICE IS HEREBY GIVEN** that the Alameda Local Agency Formation Commission will hold a public hearing at its regular meeting on **Thursday, January 10, 2019 at 2:00 p.m.** at the City of Dublin Council Chamber located at 100 Civic Plaza, Dublin, California.

At the hearing, the Commission will discuss the following items:

- **Determination of Inactive Special Districts** - The Commission will consider to initiate the dissolution of two inactive special districts – San Lorenzo Library County Service Area and Livermore-Amador Valley Study County Service Area based on the notification from the California State Controller pursuant to Government Code 56879.
- **Comprehensive Fee Schedule Update** - The Commission will review the recommendation to adopt a comprehensive update to the agency's fee schedule to improve cost recovery and implementation. The recommended update includes restructuring the fee schedule to emphasize fixed charges and increase its costs in step with the adjusted staff hourly rate. The report is being presented for feedback with a recommendation to proceed with the initiation of a formal public review and comment period before the Commission considers taking final action at its January 10, 2019 meeting.
- **Review of Draft Study Schedule for FY2019 – 2023** - The Alameda Local Agency Formation Commission (LAFCO) will review a draft five-year study schedule calendaring municipal service reviews and sphere of influence updates beginning FY 2019. The study schedule represents a new methodical approach to manage and telegraph LAFCO's planning requirement to regularly perform and focus on regional municipal service reviews to inform sphere of influence updates relative to growth management duties. The draft calendars one to two municipal service reviews per year and covers 36 local affected agencies. The draft is being presented for feedback ahead of a 45-day formal review and comment period before the Commission considers taking final action.

At the meeting, the Commission will consider all oral and written testimony of any interested persons or affected agencies. Only those issues which are brought up at the public hearing described in this notice or in written correspondence delivered to LAFCO at or prior to the hearing may be raised in any legal challenge to the actions taken by the Commission with respect to the above listed item.

Copies of the Commission agenda, staff reports and supporting information will be available and may be examined at the LAFCO office, located in the Alameda County Administration Building, 1221 Oak Street, Suite 555, Oakland, CA, or on the Alameda LAFCO website at [www.acgov.org/lafco](http://www.acgov.org/lafco) at least five days prior to the meeting date. For additional information concerning the agenda or copies of staff reports, please call (510) 271-5142.

RACHEL JONES  
EXECUTIVE OFFICER  
ALAMEDA LAFCO  
**TVH #6272238; December 21, 2018**

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT:** **Dissolution of Inactive Special Districts | San Lorenzo Library County Service Area (L-2 CSA) and Livermore-Amador Valley Sewer County Service Area (S-1984-1 CSA)**

The Commission will consider initiating the dissolution of the L-2 CSA and the S-1984-1 CSA after the State Controller’s Office sent notification that on November 6, 2018 both districts are inactive. The Commission must initiate the dissolution of the districts within 90 days of receiving the notification or find that the districts are not inactive.

## Background

In 2017, Senate Bill 448 (Weickowski) was passed to streamline the process for LAFCOs to dissolve inactive special districts. The new legislation requires the State Controller’s Office to create a list of inactive districts annually and to notify applicable LAFCOs in which the inactive special districts are located. Within 90 days of receiving the notice, LAFCOs are required to either initiate dissolution or determine that the district is not inactive. One public hearing must be held; however the dissolution is exempt from any protest proceedings. Pursuant to Government Code Section (G.C.) 56879(c), LAFCOs must dissolve the district within 90 days following the adoption of the initiation of dissolution.

An inactive district is defined as a district that meets all of the following criteria set forth in G.C. Section 56042 and is as follows:

- (a) The special district as defined in Government Code Section 56036, which specifies a special district as “an agency of the state, formed for general law or special act, for the performance of governmental or proprietary functions within limited boundaries and in areas outside the boundaries when authorized by LAFCO pursuant to G.C. Section 56133.”
- (b) The special district has no financial transactions in the previous fiscal year
- (c) The special district has no assets and liabilities
- (d) The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims

## Discussion

On November 6, 2018 the Alameda Local Agency Formation Commission (LAFCO) received notice from the State Controller’s Office identifying two inactive districts: the San Lorenzo Library County Service Area (L-2 CSA) and the Livermore-Amador Valley Sewer Study CSA (S-1984-1 CSA).

The San Lorenzo Library CSA was formed in 1964 as a dependent special district governed by the Alameda County Board of Supervisors. The CSA was created to finance construction and maintenance of a public library in the unincorporated community of San Lorenzo. The CSA was included in Alameda LAFCO's Community Services Municipal Service Review of 2006 in which the report determined that the district had been inactive since the early 1970s. The study also concluded that L-2 CSA did not finance or provide any municipal services and recommended the Commission consider the dissolution of the district in the next study cycle. Currently, the status of San Lorenzo Library CSA has remained unchanged. No current assets, liabilities, debts, etc. have been identified and L-2 CSA has not had any financial transactions in the previous fiscal year. Pursuant to Government Code Section 56042, staff determines that L-2 CSA qualifies as an inactive district.

The Livermore-Amador Valley Sewer Study CSA was formed in 1984 as a dependent special district governed by the Alameda County Board of Supervisors. The CSA was included in Alameda LAFCO's Utility Services Municipal Service Review of 2005 in which the report determined that the district had been inactive since 1987. The study illustrated that the district was established to finance the County's participation in studies and easement purchases for a Tri-Valley wastewater disposal pipeline extending from Pleasanton to Suisun Bay. The County had participated through a joint powers authority (JPA) in collaboration with the Dublin San Ramon Services District and the City of Pleasanton, however the pipeline was never constructed and the JPA was dissolved. The financing source had been eliminated and another provider, the Livermore-Amador Valley Water Management Agency, constructed disposal pipelines that extended from Pleasanton to San Leandro without the County or CSA involvement. The report concluded that the only disadvantage in the dissolution of the District would be the cost and effort associated with dissolution proceedings. Currently, the status of the Livermore-Amador Valley Sewer Study CSA has remained unchanged. The County no longer administers the CSA, and the CSA lost its funding source in the early 1990s. No current assets, liabilities, debts, etc. have been identified and the CSA has not had any financial transactions in the previous fiscal year. Pursuant to Government Code Section 56042, staff determines that the Livermore-Amador Valley Sewer Study CSA qualifies as an inactive district.

Staff has also consulted with the County Auditor's Office and the County Public Works Department in which all have agreed that L-2 CSA and S-1984-1 CSA are inactive and should be dissolved pursuant to G.C. 56042 and 56879. Further, because L-2 CSA and S-1984 CSA have no assets, liabilities, outstanding debts, judgments, contracts or claims, there is no need to designate a successor agency for either districts.

## **Conclusion**

This item is for the Commission to consider initiating – with or without modifications – the dissolution of the L-2 CSA and the S-1984-1 CSA given that it meets all the requirements under G.C. Section 56042 and be returned to the Commission for final action at its March 14, 2019 meeting. One of the fundamental roles of LAFCOs is to ensure the efficient and effective provision of municipal services, and through the proposed dissolution of these two inactive districts, LAFCO will adhere to its regional growth management duties.

## **Alternatives for Action**

The following alternatives are available to the Commission:

### Alternative One (Recommended):

Adopt the draft resolutions initiating the dissolutions of L-2 CSA and S-1984-1 CSA and continue with the dissolution proceedings at its March 14, 2019 meeting.

### Alternative Two:

Continue consideration of the dissolution to a future meeting and provide direction for more information as needed.

### Alternative Three:

Disapprove the draft resolution and direct staff to send notice to the State Controller's Office as to why the districts do not qualify as inactive districts.

## **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

## **Procedures for Consideration**

Staff has placed the item on the agenda as part of a noticed public hearing. The following procedures, accordingly, are recommended with respect to the Commission's consideration:

1. Receive verbal report from staff (discretionary)
2. Open the public hearing (required); and
3. Discuss item and consider action on recommendation

Respectfully,



Rachel Jones  
Executive Officer

### Attachments:

1. Letter from State Controller's Office
2. Government Code Sections 56042 and 56879
3. Letter from the Alameda County Librarian
4. Draft Resolution of Initiating Dissolution of L-2 CSA
5. Draft Resolution of Initiating Dissolution of S-1984-1 CSA
6. Map of L-2 CSA
7. Map of S-1984 CSA
8. Proof of Publication



**BETTY T. YEE**  
California State Controller

November 6, 2018

Rachel Jones  
Local Agency Formation Commission of Alameda County  
1221 Oak Street, Room 555 Oakland, CA 94612  
Oakland, CA, 94612

**SUBJECT: Notification of Inactive Special Districts in County**

Dear Ms. Jones:

Chapter 334, Statutes of 2017, also known as Senate Bill (SB) 448, added various provisions to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding special districts that are inactive. It requires the State Controller's Office (SCO) to create a list of inactive special districts based on information in the special district's Financial Transactions Report (FTR), to publish the list of inactive special districts on its website annually, and to notify the local agency formation commission in the county or counties in which the inactive special district is located.

Pursuant to Government Code (GC) section 56042, an "inactive special district" must:

- Meet the definition set forth in GC section 56036;
- Have no financial transactions in the previous fiscal year; and
- Have no assets, liabilities, outstanding debts, judgments, litigation, contracts, liens, or claims.

Pursuant to GC 56879, within 90 days of receiving this notice, the Commission is required to initiate dissolution of inactive special districts by resolution, unless the Commission determines that a district does not meet the criteria set forth in GC 56042. Additionally, the Commission is required to notify the SCO if it determines that district does not meet the dissolution criteria in GC 56042. Once the dissolution process is complete, please inform the SCO using the contact information on the next page.

The enclosure lists the special districts within your jurisdiction that are inactive, based on financial data in each special district's fiscal year 2016-17 FTR. The complete list of inactive California special districts may be found at:  
[https://www.sco.ca.gov/ard\\_local\\_rep\\_freq\\_requested.html](https://www.sco.ca.gov/ard_local_rep_freq_requested.html).

Local Government Programs and Services Division  
MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250  
3301 C Street, Suite 700, Sacramento, CA 95816

Name

November 6, 2018

Page 2

If you have any questions or need to notify us of a special district's status, please contact Derek Miller by telephone at (916) 322-5579, or by email at [dmiller@sco.ca.gov](mailto:dmiller@sco.ca.gov).

Sincerely,



PHILLIP PANGILINAN

Manager

Local Government Reporting Section

Enclosure: 2016-17 County Inactive Districts List

**State Controller's Office**  
**2016-17 Inactive Districts for Alameda County**

County Name	District Name	District Type	Email Address	Street Address 1	Street Address 2	P.O. Box	City	Zip
Alameda	County Service Area L-2 (Alameda)	Dependent		Auditor-Controller	1221 Oak Street, Room 249		Oakland	94612-4223
Alameda	County Service Area S-1984-1 (Alameda)	Dependent		Auditor-Controller	1221 Oak Street, Room 249		Oakland	94612-4223

Note: Email Address belongs to the Financial Transactions Report preparer; in some cases this may be an outside consultant.



**"Inactive district"**

**56042.** "Inactive district" means a special district that meets all of the following:

- (a) The special district is as defined in Section 56036.
- (b) The special district has had no financial transactions in the previous fiscal year.
- (c) The special district has no assets and liabilities.
- (d) litigation, contracts, liens, or claims.

**Inactive special district list**

**56879.** (a) On or before November 1, 2018, and every year thereafter, the Controller shall create a list of special districts that are inactive, as defined in Section 56042, based upon the financial reports received by the Controller pursuant to Section 53891. The Controller shall publish the list of inactive districts on the Controller's Internet Web site. The Controller shall also notify the commission in the county or counties in which the district is located if the Controller has included the district in this list.

**Inactive special district:  
Dissolution**

(b) The commission shall initiate dissolution of inactive districts by resolution within 90 days of receiving notification from the Controller pursuant to subdivision (a), unless the commission determines that the district does not meet the criteria set forth in Section 56042. The commission shall notify the Controller if the commission determines that a district does not meet the criteria set forth in Section 56042.

(c) The commission shall dissolve inactive districts. The commission shall hold one public hearing on the dissolution of an inactive district pursuant to this section no more than 90 days following the adoption of the resolution initiating dissolution. The dissolution of an inactive district shall not be subject to any of the following:

- (1) Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4.
- (2) Determinations pursuant to subdivision (b) of Section 56881.
- (3) Requirements for commission-initiated changes of organization described in paragraph (3) of subdivision (a) of Section 56375.

**\*\*\*56879.5.** This article shall not apply to a special district formed by special legislation that is required by its enabling statute to obtain funding within a specified period of time or be dissolved. That district shall not be subject to this article during that period of time.

**(Amended by Stats. 2018, Ch. 86)**



Cindy Chadwick, County Librarian  
Albany  
Castro Valley  
Centerville  
Dublin  
Fremont Main  
Irvington  
Newark  
Niles  
San Lorenzo  
Union City  
Learning Group

## MEMORANDUM

DATE: January 2, 2019  
TO: Alameda LAFCo, Rachel Jones, Executive Officer  
FROM: Cindy Chadwick, County Librarian  
RE: CSA L-2

Alameda County Library has no additional information regarding CSA L-2 (San Lorenzo Library CSA). It is my understanding that it is inactive and should be dissolved.

Thank You.

**ALAMEDA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION NO. 2019-XX**

**INITIATE PROCEEDINGS FOR THE DISSOLUTION OF SAN LORENZO LIBRARY COUNTY SERVICE AREA (L-2 CSA)**

**WHEREAS**, the Alameda Local Agency Formation Commission, hereinafter referred to as the “Commission,” is responsible for regulating boundary changes affecting cities and special districts under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the California State Controller has notified the Commission pursuant to Government Code Section 56879 on November 6, 2018 that the San Lorenzo Library County Service Area (L-2 CSA) is an inactive special district; and

**WHEREAS**, the Commission pursuant to Government Code Section 56879 shall initiate the dissolution of L-2 CSA within 90 days of the receipt of the notice from the State Controller’s Office unless the Commission finds that L-2 CSA is not inactive as defined in G.C. Section 56042; and

**WHEREAS**, the Commission considered all factors required by law under Government Code Section 56042 and its adopted local policies and procedures; and

**WHEREAS**, the Executive Officer’s report and recommendations on the proposal have been presented to the Commission in the manner provided by law;

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

1. The Commission’s determinations on the proposal incorporate the information and analysis provided in the Executive Officer’s written report presented on January 10, 2019.
2. The Commission serves as the lead agency under the California Environmental Quality Act (CEQA) in considering the impacts of the proposal and that the Commission independently finds the action is a project under CEQA, but exempt from further CEQA review under the California Public Resources Code Section 15320.
3. The Commission finds that L-2 CSA is an inactive district as defined in G.C. Section 56042 and hereby initiates the dissolution of L-2 CSA.
4. Pursuant to G.C. 56879(c), the Commission shall hold one public hearing no more than 90 days following the initiation of the dissolution.
5. As allowed under Government Code 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

**PASSED AND ADOPTED** by the Alameda Local Agency Formation Commission on January 10, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

\_\_\_\_\_  
Ayn Weiskamp  
Chair

\_\_\_\_\_  
Rachel Jones  
Executive Officer

**ALAMEDA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION NO. 2019-XX**

**INITIATE PROCEEDINGS FOR THE DISSOLUTION OF LIVERMORE-AMADOR VALLEY  
SEWER STUDY COUNTY SERVICE AREA (S-1984-1 CSA)**

**WHEREAS**, the Alameda Local Agency Formation Commission, hereinafter referred to as the “Commission,” is responsible for regulating boundary changes affecting cities and special districts under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the California State Controller has notified the Commission pursuant to Government Code Section 56879 on November 6, 2018 that the Livermore-Amador Valley Sewer Study County Service Area (S-1984-1 CSA) is an inactive special district; and

**WHEREAS**, the Commission pursuant to Government Code Section 56879 shall initiate the dissolution of S-1984-1 CSA within 90 days of the receipt of the notice from the State Controller’s Office unless the Commission finds that S-1984-1 CSA is not inactive as defined in G.C. Section 56042; and

**WHEREAS**, the Commission considered all factors required by law under Government Code Section 56042 and its adopted local policies and procedures; and

**WHEREAS**, the Executive Officer’s report and recommendations on the proposal have been presented to the Commission in the manner provided by law;

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

1. The Commission’s determinations on the proposal incorporate the information and analysis provided in the Executive Officer’s written report presented on January 10, 2019.
2. The Commission serves as the lead agency under the California Environmental Quality Act (CEQA) in considering the impacts of the proposal and that the Commission independently finds the action is a project under CEQA, but exempt from further CEQA review under the California Public Resources Code Section 15320.
3. The Commission finds that S-1984-1 CSA is an inactive district as defined in G.C. Section 56042 and hereby initiates the dissolution of S-1984-1 CSA.
4. Pursuant to G.C. 56879(c), the Commission shall hold one public hearing no more than 90 days following the initiation of the dissolution.
5. As allowed under Government Code 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

**PASSED AND ADOPTED** by the Alameda Local Agency Formation Commission on January 10, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

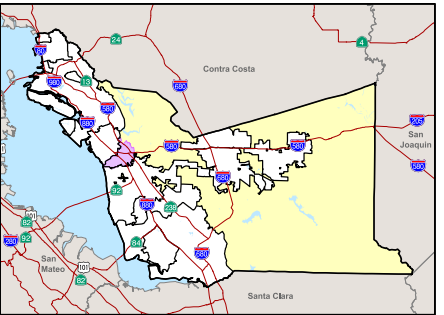
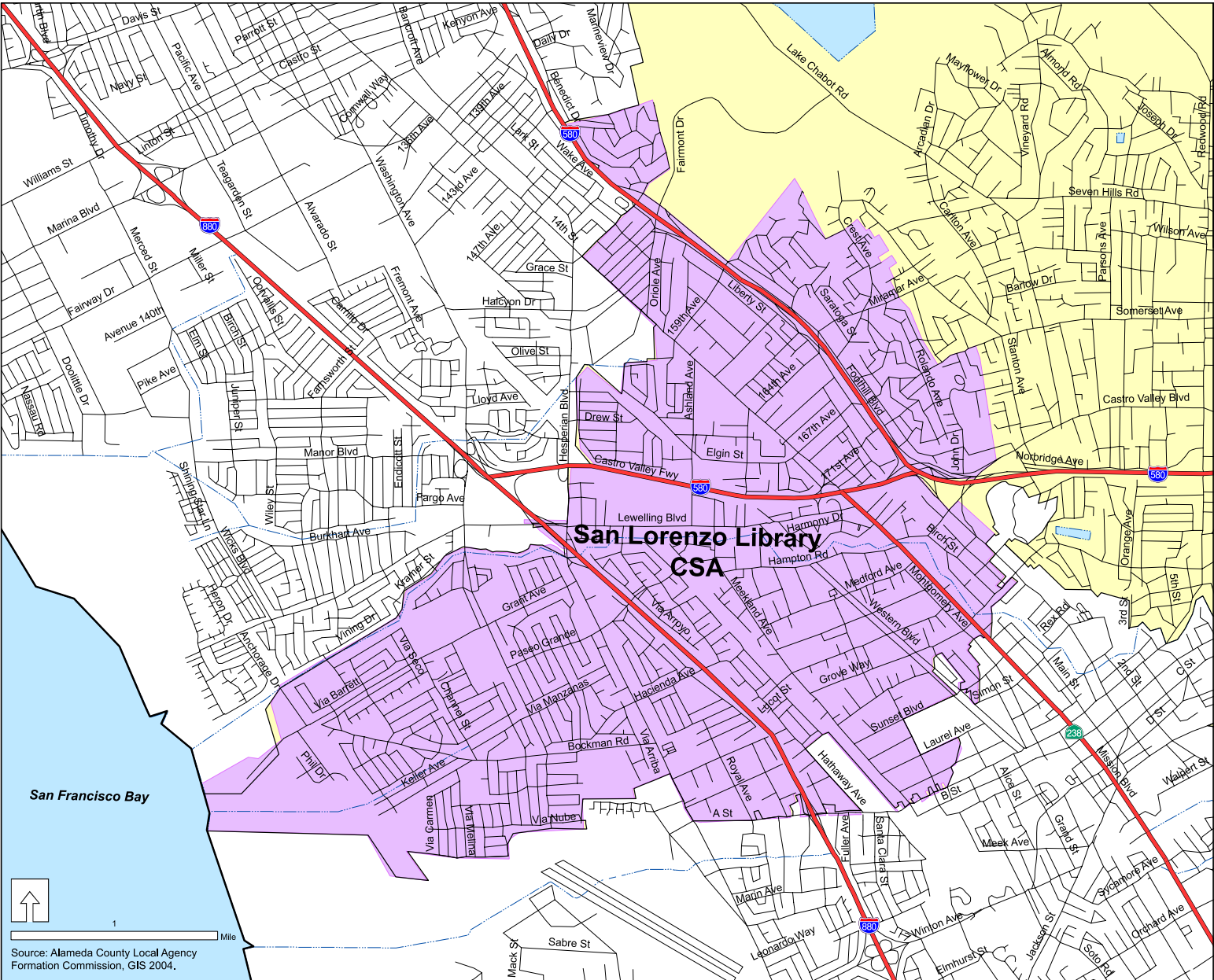
ABSENT:

APPROVED:

ATTEST:

\_\_\_\_\_  
Ayn Weiskamp  
Chair

\_\_\_\_\_  
Rachel Jones  
Executive Officer

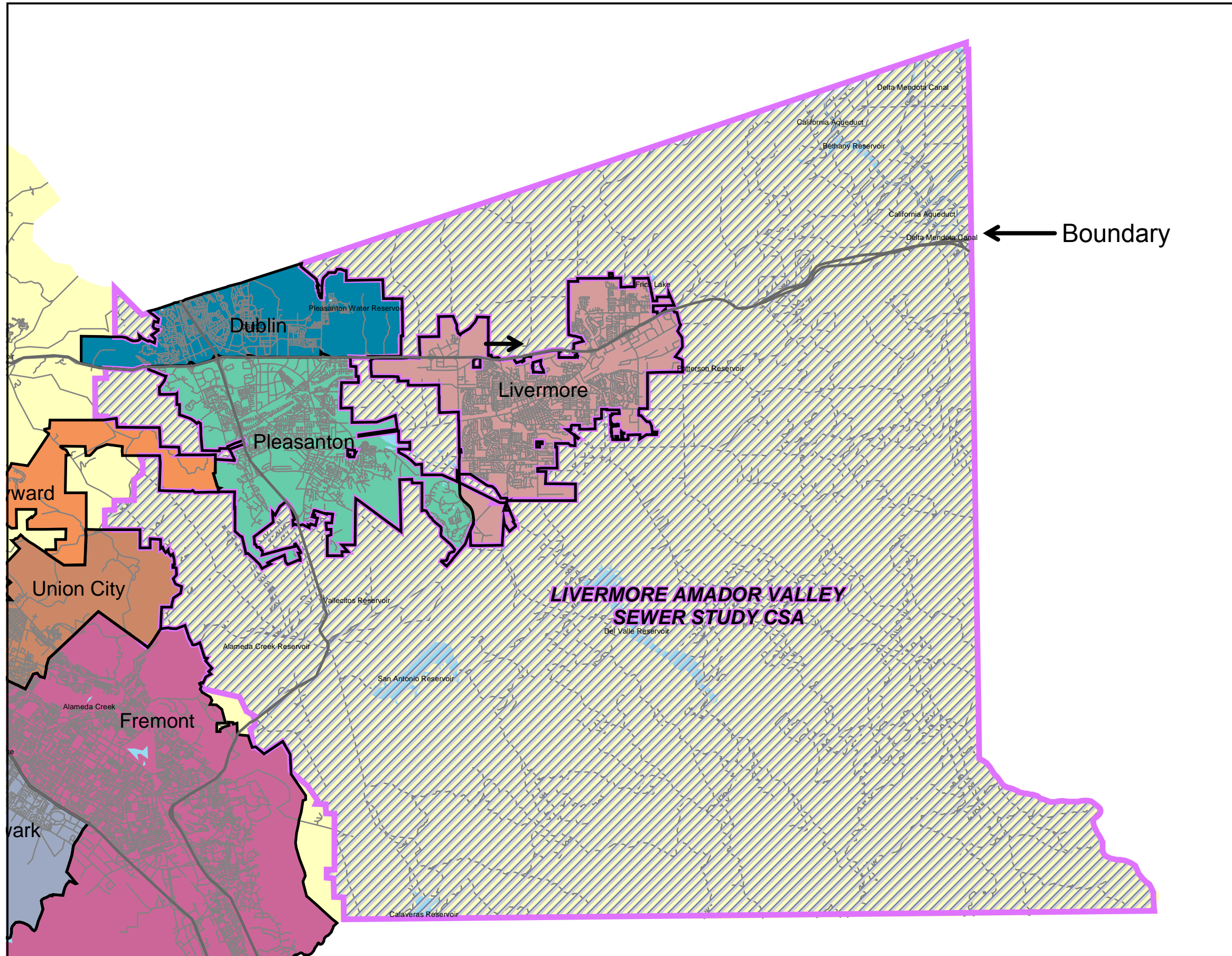


Alameda County Reference Map

Legend

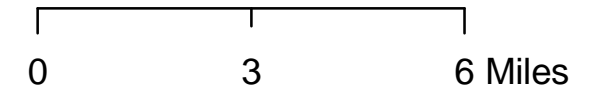
- Alameda County Flood Control and Water Conservation
- Incorporated Cities
- San Lorenzo Library CSA
- Unincorporated Areas
- Hydrology
- Freeways

1 Mile
   
 Source: Alameda County Local Agency Formation Commission, GIS 2004.



