



Solano Local Agency Formation Commission

675 Texas St. Ste. 6700 • Fairfield, California 94533
 (707) 439-3897 • FAX: (707) 438-1788

Staff Report

DATE: June 12, 2017
 TO: Local Agency Formation Commission
 FROM: Michelle McIntyre
 SUBJECT: **FINAL BUDGET FISCAL YEAR 2017-2018**

Staff recommends the Commission:

1. Review, consider public testimony, and approve or approve with modifications the 2017-2018 Final Budget, and Resolution No. 17-13.
2. Discuss and approve the 2017-2018 Work Plan.
3. Direct staff to distribute the budget to the cities, county, and the auditor pursuant to CA Government Code Section 56381.

At its April 10, 2017 meeting, the Commission adopted the Proposed Budget and directed staff to distribute the budget to the cities and county, present the budget to the Solano City Managers' Group, and schedule a public hearing for the final budget.

Staff presented the budget to the City Managers on April 26. The City Managers requested information with respect to the Commission's project applications cost recovery. The estimated revenues from projects next fiscal year reflects the work program which emphasizes completion of the Commission's statutorily mandated projects, primarily municipal service review and sphere of influence updates. These projects are often initiated by the Commission. Revenues above the estimate are "rolled" into the fund balance at the end of the fiscal year.

The City Managers' Group also requested the Commission consider amending its Reserve Policy to establish a maximum for the reserve account assigned to litigation defense. At the Commission's direction, staff can add this request to a future agenda.

The Final Budget as presented is comparable to the Proposed Budget as adopted by the Commission on April 10, 2017. A detailed narrative is included in the prior staff report and is available to the public on the Commission's website. <http://solanolaftco.com/meetings-archive.htm>

Commissioners

Nancy Shopay, Chair • Harry Price, Vice Chair • Pete Sanchez • Jim Sperring • John Vasquez

Alternate Commissioners

Len Augustine • Skip Thomson

Staff

Roseanne Chamberlain, Interim Executive Officer • Michelle McIntyre, Analyst • P. Scott Browne, Legal Counsel

The Commission received the draft Work Plan for next fiscal year at its April and May meetings. The Commission directed the Executive Officer to provide more details on the implementation strategies of the Work Plan. Attached for discussion and your approval is the Executive Officer's memo detailing the Work Plan.

Attachments:

- A – Resolution 17-13 Adopting the Final Budget for Fiscal Year 2017-2018
- B – 2017-2018 Final Budget
- C – 2017-2018 Work Plan: Options and Opportunities

RESOLUTION NO. 17-13

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF SOLANO ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2017-2018**

WHEREAS, Government Code §56381 specifies the Commission shall adopt, following a noticed public hearing, a proposed budget by May 1, and a final budget by June 15; and

WHEREAS, the proposed budget was adopted on April 10, 2017 and transmitted to all parties specified in Government Code §56381(a), and a hearing for agencies and the public on the final budget was held on June 12, 2017, and

WHEREAS, the Executive Officer has given notice of hearing in the form and manner specified by law for adoption of the final budget and upon the date, time and place specified in said notice of hearing, the Commission heard, discussed and considered all oral and written testimony submitted including, but not limited to, work plans and priorities for 2017-18 and the Executive Officer's report and recommendation; and

NOW THEREFORE, BE IT RESOLVED AND ORDERED, that the Local Agency Formation Commission of the County of Solano does approve and adopt the final budget for Fiscal Year 2017-18 as shown in Exhibit A, attached, and by this reference incorporated herein and does further order and direct the following:

Section 1: The Executive Officer shall transmit the final budget to the Auditor and all parties specified in Government Code §56381(a) as promptly as possible.

Section 2: The Auditor shall apportion the budget as specified in Government Code §56381(b) and request payment from the County and each city no later than July 1, 2017, as specified in §56381(c).

Section 3: If the County or a city does not remit its required payment within 60 days, the Auditor is requested to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the city or county as described in §56381(c).