SOI Update

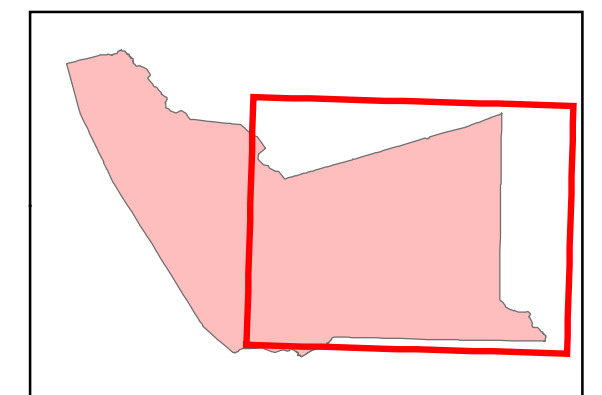
Adopt a zero SOI



**Legend**

- Interstates
- Streets
- Livermore Amador Valley CSA
- City Limits
- Hydrology
- Alameda Unincorporated

Alameda County Reference Map





**NOTICE OF PUBLIC HEARING  
ALAMEDA LOCAL AGENCY FORMATION COMMISSION**

**NOTICE IS HEREBY GIVEN** that the Alameda Local Agency Formation Commission will hold a public hearing at its regular meeting on **Thursday, January 10, 2019 at 2:00 p.m.** at the City of Dublin Council Chamber located at 100 Civic Plaza, Dublin, California.

At the hearing, the Commission will discuss the following items:

- **Determination of Inactive Special Districts** - The Commission will consider to initiate the dissolution of two inactive special districts – San Lorenzo Library County Service Area and Livermore-Amador Valley Study County Service Area based on the notification from the California State Controller pursuant to Government Code 56879.
- **Comprehensive Fee Schedule Update** - The Commission will review the recommendation to adopt a comprehensive update to the agency's fee schedule to improve cost recovery and implementation. The recommended update includes restructuring the fee schedule to emphasize fixed charges and increase its costs in step with the adjusted staff hourly rate. The report is being presented for feedback with a recommendation to proceed with the initiation of a formal public review and comment period before the Commission considers taking final action at its January 10, 2019 meeting.
- **Review of Draft Study Schedule for FY2019 – 2023** - The Alameda Local Agency Formation Commission (LAFCO) will review a draft five-year study schedule calendaring municipal service reviews and sphere of influence updates beginning FY 2019. The study schedule represents a new methodical approach to manage and telegraph LAFCO's planning requirement to regularly perform and focus on regional municipal service reviews to inform sphere of influence updates relative to growth management duties. The draft calendars one to two municipal service reviews per year and covers 36 local affected agencies. The draft is being presented for feedback ahead of a 45-day formal review and comment period before the Commission considers taking final action.

At the meeting, the Commission will consider all oral and written testimony of any interested persons or affected agencies. Only those issues which are brought up at the public hearing described in this notice or in written correspondence delivered to LAFCO at or prior to the hearing may be raised in any legal challenge to the actions taken by the Commission with respect to the above listed item.

Copies of the Commission agenda, staff reports and supporting information will be available and may be examined at the LAFCO office, located in the Alameda County Administration Building, 1221 Oak Street, Suite 555, Oakland, CA, or on the Alameda LAFCO website at [www.acgov.org/lafco](http://www.acgov.org/lafco) at least five days prior to the meeting date. For additional information concerning the agenda or copies of staff reports, please call (510) 271-5142.

RACHEL JONES  
EXECUTIVE OFFICER  
ALAMEDA LAFCO  
**TVH #6272238; December 21, 2018**

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**TO:** Alameda Commissioners

**FROM:** Policy and Budget Committee (Johnson, Marchand, Pico)  
Rachel Jones, Executive Officer

**SUBJECT:** **Review of Draft Study Schedule for FY2019 to FY 2024**

The Alameda Local Agency Formation Commission (LAFCO) will review a draft five-year study schedule calendaring municipal service reviews and sphere of influence updates beginning FY 2019. The study schedule represents a new methodical approach to manage and telegraph LAFCO’s planning requirement to regularly perform and focus on regional municipal service reviews to inform sphere of influence updates relative to LAFCO’s growth management duties. The draft calendars one to two municipal service reviews per year and covers 47 local affected agencies. The draft is being presented for feedback ahead of a 45-day formal review and comment period before the Commission considers taking final action at the next regular meeting.

## Discussion

State law directs LAFCOs to review and update, as appropriate, spheres of influence for all cities and special districts every five years and specifies LAFCOs must inform their sphere updates by preparing comprehensive studies known as municipal service reviews to determine the availability and adequacy of local government services relative to current and future community needs. The legislative purpose of the municipal service review is to ensure LAFCOs are proactive in independently overseeing local government agencies and their public accountability and efficiencies. Additionally, municipal service reviews provide LAFCOs with source documentation in initiating regulatory actions, such as formations, consolidations, mergers, and dissolutions of one or more local agencies.

Alameda LAFCO is obligated under State law to prepare the next cycle of municipal service reviews and sphere of influence updates beginning 2019, and as such, the statutory compliance supports the need in developing a study schedule. LAFCO does in fact retain the discretion in how it determines to calendar these studies relative to addressing the Commission’s preferences and priorities, such as deciding the scope (i.e., region, service or agency-specific) and scale (i.e., cursory or detailed) of the underlying analysis of each study undertaken.

It has been the practice of Alameda LAFCO (“Commission”) to select and prepare studies on a year-to-year basis and focus on the near term matching of available resources and community needs. It is the expectation the proposed study schedule will largely replicate the emphasis and structure employed in past cycles. This includes, most notably emphasizing regional and service-specific studies to more readily economize budgeted resources to address multiple agencies as part of one study while also making meaningful comparisons; whether among adjacent agencies in a single geographic area or among agencies providing a common service in multiple geographic areas. Some changes relative to

past cycles, however, are anticipated. This includes emphasizing more quantitative analysis in the studies in benchmarking key growth, service, and financial trends and in doing so making greater use of extensive data collected during the earlier previous cycles. Staff anticipates the next phase of studies will expand the analysis to address additional items either in response to new legislation and or local conditions.

### **Proposed Study Schedule**

Staff has prepared the proposed study schedule covering the 2019-2024 cycle for Commission consideration and approval with or without adjustments. The proposed study schedule draws on staff's observations in reviewing agency work in the earlier cycles as well as identifying potential boundary and governance issues of interest over the covered period. The draft has been prepared with input from the Policy and Budget Committee and is being presented for additional discussion and feedback ahead of initiating a formal public review before returning for final approval at the March 14, 2019 meeting. Further, and consistent with adopted policy, the actual scope of analysis for each calendared study will continue to be determined on individual merit and subject to formal approval by the Commission at a noticed public hearing.

The proposed study schedule provides for the review and update of all 14 cities and 33 special districts in Alameda County. An outline of the calendared studies and potential boundary and governance interests therein follows.

#### **Calendar Year 2020**

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- **Comprehensive Fire Protection and Emergency Medical Services Study**  
This study will examine the overall fire service provision structure in the County along with profiles of all the agencies that provide fire protection and emergency medical services. The report will review the supply, demand, and capacity as well as relationships among the affected agencies that provide such services. The study will include 4 special districts along with the municipal fire departments of 14 cities.

#### **Calendar Year 2021**

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- **Community Services Study II**  
This study will re-examine from its previous municipal service review prepared in 2006 the current and future provision of community services including street maintenance, park and recreation, library, vector control and mosquito abatement and lead abatement services. The study will focus on 16 special districts and the services provided by the 14 cities in the County.

### Calendar Year 2022

---

- **Countywide Police Services Study**

This study will examine the current provision and need for police services and related financial and governance considerations in the County. The report will consider the potential needs in the unincorporated communities of Fairview, Cherryland, San Lorenzo and Castro Valley and include 1 special district and the municipal police departments of 14 cities.

### Calendar Year 2023

---

- **Comprehensive Tri-Valley Area Study**

This study will examine the current provision and need for governmental services and related financial and governance considerations along the eastern portion of the 580 corridor and anchored by Pleasanton, Dublin, and Livermore along with neighboring communities. It is also expected the study will consider potential needs or issues in outlying county areas, including Happy Valley and the Remen Tract. The study will be region-specific and will precede sphere updates for all of the affected agencies as deemed appropriate by the Commission.

### Calendar Year 2024

---

- **Health Care Services Study**

This study will examine the provision of health-related services in the County. The report will review the supply, demand, and capacity as well as relationships among the affected agencies that provide such services. The study will include four special districts and multipurpose agencies that provide health-related services under LAFCO authority.

- **Resource Conservation Study**

This study will review the Alameda Resource Conservation District and its efficiency in response to local conditions and issues in regards to the management and protection of natural resources within its jurisdictional boundary.

The purpose of a cyclical planning document is for LAFCO to encourage and support local agency transparency via the municipal service review process as well as forecast future boundary and governance areas of interests. Additionally, the importance of establishing a study schedule is to provide explicit and transparent direction in managing the Commission's planning responsibilities and provide advance notice to local agencies and the public with respect to pending LAFCO activities. Staff believes the proposed study schedule aptly positions the Commission to meet the agency's directive to prepare municipal service reviews and sphere of influence updates over a relatively short period in a manner consistent with the local conditions and interests.

## **Alternatives for Action**

The following alternatives are available to the Commission:

### Alternative One (Recommended):

Approve the attached proposed study schedule with any desired changes and;

Direct the Executive Officer to initiate a 45-day public review of the proposed update with any desired changes or alternatives incorporated therein and schedule a public hearing to take formal action on March 14, 2019.

### Alternative Two:

Continue consideration of the report to a future meeting and provide direction for more information as needed.

### Alternative Three:

Take no action. This action would effectively continue the Commission's past practice of scheduling municipal service reviews and sphere of influence updates on an annual basis.

## **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

## **Procedures for Consideration**

Staff has placed the item on the agenda as part of the business calendar. The following procedures, accordingly, are recommended with respect to the Commission's consideration:

1. Receive verbal report from staff (discretionary)
2. Invite comments from the public (voluntary); and
3. Discuss item and consider action on recommendation

Respectfully,



Rachel Jones  
Executive Officer

Attachments:

1. Proposed Study Schedule for 2019-2024

# *Alameda* Local Agency Formation Commission

Political Subdivision of the State of California

2019-2024

Study Schedule

Adopted \_\_\_\_\_, 2019

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) requires Local Agency Formation Commissions (LAFCOs) to review and update spheres of influence for all cities and special districts by January 1, 2008 and every five years thereafter. CKH specifies LAFCOs inform their sphere of influence updates by preparing comprehensive evaluations – municipal service reviews – to determine the availability and adequacy of local governmental services relative to current and future community needs. The collective purpose of these studies is to make LAFCOs more proactive in independently overseeing logical formation and development of local government agencies and their services with increasingly emphasis on promoting accountability and efficiency.

## **Objective:**

This study schedule is intended to serve as a guide to Alameda LAFCO in fulfilling its statutory directives to prepare municipal service reviews and sphere of influence updates during the legislative cycle covering the 2019-2024 period. The study schedule has been prepared in consultation with affected agencies and input from the general public and reflects the Commission’s interests and priorities over the referenced period. The Commission will regularly review and amend, as needed, the study schedule to help track progress as well as adjust to changes in priorities and resources.

## **Study Schedule:**

### **FY2018 -2019**

#### **Comprehensive Water and Wastewater Study**

Service Specific

- |  |                      |                       |
|--|----------------------|-----------------------|
| - East Bay Municipal Utility District            | - City of Alameda    | - City of Oakland     |
| - AC Water District                              | - City of Berkeley   | - City of Piedmont    |
| - AC Flood Control & Water Conservation District | - City of Dublin     | - City of Pleasanton  |
| - Castro Valley Sanitary District                | - City of Emeryville | - City of San Leandro |
| - Dublin San Ramon Services District             | - City of Fremont    | - City of Union City  |
| - Livermore Amador Valley Sewer CSA              | - City of Hayward    |                       |
| - Oro Loma Sanitary District                     | - City of Livermore  |                       |
| - Union Sanitary District                        | - City of Newark     |                       |
| - Zone 7 Water Agency                            |                      |                       |
| - Five Canyons CSA                               |                      |                       |

### **FY2019-2020**

#### **Comprehensive Fire Protection and Emergency Medical Services Study**

Service Specific

- |                                     |              |
|-------------------------------------|--------------|
| - Alameda County Fire Department    | - All Cities |
| - Emergency Medical Services CSA    |              |
| - Fairview Fire Protection District |              |
| - East Bay Regional Parks District  |              |

## FY2020-2021

### Community Services Study II

Service Specific (*Street Maintenance and Lighting Services, Parks and Recreation Services, Library Services, Mosquito & Vector Abatement Services, and Lead Abatement Services*)

- Alameda County Mosquito Abatement District
  - East Bay Regional Parks District
  - Hayward Area Recreation and Park District
  - Livermore Area Recreation and Park District
  - Alameda County Library District
  - Castro Valley Library CSA
  - Dublin Library CSA
  - Castle Homes CSA
  - Castlewood CSA
  - Estuary Bridges CSA
  - Five Canyons CSA
  - MORVA CSA
  - Street Lighting CSA
  - Vector Control Services CSA
  - Lead Abatement CSA
- All Cities

## FY2021-2022

### Countywide Police Services Study

Services Specific

- Alameda County Extended Police Protection CSA
- All Cities

## FY2022-2023

### Comprehensive Tri-Valley Area Study

Region Specific

- Public Safety Districts
  - Utility Districts
  - Community Services District
  - Multipurpose Agencies
- City of Dublin  
- City of Pleasanton  
- City of Livermore

## FY2023-2024

### Health Care Services Study

Services Specific

- City of Alameda Health Care District
- Eden Township Health Care District
- Washington Township Healthcare District
- Multipurpose Agencies

### Resource Conservation Study

Services Specific

- Alameda County Resource Conservation District
- Multipurpose Agencies



**TO:** Alameda Commissioners

**FROM:** Policy and Budget Committee (Johnson, Marchand, Pico)  
Rachel Jones, Executive Officer

**SUBJECT: Supplemental Report on LAFCO Operational Options and Authorization to Amend Existing Memorandum of Understanding with the County of Alameda**

The Commission will receive a supplemental report conducted by Berkson Associates recommending LAFCO seek an alternative operational model transitioning away from the County of Alameda in response to Alameda LAFCO’s Memorandum of Understanding (MOU) with the County set to expire as of June 30, 2019. Staff recommends for Alameda LAFCO to continue to contract services with the County, but as a public-facing entity consider retaining its own office space. Staff requests the Commission authorize the Executive Officer to continue negotiations with the County in amending its MOU to best reflect LAFCO’s current operational needs.

## Background

As part of Alameda LAFCO’s (“Commission”) Strategic Plan of 2018-2022, a key action item is for the Commission to complete a study of various operational options ranging from its current arrangement with the County of Alameda in contracting staffing and support services to the agency seeking full independence that includes, within the report, general implementation timelines, range of costs, and other implementation factors.

On March 28, 2018, the Commission contracted Berkson Associates to provide a study that explores the range of LAFCO administrative governance options available. The report outlined an overview of options that identify issues and questions to frame ongoing discussions with preliminary cost implications at a summary level. It examined three selected Bay Area LAFCOs – Contra Costa, Santa Clara and Marin – and their operational relationships with their respective counties and external service providers. The study also included Alameda LAFCO’s current agreement with the County of Alameda. It highlighted each LAFCO’s organizational structure and incorporated a breakdown of contract services such as staffing, legal, office space, insurance, and any specified county related-services. Markedly, the study offered an overview on the advantages and disadvantages of the varying structures should Alameda LAFCO choose to implement them.

As per the request of staff, while the report provided a good baseline on current and potential operational alternatives for the Commission to consider, a more in depth analysis was deemed necessary to conclude the best governing model for Alameda LAFCO. At its September 20, 2018 meeting, the Commission granted an additional \$5,000 to Berkson Associates to provide a supplemental report including items such a cost-benefit analysis of each operational model, potential succession plan and a recommendation on the model most fit for Alameda LAFCO’s current demands.

## **Discussion**

In 2000, the Cortese-Knox-Hertzberg Reorganization Act and the Hertzberg Commission encouraged more independence of LAFCOs from counties so they could be granted more power to achieve the State Legislature's goals of rational boundaries, urban sprawl prevention and the preservation of prime agricultural land. It authorizes LAFCOs to enter into agreements or contracts with public and private parties for services necessary to meet its regulatory and planning responsibilities. This includes making independent arrangements for personnel, services, and facilities. The Hertzberg Commission deemed that the independence of LAFCO to have the ability to contract services, public and or private, was vital to ensuring that LAFCO decisions remain credible to the public.

Berkson Associates' supplemental report (Attachment One) recommends that Alameda LAFCO transition from receiving support services from the County and begin to operate on a more independent basis. The report mentions potential conflicts of interests and possible operating inefficiencies that may develop should Alameda LAFCO remain with the County due to different work processes and internal controls. The report provides a draft timeline of the negotiating process and a transition period of one fiscal year (July 1, 2020) to assume such a role. The report also lists varying preliminary and annual costs for LAFCO to consider moving forward with a draft succession plan evaluating budget implications and private bid negotiations with outside service providers. Critical functions such as human resources, finance, accounting, risk management and a host of other systems that organizations require to support operational functions are examined. The report indicates that the full cost of "independence" would increase Alameda LAFCO's annual budget by \$26,000.

## **Memorandum of Understanding**

While independence may be appropriate, a transition process will take time and require investment with an associated substantial workload. The County has been crucial to the proper functioning of Alameda LAFCO and provides a range of services at limited costs. The County has delivered streamlined human resource services such as the recent recruitment of the Executive Officer and wide-ranging databases that aided in the selection of Alameda LAFCO's current auditor for the present fiscal year. At this time staff recommends to continue negotiations with the County in amending its MOU, and perhaps incorporate some processes from the supplemental report to best reflect LAFCO's current operational needs.

One item that staff requests to explore is retaining its own office space. Under the existing MOU agreement, Alameda LAFCO currently uses approximately 430 square feet of space within the County Administrator's Office, including public conference rooms and storage spaces. As a public-facing entity, a separate office space could increase LAFCO's accessibility and branding among the public while continuing to carry out its regulatory and planning responsibilities. Separate office space could also accommodate additional workstations, more general storage, public workshops and foster a more collaborative work environment among staff to implement LAFCO's duties. Associated costs would be contingent on the size of space, location, availability and market. As mentioned in Berkson Associates' report, County costs are lower than privately-contracted services and could total between \$27,000 to \$39,000 annually for 1,000 square feet of space.

On December 28, 2018, staff received notice from the County that it may not seek to renew or extend its support services should LAFCO wish to seek independence or disagree to new and or existing terms in the MOU to ensure the County maintains its options after the June 30<sup>th</sup> deadline. Staff wishes to continue to carry out negotiations with the County and reach an agreement that benefit both agencies' capabilities and requirements. Staff is in communication with the County Administrator and believes both parties are agreeable to execute impartial terms.

### **Conclusion**

This item is for the Commission to receive a supplemental report conducted by Berkson Associates recommending LAFCO seek an alternative operational model transitioning away from the County of Alameda, and authorize the Executive Officer to continue negotiations with the County in amending its MOU that may incorporate some processes from the supplemental report that would best aid in LAFCO's neutrality.

### **Alternatives for Action**

The following alternatives are available to the Commission:

#### Alternative One (Recommended):

Accept and file the report on LAFCO's supplemental operational study; and

Authorize the Executive Officer in conjunction with County Counsel to continue negotiations with the County of Alameda in amending its MOU ahead of the June 30<sup>th</sup> deadline.

#### Alternative Two:

Continue consideration of the report to a future meeting and provide direction for more information as needed.

### **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

Respectfully,



Rachel Jones  
Executive Officer

#### Attachments:

1. Supplemental Report on LAFCO Operational Models by Berkson Associates
2. Notice of Memorandum of Understanding Termination Letter, County of Alameda



## FINAL REPORT

# LAFCo OPERATIONAL OPTIONS

Prepared by Berkson Associates  
for Alameda LAFCo

January 3, 2019



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## 1. OVERVIEW & PURPOSE

Legislation effective 2001 required LAFCo's<sup>1</sup> to be independent bodies. Currently Alameda County LAFCo relies entirely on the County of Alameda for staff, office space and services. LAFCo staff are County employees, all administrative and support services are provided by the County, and LAFCo occupies office space within the County Administrator's Office (CAO). Alameda LAFCo is one of 18 LAFCo's statewide that contract with their county for staff.<sup>2</sup> The organizational chart in **Figure 1** shows LAFCo under Administrative Services in the County Administrator's Office.<sup>3</sup>

While the use of County staff, services and facilities supports cost-effective LAFCo operations and can be done in an objective, independent manner, County oversight of LAFCo staff can impede effective management by the LAFCo Executive Officer (EO) and LAFCo Board. In addition to potential management inefficiencies and delays, County oversight can present the appearance of a conflict of interest when considering issues involving County planning.

The existing Memorandum of Understanding (MOU) between the County and LAFCo expires June 30, 2019.<sup>4</sup> The current report provides LAFCo with "general implementation timelines, range of costs, and other implementation factors"<sup>5</sup> to help LAFCo revise the MOU to "improve efficiency and effectiveness of Commission operations."<sup>6</sup>

This report describes steps towards "full independence" as well as options for contracting with the County for certain County services (depending on MOU negotiations). Many LAFCo's in the State function independently of their County administration, but utilize a combination of County staff, services and private contracts to obtain cost-effective support and administrative services.

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<sup>1</sup> "LAFCo" (also "LAFCO") stands for "Local Agency Formation Commission".

<sup>2</sup> CALAFCo 2015 survey of 55 (out of 58) LAFCo's.