The foregoing resolution was duly passed and adopted by the Local Agency Formation Commission of the County of Solano at a regular meeting thereof, held on June 12, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Nancy Shopay, Chair
Local Agency Formation Commission
County of Solano, State of California

ATTEST:

Michelle McIntyre, Clerk to the Commission

LAFCO					Agenda Item 8B
FINAL BUDGET: FY 17/18					
FUND: 345					
CATEGORY	Description	16/17 WB	16/17 Adjusted Budget	17/18 Proposed FINAL Budget	
1000	SALARIES AND EMPLOYEE BENEFITS				
0001110	SALARY/WAGES REGULAR	\$ 91,434.44	\$ 137,046.44	\$ 241,940.00	
0001210	RETIREMENT-EMPLOYER	\$ 14,121.35	\$ 18,664.35	\$ 23,947.00	
0001212	DEFERRED COMP-COUNTY MATCH	\$ 130.00	\$ 175.00	\$ 260.00	
0001220	FICA-EMPLOYER	\$ 1,325.79	\$ 1,430.79	\$ 3,328.00	
0001230	HEALTH INS-EMPLOYER	\$ 15,969.00	\$ 19,884.00	\$ 31,320.00	
0001231	VISION CARE INSURANCE	\$ 239.88	\$ 340.88	\$ 312.00	
0001240	COMPENSATION INSURANCE	\$ 702.00	\$ 702.00	\$ 1,404.00	
0001241	LT DISABILITY INSURANCE ER	\$ 200.00	\$ 200.00	\$ 480.00	
0001250	UNEMPLOYMENT INSURANCE	\$ 434.00	\$ 434.00	\$ 868.00	
0001260	DENTAL INS-EMPLOYER	\$ 1,282.80	\$ 1,294.80	\$ 2,424.00	
0001270	ACCRUED LEAVE CTO PAYOFF	\$ 3,430.94	\$ 5,244.94	\$ 8,816.00	
0001290	LIFE INSURANCE-EMPLOYER	\$ 474.82	\$ 474.82	\$ 1,440.00	
TOTAL	SALARIES AND EMPLOYEE BENEFITS	\$ 129,745.02	\$ 185,892.02	\$ 316,539.00	
2000	SERVICES AND SUPPLIES				
0002021	COMMUNICATION-TELEPHONE SYSTEM	\$ 300.00	\$ 550.00	\$ 600.00	
0002028	TELEPHONE SERVICES	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	
0002035	HOUSEHOLD EXPENSE	\$ 500.00	\$ -	\$ -	
0002051	LIABILITY INSURANCE	\$ 3,562.92	\$ 3,562.92	\$ 3,562.92	
0002140	MAINTENANCE-BLDGS & IMPROVE	\$ 150.00	\$ 150.00	\$ -	
0002170	MEMBERSHIPS	\$ 4,657.00	\$ 4,657.00	\$ 4,800.00	
0002171	PROFESSIONAL LICENSES & CERT	\$ 800.00	\$ -	\$ 800.00	
0002180	BOOKS & SUBSCRIPTIONS	\$ 400.00	\$ 400.00	\$ 400.00	
0002200	OFFICE EXPENSE	\$ 1,500.00	\$ 1,500.00	\$ 3,500.00	
0002203	COMPUTER COMPONENTS <\$1,500	\$ 500.00	\$ 500.00	\$ 2,500.00	
0002205	POSTAGE	\$ 1,000.00	\$ 200.00	\$ 500.00	
0002235	ACCOUNTING & FINANCIAL SERVICE	\$ 24,000.00	\$ 24,000.00	\$ 7,428.00	
0002245	CONTRACTED SERVICES	\$ 40,000.00	\$ 23,000.00	\$ 30,000.00	
0002250	OTHER PROFESSIONAL SERVICES	\$ 154,300.00	\$ 129,585.00	\$ 36,000.00	
0002266	CENTRAL DATA PROCESSING SVCE	\$ 8,450.00	\$ 8,450.00	\$ 9,000.00	
0002270	SOFTWARE	\$ 600.00	\$ 600.00	\$ 600.00	
0002280	PUBLICATIONS AND LEGAL NOTICES	\$ 2,800.00	\$ 800.00	\$ 2,000.00	
0002285	RENTS & LEASES - EQUIPMENT	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	
0002295	RENTS & LEASES-BUILDINGS/IMPR	\$ 18,145.00	\$ 18,145.00	\$ 18,689.35	
0002310	EDUCATION & TRAINING	\$ 2,000.00	\$ 500.00	\$ 2,000.00	
0002311	TUITION REIMBURSEMENT	\$ 1,100.00	\$ 1,100.00	\$ -	
0002335	TRAVEL EXPENSE	\$ 10,400.00	\$ 5,400.00	\$ 10,000.00	
0002339	MANAGEMENT BUSINESS EXPENSE	\$ 300.00	\$ 300.00	\$ 300.00	
0002355	PERSONAL MILEAGE	\$ 2,000.00	\$ 1,000.00	\$ 2,000.00	
TOTAL	SERVICES AND SUPPLIES	\$ 285,564.92	\$ 232,499.92	\$ 142,780.27	
9200	LICENSES, PERMITS & FRANCHISE				
0009229	LICENSES & PERMITS-OTHER	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
TOTAL	LICENSES, PERMITS & FRANCHISE	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
9400	REVENUE FROM USE OF MONEY/PROP				
0009401	INTEREST INCOME	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	
TOTAL	REVENUE FROM USE OF MONEY/PROP	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	
9500	INTERGOVERNMENTAL REVENUES				
0009511	OTHER GOVERNMENTAL AGENCIES	\$ 358,464.00	\$ 358,464.00	\$ 447,319.27	
TOTAL	INTERGOVERNMENTAL REVENUES	\$ 358,464.00	\$ 358,464.00	\$ 447,319.27	
0000740	Fund Balance - From Prior Year	\$ 45,845.94	\$ 48,927.94	\$ -	
	TOTAL EXPENDITURES	\$ 415,309.94	\$ 418,391.94	\$ 459,319.27	
	TOTAL REVENUES	\$ 415,309.94	\$ 418,391.94	\$ 459,319.27	
740	Fund Balance	\$ 11,976.00	\$ 8,894.00	\$ -	
730	General Reserve Account	\$ 83,102.00	\$ 83,102.00	\$ 91,996.00	
	(Gen Res as percent of expenditures)			20.03%	