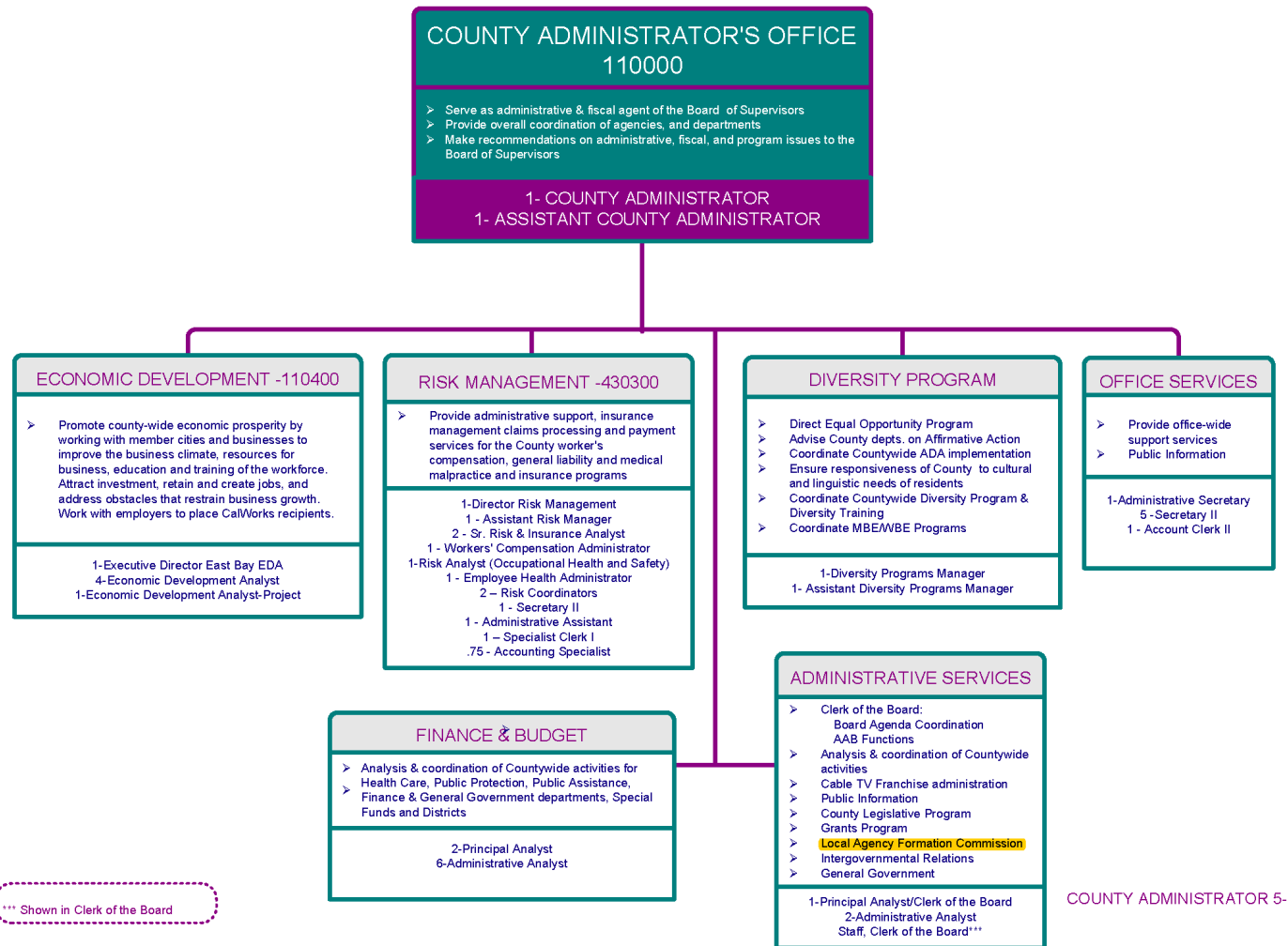
<sup>3</sup> Org Charts, downloaded 12/6/2018, <https://www.acgov.org/government/orgcharts.htm>

<sup>4</sup> Memorandum of Understanding (MOU) Between the Alameda Local Agency Formation Commission and the County of Alameda, Final 6/13/14.

<sup>5</sup> Alameda LAFCo 2018-2020 Strategic Plan, Item 6, pg. 6.

<sup>6</sup> *ibid*, Alameda LAFCo 2018-2020 Strategic Plan.

Figure 1 County of Alameda CAO Organizational Chart - Administrative Services/LAFCo





## 2. IMPLEMENTATION

**Figure 2** diagrams steps towards reorganizing LAFCo services. The draft timeline assumes three stages: 1) negotiation with the County over MOU transition issues, extending over the latter half of the current fiscal year FY18-19; 2) a Transition Period through FY19-20 during which time alternative service providers, contractual arrangements, and staffing issues would be investigated and put into place; 3) operations independent of the County would commence July 1, 2020 at the start of FY20-21. These tasks and timelines are for planning purposes and will vary depending on available options and LAFCo decisions.

Implementation assumes LAFCo's "full independence" from County services and staff. However, LAFCo may decide to utilize certain County services on an ongoing basis to improve operating and cost efficiencies; the type and cost of services will depend on the outcome of negotiations with the County. LAFCo may also continue contracting with County staff but under more explicit LAFCo direction and as detailed in the MOU.

This chapter provides preliminary annual cost estimates which are also summarized in **Table 2** in the following chapter. In addition to the ongoing annual costs, LAFCo will need to budget for the following items:

- Moving expenses furnishings and equipment.
- Office space lease deposits and pre-payments.
- Office space improvements required, if any.

The actual upfront and annual costs depend on specific implementation details that will be determined during the transition period and will vary based on ongoing services, if any, provided by the County. The preliminary cost estimates are for planning purposes and are likely to change depending on discussions with the County, bids from private and non-profit providers, and LAFCo's needs.

### APPROVE DRAFT SUCCESSION PLAN

This report assumes that LAFCo begins to implement organizational changes following review and discussion of the Draft Succession Plan at the LAFCo hearing in January 2019. This would allow approximately six months to negotiate and adopt a new MOU with the County before the current MOU expires on June 30, 2019.

Based on the Draft Succession Plan and initial MOU discussion with the County, LAFCo should evaluate budget implications for the FY19-20 Transition Period to provide for training,





acquisition of financial systems, additional legal costs, and a possible earlier office move if suitable space is available, or other County costs.

The Draft Succession Plan is likely to evolve as a result of negotiations with the County; as noted above, LAFCo staff, facilities and services ultimately may include a mix of providers.

## NEGOTIATE TRANSITION MOU

LAFCo's current MOU with the County expires June 30, 2019. LAFCo's transition is likely to require up to a year of planning. During the transition period FY19-20, LAFCo will continue to rely on County services.

Revisions to the current MOU will be needed to address County service provision during this transition period and beyond. The Draft Succession Plan assumes that outside legal counsel for LAFCo will help negotiate with County Counsel over terms of the MOU. To the extent that LAFCo and the County agree to continuation of County services beyond the Transition Period, specific terms addressing those items would be included in an ongoing MOU.

LAFCo should budget for the cost of outside legal counsel to assist with negotiations. No cost estimate has been made as part of this report.

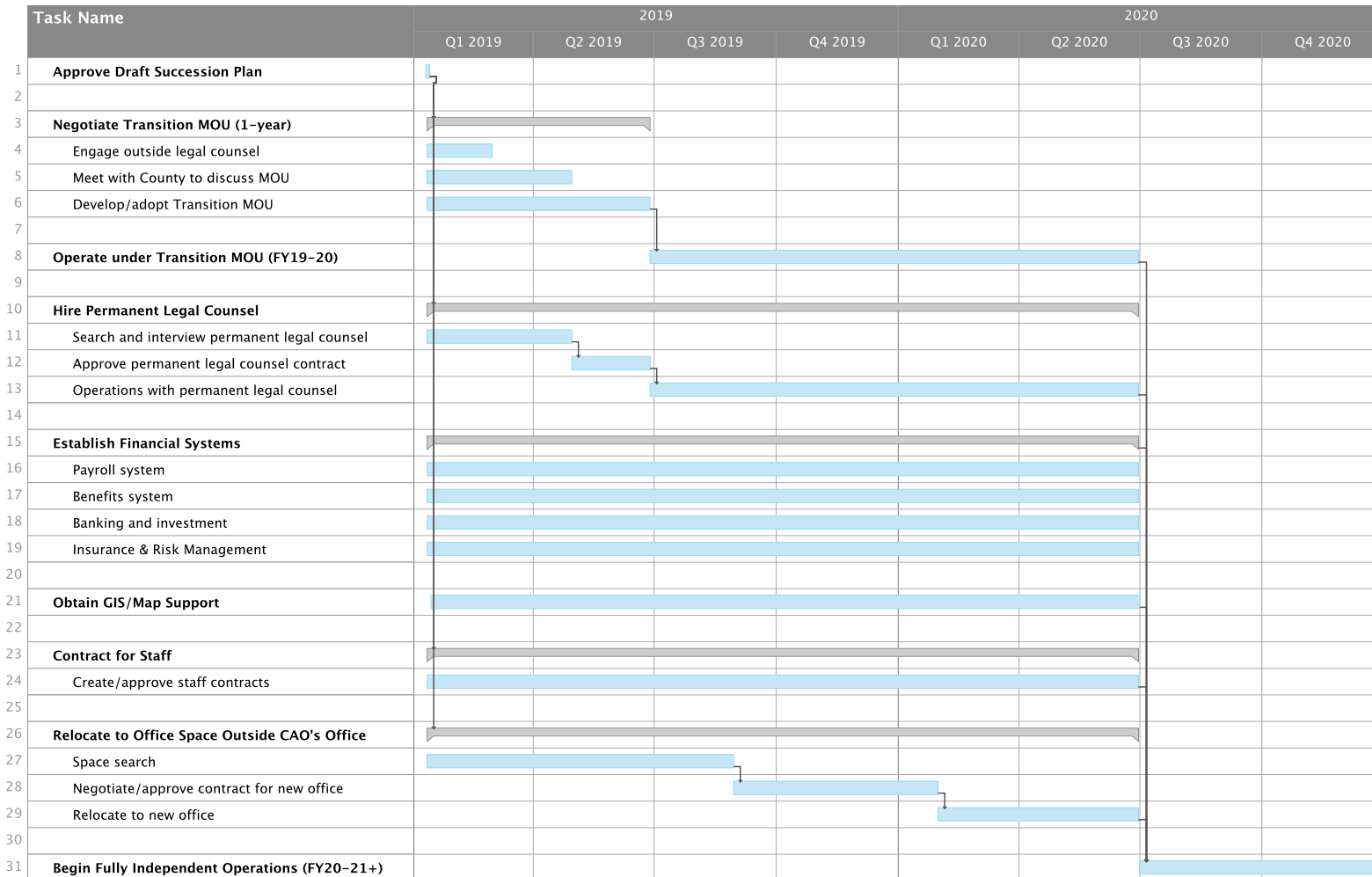
## OPERATE UNDER TRANSITION MOU

The Draft Succession Plan assumes a Transition Period of one fiscal year FY19-20 during which operations would continue similar to current operations. However, during this period LAFCo would investigate and begin to implement various steps noted below.

Based on the Draft Succession Plan, County negotiations, and preliminary estimates from service providers, LAFCo should evaluate budget implications for transition costs and for ongoing operations projected to begin July 1, 2020.



**Figure 2 Timeline and Steps to Implement Full LAFCo Independence**





## HIRE PERMANENT LEGAL COUNSEL

Outside counsel hired by LAFCo for County MOU negotiations may continue as permanent LAFCo counsel. If not, LAFCo will need to search for and engage a firm to replace legal services currently provided by County Counsel.

Preliminary discussions with other LAFCo's suggests that a legal contract with a private firm could incur slightly greater costs (e.g., up to 10 percent higher). While day-to-day legal costs could be similar with a private firm, paralegal and senior counsel costs for a private firm appear to be higher than similar County services. The actual contract cost will depend on amounts to be negotiated.

## ESTABLISH FINANCIAL SYSTEMS

LAFCo will require financial systems to replace those currently provided by the County, including:

- **Accounts payable and receivable** – If LAFCo does not utilize County financial services, it will require an outside accountant for check writing, accounting transactions and monthly reporting. LAFCo staff may handle certain accounting tasks to provide additional accounting safeguards. For example, the transfer of funds between accounts may require direction from the accountant, and designated LAFCo staff would document the accountant's instructions and handle certain transactions.
- **Payroll** - Similarly, LAFCo could utilize outside services for payroll services; these services would handle taxes and other required deductions or adjustments to income.
- **Annual reporting** - It is expected that LAFCo will continue its current practice of contracting with a private firm for preparation of its annual financial report. The accounting firm would utilize information generated by LAFCo's accounting services (rather than the County's ALCOLINKS software).
- **Banking and Investments** - LAFCo will need to obtain banking services for checking and short-term investments. The Local Agency Investment Fund (LAIF)<sup>7</sup> provides longer-term

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<sup>7</sup> LAIF was formed under California Government Code Section 16429.1 et seq. (<https://www.treasurer.ca.gov/pmia-laif/laif/program.asp>).



investment options to local governments and special districts using the investment expertise of the State Treasurer's Office investment staff.

- **Insurance and Risk Management** - The Special District Risk Management Authority (SDRMA)<sup>8</sup> provides services to LAFCOs (e.g., Santa Clara and Marin LAFCOs) and could be a source for insurance coverage including liability and workers' compensation coverage. The Association of Bay Area Governments (ABAG) manages the Pooled Liability Assurance Network (PLAN) Joint Powers Authority that is another option for risk management services.<sup>9</sup> No significant changes in current costs are likely.

During the Transition Period LAFCo can investigate options for financial systems and services described above that may include some combination of in-house software, online services, and outside firms and/or non-profit organizations. Acquisition and training costs should be considered in the FY19-20 budget. Some LAFCo's have worked together to solicit services, e.g., legal and audit services, and obtained better rates than if each had acted individually; LAFCo should explore whether options exist for similar sharing of RFP's with other Bay Area LAFCo's.

Options may be available for LAFCo to utilize County departments for some of these services. For example, some LAFCo's staff may be under contract to LAFCo but all payroll, benefits, and other administrative services (insurance, investment) can be handled by contract with the County. Negotiations with the County prior to the Transition Period can identify contract County services, if any, and their cost. The revised MOU should specify the terms of these services.

## OBTAIN GIS/MAP SUPPORT

Currently LAFCo relies on the County for GIS and related services. In addition to private vendors and consultants, ABAG could provide planning, graphics and data services.<sup>10</sup> It is likely that costs for private and non-profit options would be similar to current County charges.

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<sup>8</sup> SDRMA is a public agency formed under California Government Code Section 6500 et seq. (<http://www.sdrma.org/>).

<sup>9</sup> <https://www.planjpa.org/>

<sup>10</sup> <https://abag.ca.gov/overview/whowhat.html#what>



## CONTRACT FOR STAFF

Currently, LAFCo staff are County employees under the direction of the County CAO's office. Staff include a full time Executive Officer, an administrative analyst (0.5 FTE), and a LAFCo clerk (0.65 FTE).

In a "Fully Independent" scenario, LAFCo will need to negotiate staff contracts. Potentially, current staff could transition from County employment to LAFCo contracts. The current report assumes continuation of current staffing levels; increased staff levels may be needed but are not the subject of this analysis.

Payroll and benefits systems will need to be in place prior to employees working for a fully independent LAFCo. Retirement benefits would be established or transferred from the County. It may be possible for LAFCo to establish a "defined contribution" retirement program and avoid incurring future unfunded pension liabilities; however, the lack of a defined benefit retirement program or continuation of existing CALPERS program could create difficulty transferring existing staff and attracting experienced public sector staff.

One of the primary reasons for re-organizing as an independent LAFCo is to improve management and oversight of staff time and priorities. Independence is possible utilizing County staff; however, the current MOU with the County should be revised to more clearly indicate specific FTE's committed to LAFCo, prioritize employee commitments to LAFCo, and designate that LAFCo retains a primary role in staff decisions. If LAFCo were to increase its staff to full-time positions, potential conflicts with County staff priorities and allocations could also be reduced. Santa Clara County LAFCO is an example of a LAFCO utilizing County staff from within the CAO's office under an MOU that provides LAFCO with primary authority over staff.

## RELOCATE TO OFFICE SPACE OUTSIDE CAO'S OFFICE

Currently, LAFCo's FY19 budget includes \$3,200 for the use of County office space (including utilities); LAFCo staff utilize about 430 square feet for offices and have access to meeting/conference rooms and office equipment/storage and file rooms/spaces.<sup>11</sup>

During the Transition Period LAFCo will search for office space. The Draft Plan assumes this may require approximately eight months. Additional time may be required for lease negotiations and moving. Although rents for available space will vary depending on location, quality of space, and

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<sup>11</sup> Correspondence with T.Rude, May 1, 2018.



other factors, for planning purposes this report assumes 1,000 sq.ft. (including common areas) at \$2.50 to \$3.50 per sq.ft./month<sup>12</sup> which would cost \$30,000 to \$42,000 annually Full Service Gross<sup>13</sup> (preliminary estimates in this report assume \$36,000 per year).

Optionally, the County may offer County facilities to LAFCo for lease outside of the CAO's office where LAFCo presently is located. The availability of County office space outside the CAO's office is unknown, but if available is likely to be significantly less than market rates, and similar to current County charges.

Additional one-time costs may be required for tenant improvements, furnishings, fixtures and equipment, in addition to moving costs.<sup>14</sup>

## BEGIN FULLY INDEPENDENT OPERATIONS

The draft timeline proposes fully independent LAFCo operations beginning July 1, 2020 for the full FY20-21 fiscal year. Certain functions could begin sooner, for example, if LAFCo locates alternative space and moves prior to FY20-21. The Transition Period MOU should consider this possibility and allow for certain County charges (e.g., space costs) to be pro-rated as appropriate.

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<sup>12</sup> Rents based on limited review of Class A space in Dublin.

<sup>13</sup> "Full Service Gross" means a lease requiring the owner to pay all operating expenses, such as cleaning, maintenance and repairs, utilities, insurance, and ad valorem taxes (Barron's Dictionary of Real Estate Terms).

<sup>14</sup> Contra Costa LAFCo's preliminary moving budget totals about \$20,000 including amortized buildout costs, moving expenses, and telephone/computer relocation and installation. The estimate does not include potential costs for furnishings (CCLAFCo estimate of moving expenses, updated 11-9-18).



### 3. ALAMEDA LAFCO OPTIONS

This section summarizes potential advantages and disadvantages of the Status Quo and "Fully Independent" alternatives. **Table 2** compares potential costs of the two alternatives, indicating that "Full Independence" could incur a \$26,000 cost increase primarily due to office space costs.

**Table 2 Alameda LAFCO Options and Cost Comparison**

Item	Status Quo		"Full Independence"	
	FTE (2)	Amount	FTE (2)	Amount
<b>Personnel (1)</b>	<b>County CAO Employees</b>		<b>LAFCO Contracts</b>	
Executive Officer	1.00	\$217,000	1.00	\$217,000
Analyst	0.50	104,000	0.50	104,000
Clerk	<u>0.65</u>	<u>92,000</u>	<u>0.65</u>	<u>92,000</u>
Subtotal	2.15	\$413,000	2.15	\$413,000
<b>Services &amp; Supplies</b>	<b>County Departments</b>		<b>Private Suppliers/Firms</b>	
County General Services (3)		\$11,000		na
Legal Counsel (4)		40,000		44,000
MSRs, Special Studies (5)		96,000		96,000
Other Services and Supplies (6)		<u>125,000</u>		<u>125,000</u>
Subtotal		\$272,000		\$265,000
<b>Office Space</b>		<b>County CAO's Office</b>		<b>1,000 sf Office Private Bldg.</b>
Subtotal		\$3,000		\$36,000
<b>TOTAL</b>		\$688,000		\$714,000
<b>Contingency</b>		\$50,000		\$50,000
<b>TOTAL with Contingency</b>		<b>\$738,000</b>		<b>\$764,000</b>
<b>Cost for "Full Independence"</b>				<b>\$26,000</b>

- (1) Personnel costs include all taxes and benefits. "Full Independence" assumes the same or similar positions, salaries, benefits, & pension costs.
- (2) "FTE" refers to "Full Time Equivalents"
- (3) "Gen'l Services" include CAO oversight and County internal service charges.
- (4) Legal Counsel cost estimate assumes approximately 10% higher cost for private firm compared to County Counsel for same avg. hours.
- (5) MSR and consulting services may vary annually, but assumed to be similar for both scenarios. Costs could be reduced if FTEs are increased.
- (6) "Other Services and Supplies" include planning services, travel and training, financial/audit services, office supplies and misc. charges, and memberships. No significant cost difference is assumed.

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Costs for the "Fully Independent" alternative depend on specific vendors; the costs could be mitigated to the extent the County is willing to contract to provide services. Discussions with the County and further vendor contacts will help to identify service availability and costs. The current report is intended to assist transition to full independence and facilitate discussions with the County regarding potential County-provided staff, services and facilities.

## STATUS QUO

The "Status Quo" represents Alameda LAFCo's current arrangements that rely almost entirely on County staff, services and facilities.

### Advantages of the Status Quo

- County costs are lower than privately-contracted services, for example office space/utilities cost could total \$27,000 to \$39,000 less than commercial options.<sup>15</sup>
- Utilization of County staff provides greater flexibility to pay allocated costs for partial County FTE's compared to hiring full-time staff or costlier part-time staff.
- Administrative tasks handled by the County (e.g., accounting, payroll, facilities, etc.) reduce the burden on LAFCo staff to perform those tasks.

### Disadvantages of the Status Quo

- LAFCo is subject to County overhead allocations, e.g., costs for CAO oversight (\$11,000).
- The County controls allocations of staff and assigned County staff. The recent hiring of a LAFCo Executive Officer by the County occurred expeditiously, however, other personnel actions may not always align with LAFCo budget decisions and priorities or be communicated and implemented in a timely fashion.
- County administrative functions (e.g., contract processing, vendor payments, etc.) can be less responsive than privately contracted services.
- The current arrangement may present the appearance of a conflict of interest when LAFCo deals with County land use issues, since LAFCo staff are County employees and the LAFCo offices are within the County CAO's office.

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<sup>15</sup> Current staff office space is approximately 430 sq.ft., plus access to conference rooms, filing and storage space. The estimate for commercial space assumes a total of 1,000 sq.ft. at \$2.50 to \$3.50 per sq.ft. per month inc. utilities (say \$3.00/sq.ft./month, or \$36,000 annually).





## "FULLY INDEPENDENT"

Marin LAFCO is an example of an "independent" LAFCO that is separate from the County. Marin LAFCO serves the largely built-out, slow growth Marin County and its level of activity generally is less than other Bay Area LAFCOs. Marin LAFCO generally prepares its own MSRs, which reduces its total budget; however, this is often not practical for larger, urbanized LAFCO's such as Alameda LAFCO.

### **Advantages of the "Fully Independent" Scenario**

- LAFCO would not be subject to County CAO oversight charges (\$11,000)
- LAFCO would manage and have sole responsibility for staff hiring and priorities.
- Contracted services would be directly accountable to LAFCO vs. current services accountable to the County.
- LAFCO staff would not be subject to actual or perceived conflicts of interest by association with the County.

### **Disadvantages of the "Fully Independent" Scenario**

- Certain costs such as rent are likely to be greater than the status quo. For example, 1,000 sq.ft. at \$2.50 to \$3.50 per sq.ft./month would cost an additional \$27,000 to \$39,000 annually vs. the current \$3,000 for County space.
- It may be more difficult for LAFCO to hire qualified part-time staff if staffing levels do not justify full-time positions, compared to current partial allocations of full-time County staff. Costs may also be greater for part-time staff, depending on benefits.
- Additional LAFCO time will be required to solicit and manage private contracts.

## OTHER OPTIONS

Other LAFCO's maintain independence from their county but utilize a range of County services. For example, Orange County LAFCO hires and contracts for its own staff and office space, but contracts with the County for a range of services including risk management, payroll and benefits management.

Santa Clara LAFCO is an example of a LAFCO that contracts for County staff; LAFCO's independence from the County is clarified in its MOU findings, and staff are full-time positions dedicated to LAFCO, reducing potential conflicts with the County over staff allocations.



## 4. EXAMPLES OF LAFCO ORGANIZATION

This section summarizes characteristics of selected Bay Area LAFCo's. Each LAFCo represents a variation in how staff and services are provided relative to their County. **Table 2** summarizes characteristics of four Bay Area LAFCo's including Alameda LAFCo. The comparisons are not intended to indicate which forms of organization are more or less efficient but are provided to inform the range of possible options.

**Table 2 Overview of Selected Bay Area LAFCOs (FY18-19)**

Item	LAFCo			
	Alameda	Santa Clara	Contra Costa	Marin
<b>Personnel (1)</b>	<b>\$413,000</b>	<b>\$692,000</b>	<b>\$455,000</b>	<b>\$409,000</b>
	2.15 FTE	4.00 FTE	2.00 FTE (3)	2.75 FTE
	County Employees	County Employees	LAFCO Contracts	LAFCO Contracts
<b>Services &amp; Supplies</b>	<b>\$272,000</b>	<b>\$368,000</b>	<b>\$365,000</b>	<b>\$158,000</b>
	Staff and all services provided by County except planning services	Staff, admin, IT, GIS provided by County. Legal, consultant contracts	Admin, Legal, GIS provided by County. Planning services contracted	Contracts w/private and non-profits; County pension services
<b>included above:</b>				
General Services/OH (2)	\$11,000	\$79,000	na	na
Legal Counsel	\$40,000	\$70,000	\$75,000	\$41,000
MSRs, Special Studies	\$96,000	\$100,000	\$135,000	LAFCO staff
Other Costs	\$125,000	\$119,000	\$155,000	\$117,000
<b>Office Space</b>	<b>\$3,000</b>	<b>\$43,000</b>	<b>\$26,000</b>	<b>\$35,000</b>
	County office building	Commercial office building	County office building (moving)	Commercial office building
<b>TOTAL Budget</b>	<b>\$688,000</b>	<b>\$1,103,000</b>	<b>\$846,000</b>	<b>\$602,000</b>
<b>Contingency</b>	\$50,000	No Reserve Contribution	\$80,000	na
<b>Other (4)</b>		na	<u>\$70,000</u>	na
<b>TOTAL</b>	<b>\$738,000</b>	<b>\$1,103,000</b>	<b>\$996,000</b>	<b>\$602,000</b>

(1) Alameda LAFCo personnel costs reflect existing staffing and costs including benefits.

(2) Alameda LAFCo "Gen'l Services" include CAO oversight and County internal service charges.

(3) Contra Costa LAFCo is planning to hire an analyst in FY19.

(4) "Other" for Contra Costa includes OPEB Trust and CCCERA pre-funding.

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## ALAMEDA LAFCo

Alameda LAFCo currently obtains its staffing and other services through the County Administrator's Office via a Memorandum of Understanding (MOU) with Alameda County.<sup>16</sup> The County provides all personnel, office space, and other services required by LAFCo, including:

**Staff** -- Pursuant to the MOU, the County Administrator's Office provides staff to serve as LAFCo's Executive Officer, subject to approval and appointment by LAFCo; the MOU allows the County to change the staff that it makes available for the positions of executive officer and legal counsel.<sup>17</sup> In addition to legal counsel and a full-time Executive Office, the County Administrator's Office also provides staff to fill a 0.50 Full Time Equivalent (FTE) analyst and 0.65 FTE clerk. The MOU describes staff services to be provided by the County but does not specify positions or FTEs.

**County General Services** -- \$11,000 is budgeted for CAO oversight and indirect County charges.

**Legal Counsel** -- County Counsel provides all legal services required by LAFCo. In FY18 the County billed LAFCo for approximately 156 hours primarily at \$232 per hour for Deputy County Counsel time. The total \$34,670 FY18 bill included a small number of hours for other legal staff at different rates.

**MSRs, Special Studies** – LAFCo contracts with consultants for MSRs and Special Studies at \$96,000 annually (depending on anticipated studies).

**Other Services and Supplies** -- County charges and other LAFCo costs include the following:

- LAFCo compensates the County for the cost of liability insurance and risk management. The FY19 budget allocates approximately \$3,000.
- LAFCo's accounts payable and receivable and other financial records are managed by County staff with technical support and bookkeeping services provided by the County of Alameda's Finance Department. LAFCo staff access and utilize the County's ALCOLINKS software system for budgeting and accounts receivable/payable transactions.<sup>18</sup> LAFCo

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<sup>16</sup> *ibid*, MOU Between the Alameda Local Agency Formation Commission and the County of Alameda, Final 6/13/14.

<sup>17</sup> See MOU Section 5, "County Staff Availability."

<sup>18</sup> Alameda LAFCo Agenda Report, Sept. 20, 2018, Item No. 13, Agreement with Harshwal & Company for Audit Services.



contracts annually with a private firm for preparation of its financial reports. Costs for these services are included in “County General Services” and IT charges.

- The County provides Information Technology (IT), accounting system access, and related technical support services for \$21,000.
- The County charges approximately \$3,800 annually for communications (telephone, etc.).
- The County Assessor's Office charges \$2,500 for services.
- \$6,200 is billed for Community Development Agency (CDA) charges for mapping and interpretation at \$100/hour. Other County planning services are budgeted at \$25,000.
- Various other costs include legal noticing; LAFCo memberships, conferences, travel and training; and records management.

**Office Space** -- The County provides 430 sq.ft. of office space to LAFCo within the County's Administrator's office in downtown Oakland and provides access to meeting/conference rooms and office equipment/storage and file rooms/spaces.<sup>19</sup> The County allocates a charge proportionate to LAFCo space; the charge totals \$3,200 annually including utilities, which is less than \$0.50 per square foot per month.<sup>20</sup> LAFCo hearings are held in Dublin at the Dublin San Ramon Services District Board Room.

## SANTA CLARA LAFCO

Santa Clara County provides LAFCo with personnel and services pursuant to an MOU, and LAFCo contracts for certain services including legal counsel as noted below.<sup>21</sup> LAFCo recently moved its offices from the County Administration Building to nearby private offices.

**Staff** -- All four of the current full-time LAFCo positions, including Executive Officer, two Analyst positions and Clerk position are staffed through the County Executive's Office.

**Legal Counsel** -- LAFCo contracts with a private law firm for 240 hours annually.

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<sup>19</sup> Correspondence with T.Rude, Alameda LAFCo, 5/1/18.

<sup>20</sup> Estimated space cost assumes about 50% additional common area, or 645 sq.ft.; actual shared space may be greater, which would reduce the effective monthly lease rate to \$0.40 or less per sq.ft.

<sup>21</sup> Amended and Restated Memorandum of Understanding between the Local Agency Formation Commission of Santa Clara County and the County of Santa Clara, effective Nov. 5, 2013.



**Office Space** -- LAFCo recently occupied space a few blocks from the County Administration building and continues to hold its hearings in the County Board of Supervisors meeting chambers. The space totals 1,660 sq. ft. including three offices, one conference room, entry area, file cabinet storage/work area, cubicle for LAFCo clerk.

**Insurance and Risk Management** -- 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.<sup>22</sup>

**Other County Services** -- LAFCo contracts with the County for "Intra-County" professional services. Services from various County agencies include the County Surveyor's Office, the County Assessors' Office, and the Registrar of Voters.

The County also bills LAFCo for other County "Overhead" of about \$80,000<sup>23</sup> for services including:

- County Executive's Office: \$21,641
- Controller-Treasurer: \$7,795
- Employee Services Agency: \$3,928
- Office of Budget Analysis (OBA): \$343
- Behavioral health – Mental Health (BHS-MH) - Employee: \$138
- Information Services Department (ISD) Intergovernmental Service: \$821
- ISD: \$2,213
- Procurement: \$3,336

Various other expenses, e.g. computers, software, office supplies, etc. are funded by and included in LAFCo's budget.

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<sup>22</sup> Memorandum from Neelima Palacherla, Executive Officer, to LAFCo, April 4, 2018, Agenda Item #4.

<sup>23</sup> *ibid*, Memo from Neelima Palacherla, April 4, 2018. The overhead charge is to be reduced to about \$70,000 as a result of a County correction to charges for office space.



## CONTRA COSTA LAFCO

Contra Costa LAFCo contracts with the County for most of LAFCo's services with the exception of LAFCo employees. LAFCo is moving from office space in the County Administration Building to nearby private offices.

**Staff** -- Currently LAFCo hires and funds its executive officer and full-time clerk and will be hiring an analyst in the last quarter of FY19.

**Legal Counsel** -- LAFCo utilizes County Counsel for legal services.

**Office Space** -- LAFCo is moving from 580 sq.ft. (plus 339 sq.ft. of common area) in the County Administration Building to approximately 1,000 sq.ft. in other County office space nearby and will continue to use the Board of Supervisors Chambers for public hearings. LAFCo projects a move-in date of September 2018.<sup>24</sup>

**Insurance and Risk Management** -- SDRMA provides liability and workers' comp insurance.

**Other County Services** -- LAFCo contracts with the County and Contra Costa County Employees Retirement Association (CCCERA) for benefits.<sup>25</sup> LAFCo's OPEB funds are currently held in the PARS Public Agencies Post-Retirement Healthcare Plan Trust; LAFCo is a sub-account under the County's OPEB trust.

LAFCo is billed by the County for services at given rates; no MOU exists regarding services, other than an agreement with County Counsel regarding termination rights.<sup>26</sup>

## MARIN LAFCO

Marin LAFCo is nearly entirely "independent" of the County, and contracts for its own staff, services and office space.

**Staff** -- Marin LAFCo currently is recruiting an Executive Officer (EO). With the EO, LAFCO has 2.85 FTE.

**Legal Counsel** -- LAFCo contracts with a private law firm for legal counsel services.

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<sup>24</sup> LAFCO Hearing April 18, 2018, Agenda Item 6, minutes for meeting of March 14, 2018 Agenda Item 8.

<sup>25</sup> Contract, Local Agency Formation Commission Joining the County Retirement System, authorized by LAFCO Oct. 8, 1997.

<sup>26</sup> Resolution of the LAFCO Appointing Legal Counsel, Reso. No. 2001-01.



**Office Space** -- LAFCo rents private office space and utilizes Marin Clean Energy's Board Room in San Rafael for public meetings. The office space includes an approximate 1,300 square foot space with two private offices, a conference room that seats 10 people, and a reception area and desk for the Clerk.<sup>27</sup>

**Insurance and Risk Management** -- LAFCo obtains insurance through SDRMA.

**Other County Services** -- The Marin County Employees' Retirement Association (MCERA) provides OPEB and pension plan services. LAFCo is developing an MOU with the County for these services.

The County of Marin does provide payroll services to Marin LAFCo at no cost, but this arrangement is expected to end.

LAFCo receives mapping services from a JPA (the County of Marin is a member), Marin Maps, for an annual payment of \$10,000.

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<sup>27</sup> R.Berkson correspondence with Rachel Jones, Marin LAFCO EO, 4/27/18.



## APPENDIX A

# ALAMEDA LAFCO FY18-19 BUDGET



<b>Alameda Local Agency Formation Commission Final FY 2018-2019 Budget</b>	
	<b>Final 2018-2019</b>
<b>Appropriations</b>	
<b>Staffing (adjusted for changes to salary &amp; benefit estimates)</b>	<b>\$413,334</b>
<b>Services &amp; Supplies</b>	
Intern (Summer)	\$1,600
Postage meter	\$1,000
Copier chgs	\$3,000
Per Diems	\$7,700
Mileage	\$200
Travel & Training	\$20,000
Records retention	\$1,000
Consultants*	\$96,000
County Mapping	\$5,000
Planning Services	\$25,000
Legal	\$40,000
County Chgs-CAO	\$11,000
Audit Svcs	\$10,000
Memberships	\$9,000
Public Notices	\$5,000
County Chgs-Assessor	\$2,500
Spec Dept-Credit	\$1,500
Office Supplies	\$4,000
<b>Total Services &amp; Supplies</b>	<b>\$243,500</b>
<b>Internal Service Charges</b>	
Communications	\$3,878
Information Technology	\$21,578
Office Space/Utilities	\$3,200
Risk Management Services	\$3,034
<b>Total Internal Service Charges</b>	<b>\$31,690</b>
<b>Contingency</b>	<b>\$50,000</b>
<b>Total Appropriations</b>	<b>\$738,524</b>



## APPENDIX B

### SANTA CLARA LAFCO FY18-19 BUDGET

**PROPOSED LAFCO BUDGET  
FISCAL YEAR 2018 - 2019**

**AGENDA ITEM # 4  
Attachment D**

ITEM # TITLE	APPROVED	ACTUALS	PROJECTIONS	PROPOSED
	BUDGET FY 2018	Year to Date 2/28/2018	Year End 2018	FY 2019 BUDGET
<b>EXPENDITURES</b>				
Object 1: Salary and Benefits	\$685,072	\$392,486	\$629,046	\$691,802
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$1,376	\$3,000	\$45,000
5255800 Legal Counsel	\$70,200	\$32,400	\$65,000	\$70,200
5255500 Consultant Services	\$100,000	\$0	\$75,000	\$100,000
5285700 Meal Claims	\$750	\$580	\$750	\$750
5220100 Insurance	\$5,000	\$4,893	\$4,893	\$6,000
5250100 Office Expenses	\$9,236	\$6,457	\$10,000	\$10,000
5270100 Rent & Lease	\$42,764	\$34,040	\$42,000	\$42,764
5255650 Data Processing Services	\$3,600	\$379	\$3,600	\$4,123
5225500 Commissioners' Fee	\$10,000	\$3,500	\$9,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$54	\$200	\$2,500
5245100 Membership Dues	\$8,674	\$8,674	\$8,674	\$8,926
5250750 Printing and Reproduction	\$1,500	\$0	\$500	\$1,500
5285800 Business Travel	\$16,000	\$6,625	\$12,000	\$16,000
5285300 Private Automobile Mileage	\$2,000	\$286	\$700	\$2,000
5285200 Transportation&Travel (County Car Usage)	\$1,000	\$47	\$600	\$605
5281600 Overhead	\$28,437	\$14,219	\$28,437	\$79,368
5275200 Computer Hardware	\$3,000	\$0	\$3,000	\$3,000
5250800 Computer Software	\$4,000	\$3,456	\$4,000	\$4,000
5250250 Postage	\$2,000	\$101	\$1,000	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000 Reserves	\$42,000	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$1,084,733</b>	<b>\$509,573</b>	<b>\$902,400</b>	<b>\$1,102,538</b>
<b>REVENUES</b>				
4103400 Application Fees	\$35,000	\$21,158	\$25,000	\$30,000
4301100 Interest: Deposits and Investments	\$4,000	\$5,705	\$6,500	\$4,000
<b>TOTAL REVENUE</b>	<b>\$39,000</b>	<b>\$26,863</b>	<b>\$31,500</b>	<b>\$34,000</b>
3400150 FUND BALANCE FROM PREVIOUS FY	\$246,839	\$331,177	\$331,177	\$259,171
<b>NET LAFCO OPERATING EXPENSES</b>	<b>\$798,894</b>	<b>\$151,533</b>	<b>\$539,723</b>	<b>\$809,367</b>
3400800 RESERVES Available	\$150,000	\$150,000	\$150,000	\$150,000
<b>COSTS TO AGENCIES</b>				
5440200 County	\$266,298	\$266,298	\$266,298	\$269,789
4600100 Cities (San Jose 50% + Other Cities 50%)	\$266,298	\$266,298	\$266,298	\$269,789
Special Districts	\$266,298	\$266,298	\$266,298	\$269,789



## APPENDIX C

### CONTRA COSTA LAFCO FY18-19 BUDGET

**PROPOSED LAFCO BUDGET  
FISCAL YEAR 2018 - 2019**

**AGENDA ITEM # 4  
Attachment D**

ITEM # TITLE	APPROVED	ACTUALS	PROJECTIONS	PROPOSED
	BUDGET FY 2018	Year to Date 2/28/2018	Year End 2018	FY 2019 BUDGET
<b>EXPENDITURES</b>				
Object 1: Salary and Benefits	\$685,072	\$392,486	\$629,046	\$691,802
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$1,376	\$3,000	\$45,000
5255800 Legal Counsel	\$70,200	\$32,400	\$65,000	\$70,200
5255500 Consultant Services	\$100,000	\$0	\$75,000	\$100,000
5285700 Meal Claims	\$750	\$580	\$750	\$750
5220100 Insurance	\$5,000	\$4,893	\$4,893	\$6,000
5250100 Office Expenses	\$9,236	\$6,457	\$10,000	\$10,000
5270100 Rent & Lease	\$42,764	\$34,040	\$42,000	\$42,764
5255650 Data Processing Services	\$3,600	\$379	\$3,600	\$4,123
5225500 Commissioners' Fee	\$10,000	\$3,500	\$9,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$54	\$200	\$2,500
5245100 Membership Dues	\$8,674	\$8,674	\$8,674	\$8,926
5250750 Printing and Reproduction	\$1,500	\$0	\$500	\$1,500
5285800 Business Travel	\$16,000	\$6,625	\$12,000	\$16,000
5285300 Private Automobile Mileage	\$2,000	\$286	\$700	\$2,000
5285200 Transportation&Travel (County Car Usage)	\$1,000	\$47	\$600	\$605
5281600 Overhead	\$28,437	\$14,219	\$28,437	\$79,368
5275200 Computer Hardware	\$3,000	\$0	\$3,000	\$3,000
5250800 Computer Software	\$4,000	\$3,456	\$4,000	\$4,000
5250250 Postage	\$2,000	\$101	\$1,000	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000 Reserves	\$42,000	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$1,084,733</b>	<b>\$509,573</b>	<b>\$902,400</b>	<b>\$1,102,538</b>
<b>REVENUES</b>				
4103400 Application Fees	\$35,000	\$21,158	\$25,000	\$30,000
4301100 Interest: Deposits and Investments	\$4,000	\$5,705	\$6,500	\$4,000
<b>TOTAL REVENUE</b>	<b>\$39,000</b>	<b>\$26,863</b>	<b>\$31,500</b>	<b>\$34,000</b>
3400150 FUND BALANCE FROM PREVIOUS FY	\$246,839	\$331,177	\$331,177	\$259,171
<b>NET LAFCO OPERATING EXPENSES</b>	<b>\$798,894</b>	<b>\$151,533</b>	<b>\$539,723</b>	<b>\$809,367</b>
3400800 RESERVES Available	\$150,000	\$150,000	\$150,000	\$150,000
<b>COSTS TO AGENCIES</b>				
5440200 County	\$266,298	\$266,298	\$266,298	\$269,789
4600100 Cities (San Jose 50% + Other Cities 50%)	\$266,298	\$266,298	\$266,298	\$269,789
Special Districts	\$266,298	\$266,298	\$266,298	\$269,789



## APPENDIX D

## MARIN LAFCO FY18-19 BUDGET



**MARIN LOCAL AGENCY FORMATION COMMISSION**  
Regional Service Planning | State of California

**Expense Ledger**

		FY2014-2015		FY2015-2016		FY2016-2017			FY2017-2018			FY2018-2019		
		Adopted	Actuals	Adopted	Actuals	Adopted	Amended	Estimated	Adopted	Amended	Estimated	Draft	Difference	
		FY14-15	FY14-15	FY15-16	FY15-16	FY16-17	FY16-17	FY16-17	FY17-18	FY17-18	FY17-18	FY18-19		
<b>Salary and Benefit Costs</b>														
<u>Account</u>	<u>Description</u>													
5110110	Staff Salaries	189,884	179,672	246,688	241,699	281,111	258,111	218,345	282,079	265,913	212,731	328,449	46,370	16.4%
5130510	Employee Retirement (MCERA)	51,793	45,258	61,990	59,730	63,852	57,852	45,560	37,561	37,561	30,048	23,901	(13,660)	-36.4%
5140125	Employee Benefits (County of Marin)	16,888	15,486	25,443	25,980	26,867	26,867	22,210	32,313	32,313	25,850	32,313	(0)	0.0%
5140141	Payroll Tax	2,518	2,704	3,693	4,270	4,020	4,020	5,153	3,887	3,887	3,887	3,131	(756)	-19.4%
5140115	Workers Compensation	736	792	742	1,064	960	960	1,731	1,744	1,744	1,643	1,965	221	12.7%
5140145	Unemployment Insurance	868	1,215	868	2,234	6,290	6,290	3,500	3,605	3,605	3,605	3,713	108	3.0%
5130525	Post Employment Benefits (CalPERS)	16,798	24,898	14,880	13,481	15,615	15,615	15,615	15,615	15,615	15,615	15,615	-	0.0%
		279,486	270,024	354,304	348,459	398,716	369,716	312,113	376,804	360,639	293,379	409,087	32,283	8.6%
<b>General Administrative Costs</b>														
<u>Account</u>	<u>Description</u>													
5210110	Professional Services	5,800	17,183	15,255	15,793	15,020	15,020	19,431	26,180	30,680	70,680	30,680	4,500	17.2%
5210131	Legal Services	14,196	2,477	10,075	10,045	10,579	39,579	51,214	35,880	35,880	35,880	40,500	4,620	12.9%
5210230	Accounting and Payroll	8,000	-	4,925	1,200	6,125	6,125	9,125	5,550	5,550	5,550	6,438	888	16.0%
5211325	Work Conferences	4,000	2,614	2,975	3,495	2,450	2,450	1,912	2,965	2,965	2,965	2,965	-	0.0%
5211440	Mileage and Travel	3,000	3,523	3,037	3,851	4,118	4,118	5,000	4,539	4,539	4,539	7,239	2,700	59.5%
5211533	Commissioner Per Diems	7,100	4,600	7,100	5,500	10,875	10,875	10,375	11,000	11,000	13,000	13,500	2,500	22.7%
		42,096	30,397	43,367	39,884	49,166	78,166	97,057	86,114	90,614	132,614	101,322	15,208	17.7%
<b>Service and Supply Costs</b>														
<u>Account</u>	<u>Description</u>													
5211270	Office Space Leases/Rents	16,770	16,770	17,370	19,774	24,938	24,938	23,079	31,253	31,253	31,403	34,652	3,399	10.9%
5211330	Membership and Dues	13,340	13,896	14,092	14,017	14,369	14,369	14,369	14,556	14,556	14,556	14,734	178	1.2%
5210525	General Insurance	3,000	2,771	2,677	2,677	2,677	2,677	2,564	3,993	3,993	3,993	3,993	0	0.0%
5210715	Communication Services	5,875	5,416	6,054	7,497	6,568	6,568	8,795	8,236	8,236	8,236	8,608	372	4.5%
5211516	Reprographic/Map Services	-	-	-	-	-	-	180	-	-	-	-	-	-
5220110	General Office Supplies	2,000	5,831	23,400	19,795	2,590	2,590	7,766	4,200	4,200	4,200	4,300	100	2.4%
5210935	Office Equipment and Replacement	6,000	8,672	2,907	4,706	5,137	5,137	6,931	11,400	23,066	25,000	4,620	(6,780)	-59.5%
5211340	Ongoing Education and Training	1,500	327	1,095	820	1,800	1,800	1,000	1,250	1,250	3,000	1,500	250	20.0%
5211520	Public Notices and Publications	2,000	1,121	2,095	3,804	5,000	5,000	5,432	5,000	5,000	3,500	5,000	-	0.0%
5210129	Website and Graphic Design	2,000	3,000	2,000	-	15,500	15,500	13,295	11,613	11,613	11,613	11,613	-	0.0%
TBD	Miscellaneous / Petty Cash	-	-	-	-	-	-	-	1,961	1,961	1,200	2,045	84	4.3%
5211215	Records Storage	800	315	800	366	401	401	401	401	401	401	401	-	0.0%
		53,285	58,119	72,584	73,456	78,980	78,980	83,812	93,863	105,529	107,102	91,467	(2,396)	-2.6%
<b>Contingencies</b>														
<u>Account</u>	<u>Description</u>													
	Operating Reserve	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
<b>EXPENSE TOTALS</b>		<b>374,866</b>	<b>358,540</b>	<b>470,254</b>	<b>461,799</b>	<b>526,862</b>	<b>526,862</b>	<b>492,982</b>	<b>556,781</b>	<b>556,782</b>	<b>533,095</b>	<b>601,875</b>	<b>45,094</b>	<b>8.1%</b>
<i>Prior Year Difference</i>		<i>3.2%</i> 11,566		<i>25.4%</i> 95,388		<i>12.0%</i> 56,608			<i>5.7%</i> 29,919			<i>8.1%</i> 45,094		

**Revenue Ledger**

		FY2014-2015		FY2015-2016		FY2016-2017			FY2017-2018			FY2018-2019		
		Adopted	Actual	Adopted	Actual	Adopted	Amended	Estimated	Adopted	Amended	Estimated	Draft	Difference	
		FY14-15	FY14-15	FY15-16	FY15-16	FY16-17	FY16-17	FY16-17	FY17-18	FY17-18	FY17-18	FY18-19		
<b>Intergovernmental</b>														
<u>Account</u>	<u>Description</u>													
4710510	Agency Contributions	348,366	348,367	387,528	387,528	470,362	470,362	469,161	514,781	514,781	514,781	559,875	45,094	8.8%
	County of Marin	116,122	116,122	129,176	129,176	156,787	156,787	156,387	171,159	171,159	171,159	186,625	15,466	9.0%

Cities and Towns (11)	116,122	116,122	129,176	129,176	156,787	156,787	156,387	171,159	171,159	171,159	186,625	15,466	9.0%
Independent Special Districts (30)	116,122	116,122	129,176	129,176	156,787	156,787	156,387	171,159	171,159	171,159	186,625	15,466	9.0%
	348,366	348,367	387,528	387,528	470,362	470,362	469,161	514,781	514,781	514,781	559,875	45,094	8.8%
<b>Service Charges</b>													
4640333 Application Fees	25,000	15,536	25,000	17,424	30,000	30,000	23,778	30,000	30,000	30,000	30,000	-	0.0%
4710631 Miscellaneous	-	-	226	365	-	-	-	-	-	-	-	-	0.0%
	25,000	15,536	25,226	17,789	30,000	30,000	23,778	30,000	30,000	30,000	30,000	-	0.0%
<b>Investments</b>													
Interest	1,500	700	1,500	769	1,500	1,500	1,951	2,000	2,000	2,000	2,000	-	0.0%
	1,500	700	1,500	769	1,500	1,500	1,951	1,500	2,000	2,000	2,000	-	0.0%
<b>REVENUE TOTALS</b>	<b>374,866</b>	<b>364,603</b>	<b>414,254</b>	<b>406,086</b>	<b>501,862</b>	<b>501,862</b>	<b>494,890</b>	<b>546,781</b>	<b>546,781</b>	<b>546,781</b>	<b>591,875</b>	<b>45,094</b>	<b>8.2%</b>
<b>OPERATING NET</b>	-	6,064	(56,000)	(55,713)	(25,000)	(25,000)	1,908	(25,000)	(25,000)	13,686	(10,000)		
(negative amounts reflect draw down on reserves)													
<b>UNRESERVED/UNRESTRICTED FUND BALANCE</b>													
As of June 30th	\$ 196,618.00		140,905		142,813			156,499			132,813		





## C O U N T Y   A D M I N I S T R A T O R

SUSAN S. MURANISHI  
COUNTY ADMINISTRATOR

E-mail and Hard Copy

December 28, 2018

Ayn Wieskamp  
LAFCo Chair  
c/o 1221 Oak Street Suite 555  
Oakland, CA 94612

Dear Chairperson Wieskamp:

This letter will serve as the County of Alameda's (County) official notice that it may not renew or extend the Memorandum of Understanding (MOU) between the County and the Alameda Local Agency Formation Commission (Alameda LAFCo), pursuant to which the County provides staff, legal counsel, and other support services to Alameda LAFCo.