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Date: Commission Meeting of June 12, 2017

To: Commissioners and Alternates

From: Roseanne Chamberlain, Executive Officer

Subject: Work Plan – Options and Opportunities

RECOMMENDATION

The Executive Officer recommends the Commission receive and review the report below to inform the approval and implementation of the proposed work plan for 2017-18.

BACKGROUND

The commission discussed the proposed work plan as part of the budget for FY 17-18. There was direction to the Executive Officer to provide more detail on the implementation strategies for work plan ideas. Achieving the objectives of the proposed work plan will require an ambitious effort on the part of the new Executive Officer and Policy Analyst. The success of the work plan will depend on improvements in the operations and administration of LAFCO.

The discussion below lists strategies for improving the effectiveness and enhancing the efficiency of Solano LAFCO. Many of these tasks can be accomplished in FY 17-18. The Interim Executive Officer identifies these items from her experiences over the last few months. I have also compiled a more detailed set of ideas with extensive notes that will be available as a tool for the new Executive Officer to prioritize his or her work in the first year.

DISCUSSION

Note: This discussion tracks the approximate order of the original table contained in the proposed work plan. The work plan notes adoption of a Solano LAFCO Mission Statement and Agency Goals by

Commissioners

Nancy Shopay, Chair • Harry Price, Vice-Chair • Pete Sanchez • Jim Spering • John Vasquez

Alternate Commissioners

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the commission. While it is important for the commission to establish a consensus on agency goals, a long term strategic plan and a mission statement, it is not likely that these objectives can be met until after the new Executive Officer is established in his or her position and other work plan objectives have been met. It is likely that this will occur in a future year. That item from the proposed work plan is not discussed in this memo.

1. External & Project Activities

Note: External Project work (spheres, MSRs and boundary changes) is described in the proposed work plan. Completing spheres of influence for those agencies with recent MSRs is the priority. Implementation of project work goals is not further described in this memo.