Since 2001, Alameda LAFCo has contracted with the County of Alameda for its operational support via an MOU. As you know, based on the Commission's direction to County staff assigned to serve as the LAFCo Executive Officer, a consultant was retained to review the current structure, issues and best practices; and to develop a report with recommendations for consideration by Alameda LAFCo. We understand that the consultant's final report with recommendations was presented to the Alameda LAFCo budget subcommittee on December 13, 2018 and will be considered by the full Commission at its January 2019 meeting.

Given the Alameda LAFCo's active engagement in exploring options to its current relationship with the County, it is timely and prudent for the County and LAFCo to reassess the terms of the MOU which expires on June 30, 2019. While open to further discussion, the County tenders this notice to not renew or extend the current MOU in order to maintain its options and ensure a smooth transition effective July 1, 2019.

The County of Alameda and its LAFCo have had a longstanding partnership through an MOU. We value our relationship and respect your interest in pursuing an operational model that does not rely on County support. Please be assured that the County is committed to working with your Executive Officer to implement a smooth transition effective July 1, 2019 in support of the continued success of Alameda LAFCo in FY 2019-20 and beyond.

Very truly yours,

Susan S. Muranishi

cc: Each Member, Board of Supervisors  
Auditor-Controller  
County Counsel  
LAFCo Executive Officer

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**TO:** Alameda Commissioners  
**FROM:** Rachel Jones, Executive Officer  
**SUBJECT:** **Current and Pending Proposals**

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The Commission will receive a report identifying active proposals on file with Alameda LAFCO as required under statute. The report also identifies pending local agency proposals to help telegraph future workload. The report is being presented to the Commission for information only.

### Information / Discussion

There are currently no new proposals on file and all approval terms established by the membership have been met. The Cortese-Knox-Hertzberg Reorganization Act of 2000 (“CKH”) provides applicants one calendar year to complete approval terms or receive extension approvals before the proposals are automatically terminated.

### Current Proposals | Under Review and Awaiting Hearing

There are currently no active proposals on file with the Commission that remain under administrative review and awaiting hearings as of the date of this report.

### Pending Proposals

There are two potential new proposals staff believes may be submitted to the Commission in the near future from local agencies based on ongoing discussions with proponents within the last two years. These potential proposals are summarized below to aid the Commission in anticipating the agency’s impending workload.

- **Annexation of Dumbarton Quarry Regional Park| Union Sanitary District**  
On December 28, 2016, the Union Sanitary District (USD) met with staff regarding the annexation of the Dumbarton Quarry Regional Park. This park is being developed by East Bay Regional Park District (EBRPD) and will require wastewater connections to support camping sites in the park. The territory is owned by EBRPD and is located near the foot of the Dumbarton Bridge. On August 30, 2018, staff held a pre-application meeting with EBRPD staff and expects a proposal early this calendar year.
- **Dissolution of Inactive CSAs | County of Alameda**  
The County of Alameda, which is the governing authority of County Service Areas (CSAs) met with staff on February 9, 2017 regarding the dissolution process of three identified special districts in the County that meet specified criteria resulting in a designation of inactive status. Two of these districts are CSAs under LAFCO jurisdiction: the Livermore

Amador Valley Sewer Study CSA and the San Lorenzo Library CSA. The County expects to take steps to initiate dissolution of the affected CSAs.

The Commission is invited to discuss the item and provide direction to staff on any related matter as needed for future discussion and or action.

Attachments:

1. Alameda LAFCO Application Inquiry/Update

**Alameda LAFCo Application/Inquiry Update**

	<b>Applications/Inquiries</b>	<b>Comments</b>	<b>Application Submitted?</b>	<b>Change since last report?</b>
1.	<b>City of Hayward inquiry re detachment of property near Fairview area</b>	<b>Staff received an inquiry from City of Hayward Planning Division staff concerning a property owner inquiring of the City about the process to detach property from the City, as owner has nearby property located in unincorporated area of Fairview and would prefer all property to be in unincorporated area. LAFCo Staff confirmed that the property owner would apply for detachment to LAFCo and suggested Hayward staff refer them to LAFCo's website and/or LAFCo staff for further information if they so wish.</b>	No	<b>Yes</b>
2.	<b>Inquiry regarding Remen Tract annexation</b>	<b>Staff received an inquiry from a representative of a property owner who is interested in options to pursue annexation into the City of Pleasanton</b>	No	<b>Yes</b>
3.	East Bay Municipal Utilities District reorganization (overlapping boundary with City of Hayward)	<p>Hayward staff met with LAFCo staff on 10/8/2014 to discuss overlapping boundary issues with EBMUD. Subsequently, EBMUD staff and a property owner representative contacted LAFCo regarding potential service issues within an overlap area on the northern side of Hayward. EBMUD and Hayward staff met to discuss specific issues regarding proposed development known as the 2<sup>nd</sup> and Walpert subdivision in Hayward. LAFCo staff responded to questions from all interested parties about water and sewer services in the overlap area which are needed to support the proposed development. Since that time, EBMUD and Hayward adopted an agreement to clarify service areas for both jurisdictions.</p> <p>On March 28, 2017, LAFCo staff held a pre-application meeting with EBMUD regarding the reorganization application to address the Hayward and EBMUD boundary overlap issues. On August 23, 2017, EBMUD submitted a reorganization application. LAFCo sent the applicant a notice of incomplete application on September 15, 2017 specifying that resolutions agreeing to the exchange of property tax were missing.</p> <p>On January 10, 2018, staff received an update on the status of the tax sharing agreement. EBMUD staff indicates that they provided information to Hayward. EBMUD is awaiting a response from the city.</p>	Yes	No
4.	<b>City of Livermore – Pleasant View Lane/Arroyo Rd. reorganization</b>	<b>LAFCo Commission approved the island annexation at the March 8, 2018 regular meeting.</b>	Yes	<b>Yes</b>

	Applications/Inquiries	Comments	Application Submitted?	Change since last report?
5.	<b>Transfer of Jurisdiction request – Chang Property</b>	<b>Alameda LAFCo approved the transfer of jurisdiction request to consider annexation of territory to the EBMUD concerning the Change properties at its March 8, 2018 meeting.</b>	No	<b>Yes</b>
6.	Alameda County Zoning Amendment application #PLN20174-00087	Staff submitted a comment letter to County Planning staff in response to a proposed zoning amendment, vesting tentative tract map, and site development review proposal that was sent to LAFCo on June 16, 2017. The comment letter expressed LAFCo’s interest in the project and requested that LAFCo receive all public notices related to this project. The proposed project is to rezone a 92 acre parcel located on the north side of Busch Road, east of Ironwood Drive in the unincorporated Pleasanton area from Agricultural to Planned Development to permit development of 208 new dwelling units.	No	No
7.	Dissolving inactive districts - Livermore-Amador Valley Sewer Study County Service Area (CSA) & San Lorenzo Library CSA	<p>County staff met with LAFCo staff on 11/7/2014 to discuss initiation of a dissolution application for the Livermore-Amador Valley Sewer Study CSA. At that meeting, County staff expressed interest in maintaining this CSA while the County determines whether to reactivate the CSA to support sanitary sewer needs in East County.</p> <p>On February 9, 2017, County staff met with LAFCo again regarding the dissolution process in response to a letter from the State Controller’s Office dated January 19, 2017. That letter identified three “special districts” in the County that met specified criteria resulting in a designation of inactive status. Two of them are CSAs under LAFCo jurisdiction: the Livermore Amador Valley Sewer Study CSA &amp; the San Lorenzo Library CSA. The other one is called the Alameda County-Dublin Library Corporation which is not under LAFCo jurisdiction. County staff reports that the SCO letter prompted a review of all CSAs with the result that three have been identified as inactive, including the two mentioned in the SCO letter. The County expects to take steps to initiate dissolution of those three CSAs.</p>	No	No
8.	Union Sanitary District (USD) Annexation – Dumbarton Quarry Regional Park	On December 28, 2016, USD staff met with LAFCo staff regarding annexation of the Dumbarton Quarry Regional Park. This park is being developed by the East Bay Regional Park District (EBPRD) & will require sewer connections to support camping sites in the park. The territory is owned by EBRPD and is located near the foot of Dumbarton Bridge. On February 8, 2017, staff toured the annexation site with EBRPD staff. On March 22, 2017, staff held pre-application meeting with EBRPD and USD staff.	No	No
9.	<b>City of Livermore – Concannon Winery reorganization</b>	The City of Livermore is considering submitted a reorganization application to annex the Concannon Winery primarily so that the winery can connect to the city’s sewer system. The City’s Planning Commission considered the proposed annexation May 2, 2017 and will provide a recommendation to the City Council. On October 9, 2017, the Livermore	No	No

**Bold and Yellow Highlight** indicates new information added.

	Applications/Inquiries	Comments	Application Submitted?	Change since last report?
		<p>City Council considered and approved the Planning Commission's recommendation to approve the project, and approved submission of an annexation application to LAFCo. Subsequently, various community groups expressed concern about the project and requested additional zoning restrictions be applied. The City Council may consider recommendations for additional restrictions at its November 19, 2017 meeting.</p> <p><b>LAFCo Staff met with City of Livermore and their consultants to talk about next steps on the annexation process on February 8, 2018. No specific time was shared on when a completed application would be in front of the LAFCo Commission.</b></p>		
10.	Alameda County Water District, East Bay Municipal Utilities District boundary issues	Hayward staff met with LAFCo staff on 10/8/2014 to discuss overlapping boundary issues identified by Hayward in two separate areas regarding the provision of water services within city limits. LAFCo staff contacted ACWD & learned that ACWD & Hayward are currently in discussions regarding groundwater management in one of the overlapping areas. ACWD requested that LAFCo allow the District and Hayward to continue working on the issues before involving LAFCo. LAFCo received a copy of a letter sent by ACWD to the Weber property developer summarizing steps needed to be taken for Hayward to provide water to the property. Staff met with ACWD staff on June 3, 2016 regarding the District's request to the State Department of Water Resources (DWR) to modify the Niles Cones Basin boundary. The city of Hayward submitted a letter to DWR opposing the District's request. At the District's request, LAFCo staff provided information to the District on June 6, 2016 about actions taken by LAFCo regarding ACWD. On June 27, 2016, at the city's request, LAFCo staff provided similar information about actions taken by LAFCo regarding Hayward.	No	No
11.	City of Livermore – future annexations	Other potential Livermore annexation applications include an unincorporated island known as the Gandolfo property, an out-of-area service agreement to extend sewer services to the proposed Beyer ranch development, and a parcel on East Vallecitos. For the East Vallecitos property, staff met with the property owners on July 13, 2017. Livermore staff are aware of the property owner's request and last reported that the city was going to schedule a meeting with the property owner to discuss an application.	No	No
12.	Castle Homes County Service Area (CSA) - annexation	Staff met with County staff on September 24, 2012 and attended a community meeting on October 17, 2012 to discuss annexation options for property owners that live on two streets adjacent to the existing CSA boundaries. On February 17, 2016, staff met with County staff regarding renewed interest in the annexation of Picea and Amyx Courts located in the unincorporated Castle Homes area.	No	No
13.	Annexation of Castro Valley Canyonlands into Castro Valley	<ul style="list-style-type: none"> <li>• Pre-application meeting held October 2007.</li> <li>• On 9/9/2009, the Castro Valley Sanitary District (CVSD) Board adopted environmental documents for this project and a resolution of application to LAFCo.</li> </ul>	Yes	No

	Applications/Inquiries	Comments	Application Submitted?	Change since last report?
	Sanitary District	<ul style="list-style-type: none"> <li>• The County Community Development Agency (CDA) worked with CVSD to determine exact boundaries and complete application.</li> <li>• LAFCo staff participated in site visit of potential annexation area on 8/30/2012.</li> <li>• The Board of Supervisors approved a resolution of application on 1/6/2015</li> <li>• The CVSD Board of Directors approved a resolution in support of the County’s application on 1/6/2015.</li> <li>• Alameda County submitted an annexation application on 1/23/2015</li> <li>• LAFCo issued a certificate of filing on 2/11/2015.</li> <li>• The proposal was heard and approved with conditions on 3/12/2015.</li> <li>• Subsequently, CVSan submitted a reconsideration request.</li> <li>• At the 5/14/ 2015 meeting, LAFCo approved in part and denied in part CVSan’s reconsideration request.</li> <li>• LAFCo protest hearing held on 6/25/2015 at the Castro Valley Library.</li> <li>• At the 7/9/2015, meeting LAFCo received results of protest hearing and ordered the annexation.</li> <li>• In March 2016, LAFCo received evidence that a property tax exchange agreement has been reached.</li> <li>• LAFCo received the County’s payment for the remaining application processing costs on July 6, 2016 and staff will record the certificate of completion as soon as possible.</li> <li>• On June 24, 2016, LAFCo sent an invoice to CVSan for the costs associated with processing the District’s request for reconsideration above the \$1,250 initial application fee. The amount invoiced was \$\$5,676.80. In a letter to LAFCo dated August 1, 2016, CVSan states that it does not agree to pay the invoiced costs. Staff discussed the matter with District staff and will follow up with a letter responding to the District’s position.</li> <li>• On September 27, 2017, LAFCo staff facilitated a meeting with CV San and County staff to resolve a few remaining issues regarding tax rate areas. As a result of this meeting, the County, as applicant, may submit a revised map and list of APNs that includes minor clerical corrections. Upon receipt of any such materials, LAFCo will file a revised Certificate of Completion.</li> <li>• Staff are scheduled to meet with CVSan and County staff on January 9, 2018 to further discuss remaining boundary issues. This meeting occurred and a plan for final “clean-up” of maps was agreed to by County and CVSan. Scheduled to check-in by end of March 2018.</li> </ul>		



	Applications/Inquiries	Comments	Application Submitted?	Change since last report?
14.	Zone 7 Water Agency	<p>The Zone 7 Water Agency was created by special legislation and is a semi-independent agency with its own independently elected Board of Directors. The agency is also considered a zone of the Alameda County Flood Control and Water Conservation District which has the Alameda County Board of Supervisors as its governing body. Zone 7 has been pursuing full independent status for many years and has taken various steps towards this including seeking special legislation. LAFCo received a status update from Zone 7 dated June 18, 2013 regarding its application to LAFCo. On October 14, 2013, LAFCo received draft documents related to principles of understanding. On December 18, 2013 Zone 7 sent notice to LAFCo that the Contra Costa County Board of Supervisors unanimously accepted the principles of agreement between Zone 7 and the Contra Costa County Flood Control and Water Conservation District at their December 10, 2013 meeting and that Zone 7 is working on completing a Memorandum of Understanding with the County of Alameda's Flood Control and Water Conservation District. On October 21, 2015, Zone 7 sent another update to LAFCo which is attached to this report.</p>	No	No
15.	City of Livermore Doolan Canyon Sphere of Influence Amendment	<p>Pre-application meeting held on August 12, 2011. Received application request on September 9, 2011. Sent Livermore status update requesting additional information on October 14, 2011. Joint Livermore, Dublin, Alameda County, LAFCo meeting to discussion application held on October 20, 2011. LAFCo met with DSRSD General Manager on October 31, 2011. Study session was held at the November 10, 2011 LAFCo meeting. Dublin, Livermore, and LAFCo staff met on November 14, 2011 to discuss plan for future meetings. The cities agreed to wait until early 2012 to begin discussions in order to accommodate changes in city elected officials and staff. On November 8, 2012, staff responded to questions from Economic &amp; Planning Systems, a consulting firm hired by both Livermore and Dublin to complete a market-type study of the development and conservation potential of the Doolan Canyon area. The consultants anticipate completing the study by early 2013. City of Dublin staff submitted an update on the consultant study on December 11, 2012. On November 5, 2013, in response to LAFCo staff's inquiry, the Dublin City Manager indicated that the consultant study is not completed yet and the two cities continue to work on issues regarding development in the area before the study can be completed. No study deadline was provided, and no other action has taken place. On June 3, 2014, the city of Dublin adopted an ordinance establishing an urban growth boundary to "protect the open spaces and agriculture of Doolan and Collier Canyons and the Dublin Western Extended Planning Area from harmful development." The competing initiative known as the "Let Dublin Decide Initiative of 2014" failed at the November 4, 2014 election.</p>	Yes	No

	<b>Applications/Inquiries</b>	<b>Comments</b>	<b>Application Submitted?</b>	<b>Change since last report?</b>
16.	Livermore Area Recreation & Park District annexation of territory within LARPD's SOI	On January 21, 2016, LAFCo staff and legal counsel met with LARPD staff and legal counsel to review the annexation process regarding the portion of territory in northeastern Alameda County that is currently within the district's SOI. Another alternative to consider is removing that territory from the district's SOI.	No	No
17.	City of Pleasanton & Livermore Area Recreation and Park District overlapping service areas	An issue has been identified regarding a number of parcels annexed by Pleasanton in the 1980s that remain within the boundary of LARPD creating potential overlapping service areas. LAFCo met with Pleasanton and LARPD to determine next steps on March 12, 2013. On June 6, 2014, LAFCo staff communicated with LARPD staff and on July 1, 2014 with city of Pleasanton staff regarding this issue and offered to facilitate another meeting to discuss next steps.	No	No
18.	Panoramic Hill Inquiry	<p>The Panoramic Hill area is bisected by the Oakland-Berkeley city boundary. In 2006, Alameda LAFCo removed Panoramic Hill territory from Oakland's SOI and placed it into Berkeley's SOI so that all of the Panoramic Hill area is within Berkeley's SOI as an indication that Berkeley is the more logical service provider. Neither Berkeley nor Oakland has initiated a boundary change and in 2012 Berkeley indicated it did not intend to seek a boundary change.</p> <p>Attached is correspondence dated 8/3/2015 from property owner Bashir Anastas requesting that Alameda LAFCo follow up with Berkeley and Oakland to resolve the issue. Staff requested additional information from the property owner to determine whether his property is contiguous to Berkeley so that he could petition to detach from Oakland and annex into Berkeley. His property is not contiguous, so staff informed him that he could not initiate the special reorganization. Staff further explained that LAFCo had taken the action it could to modify the SOIs of Berkeley and Oakland and that the commission could consider additional follow up during the cities' municipal service review.</p> <p>Attached is email correspondence dated 10/5/2017 from property owner Bashir Anastas requesting that Alameda LAFCo either initiate reorganization of the Panoramic Hill area or approach the state legislature to obtain authority to initiate such action. Staff will provide a response to Mr. Anastas' comment as part of the Cities MSR response to public comments.</p>	No	No
19.	Contra Costa County & Alameda County boundary adjustment – annexation into the City of Oakland	For many years, LAFCo staff has met with property owners whose properties straddle the Contra Costa and Alameda Counties border. The owners want to develop their property but Contra Costa County will not allow it because it is outside that county's urban growth boundary. Additionally, the most logical municipal service provider would be the City of Oakland which cannot extend its services across county bounds.	No	No

	Applications/Inquiries	Comments	Application Submitted?	Change since last report?
		This project would require a county boundary adjustment to occur prior to consideration of an annexation proposal into the City of Oakland. The most recent meeting regarding this was March 6, 2013.		
20.	Pleasanton – Livermore SOI issue (Pleasanton Gravel Company)	Property owner (Pleasanton Gravel Co.) has inquired with LAFCo, Livermore, and Pleasanton regarding one parcel in unincorporated territory that is in Livermore’s SOI. Property owner wants parcel moved to Pleasanton’s SOI. Property owners’ lawyers have submitted a public records request for a variety of information, including public noticing, city/county agreements, and resolutions associated with moving the subject parcel from Pleasanton to Livermore SOI. LAFCo staff determined that the subject parcel changed SOIs in 1988 and, in conjunction with legal counsel, provided this information to the Pleasanton Gravel representatives. They have requested to be notified about any public process and/or meetings related to the SOI update/MSR process. On July 12 & 26, 2012, the property owner provided LAFCo staff with documents regarding the placement of his property into Livermore’s SOI. On December 15, 2017, the property owner’s attorney sent a letter to LAFCo stating that the property owner no longer wants this SOI change to be considered (see attached letter). As part of the Cities Municipal Services Review and SOI Update project, staff and the project consultant initially recommended that the Commission consider an overlapping SOI for this parcel. Based on the property owner’s request and objections from Pleasanton and Livermore, this recommendation has been removed. All parties agreed to a non-overlapping sphere which the Commission adopted in their MSR adoption on January 11, 2018.	No	No

**Alameda LAFCo Project Update**

February 28, 2018

	Projects	Comments	Change since last report?
1.	Cities municipal services review	<p>On June 1 and June 9, LAFCo sent requests for information to each city. To date, LAFCo has communicated with all 14 cities about the requested materials. Responses have been received from nine cities. Staff and the project consultant met with city of Oakland staff on August 29<sup>th</sup>. Staff continues to follow up with the cities who have not yet submitted requested information or who have submitted incomplete responses. On March 22, 2017, staff distributed a 2<sup>nd</sup> request for information to each city. All cities have submitted responses and the project consultant is completing administrative draft reports for each city.</p> <p>Notice of the public review draft of the Cities Municipal Services Review was distributed to all subject agencies, LAFCo member agencies and interested parties on September 22, 2017. The deadline for comments was October 20, 2017. On October 5, 2017, LAFCo sent a reminder notice regarding the upcoming deadline. Twelve comments were submitted. The project consultant and staff met on October 23<sup>rd</sup> to review and discuss all comments, including comments received at LAFCo's September 21 meeting, and prepare responses as needed.</p> <p>At the January 11, 2018 LAFCo meeting, the Commission will consider accepting the Cities MSR report and updating the 14 cities SOIs, along with adopting MSR and SOI determinations.</p> <p>Commission adopted the MSR at the January 11, 2018 meeting and continued the City of Pleasanton SOI Option Review.</p>	No
2.	<b>Water, wastewater, flood control and storm water services MSR</b>	<p>On 12/22/2017, staff distributed a request for proposals (RFP) to approximately 80 firms and posted the RFP on the LAFCo and CALAFCo websites. Proposals are due to LAFCo by 2/2/2018. Staff will redistribute the RFP as a reminder the week of 1/8/2018. At the 1/11/2018 LAFCo meeting, the Commission will consider establishing a selection committee to review proposals, conduct interviews as needed, and make a recommendation to the full Commission at the 3/8/2018 regular LAFCo meeting.</p> <p>Two bids were received by the February 2<sup>nd</sup> deadline. Those bids have been distributed to the selection committee members. A bid review and proposer interview meeting was held on March 28, 2018.</p> <p><b>The Selection Committee submitted a recommendation which the Commission will consider at their May 10, 2018 meeting.</b></p>	<b>Yes</b>
3.	<b>Strategic Plan Update</b>	<p>At the January 11, 2018 LAFCo meeting, the Commission will consider adopting a 2018-2020 Strategic Plan, along with a revised mission statement.</p> <p><b>LAFCo Commission adopted the 2018-2020 Strategic Plan, along with a revised mission statement at the January 11, 2018 LAFCo meeting.</b></p>	<b>Yes</b>

**Bold and Yellow Highlight** indicates new information added.

	Projects	Comments	Change since last report?
		<b>Commission requested a standing agenda item for progress updates on the Plans seven goals and related objectives.</b>	
4.	<b>Public Member regular seat recruitment process</b>	<p>Notice of the public member vacancy was distributed widely and posted on the LAFCo website on 12/27/2017. A press release was also distributed and the notice was published in newspapers 12/29/17 &amp; 1/4/18. The deadline for applications is 2/2/2018. Staff will redistribute the notice the week of 1/8/2018.</p> <p>On the deadline of 2/2/2018 there were 8 applicants received. Staff sent copies of the applicants to the Ad-Hoc Committee. The Ad-Hoc Committee is still working through the process.</p> <p><b>The Ad-Hoc Committee interviewed two candidates and has provided a recommendation to the full Commission which will consider it at their May 10, 2018 meeting.</b></p>	<b>Yes</b>
5.	<b>Remen Tract Study</b>	<p>On July 2017, Alameda LAFCo retroactively approved the extension of services into the Remen Tract with the following conditions:</p> <p>a) Pleasanton and Alameda County shall complete a comprehensive study of the Remen Tract properties including a plan to provide services that outlines the current nature and extent of municipal services and related infrastructure as they are provided by Pleasanton, Alameda County, and other agencies, and analyzes proposed changes in services and/or service levels that would be required by Pleasanton upon annexation, including a financial feasibility component that identifies financing options, and provide a copy of the completed study to LAFCo.</p> <p>b) Pleasanton and Alameda County shall identify and adopt guiding principles regarding property development standards, and planning and zoning requirements that reflect the conclusions of the study and ensure that development is consistent with the SOI's goal to promote the orderly, logical, and efficient delivery of services in the Remen Tract, and provide a copy of the principles to LAFCo.</p> <p>LAFCo staff met with Pleasanton and County staff on September 28, 2017 to discuss the RFP process and requirements.</p> <p>LAFCo Interim Executive Officer had a conversation with the City Manager from Pleasanton on 2/27/2018 to set up a meeting in the next few weeks to reengage in conversation about this matter.</p> <p><b>A meeting was held in Pleasanton on March 26, 2018. Pleasanton is drafting infrastructure parameters. LAFCo staff will compile notes and records regarding area. Another conversation will be scheduled in the near future.</b></p>	<b>Yes</b>
6.	Electronic document management system	At the January 14, 2016 regular meeting, the Commission approved an amendment to the County memorandum of understanding (MOU) to incorporate implementation of the EDM system including specific performance standards regarding electronic document systems. On February 8, 2016, staff sent the amendment to Alameda County for approval. The amended MOU was approved by the County	No

	Projects	Comments	Change since last report?
		Board of Supervisors on May 24, 2016. Staff met with the County Information Technology Department (ITD) staff to initiate project on June 15, 2016. The LAFCo Clerk now has a scanning device installed. The Clerk and Executive Officer have the required software installed and County ITD staff have provided initial training. Beginning in August 2017, the LAFCo Clerk started working with an intern in the County Administrator's Office to scan documents.	
7.	City Ventures inquired about the LAFCo Timeline and we are set to meet on March 7, 2018 to discuss the steps for their undeveloped property to be annexed into Oro Loma Sanitation District.	In discussions with City Ventures it appears that Oro Loma Sanitation District is agreeable to the proposed annexation of their property into their District.	No

List of Completed/Resolved Applications/Inquiries/Projects during FY 2017-2018

	<b>Applications/Inquiries/Projects</b>	<b>Comments</b>
1.	City of Pleasanton Retroactive Approval of Water & Sewer Service Extensions to unincorporated Remen Tract area – various properties	Commission decided to pay for study of Remen Tract infrastructure up front and Pleasanton is to pay LAFCo back as undeveloped Remen Tract properties develop. LAFCo staff met with Pleasanton and County staff on September 28, 2017 to discuss the RFP process and requirements.
2.	Hayward OASA: APN 85A-6100-5-3 (Parham)	
3.	Eden Township Healthcare District SOI amendment	
4.		
5.		