A. Implementation Strategy - DUCs:

Note: Identification of Disadvantaged Unincorporated Communities (DUCs) may include development and adoption of new policies by the commission to refine the ambiguous definition of DUCs contained in statute. Several other LAFCO have led the way on this and their policies may be useful models.

- Staff will review DUC policies adopted by Fresno LAFCO, Amador LAFCO and others
- Identify key concepts for the Policy Committee to review, receive direction
- Staff writes draft Solano Policies for adoption
- Establish an inventory and prepare maps of DUCs areas, with basic factual information, post all to Solano LAFCO website
- Outreach/education for potentially affected agencies
- Use the information to augment DUC analysis in annexations, spheres, boundary changes, etc. as required by statute

B. Implementation Strategy: Joint Powers Authorities (JPA) new statutes

- Request JPA agreements (done)
- Research and acquire JPA agreements that are not voluntarily submitted by the July 1, 2017 deadline
- Compile listings of JPAs, set up files (electronic and hard copy)
- Post relevant information to LAFCO website, include descriptions in future MSRs

C. Implementation Strategy: Unincorporated Islands

Note: FY 17-18 efforts will likely result in a multi-year plan for work on unincorporated islands, and should be considered as a first step toward long-term goals

- Goal: Develop a strategy with affected stakeholders (cities and districts, neighborhoods) for annexation of unincorporated islands of high interest
- Compile history and background information for each area

- Prepare descriptive and informational material, meet with agency representatives
- Cooperatively identify islands where resistance to annexation may be low
- Evaluate existing district detachment fees and effect of fees as possible deterrent to annexation
- Identify and rank the degree of resistance by landowners and agencies
- Assess case-by-case needs, such as workshops, community meetings, etc.
- Encourage voluntary island annexations where possible
- Require annexation applications per statute

2. Internal Administration – Agency Operations

Note: Over the years, many elements of LAFCO’s operations have been overlooked or not very well maintained. The needed internal changes can be accomplished incrementally, but it will likely take more than one year. Even with committed, experienced staff these objectives will require considerable time. The improvements will enhance LAFCO efficiency and will likely result in long-term time and cost savings. The changes will also increase transparency and understanding of LAFCO by others and will improve communication at all levels.

A. Implementation Strategy: Job Descriptions

- Goal: Improved morale, ensure that performance evaluations are based on realistic job descriptions and that the job descriptions are based on the statutory duties of LAFCO
- Assess current job descriptions compared to actual responsibilities; evaluate division of labor and prioritize responsibilities, office tasks, unassigned needed work/duties
- Realign division of work; establish team coordination, clarify the duty categories of the commission clerk, records manager, office manager and secretarial tasks which are not now specified in either job description
- Rewrite new position descriptions

B. Implementation Strategy: Establish and Standardize Procedures for Recurring, Routine Tasks

- Goal: Stabilize the workload, minimize work done on an urgency or surprise basis, reduce errors and omissions by staff
- Identify regularly recurring sequences and cycles for LAFCO operation such as the annual budget process, the task sequence for commission meetings, the bi-annual audit, routine boundary records management tasks, boundary change projects, performance evaluations, standing committees, etc.
- Establish a calendar or a “fall chart” reflecting each of these sequences
- Review procedures of other LAFCOs , clerks manual, etc.
- Assess and identify component task groups for each recurring process
- Identify blind spots, gaps and steps that create a risk of error/mistakes
- Track, annotate and compile these task elements as each task series is executed
- Compile these notes into a detailed procedure for each component or task set

- Group the component task sets into a complete sequence or cycle
- Ultimately, these steps can lead to creation of merge templates for each process, which would automate creation of documents for each routine recurring process, including project processing

C. Implementation Strategy: Records Retention & Improved Use of Office Space

- Rearrange existing furniture, acquire appropriate ergonomic furniture for new EO
- Research and buy telephones with time saving features (explore cost of in-county system)
- Purge stored records per new Records Management Schedule
- Assess and realign newly available space

D. Implementation Strategy: Policies, Standards, Bylaws, Instructions to Applicants, etc.

Note: The original base documents have been augmented over the years on a patchwork basis. While they contain much good information, the organization and format is repetitive, hard to interpret, unclear and could be confusing to applicants, staff, and the public.

- a. Working with the Policies Committee, overhaul and update the Bylaws into a newly formatted document
 - Sort bylaws, organizing related items together
 - Delete or reword obsolete items, add recently adopted policies
 - Review Bylaws adopted by other LAFCOs to identify other needed new items
- b. Working with the Policies Committee, overhaul and update the Policies
 - Separate administrative/process policies from policies governing projects
 - Separate actual policy statements from descriptive and interpretive information
 - Remove and rewrite descriptive information into a separate “Instructions for Applicants” describing how to use and interpret policies
 - Delete or reword obsolete items, identify desirable new policies resulting from changes in statute and new laws
 - Review Policies and policy structure as adopted by other LAFCOs to identify desirable new policies
- c. Working with the Policies Committee, overhaul and update the Standards into a newly formatted document
 - Separate the actual Standards from descriptive and interpretive information
 - Assess the Standards for consistency and redundancy with current state law (note: many of Solano’s standards have been chaptered into law and some are now obsolete)
 - Remove and rewrite descriptive information imbedded within standards into a separate “Instructions for Applicants” describing how to use and interpret standards
 - Identify any desirable new standards for adoption by commission

- E. Implementation Strategy: Hire and support the new permanent Executive Officer (EO)
- Interim Executive Officer to assist commission and personnel committee with recruitment and hiring as needed
 - Interim Executive Officer to aid in training and orientation of new EO, as needed, for orderly transfer of responsibility and transition to permanent staff

3. Outreach and External Relations

A. Implementation Strategy: Reaffirm and improve collaborative working relationships with districts, cities, citizen groups and others; improve accessibility and transparency of LAFCO

- Goal: Return greater value to cities and the county beyond LAFCO's mission to oversee boundary changes.
- Introduce the new Executive Officer to agency staff, continue to attend planning directors meetings, attend city managers meetings when invited, etc.
- Present updates, reports and information to others when appropriate. Establish professional credibility with staff members; create and improve LAFCO informational resources for agencies. Consider updating the old "Inventory of Local Agencies"
- Identify and communicate clearer, streamlined processes for agency applicants (see sections above)
- Seek creative ways to educate agencies' staff members about LAFCO, particularly regarding CEQA responsibility and LAFCO's role (met with Vacaville planning department for this purpose on 3/17)
- Encourage awareness of options available within LAFCO's jurisdiction for terms and conditions of approval to help the county, cities and districts carry out their agency's goals
- Simplify/clarify the LAFCO processes and educate county, city and district staff so they can engage more effectively with LAFCO and provide earlier and more effective comments to LAFCO prior to hearings (have already changed the forms notifying affected agencies of new LAFCO projects to solicit better comments, met with county planning staff to explain)
- Continue to engage with cities earlier for information about their future projects, comment and participate in technical advisory meetings when ever possible; provide reliable and useful information to these parties
- Review AB-8 property tax re-allocation as it applies to districts; identify pitfalls in the routine communication process and correct so as to ensure districts continue to receive the appropriate share of property tax
- Educate districts (affected agencies) to participate appropriately in the early review of projects
- Annually update the contacts list of all agencies, post this information on the LAFCO website

B. Implementation Strategy: Enhance the LAFCO website

- Improve usability and add content to LAFCO website to create a centralized source for city and district information as well as LAFCO information
- Add links to county, district and city websites

- Publish maps (when corrected and verified) and basic information for LAFCO related agencies, including JPAs, mutual water companies, etc.
- Publish final minutes, approved resolutions and other final LAFCO documents on the website (only packet draft materials are now available there)
- Publish audio recordings of all public meetings (initiated 5/17)
- Publish all updated policies, standards, bylaws, instructions to applicants and other updated items in this memo
- Publish basic profile information for LAFCO commissioners

C. Implementation Strategy: Continue CALAFCO participation

- Tap into CALAFCO educational resources for the new Executive Officer; attend conferences, CALAFCO University, etc.; participate in legislation committee, etc.
- Tap into information and resources available from CALAFCO members (DUC Policies, new procedures, legislation analysis, etc.)
- Make available updated policy or procedures work that may be needed by CALAFCO members