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**TO:** Alameda Commissioners  
**FROM:** Rachel Jones, Executive Officer  
**SUBJECT:** **Progress Report on Strategic Plan 2018-2020**

The Commission will receive a report on progress made to date to accomplish the goals and objectives set forth in the 2018-2020 Strategic Plan. The report is being presented to the Commission to formally accept and file as well as provide additional direction to staff with respect to achieving agency goals going forward.

### Discussion

Alameda LAFCO's current strategic plan was adopted following a planning session on September 22, 2017. The strategic plan is anchored by seven key priorities that collectively orient the Commission to proactively fulfill its duties and responsibilities under the Cortese-Knox-Hertzberg Act of 2001 in a manner responsive to local conditions and needs. These goals and their attendant objectives, which premise individual implementation strategies, are summarized below.

1. Island Annexations
2. Water Supply, Availability and Alternative Options
3. Accommodate Population Growth while Maintaining Quality of Life
4. Agriculture and Open Space Preservation and Urban Growth Boundaries
5. Climate Change Adaptation
6. LAFCO Independence and Other Operational Improvements
7. Comprehensive Study of Unincorporated Areas Focusing on Disadvantaged Unincorporated Communities (DUCs)

A summary of notable action steps in implementing objectives initiated to date:

### Island Annexations | Review Existing Island Annexation Policies and Identify Potential Changes

- The Community Development Agency of Alameda County is currently creating a geographical boundary layer in its Geographical Information System (GIS) for all jurisdictional boundaries and sphere of influences under LAFCO. This will aid LAFCO in identifying boundary irregularities and serve as a resource to the public and local agencies.
- Staff has met and will continue to meet with city managers, planners and general managers to streamline the application process to encourage annexations of unincorporated islands.

### **Accommodate Population Growth | Participate in the California Association of Local Agency Formation Commissions (CALAFCO)**

- Staff currently serves as an alternate member on CALAFCO's Legislative Committee and continues to meet biannually with Bay Area LAFCOs to collaborate on legislation impacting LAFCOs or on special projects for possible shared services and or best practices.

### **Climate Change Adaptation | Work with Stakeholders to Identify Impacts**

- QK Associates is the firm selected to conduct the Countywide Municipal Service Review (MSR) on water, wastewater, flood control and stormwater services. Staff has emphasized in its discussions with the consultant the need to analyze future environmental impacts and strains on infrastructure due to climate change as well as examine alternative approaches and shared facilities for the resourceful delivery of services. The MSR is currently underway and all affected agencies have been notified for information and data requests.

### **LAFCO Independence and Operational Improvements | Conduct Operational Study**

- The Commission extended Berkson & Associates' contract for LAFCO's Operational Study in order to provide a recommendation on the best-suited model for Alameda LAFCO and develop a cost-benefit analysis.
- Staff has selected Harshwal & Company as the accounting firm to prepare the Commission's FY 2017-2018 audit. This would be LAFCO's first standalone audit in over ten years and would aid the agency in making accurate operational corrections.

### **LAFCO Independence and Operational Improvements | Website Update**

- LAFCO's new website has launched with the County's Information Technology Department and staff is continuing to make improvements on the site to foster better transparency and greater accessibility to the public and local agencies.

### **Comprehensive Study of Unincorporated Areas | Special Study**

- Staff has prepared a proposed study schedule calendaring municipal service reviews and sphere of influence updates for the 2019-2024 five-year cycle and includes a special study of disadvantaged unincorporated communities.
- Staff is currently utilizing CALAFCO's Disadvantaged Unincorporated Communities (DUCs) Map to identify any potential DUCs within the County.

Staff will continue to work with the Commission to address Strategic Plan priorities and develop a work plan that encompasses LAFCO's objectives.

### **Alternatives for Action**

The following alternatives are available to the Commission:

Alternative One (Recommended):

Accept the report as presented with any further direction to staff as specified.

Alternative Two:

Continue consideration of the report to a future meeting and provide direction for more information as needed.

### **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

Respectfully,

A handwritten signature in blue ink, appearing to read "Rachel Jones", with a long horizontal flourish extending to the right.

Rachel Jones  
Executive Officer

Attachments:

1. 2018-2022 Alameda LAFCO Strategic Plan

### Alameda LAFCo 2018-2020 Strategic Plan

**1. Island Annexations** - There are two types of islands: unincorporated islands and unserved islands. Unincorporated islands are pockets of County territory that are surrounded by or adjacent to cities. The residents in these islands typically receive their services from the County. If these island areas meet certain criteria identified in Government Code Section 56375.3, they may qualify for expedited annexation processing procedures. There may be other unincorporated areas within the County that do not meet that criteria but warrant additional study. The boundaries of special districts may include pockets of unserved territory that can be referred to as unserved islands. These types of islands do not qualify for an expedited annexation process. The development and adoption of local policies to incentivize all types of island annexations may lead to more efficient service provision.

Objectives	Key Action Steps	Timeframe
<p>A. Eliminate islands by encouraging municipal annexation of unincorporated islands and district annexation of unserved islands.</p>	<ol style="list-style-type: none"> <li>1. Review existing island annexation policies and identify potential changes.</li> <li>2. Present draft policy recommendations to the Policy and Budget Committee.</li> <li>3. Present draft Policy and Budget Committee recommendations to the full Commission for consideration.</li> <li>4. Identify and update list of island areas and map the islands based on revised island annexation policies.</li> <li>5. Communicate directly with affected agencies to inform them of revised policies and encourage each agency to identify steps needed to annex the islands within their jurisdictional boundaries and provide that information to LAFCo.</li> </ol>	<p>2019</p>
<p>B. Serve as a resource to the public and to local agencies to support orderly growth and logical, sustainable service provision.</p>	<ol style="list-style-type: none"> <li>1. Disseminate revised island annexation policies to all member agencies and key stakeholders, and post updated policies on Alameda LAFCo website.</li> <li>2. Work with affected local agencies and communities to address identified barriers and facilitate community meetings to annexation.</li> </ol>	<p>2019</p>

## Alameda LAFCo 2018-2020 Strategic Plan

<p><b>2. Water Supply and Availability Including Recycled Water</b> - Water supply and availability is a perennially critical issue throughout California. LAFCo considers the availability of water supplies as one of the 16 factors analyzed as part of reorganization proposals (e.g., annexations). Additionally, LAFCo conducts municipal services reviews which include the study of water supply and availability across the County including recycled water. Alameda LAFCo seeks to promote sustainable, adequate and reliable water sources to support existing and future development, as well as agricultural land uses.</p>		
Objective	Key Action Steps	Timeframe
<p>A. Promote the sustainability of adequate and reliable water supplies, including the use of recycled water, to support existing and future development and agricultural land uses.</p>	<ol style="list-style-type: none"> <li>1. Develop policies and standards to address the sustainability of adequate and reliable water supplies, including the use of recycled water.</li> <li>2. Incorporate standards into municipal services reviews (MSRs) and sphere of influence (SOI) updates.</li> <li>3. Complete MSR of water, waste water, flood control, and storm water services in Alameda County and update SOIs as necessary.</li> <li>4. As appropriate, identify terms and conditions to apply as part of the SOI update process to promote adequate and reliable water supplies including the use of recycled water.</li> <li>5. Follow up as needed with local agencies where terms and conditions have been imposed to monitor agency progress.</li> <li>6. Convene local agencies, regulatory agencies (e.g., the State Regional Water Quality Control Board), the Dublin San Ramon Services District – East Bay Municipal Utility District Recycled Water Authority (DERWA), and other relevant stakeholders to facilitate conversations about regional water and wastewater coordination opportunities.</li> </ol>	<p>2018</p>

## Alameda LAFCo 2018-2020 Strategic Plan

<p><b>3. Accommodate Population Growth While Maintaining Quality of Life</b> - The State Legislature granted LAFCOs the authority to regulate boundaries and establish spheres of influence (SOIs) for cities and special districts that provide municipal services. SOIs are LAFCo-adopted planning areas that show where a local agency's physical boundary and service area should be. In conjunction with the update of SOIs, LAFCo conducts municipal services reviews (MSRs). A MSR evaluates the capability of an agency to serve its existing residents and future development within its SOI and must include specific written determinations including, but not limited to, the level and adequacy of services, financial ability of agencies to provide services, and accountability of local governmental agencies. Through these mechanisms, LAFCo assumes both planning and regulatory roles in accommodating population growth and maintaining the quality of life for Alameda County residents.</p>		
Objectives	Key Action Steps	Timeframe
A. Encourage orderly growth and development through the logical and efficient provision of municipal services by local agencies best suited to feasibly provide necessary governmental services and housing for persons and families of all incomes.	<ol style="list-style-type: none"> <li>1. Implement LAFCo's regulatory functions by processing governmental service reorganization proposals and out-of-area service agreement applications.</li> <li>2. Implement LAFCo's planning functions by periodically updating the SOIs of local governmental agencies and conducting MSRs.</li> <li>3. Update LAFCo's policies and procedures to improve usability and reflect local conditions and circumstances.</li> <li>4. Serve as a resource to the public and to local agencies to support orderly growth and logical, sustainable service provision.</li> <li>5. Participate in regional planning efforts including the update of Plan Bay Area.</li> </ol>	2018, 2019, 2020
B. Be proactive and act as a catalyst for change as a way to contribute to making Alameda County a great place to live and work.	<ol style="list-style-type: none"> <li>1. Maintain relationships with member agencies and other identified stakeholders to stay abreast of major service issues and proposed changes of organization (e.g., California Special Districts Association, Mayors' Conference, local agency planning staff, other boards and councils).</li> <li>2. Communicate Alameda LAFCo's mission and goals to the community.</li> <li>3. Identify strategies to achieve shared objectives.</li> <li>4. Participate in the California Association of Local Agency Formation Commissions (CALAFCO) statewide efforts to enhance and clarify LAFCo authority and powers to perform its state-mandated responsibilities.</li> </ol>	2018, 2019, 2020
C. Strengthen local agency oversight.	<ol style="list-style-type: none"> <li>1. Identify and adopt accountability and transparency standards for local agencies including Alameda LAFCo (e.g. Special District Leadership Foundation).</li> <li>2. Identify and adopt financial stress test standards for local agencies (e.g., League of Cities Municipal Financial Health Diagnostic Tool).</li> <li>3. Incorporate standards into MSR and SOI update processes.</li> <li>4. As appropriate, identify terms and conditions to apply as part of the SOI update process to strengthen local agency accountability and transparency, and financial ability to provide services.</li> <li>5. Follow up as needed with local agencies where terms and conditions have been imposed to monitor agency progress.</li> </ol>	2018

## Alameda LAFCo 2018-2020 Strategic Plan

<p><b>4. Agriculture and Open Space Preservation and Urban Growth Boundaries</b> - The State Legislature specifies LAFCOs' purposes to be, among others, "discouraging urban sprawl, [and] preserving open space and prime agricultural lands...based upon local conditions and circumstances." Voter-approved urban growth boundaries have been adopted by Alameda County, as well as the cities of Dublin, Livermore, and Pleasanton. LAFCo has decided to strengthen its policies in relation to preserving agriculture and open space. Additionally, LAFCo will determine the need to adopt policies regarding the application of voter-approved urban growth boundaries to matters before it.</p>		
Key Objectives	Key Action Steps	Timeframe
A. Support the viability of agriculture in Alameda County	<ol style="list-style-type: none"> <li>1. Review existing agricultural, in-fill, out-of-area service agreement, and sphere of influence policies.</li> <li>2. Work with stakeholders to identify issues under LAFCo jurisdiction related to the economic viability of agriculture.</li> <li>3. Establish set of standards and revised policies based on best practices and local conditions.</li> <li>4. Disseminate information to key stakeholders and post updates on Alameda LAFCo website.</li> <li>5. Utilize policies to impose conditions on reorganization proposals, sphere of influence updates, and out-of-area service agreement applications to support the viability of agricultural land uses.</li> </ol>	2019
B. Mitigate for loss of agricultural and open space lands.	<ol style="list-style-type: none"> <li>1. Establish a set of standards and policies based on best practices and local conditions.</li> <li>2. Present recommendations to Policy and Budget Committee.</li> <li>3. Present Policy and Budget Committee recommendations to full Commission.</li> <li>4. Disseminate information to key stakeholders and post updates on Alameda LAFCo website.</li> <li>5. Utilize policies to impose conditions on reorganization proposals, sphere of influence updates, and out-of-area service agreement applications to support the viability of agricultural land uses.</li> </ol>	2020
C. Determine the need for local policies regarding the application of adopted urban growth boundaries to LAFCo decision making.	<ol style="list-style-type: none"> <li>1. Collect and review information and maps regarding all adopted urban growth boundaries in Alameda County, as well as best practices from other LAFCos.</li> <li>2. Present information to Policy and Budget Committee to discuss whether a local policy regarding urban growth boundaries is warranted.</li> <li>3. Based on Policy and Budget Committee recommendation, determine need to develop draft policies and present to full Commission for consideration.</li> </ol>	2020

**Alameda LAFCo 2018-2020 Strategic Plan**

<p><b>5. Climate Change Adaptation -</b> Current and future climate change impacts are of concern in Alameda County. Such impacts may include rising sea levels, flooding, wildfire, extreme heat episodes and drought. An increase in the frequency and severity of extreme events related to these impacts is expected. LAFCo will determine the need for policies regarding climate change adaptation and local agencies' plans to prepare for these challenges.</p>		
Key Objectives	Key Action Steps	Timeframe
<p><b>A.</b> Promote the recognition of climate change adaptation needs.</p>	<ol style="list-style-type: none"> <li>1. Work with stakeholders to identify the impacts of climate change that local agencies and communities face now and into the future (e.g. infrastructure subject to the effects of climate change, increased fire risks at the wildland-urban interface).</li> <li>2. Facilitate climate adaptation information sharing among local agencies and discussions around long-term needs for adaptation in land use plans, capital infrastructure plans, master plans and other relevant documents.</li> <li>3. Document County-wide climate change adaptation needs and plans to maximize resources and benefits.</li> </ol>	2020
<p><b>B.</b> Determine the need for local policies regarding climate change adaptation.</p>	<ol style="list-style-type: none"> <li>1. Review documentation regarding local circumstances and conditions affecting climate change adaptation.</li> <li>2. Present information to Policy and Budget Committee and discuss whether local policies regarding climate change adaptation are warranted.</li> <li>3. Based on Policy and Budget Committee recommendation, develop draft policies and present to full Commission for consideration.</li> </ol>	2020



**Alameda LAFCo 2018-2020 Strategic Plan**

**6. LAFCo Independence and Other Operational Improvements** - The State Legislature recognized LAFCo's independence as vital to ensuring that LAFCo decisions are credible to the public when it enacted changes as part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). Among other provisions, CKH authorizes LAFCos to adopt written policies and procedures, incur expenses to accomplish its functions, and to employ staff or contract for professional services to carry out the functions of the Commission. CKH further specifies that LAFCo shall appoint its executive officer and legal counsel. Alameda LAFCo currently obtains its staffing and other services via memorandum of understanding with Alameda County. It has been over 15 years since the CKH was enacted. A study of the costs and benefits of various operational models is warranted.

Key Objectives	Key Action Steps	Timeframe
A. Improve efficiency and effectiveness of Commission operations.	<ol style="list-style-type: none"> <li>1. Complete a study of various operational options ranging from status quo to full independence that includes general implementation timelines, range of costs, and other implementation factors.</li> <li>2. Present study results to Policy and Budget Committee.</li> <li>3. Present Policy and Budget Committee recommendations to full Commission.</li> <li>4. Implement recommendations adopted by Commission.</li> </ol>	2018
B. Update the Alameda LAFCo website to be more functional for members of the public and local agencies.	<ol style="list-style-type: none"> <li>1. Conduct request-for-proposal process to obtain website design services.</li> <li>2. Present proposed changes to Commission for review and comment.</li> <li>3. Implement update.</li> <li>4. Maintain website with updated information as needed.</li> </ol>	2018

## Alameda LAFCo 2018-2020 Strategic Plan

**7. Comprehensive Study of Unincorporated Areas Focusing on Disadvantaged Unincorporated Communities** - Alameda County has 14 municipalities and six developed unincorporated communities. Beginning in 2012, state law was enacted requiring LAFCOs, cities, and counties to plan for municipal service delivery to disadvantaged unincorporated communities (DUCs). A DUC is defined as an area of inhabited territory located within an unincorporated area of a County in which the annual median household income is less than 80 percent of the statewide median household income. The law requires LAFCo to identify and make specified determinations about DUCs. LAFCo does not establish spheres of influence for unincorporated communities, but Alameda LAFCo has determined the need for a more in-depth look at the municipal services provided in the six developed unincorporated communities with a focus on DUCs.

Key Objective	Key Action Steps	Timeframe
<p>A. Conduct a service review of the unincorporated areas of Alameda County focusing on disadvantaged unincorporated communities.</p>	<ol style="list-style-type: none"> <li>1. Engage stakeholders to identify the most pressing local conditions and circumstances that influence the provision of municipal services in the unincorporated areas of Alameda County.</li> <li>2. Consider the need to develop policies and standards regarding DUCs.</li> <li>3. Develop and implement special study of the unincorporated areas including any identified DUCs.</li> <li>4. As appropriate, identify terms and conditions to apply as part of the SOI update process to improve the provision of municipal services within DUCs.</li> <li>5. Follow up as needed with local agencies where terms and conditions have been imposed to monitor agency progress.</li> <li>6. Disseminate results of study to key stakeholders and post updates on Alameda LAFCo website.</li> </ol>	<p>2019</p>

**TO:** Alameda Commissioners  
**FROM:** Rachel Jones, Executive Officer  
**SUBJECT:** **Legislative Report | End of the Year Report on 2018**

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The Commission will receive a 2018 Legislative Summary Report from the State Legislature's Senate Governance and Finance Committee that identifies significant bills impacting LAFCOs and local agencies under LAFCO authority. The report is being presented to the Commission for information only.

### Information

The item is for Alameda LAFCO to receive a summary of bills and related matters of interests generated at the end of the Legislature 2018-2019 session. It also highlights potential items to consider in the next legislative year. Staff has been appointed as the coastal region alternate to the CALAFCO Legislative Committee. Its next meeting will be held on Friday, January 25<sup>th</sup> in San Diego.

### Attachments:

1. Senate Government Finance Committee Legislative Summary of 2018

**Senate Committee on Governance & Finance**  
**Senator Mike McGuire, Committee Chair**  
**State Capitol, Room 408**  
**Sacramento, California 95814**  
(916) 651-4119

<http://sgf.senate.ca.gov>

TO: People Interested in Public Finance and Governance Legislation  
FROM: Senator Mike McGuire, Committee Chair  
DATE: December 4, 2018  
**SUBJECT: Summary of significant legislation heard in 2018**

Now that the legislative session has ended, I want you to know about some of the more interesting bills that the Senate Governance & Finance Committee reviewed during 2018. The following summary identifies and briefly describes the significant bills that the Committee has worked on this year. At the end of each description, the bill's status is indicated in *italics*.

If you want to read the Committee's bill analyses or get a copy of a bill listed below, please go to the Legislature's official website [leginfo.legislature.ca.gov](http://leginfo.legislature.ca.gov). You can also use that website to retrieve other bill analyses, official histories, voting records, and any veto messages.

The Senate Committee on Governance and Finance is responsible for hearing legislation pertaining to state and local government revenue mechanisms, taxes, local governance, and land use and development. The summary below groups bills by subject.

## **Excise Taxes**

[SB 829 \(Wiener\)](#) allows cannabis licensee holders to donate medicinal cannabis and medicinal cannabis products to qualified patients, and allows such donations to be exempt from the cultivation tax, the use tax, and the excise tax. *Vetoed by Governor.*

[SB 993 \(Hertzberg\)](#) enacts the Service Tax Law, which imposes an excise tax on the receipt of the benefit of a service by a business in California, and reduces the current sales and use tax rate on transfers of tangible personal property. *Died in Senate Governance and Finance Committee.*

## Income Tax Form

[SB 1363 \(Moorlach\)](#) establishes the National Alliance on Mental Illness California Voluntary Contribution Fund on the California Resident Income Tax Return. *Signed—Chapter 359, Statutes of 2018.*

[AB 2096 \(Frazier\)](#) establishes the Organ and Tissue Donor Registry Voluntary Contribution Fund on the Personal Income Tax Return. *Signed—Chapter 276, Statutes of 2018.*

[AB 2944 \(Jones-Sawyer\)](#) establishes the Schools Not Prisons Voluntary Contribution Fund on the Personal Income Tax Return. *Signed—Chapter 441, Statutes of 2018.*

## Local Agency Formation Commissions (LAFCOs) & Boundary Changes

[SB 1215 \(Hertzberg\)](#) allows Regional Water Quality Control Boards (regional boards) to order the provision of sewer service to a disadvantaged community that has inadequate onsite sewage treatment systems. *Signed—Chapter 982, Statutes of 2018.*

[AB 2050 \(Caballero\)](#) creates the Small System Water Authority Act of 2018, which authorizes the creation of a small system water authority (authority) that will have powers to absorb, improve, and competently operate noncompliant public water systems. *Vetoed by Governor.*

[AB 2238 \(Aguilar-Curry\)](#) requires LAFCOs, in the list of factors they must consider when reviewing a proposal, to additionally consider specified fire hazard information, if it is determined that such information is relevant to the area that is the subject of the proposal, and makes other minor changes to laws affecting local agencies in order to account for threats posed by fires. *Signed—Chapter 990, Statutes of 2018.*

[AB 2258 \(Caballero\)](#) establishes a grant program until July 1, 2024 for local agency formation commissions that dissolve inactive special districts or perform studies or take other actions that benefit disadvantaged communities. *Vetoed by Governor.*

[AB 2600 \(Flora\)](#) authorizes a proposal to form a new regional park and open space district to be made by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district, in lieu of the petition required under existing law. *Signed—Chapter 218, Statutes of 2018.*

## Land Use Planning & Development

[SB 827 \(Wiener\)](#)\* requires a local jurisdiction, notwithstanding any local ordinance, general plan element, specific plan, charter, or other local law, to provide an eligible applicant with a

transit-rich housing bonus if requested by the developer, as specified. *Died in the Senate Transportation & Housing Committee.*

[SB 831 \(Wieckowski\)](#) revises, recasts, and expands the law governing accessory dwelling units (ADUs) by, among other things: (1) limiting the zoning standards that local governments can apply to ADUs; (2) expanding the types of ADUs that must be approved regardless of other local requirements, such as ADUs on lots with multifamily dwellings and multiple ADUs per single family home site; and (3) allowing the Department of Housing and Community Development to review local ADU ordinances for compliance with state law. *Died in the Assembly Local Government Committee.*

[SB 1035 \(Jackson\)](#) requires climate adaptation and resiliency information contained in a general plan to be updated either upon each revision of the housing element or local hazard mitigation plan, but not less than every eight years. *Signed—Chapter 733, Statutes of 2018.*

[SB 1202 \(Stone\)](#) requires local governments that have not completed a required report on mitigation fees for three consecutive years to pay the costs of requested audits of their mitigation fee funds. *Signed—Chapter 357, Statutes of 2018.*

[SB 1260 \(Jackson\)](#) authorizes federal, state, and local agencies to engage in collaborative forestry management, creates new opportunities for public and private land managers to mitigate wildfire risks, and enhances the Department of Forestry and Fire Protection’s role in identifying wildfire hazards as local governments plan for new housing and neighborhoods. *Signed—Chapter 624, Statutes of 2018.*

[SB 1296 \(Glazer\)](#) requires local governments to submit information on developer fees to the Department of Housing and Community Development (HCD) and requires HCD to maintain and periodically update a database of developer fees. *Died in the Senate Appropriations Committee.*

[SB 1333 \(Wieckowski\)](#) applies specified provisions in the Government Code pertaining to local planning and zoning requirements to charter cities. *Signed—Chapter 856, Statutes of 2018.*

[SB 1469 \(Skinner\)](#) imposes additional restrictions on local accessory dwelling unit ordinances, by among other things: (1) further limiting the zoning standards that local governments can apply to ADUs; (2) expanding the types of ADUs that must be approved regardless of other local requirements, such as ADUs on lots with multifamily dwellings and multiple ADUs per single family home site; and (3) allowing the Department of Housing and Community Development to review local ADU ordinances for compliance with state law. *Died in the Senate Appropriations Committee.*

[AB 2162 \(Chiu\)](#) Establishes supportive housing projects of up to a specified number of units as a use by right in all zones where multi-family and mixed uses are permitted. *Signed—Chapter 753, Statutes of 2018.*

[AB 2263 \(Friedman\)](#) requires a local agency to provide for a reduction in parking requirements when a development project that is designated as a historical resource is being converted or adapted to another use. *Signed—Chapter 234, Statutes of 2018.*

[AB 2372 \(Gloria\)](#) allows a city or county to establish a procedure by ordinance to grant a developer a floor area ratio bonus in lieu of a density bonus. *Signed—Chapter 915, Statutes of 2018.*

[AB 2753 \(Friedman\)](#) requires local agencies to notify density bonus applicants of their eligibility for density bonus, concessions, and waivers when the application is deemed complete. *Signed—Chapter 921, Statutes of 2018.*

[AB 2890 \(Ting\)](#) imposes additional restrictions on local accessory dwelling unit ordinances, by among other things: (1) further limiting the zoning standards that local governments can apply to ADUs; (2) expanding the types of ADUs that must be approved regardless of other local requirements, such as ADUs on lots with multifamily dwellings and multiple ADUs per single family home site; and (3) allowing the Department of Housing and Community Development to review local ADU ordinances for compliance with state law. *Died in Senate Rules Committee.*

[AB 2911 \(Friedman\)](#) makes changes to local planning processes; provides for new building standards based on data from the 2017 fire season; provides for new vegetation management guidance, defensible space authorizations, and re-vegetation requirements in order to improve fire safety; and provides that utilities may be liable for damages for removing vegetation not within their easements. *Signed—Chapter 641, Statutes of 2018.*

[AB 2923 \(Chiu\)](#) requires, until January 1, 2029, certain cities and counties to adopt zoning standards in the San Francisco Bay Area Rapid Transit District's (BART) transit-oriented development (TOD) guidelines and establishes a streamlined approval process for certain projects on BART-owned land. *Signed—Chapter 1000, Statutes of 2018.*

[AB 2973 \(Gray\)](#) allows a local legislative body to extend, by up to 24 months, unexpired subdivision maps approved after January 1, 2006, in jurisdictions that meet specified criteria. *Signed—Chapter 830, Statutes of 2018.*

[AB 3194 \(Daly\)](#) provides that a proposed project is not inconsistent with applicable zoning standards and criteria, and shall not require a rezoning, if the proposed project is consistent with objective general plan standards and criteria but the local agency's adopted zoning for the project site is inconsistent with the general plan, and states legislative intent that the conditions that would enable a local agency to reject a housing development project due to having a specific, adverse impact upon the public health and safety, arise infrequently. *Signed—Chapter 243, Statutes of 2018.*

## Local Economic Development

[AB 1445 \(Reyes\)](#) directs a city or county to require a qualified Opportunity Zone Fund as part of any transaction for the sale or lease of property owned by that city or county to provide: (1) a timeline for completion of the investment activity on the property; (2) an estimation of the number of jobs that will be created as a result of the investment activity on the property; and (3) a summary of local workforce utilization strategies that will be employed as part of the investment activity on the property. *Signed—Chapter 380, Statutes of 2018.*

[AB 1900 \(Brough\)](#) extends the Capital Investment Incentive Program—which allows counties and cities to pay a capital investment incentive amount for 15 years to a proponent of a qualified manufacturing facility making an initial investment that exceeds \$150 million—from January 1, 2019, to January 1, 2024. *Signed—Chapter 382, Statutes of 2018.*

[AB 2853 \(Medina\)](#) requires local agencies to publicly report specified information when providing economic development subsidies of \$100,000 or more for warehouse distribution centers, including information on wages and benefits, use of independent contractors, and hiring of disadvantaged workers. *Vetoed by Governor.*

## Local Tax Authority

[SB 152 \(McGuire\)](#) authorizes Sonoma County, any of its cities, and the Sonoma County Transportation Authority to impose transactions and use taxes exempt from the 2% cap. *Signed – Chapter 728, Statutes of 2018.*

[SB 958 \(Dodd\)](#) allows the Davis Joint Unified School District to provide an exemption from its qualified special tax for school district employees and teachers. *Signed—Chapter 604, Statutes of 2018.*

[SB 1411 \(Moorlach\)](#)\* repeals the authorization for a city to impose a documentary transfer tax. *Died in the Senate Governance and Finance Committee.*

[SCA 22 \(Allen\)](#) - amends the California Constitution to allow school district voters to impose, extend, or increase a parcel tax with 55 percent voter approval, not 2/3, under specified circumstances. *Died in Senate Appropriations.*

[AB 1184 \(Ting\)](#) allows the City and County of San Francisco to impose a tax on rides either arranged by TNCs or provided by autonomous vehicles. *Signed – Chapter 644, Statutes of 2018.*

[AB 2458 \(Weber\)](#) requires tax collectors to add specified information regarding parcel tax exemptions to their websites and property tax bills; directs school districts to add similar information to its websites. *Signed – Chapter 391, Statutes of 2018.*



[AB 2920 \(Thurmond\)](#) allows the City of Berkeley to impose a transactions and use tax for general or special purposes at a rate of no more than 0.5%, exempt from the statewide 2% cap; enacts several changes to the North Lake Tahoe Transportation Authority Act. *Signed – Chapter 771, Statutes of 2018.*

[AB 2954 \(Bonta\)](#) allows a school district to apply a lower qualified special tax rate to unimproved property than improved property. *Signed—Chapter 305, Statutes of 2018.*

## **Local Powers & Governance**

[SB 914 \(Dodd\)](#) expands the types of projects for which counties may use the construction manager at-risk procurement method to include infrastructure, excluding roads, and including, but not limited to, buildings, utility improvements associated with buildings, flood control and underground utility improvements, and bridges, and allows dependent districts of counties to use the same authority. *Signed—Chapter 108, Statutes of 2018.*

[SB 929 \(McGuire\)](#) requires all independent special districts to maintain a Web site by January 1, 2020, unless the district’s governing board annually adopts a resolution determining that maintaining a website would impose a hardship on the district, supported by specified information. *Signed—Chapter 408, Statutes of 2018.*

[SB 946 \(Lara\)](#) establishes requirements for local regulation of sidewalk vendors, prohibits specified types of regulations, and prohibits criminal charges for violations of sidewalk vending ordinances. *Signed—Chapter 459, Statutes of 2018.*

[SB 1018 \(Allen\)](#) allows special districts, school districts, and community college districts to adopt redistricting commissions. *Signed—Chapter 462, Statutes of 2018.*

[SB 1049 \(Moorlach\)](#) allows local agencies to adopt bans on project labor agreements and repeals the prohibition on the use of state funds for city projects by charter cities that have adopted project labor agreement bans. *Died in the Senate Governance and Finance Committee.*

[SB 1302 \(Lara\)](#) prohibits a local government from banning delivery of cannabis within or outside of its jurisdiction. *Died on the Senate Floor.*

[SB 1303 \(Pan\)](#) replaces the coroner with an independent office of the medical examiner in counties with 500,000 or more residents or instead allows counties to retain the sheriff-coroner position and adopt a policy to refer cases where the sheriff-coroner may have a conflict to a county that has an independent medical examiner. *Vetoed by Governor.*

[SB 1415 \(McGuire\)\\*](#) requires building inspections of specified storage structures, authorizes fees to cover inspection costs, requires reporting of the backlog of mandated building inspections by local governments, and generally extends existing tenant protections and notifications to buildings which are used for human habitation, as distinct from residential buildings. *Vetoed by Governor.*

[SB 1416 \(McGuire\)](#) allows cities and counties to recover fines through nuisance abatement liens and special assessments until January 1, 2024. *Vetoed by Governor.*

[AB 448 \(Daly\)](#) creates the Orange County Housing Trust, and allows the Trust to issue bonds, certificates of participation or other debt instrument repayable from public and private financing and funds it receives. *Signed – Chapter 728, Statutes of 2018.*

[AB 939 \(Low\)](#) makes administrative and clarifying changes to recently enacted statutes governing the regulation of taxicab transportation services, including to: (1) revise and clarify the basis for determining where a taxicab company is substantially located and the process by which a taxicab company becomes substantially located in that jurisdiction; (2) require a taxicab company to collect trip data and documentation to substantiate the determination of where a taxicab company is substantially located; and (3) revise and clarify provisions of current law that allow joint powers authorities and transit agencies to regulate taxicabs. *Signed—Chapter 472, Statutes of 2018.*

[AB 1594 \(Bloom\)](#) authorizes the use of public-private partnerships for passenger rapid transit and heavy rail infrastructure and repeals 2/3rds vote requirement for Los Angeles County Metropolitan Transportation Authority to use alternative procurement methods. *Died on the Senate Floor.*

[AB 1770 \(Steinorth\)](#) deletes the requirement that the issuer of an asset-based security must be rated in a rating category of A or above to be eligible for investment of surplus local agency funds. *Signed – Chapter 271, Statutes of 2018.*

[AB 1889 \(Caballero\)](#) increases compensation for board members of the Santa Clara Valley Water District until December 31, 2023; requires vacancies on the board to be filled by electoral district; and modifies the process for identifying properties exempt from the district's parcel tax. *Signed—Chapter 251, Statutes of 2018.*

[AB 1999 \(Chau\)](#) allows local government entities to provide broadband Internet access services and establishes net neutrality requirements for local governments providing broadband Internet. *Signed—Chapter 963, Statutes of 2018.*

[AB 2019 \(Aguilar-Curry\)](#) establishes certain requirements for healthcare districts regarding housing construction, grant policies, and Web sites, including to require—rather than allowing, as under current law—a healthcare district's board to post information pertaining to a district's budget, financing, grant policies, and other specified matters. *Signed—Chapter 257, Statutes of 2018.*

[AB 2137 \(Mayes\)](#) increases, from \$25,000 to \$50,000, the maximum value of contracts which regional park and open space districts may enter into without using a formal bid process. *Signed—Chapter 278, Statutes of 2018.*

[AB 2164 \(Cooley\)](#) allows a local agency to immediately impose administrative fines or penalties for the violation of building, plumbing, electrical, or other similar structural, health and

safety, or zoning requirements if the violation relates to the illegal cultivation of cannabis, except as specified. *Signed—Chapter 316, Statutes of 2018.*

[AB 2179 \(Gipson\)](#) adds sewer service into provisions in state law that provide an alternative means for a municipal corporation to lease, sell, or transfer municipal water service. *Signed—Chapter 863, Statutes of 2018.*

[AB 2184 \(Chiu\)](#) requires any city, county, or city and county to accept a California driver's license or identification number, an individual taxpayer identification number, or a municipal identification number, instead of a social security number if the county or city otherwise requires a social security number for the issuance of a business license. *Signed—Chapter 388, Statutes of 2018.*

[AB 2249 \(Cooley\)](#) codifies the higher bid limits that the California Uniform Public Construction Cost Accounting Commission recently adopted for projects performed by force account, the bid limit for projects that may be bid for through informal procedures, and the bid limit that applies when all informal bids on a project exceed the informal bid limit specified by the Commission. *Signed—Chapter 169, Statutes of 2018.*

[AB 2329 \(Oberholte\)](#) increases the amount of compensation board members of certain special districts can receive per month and requires the board to make specified findings if it increases the number of compensated meetings above four per month. *Signed—Chapter 170, Statutes of 2018.*

[AB 2339 \(Gipson\)](#) allows the Cities of El Monte, Montebello, and Willows to sell its public water utilities within its boundaries without voter approval for purposes of consolidating with another system. *Signed—Chapter 866, Statutes of 2018.*

[AB 2485 \(Chau\)](#) prohibits local inspection officials from being accompanied by financially interested persons during inspections of commercial properties or businesses. *Signed—Chapter 263, Statutes of 2018.*

[AB 2558 \(Brough\)](#) requires voter approval for certain changes to county governance, specifically when: (1) a county board of supervisors seeks to consolidate the office of auditor, controller, treasurer, tax collector, and director of finance, and one of those offices are elected; (2) after consolidation of the offices of auditor, controller, treasurer, tax collector, and director of finance, the county board wants to separate or separate and subsequently recombine the offices; or (3) if the counties of Mendocino, Santa Cruz, Sonoma, Trinity, and Tulare seek to consolidate the offices of auditor-controller, treasurer-tax collector, and director of finance into the elected office of auditor-controller-treasurer-tax collector-director of finance. *Failed passage on the Senate Floor.*

[AB 2598 \(Quirk\)](#) increases the maximum administrative fines for violations of local building codes and safety standards. *Signed—Chapter 970, Statutes of 2018.*

[AB 2762 \(Carrillo\)](#) authorizes, until January 1, 2024, a local agency in specified counties to offer two additional categories of procurement preferences, including a disabled veteran business preference and a social enterprise preference; and increases the maximum value of a single procurement preference from 5% to 7% of the lowest responsible bid statewide. *Signed—Chapter 654, Statutes of 2018.*

[AB 3068 \(Daly\)](#) requires county boards of supervisors to obtain independent legal counsel to assist a county auditor-controller if a county counsel or district attorney would have a conflict of interest in representing the auditor-controller. *Signed—Chapter 307, Statutes of 2018.*

[AB 3131 \(Gloria\)](#) establishes requirements that must be met before a law enforcement agency may take a number of specified actions related to the acquisition and use of military equipment, as defined. *Vetoed by Governor.*

## Property Taxes

[SB 1056 \(Beall\)](#) enacts a new welfare exemption from property tax for property owned by a Community Land Trust during a specified period. *Died in Assembly Appropriations*

[SB 1091 \(Stone\)](#) allows taxpayers to transfer their base year value of property substantially damaged or destroyed by a disaster declared by the Governor within a specified period to comparable replacement property located within a different county. *Died in Senate Appropriations.*

[SB 1115 \(Hill\)](#) increases from \$10 million to \$20 million the cap on valuation for non-publicly financed housing owned and operated by a non-profit organization for purposes of the welfare exemption from property tax. *Signed – Chapter 694, Statutes of 2018.*

[SB 1130 \(Leyva\)](#) enacts the Senior Citizens Manufactured Home Property Tax Postponement Law, which creates a process for blind or disabled individuals and those over the age of 62 who own manufactured homes to file a claim with the Controller to postpone property taxes. *Signed – Chapter 896, Statutes of 2018.*

[SB 1237 \(Bates\)](#) provides that a change in ownership for property tax purposes occurs when 90% or more of the direct or indirect ownership interests in a legal entity are sold or transferred in a single transaction. *Died in Senate Governance and Finance.*

[SB 1246 \(Gaines\)](#) alters the current claim for refund process for property taxes to allow counties to order refunds without the taxpayer filing a claim if the county board of supervisors enacts an ordinance. *Signed – Chapter 358, Statutes of 2018.*

[SCA 19 \(Gaines\)](#) amends the California Constitution to allow homeowners who are honorably discharged veterans to transfer their base year for property tax purposes. *Died in Senate Appropriations.*

[ACA 12 \(Gloria\)](#) amends the California Constitution to allow parents or legal guardians of severely and permanently disabled children to transfer their base year value for property tax purposes. *Died in Senate Appropriations*

[AB 1596 \(Gloria\)](#) makes conforming changes to state law to implement ACA 12, which allows parents or legal guardians of severely and permanently disabled children to transfer their base year value for property tax purposes. *Died on Senate Floor.*

[AB 2425 \(Berman\)](#) requires taxpayers to send specified information to assessors, and directs assessors to send taxpayers information relating to their assessments. *Signed – Chapter 968, Statutes of 2018.*

[AB 2663 \(Friedman\)](#) enacts a new change in ownership exclusion for property tax purposes for transfers of property that occurred between January 1, 2000 and June 26, 2015, between domestic partners who were registered with local agencies, but not the state. *Signed – Chapter 919, Statutes of 2018.*

[AB 2746 \(E. Garcia\)](#) clarifies the redemption period in which taxpayers can redeem tax-defaulted property when the tax collector conducts the tax sale on the internet. *Signed – Chapter 284, Statutes of 2018.*

[AB 3122 \(Gallagher\)](#) clarifies deadlines for property tax payments when taxpayers apply for payment deferral when their property is damaged or destroyed in a disaster. *Signed – Chapter 149, Statutes of 2018.*

## **Redevelopment & Infrastructure Financing**

[SB 465 \(Jackson\)](#) authorizes local governments to expand their Property Assessed Clean Energy (PACE) programs to allow property owners to finance the installation of wildfire safety improvements. *Signed—Chapter 837, Statutes of 2018.*

[SB 481 \(Pan\)](#) authorizes the successor agency to the Redevelopment Agency of the County of Sacramento to dispose of a specified property previously used as the San Juan Hotel and Mobile Home Park for an amount less than fair market value. *Signed—Chapter 506, Statutes of 2018.*

[SB 961 \(Allen\)](#) enacts the Second Neighborhood Infill Finance and Transit Improvements Act (NIFTI-2), which allows certain enhanced infrastructure financing districts (EIFDs) to issue debt for affordable housing near transit without voter approval. *Signed—Chapter 559, Statutes of 2018.*

[SB 1145 \(Leyva\)](#) authorizes enhanced infrastructure financing districts to fund maintenance of public capital facilities on a pay-as-you-go basis. *Signed—Chapter 563, Statutes of 2018.*

[AB 1792 \(Frazier\)](#) allows affordable housing authorities to finance public infrastructure needed to support housing. *Died on the Senate Floor.*

[AB 2035 \(Mullin\)](#) allows housing funds generated by an authority to be used for lower-income housing, allows financing of infrastructure needed to support housing, and makes administrative and technical changes to statutes governing affordable housing authorities. *Signed—Chapter 862, Statutes of 2018.*

[AB 2578 \(Chiu\)](#) makes changes to infrastructure financing district (IFD) law to expand the types of infrastructure that IFDs may fund, creates “shoreline protection districts” within the current authority for waterfront districts, and expands the use of Education Revenue Augmentation Fund debt to finance a shoreline protection district, and makes other changes. *Died in the Senate Appropriations Committee.*

[AB 3037 \(Chiu\)\\*](#) authorizes a city or county to create a redevelopment housing and infrastructure agency subject to approval by the Department of Finance. *Died in the Assembly Appropriations Committee.*

## **Sales & Use Taxes**

[SB 1007 \(Hertzberg\)](#) exempts from the state and local sales and use tax specified building materials and supplies used by a qualified nonprofit organization to construct a facility used to care for military veterans. *Signed – Chapter 785, Statutes of 2018.*

[SB 1484 \(Hernandez\)](#) extends from January 1, 2019, to January 1, 2029, the sunset date for the state and local sales and use tax exemption for retail items sold by stores operated by nonprofit organizations assisting persons with HIV or AIDS. *Signed – Chapter 741, Statutes of 2018.*

[SCA 20 \(Glazer\)](#) amends the California Constitution to provide that the retail sale of tangible personal property transacted online is consummated at the point of delivery for the purpose of sales tax allocation. *Died in the Senate Appropriations Committee.*

[AB 2938 \(Bloom\)](#) exempts from the state and local share of the Sales and Use Tax bicycles purchased by the City of Santa Monica during a specified period. *Signed – Chapter 397, Statutes of 2018.*

## **State Bonds & Indebtedness**

[AB 2771 \(Eggman\)](#) enacts the Higher Education Facilities Bond Act of 2018, which places a \$7 billion bond before voters at the November, 2020, general election ballot. *Died on Senate Floor.*

[SB 1225 \(Glazer\)](#) enacts the Higher Education Facilities Bond Act of 2020, which places a \$4 billion bond before voters at the November, 2020, general election ballot. *Died on Assembly Floor.*

## State Personal & Corporate Income Taxes

[SB 227 \(De Leon\)](#) establishes the Local Schools and Colleges Voluntary Contributions Fund Tax Credit program, which allows a credit against the Personal Income Tax equal to 85% of the amount a taxpayer contributes to the Local Schools and Voluntary Contributions Fund. *Died in Assembly Appropriations.*

[SB 274 \(Glazer\)](#) enacts several changes to state law to implement recent changes in federal law relating to partnership audits. *Signed – Chapter 729, Statutes of 2018*

[SB 337 \(Bates\)](#) shifts any increase in estimated state tax revenue resulting from a federal repatriation statute to specified transportation purposes. *Died in Senate Governance and Finance.*

[SB 539 \(De León\)](#) expands the College Access Tax Credit by increasing both the credit percentage and the amount authorized for allocation. *Vetoed by Governor.*

[SB 832 \(Portantino\)](#) enacts Film and TV Tax Credit 3.0, which authorizes the California Film Commission to allocate \$330 million in tax credits for motion picture and television production each fiscal year from 2020-21 to 2024-25. *Died in Senate Appropriations; however, largely enacted by SB 878 (Committee on Budget and Fiscal Review), Chapter 456, Statutes of 2018.*

[SB 951 \(Mitchell\)](#) enacts Film and TV Tax Credit 3.0, which authorizes the California Film Commission to allocate \$330 million in tax credits for motion picture and television production each fiscal year from 2020-21 to 2024-25. *Died in Assembly; however, largely enacted by SB 878 (Committee on Budget and Fiscal Review), Chapter 456, Statutes of 2018.*

[SB 995 \(Gaines\)](#) increases the standard deduction by either \$1,500 or \$3,000, depending on the taxpayer's filing status. *Died in the Senate Governance and Finance Committee.*

[SB 924 \(Morrell\)](#) exempts income received by the active militia when mobilized onto emergency state active duty from tax. *Died in the Assembly Appropriations Committee.*

[SB 1116 \(Moorlach\)](#) increase the exclusion from income for the sale of a principal residence when the taxpayer sells their residence to a first-time homeowner. *Died in the Senate Appropriations Committee.*

[SB 1176 \(Nguyen\)](#) increase the dependent exemption from \$353 to \$389. *Died in the Senate Appropriations Committee.*

[SB 1182 \(Glazer\)](#) increases the Renter's Credit over the next five taxable years and adds a third category of taxpayers: taxpayers with one or more dependents. *Died in the Assembly Appropriations Committee.*

[SB 1211 \(Anderson\)](#) creates a tax credit equal to 50 percent of wages paid — up to \$2,500 — to an apprentice in a qualified apprenticeship program. *Died in the Senate Appropriations Committee.*

[SB 1212 \(Anderson\)](#) increases the Renter's credit from \$60 to \$250 for single filers and from \$120 to \$500 for joint filers. *Died in the Senate Appropriations Committee.*

[SB 1213 \(Anderson\)](#) increases the Child and Dependent Care Expense Credit for low and middle income taxpayers, and makes the credit refundable. *Died in the Senate Appropriations Committee.*

[SB 1214 \(Portantino\)](#) allows teachers an above the line deduction for fees paid or incurred to complete an induction program approved by the Commission on Teacher Credentialing. *Died in the Assembly Appropriations Committee.*

[SB 1218 \(Gaines\)](#) allows a deduction for contributions to qualified tuition programs, also known as 529 plans. *Died in the Senate Appropriations Committee.*

[SB 1241 \(Nguyen\)](#) creates a healing arts licensee tax credit for specific health care professionals, who volunteer at least 40 hours throughout the year at a free or community health clinic. *Died in the Senate Appropriations Committee.*

[SB 1253 \(Jackson\)](#) increases the authorization amount for the state low-income housing tax credit by 100% for calendar years between 2020 and 2030. *Died in Senate Appropriations Committee.*

[SB 1337 \(Vidak\)](#) creates a tax credit for employers who hire student interns. *Died in the Senate Appropriations Committee.*

[SB 1352 \(Stone\)](#) creates three above the line deductions for expenses related to the care of a dependent parent, dependent stepparent, or dependent child with special needs. *Died in the Senate Appropriations Committee.*

[SB 1417 \(Cannella\)](#) alters the \$800 minimum franchise tax beginning in the 2018 taxable year, instead providing that the minimum tax is either \$200, \$400, \$600, or \$800, depending on the corporation's gross revenue. *Died in Senate Appropriations.*

[SB 1485 \(Morrell\)](#) creates the California Universal Charitable Credit for contributions made to qualified charitable organizations. *Died in the Senate Governance and Finance Committee.*

[AB 1085 \(Calderon\)](#) creates a first year exemption from the minimum franchise tax for small businesses that are classified as either Limited Liability Companies or Limited Partnerships. *Died in the Senate Appropriations Committee.*



[AB 1863 \(Jones-Sawyer\)](#) allows taxpayers subject to personal income tax law to deduct ordinary and necessary business expenses attributable to commercial cannabis activity. *Vetoed by Governor.*

[AB 916 \(Quirk-Silva\)](#) enacts a state work opportunity tax credit largely based on the same credit contained in federal law. *Died in Senate Appropriations.*

[AB 2023 \(Caballero\)](#) amends the state Child and Dependent Care Expenses Tax Credit to become refundable — up to a specified amount — upon appropriation by the Legislature. *Died in the Senate Appropriations Committee.*

[AB 2217 \(Burke\)](#) creates the Bridget “Biddy” Mason Golden State Credit Program, which requires the Treasurer to create a process to accept monetary contributions from entities in exchange for Golden State Credits; enacts a credit equal to 80% of amounts donated that generate Golden State Credits. *Died on Senate Floor.*

[AB 2459 \(Friedman\)](#) enacts a credit against the personal income tax to subsidize the purchase by income-eligible individuals of health coverage on the Covered California individual market. *Died in Senate Appropriations.*

[AB 2577 \(Gray\)](#) creates an above the line deduction equal to amounts paid or incurred by a taxpayer for member dues to a labor organization. *Died in the Senate Appropriations Committee.*

[AB 2855 \(Brough\)](#) enacts an expedited process for refunds generated by net operating loss carrybacks for state purposes. *Died in Senate Appropriations.*

## **State Tax Administration**

[SB 1082 \(Bradford\)](#) allows a first time penalty abatement program for qualified taxpayers. *Died in the Senate Appropriations Committee.*

[SB 1272 \(Galgiani\)](#) enacts the Tax Recovery and Criminal Enforcement Tax Force Act, which establishes the TRaCE Task Force in the Department of Justice to combat underground economic activities. *Vetoed.*

[SB 1395 \(Moorlach\)](#) requires the Franchise Tax Board to annually report the specific amounts of research and development, motion picture production, low-income housing, California Competes, and new advanced strategic aircraft hiring tax credits aggregated by industry. *Died in Assembly Appropriations.*

[AB 1741 \(Bonta\)](#) - authorizes the California Department of Tax and Fee Administration to allow a person engaged in commercial cannabis activity to remit tax liability due in a method other than an electronic funds transfer if CDTFA deems it necessary to facilitate collection. *Signed—Chapter 228, Statutes of 2018.*

[AB 2503 \(Irwin\)](#) enacts an administrative dissolution process for corporations, whereby the Franchise Tax Board can dissolve corporations and abate taxes directly, or the taxpayer can request dissolution and tax abatement. *Signed – Chapter 679, Statutes of 2018.*

## **Other Cannabis Issues**

[SB 930 \(Hertzberg\)](#) authorizes the creation of both cannabis limited charter banks and credit unions, and authorizes the use of special purpose checks issued by these institutions for specified purposes. *Died in the Assembly Appropriations Committee.*

[AB 924 \(Bonta\)](#) authorizes the Governor to enter into an agreement with a federally recognized Indian tribe to engage in California's commercial cannabis market, upon ratification by the Legislature. *Died in the Senate Appropriations Committee.*

\* = Bill was never heard in the Senate Governance & Finance Committee

To read and retrieve copies of the Senate Governance & Finance Committee's detailed reference materials and other publications, please go to the Committee's website: <http://sgf.senate.ca.gov>

**TO:** Alameda Commissioners  
**FROM:** Rachel Jones, Executive Officer  
**SUBJECT:** CALAFCO Quarterly Report from Board of Directors

The Commission will receive a quarterly report from CALAFCO summarizing current and pending news through December 2018. The quarterly report is being presented for information only.

### Information

California Association of Local Agency Formation Commissions (CALAFCO) was established in 1971 to assist members in fulfilling their prescribed regional growth management duties. Key services include facilitating information sharing among members by organizing annual conferences and workshops as well as providing technical assistance through training classes and e-mail list serves. CALAFCO's adopted budgeted is currently \$0.436 million and primarily supported by annual membership dues and supplemented by revenues generated from its trainings and conferences.

The item is for Alameda LAFCO ("Commission") to review the quarterly report prepared by CALAFCO to its 58-member LAFCOs. Items of interest include all of the following:

- The CALAFCO Board of Directors outlines its 2019 legislative priorities
- CALAFCO's DUC mapping project is complete
- 2019 Staff Workshop will be held from April 10<sup>th</sup> - 12<sup>th</sup> in San Jose.

### Commission Review

This item has been placed on the agenda for information only. The Commission is also invited to discuss and provide direction to staff on any related matter as needed.

Attachments:

1. CALAFCO Quarterly Report



# News from the Board of Directors

## CALAFCO QUARTERLY

December 2018

### CALAFCO Board and Staff Changes

Results of the recent CALAFCO Board of Directors elections netted several new Board members for 2019. One northern representative elected to fill the City seat lost a local election, so there is now a 2-year vacancy being filled by the Board. Current Board members include:

**Northern:** *Bill Connelly* (Butte), *Debra Lake* (Humboldt) and *Josh Susman* (Nevada).

**Southern:** *Cheryl Brothers* (Orange), *Mike Kelley* (Imperial), *Jo MacKenzie* (San Diego) and *David West* (Imperial).

**Coastal:** *Mike McGill* (Contra Costa), *Margie Mohler* (Napa), *Jane Parker* (Monterey) and *Susan Vicklund Wilson* (Santa Clara).

**Central:** *Shiva Frentzen* (El Dorado), *Gay Jones* (Sacramento), *Anita Paque* (Calaveras) and *Daniel Parra* (Fresno – filling a 1-year term).

The Board also said goodbye to *John Leopold* (Santa Cruz) and *Ricky Samayoa* (Yuba) and we thank them for their service and many contributions to CALAFCO.

Additionally, a new Southern region DEO was appointed. We welcome *Keene Simonds* (San Diego) to the team, and thank outgoing DEO *Carolyn Emery* (Orange) for her service.

### CALAFCO Board 2019 Officers and Committees

At their December 7 meeting, the CALAFCO Board elected their officers for 2019 as follows:

Chair – *Josh Susman* (Nevada – northern)  
 Vice Chair – *Mike McGill* (Contra Costa – coastal)  
 Secretary – *Mike Kelley* (Imperial – southern)  
 Treasurer – *Shiva Frentzen* (El Dorado – central)

They also appointed members to the 2019 standing committees as follows:

#### Legislative Committee

Bill Connelly (North)  
 Shiva Frentzen (Central)  
 Jo MacKenzie (South)  
 Susan Vicklund Wilson (Coastal)  
 Mike McGill (At-Large)  
 Gay Jones (a) (At-Large)  
 Michael Kelley (a) (South)  
 Margie Mohler (a) (Coastal)  
 Anita Paque (a) (Central)  
 Josh Susman (a) (North)

#### Elections Committee

Cheryl Brothers  
 Shiva Frentzen (Chair)  
 Jane Parker  
 Josh Susman

#### Awards Committee

Cheryl Brothers  
 Mike Kelley (Chair)  
 Debra Lake  
 Margie Mohler  
 Daniel Parra

#### 2019 Annual Conference

Debra Lake  
 Anita Paque (Chair)  
 Jane Parker  
 Daniel Parra  
 Josh Susman  
 David West

### Conferences and Workshops Update

#### 2018 ANNUAL CONFERENCE A SUCCESS

A final Conference program report was provided to the Board on December 7 (financial report will be provided once the 2<sup>nd</sup> quarter financials are closed). The Conference was held October 3-5 in Yosemite at the beautiful



Tenaya Lodge. Approximately 294 commissioners, staff, associate members, guests and speakers attended the Conference. A total of 47 LAFcos were represented. Participant evaluations rated the overall experience a 5.5 out of 6.0 (the highest since we have been tracking). This year we had a total of \$25,750 in sponsorship revenue, with 15 total sponsors of varying levels. CALAFCO thanks all of our sponsors for your support and participation in this event.

We also thank Conference Chair *Anita Paque*, Program Committee Co-Chairs *Carolyn Emery* and *Christine Crawford*, everyone who worked to plan the program and all of you who volunteered and helped on site. A very special thank you goes out to Madera County Supervisor (and Madera LAFco Commissioner) *Tom Wheeler* and his Chief of Staff *Brittany Dyer* for planning and delivering such an outstanding Mobile Workshop and Thursday luncheon keynote on tree mortality. The Mobile Workshop ratings were a perfect 6.0.

All program presentations were placed on the CALAFCO website the week before the Conference.



**MARK YOUR CALENDARS FOR THE 2019 ANNUAL CONFERENCE: October 30 – November 1 in Sacramento** at the Hyatt Regency downtown.

#### 2019 STAFF WORKSHOP

The 2019 Staff Workshop is set for April 10-12 at the Holiday Inn in San Jose. Our host for this workshop will be *Santa Clara LAFco*. The Program Planning Committee is working hard and already has a *hot* line-up of sessions you will not want to miss! Keep an eye open for registration details coming in January.

#### CALAFCO Congratulates the 2018 Annual Achievement Award Recipients

CALAFCO wishes to congratulate all of this year's nominees, and especially those who received the 2018 Achievement Award.



- ❖ Outstanding Commissioner – *Margie Mohler* (Napa LAFco)
- ❖ Outstanding LAFco Clerk – *Elizabeth Valdez* (Riverside LAFco)
- ❖ Outstanding LAFco Professional – *George Williamson* (Del Norte and Shasta LAFcos)
- ❖ Distinguished Service – *John Withers* (formerly of Orange LAFco)
- ❖ Outstanding Associate Member – *Best Best & Krieger*
- ❖ Project of the Year – *Lake LAFco* (Cobb Fire)
- ❖ Government Leadership – *County of Tulare, City of Porterville, CA Dept. of Water Resources, CA State Water Resources Control Board, Governor's Office of Emergency*



### **Services, Self-Help Enterprises and Community Water Center** (East Porterville water supply project)

- ❖ Most Effective Commission – **Santa Clara LAFCo**
- ❖ Mike Gotch Courage & Innovation – **Mike Ott** (formerly of San Diego LAFCo)
- ❖ Lifetime Achievement – **Pat McCormick** (Santa Cruz LAFCo) and **George Spiliotis** (Riverside LAFCo)
- ❖ Legislator of the Year – **Assemblymember Anna Caballero**

### **CALAFCO Board Actions**

The Board met on October 5 and appointed the staff members of the 2019 Legislative and Advisory Committees. They also adopted their 2019 annual meeting calendar which includes the biennial strategic planning retreat on February 28, 2019 in Irvine.



During the Board's meeting on December 7, they took the following actions:

- ◆ Received and filed the 1<sup>st</sup> quarter financial reports
- ◆ Received and filed the Annual Conference report
- ◆ Decided on the priority topics for their February Strategic Planning Workshop
- ◆ Unanimously approved the 2019 legislative priorities
- ◆ Adopted the CALAFCO 2019 Legislative Policies

### **CALAFCO White Papers and Other Publications**

We are pleased to report several projects completed in the latter part of the year.

#### **DUC Mapping Project Complete**

The long awaited disadvantaged unincorporated community (DUC) mapping statewide project is complete and on the CALAFCO website. This map is not intended to supersede any individual LAFCo DUC map but rather to fulfill requirements in SB 244 (Wolk, 2011) of LAFCos statewide needing to map DUCs. CALAFCO wishes to thank **Joe Serrano** (Monterey) for his assistance in this mapping project. The map can be found on the CALAFCO website in the Resources section.

#### **White Paper Published**

In partnership with the Strategic Growth Council (SGC), CALAFCO published a White Paper titled, **Creating Sustainable Communities and Landscapes**. The paper is intended to be a guide for LAFCos, Counties, Cities and other local entities with respect to urban growth boundaries. We wish to thank the authors of the paper including **Ena Lupine**, SGC; **Emily Tibbott**, SGC; **Michael McCormick**, OPR; and **Jessie Hudson**, OPR. The Advisory Working Group included: **Pamela Miller**, CALAFCO; **Neelima Palacherla**, Santa Clara LAFCo; **Michael McCormick**, OPR; **Emily Tibbott**, SGC; **Randall Winston**, SGC; and **Louise Bedsworth**, SGC. Special thanks to **Mark Bramfitt** (Sonoma), **Kai Luoma** (Ventura), **Sara Lytle-Piney** (Stanislaus) and **Neelima Palacherla** (Santa Clara) for their help in developing case studies for each of the four counties.

Each LAFCo received a special bound hard copy of the white paper and it is available on the CALAFCO website.

### **CALAFCO Legislative Update**

The new Legislature will convene January 7. With a new Administration, a super majority and a number of new legislators, 2019 is expected to be unpredictable (more so than usual).



During their December 7 meeting, the CALAFCO Board of Directors deliberated at length about the 2019 legislative priorities. In the end, they unanimously decided to sponsor an Omnibus bill, try one more time for LAFCo grant funding (a follow up to AB 2258, Caballero from last year) and begin a two-year project on evaluating and possibly amending the protest provisions. The latter two priorities were recommendations in the 2017 Little Hoover Commission report.

CALAFCO has been asked to participate in DWR's County Drought Advisory Group. Our representatives are **Mike McGill** (Contract Costa), **Josh Susman** (Nevada) and **Pamela Miller** (CALAFCO).



### **CALAFCO Associate Members' Corner**

This section highlights our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

*We are pleased to welcome a new Silver Associate Member to CALAFCO, Pacific Gold Agriculture LLC.*

#### **Pacific Gold Agriculture, LLC**



**Pacific Gold Agriculture** is focused on sustainable agricultural practices and overall sustainability. They desire to work with LAFCos to ensure sustainability in agricultural communities. For more information, visit their website at [www.pacgoldag.com](http://www.pacgoldag.com) or contact Chief Executive Officer **Ben King** at [bking@pacgoldag.com](mailto:bking@pacgoldag.com) or call 530-723-3119.

Congratulations to the 2018 CALAFCO Outstanding Associate Member of the Year, **Best Best & Krieger**.



In meeting the needs of public and private sector clients, BB&K offers unique experiences in handling complex, multi-disciplinary issues and providing solutions of common interest to leaders of both business and government, including LAFCo law. **BB&K** has been CALAFCO's legal counsel since 1982.

*CALAFCO wishes to thank all of our Associate Members for your support and partnership. We look forward to continuing to highlight our Associate Members in each Quarterly Report.*



### TRACKS Around the State

#### Monterey LAFCo

CALAFCO was pleased to attend the **Monterey LAFCo** meeting on December 3 to bid farewell to Commissioner **Simón Salinas** after serving 22 years on the Monterey LAFCo, in honor of his leadership in the CA State Assembly and his contributions to the CALAFCO Board. His countless contributions to LAFCos throughout the state as a result of his many years of public service are greatly appreciated and we wish him well in his retirement.



#### Riverside LAFCo



It was with mixed emotions we visited **Riverside LAFCo** on December 6 to honor Executive Officer George Spiliotis at his last meeting after serving 29 years with his LAFCo and his countless contributions to CALAFCO. The day before there was a celebration in his honor and sporting one of his more conservative shirt and tie combos, George celebrated with a host of friends and colleagues. We wish George all the best in his retirement.



#### Contra Costa LAFCo

Contra Costa LAFCo is processing its fourth district dissolution in the last 13 months. Three of the dissolutions were initiated by LAFCo, two of which were/are inactive districts.

#### El Dorado LAFCo

The staff at El Dorado LAFCo congratulates LAFCo Chair **Shiva Frentzen** on her election as Treasurer to the CALAFCO Board of Directors. We also welcome **Riley Nork**, who started on September 17 as our new Assistant Policy Analyst. Finally, in 2018, LAFCo has held two study sessions on the state of fire protection districts. We thank San Diego LAFCo for lending the expertise of **John Traylor**, who provided valuable insight to this Commission. The next study session will be at the January 23<sup>rd</sup> meeting where the Commission will be examining various alternative governing models.

#### Merced LAFCo

After serving as both a city and a county appointed Commissioner for the past 35 years, Supervisor **Jerald (Jerry) O'Banion** is retiring as a Supervisor and therefore as a Merced LAFCo Commissioner. During this unprecedented span he participated in the adoption of the initial sphere of influence reports and all municipal service reviews. Jerry is a believer in control and in agencies answerable to their constituents, firm urban boundaries and agricultural preservation. The Merced LAFCo family wishes him a relaxing well-deserved retirement.

#### Napa LAFCo

Napa LAFCo is hiring a new Analyst, Dawn Mittleman Longoria, who previously served as Marin LAFCo EO from 1989 to 1998. Dawn also served as a Commissioner for Sonoma LAFCo and was Legislative

Chair for CALAFCO at one time. Dawn worked in her consulting capacity with Pat McCormick recently as the project manager for Santa Cruz LAFCo's Mid-County Fire Agencies Consolidation Feasibility Study and Service Review. Dawn's first day on the job is January 14, 2019.

#### San Diego LAFCo

San Diego LAFCo is pleased to announce the addition of two new employees. Dieu Ngu started in November 2018 as our new fulltime GIS Analyst. Dieu most recently worked for GIS Surveyors, Inc. and earned a graduate degree in GIS from the University of Redlands. Alex Vidal is scheduled to start in January 2019 as a fulltime Analyst I. Alex recently finished an internship with the City of Louisville and earned a graduate degree in environmental planning from the University of Georgia.



#### San Luis Obispo LAFCo

San Luis Obispo LAFCo has been very busy with a variety of typical and unique CKH work. These are some of the things keeping the SLO life interesting:

- ◆ Completed the annexation of a 131 acre parcel with 109 acres of prime agricultural land that was surrounded by the City of SLO. This annexation provided conditions requiring that at least 56 acres (amount proposed for conversion) of prime agricultural land (onsite and offsite) be placed in a conservation easement prior to submitting the annexation to the Board of Equalization. The City of San Luis Obispo was great to work with and Mike Prater, Deputy Executive Officer, did a wonderful job of coordinating the pieces to the puzzle.
- ◆ Working with the County and District, SLO LAFCo completed the dissolution of the Cayucos Fire Protection District and the activation of fire authority for CSA 10. A changing of the guard ceremony from the Fire District crew to the CAL FIRE/County Fire crew was conducted on December 1<sup>st</sup> at the Station in Cayucos.

A huge thanks to Donna Bloyd, Commission Clerk, for her dedication to herding all the cats associated with all this good work and being the glue that holds things together. So appreciate her willingness to laugh in the face of it all. Also a warm welcome to Brian Pierik, Burke, Williams and Sorensen, as our new legal counsel!

#### San Mateo LAFCo

San Mateo LAFCo welcomes Alternate Special District Member Kati Martin and Alternate Public Member James O'Neill. San Mateo LAFCo has also filled the newly created position of Management Analyst and welcomes Rob Bartoli who brings valuable planning and environmental review expertise.

#### Sierra LAFCo

Sierra LAFCo is seeing activity pick up. They recently approved a large fire district annexation and has another pending with Plumas County for a hospital district.

On the fire district proposal, over one third of the county (east side) was proposed to be annexed into an existing fire protection district based out of Sierraville. This included border communities shared with Washoe County, Nevada (state)



(Verdi and Long Valley) and included new assessments under the County Service Area laws as well as agreements between the district annexing the territory and the fire protection service agency operating out of Washoe County, Nevada (Truckee Meadows Fire Protection District) since this agency already provided professional fire services to its portion of the “border communities” in Nevada. This proceeding removed the County from any fire protection responsibility, included a detailed property tax transfer, and gave structural fire protection and EMS services to several population centers that had no formal fire protection (not within any district). The uniqueness of this “border” issue coupled with the mere size of the annexation stands out.

The second proceeding was the old Sierra Valley Hospital District (a district entirely within the boundary of Sierra County) that formerly operated a hospital in Loyalton. The Hospital and adjacent clinic buildings were sold to Eastern Plumas Health Care District (a district entirely within the boundary of Plumas County) years ago and the hospital was later converted to a skilled nursing facility, operated by EPHC. The Sierra Valley Hospital District continued to collect taxes, pay off bonds that are due to expire in 2023, provide insurance (even though offering no services) and paying for an annual audit (again even though providing no services) and of course, the Board of Supervisors had one heck of a time finding people to serve on the Hospital District Board. EPHC received special legislation to allow out-of-service-area exemption for a period of time while EPHC contemplated annexation of the property located within Sierra County-the Sierra Valley Hospital District. So Plumas LAFCo as principal County and through agreement with Sierra LAFCo is now processing what is best described as a dissolution of the Sierra Valley Hospital District and an annexation of a majority of the former Sierra Valley Hospital District lands into the EPHC district.

### Did You Know??

#### Certificate of Recognition Program

Did you know that CALAFCO has a **Certificate of Recognition Program** and offers it at no



cost to our members (both LAFCo and Associate members)? The program has been in place several years and while a few of you utilize this service, most of you do not. For details, visit the



CALAFCO website in the Member Services Section and upload the program packet or contact the CALAFCO Executive Director.

#### DUC Map

Did you know that if your LAFCo has not mapped DUCs in accordance with SB 244 (2011) that the **DUC map** on the CALAFCO website can be used by your LAFCo?  
[https://calafco.org/calafco\\_duc/](https://calafco.org/calafco_duc/)

#### Meeting Documents Online

Did you know that all **CALAFCO Board of Directors and Legislative Committee meeting documents are online**? Visit the Boards & Committees pages in the Members Section of the site. Board documents date back to 2008 and Legislative Committee documents back to 2007.



*Happy Holidays  
to all of  
our Members  
and your families.*

*May 2019 bring all of  
us peace and  
prosperity.*

**CALAFCO**  
*Board of Directors  
and Staff*

