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**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)  
EXECUTIVE OFFICER'S REPORT**

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**AGENDA ITEM No. 6**

**DATE:** April 9, 2014

**TO:** Local Agency Formation Commission

**FROM:** David E. Fey, AICP, Executive Officer

**SUBJECT:** Consider Approval – LAFCo Proposed Budget and Work Plan for Fiscal Year 2014-15

**RECOMMENDATION: Provide Direction and Approve**

Approve the proposed fiscal year (FY) 2014-2015 LAFCo budget estimates as shown on Exhibit "A" and provide direction to staff with respect to any recommended changes to incorporate in the final budget to be presented to the Commission on May 14, 2014.

**Executive Summary**

The proposed FY 2014-2015 budget presents a decrease from \$521,486 to \$491,963 (↓) \$29,523 from FY 2013-2014). These are preliminary estimates that will be further refined based on staff analysis and Commission direction. Staff will present a final budget that reflects the Commission's comments and direction at the May hearing.

**Overview of Budget Process**

California Government Code Section 56381(a) states, "The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter."

The Commission's *Financial and Accounting Procedures* stipulate that "In order to get an early start on the budget and allow for careful consideration of the budget options, the Executive Officer will present a preliminary budget to the Commission in March of each year in order to obtain advance direction from the Commission."

The Commission's budget is based on a July 1st to June 30th fiscal year.

**Summary of FY 2013-2014 Budget**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides that the operational costs of LAFCo shall be shared one-half by the County and one-half by cities where only the County and cities are represented on the Commission. In the event that special districts choose to be represented on the Commission, LAFCo funding would then be shared one-third by

the County, cities, and the special districts or by an alternative method approved pursuant to section 56381(b)(4) of the California Government Code.

The LAFCo budget is also augmented by fees established by the Commission in accordance with section 56383 of the California Government Code for services rendered to process applications for annexations, reorganizations, and detachments, as well as other LAFCo actions.

Based on the adopted FY 2013-2014 budget, \$220,743 was contributed by the County and Cities (50% each) to offset LAFCo's net operating costs as required by State law. Revenue from application fees deposited during the first eight months of this year amounted to \$44,819, which is \$14,819 above the anticipated revenue for the FY 2013-2014 fiscal year. Staff anticipates FY 2013-2014 will close with a fund balance of approximately \$153,000.

### **Fresno LAFCo's Challenges for FY 2014-2015 and Beyond**

The proposed budget presents an opportunity to refocus Fresno LAFCo resources and enhance LAFCo's role as an independent public agency whose purposes are to encourage the orderly formation of local governmental agencies, preserve agricultural land resources, and discourage urban sprawl. The following discussion establishes the foundation for these changes and how the preliminary budget proposes to address these issues.

#### **Emerging Function of the Municipal Service Review**

Prior to 2000, LAFCo was largely occupied with processing annexations and sphere amendments. While the Great Recession dampened this activity for the time being, the Commission's most prevalent and consistent output since 2000 has been its Municipal Service Reviews (MSRs). MSRs are necessary to amend the sphere of a local agency and are otherwise required to be performed every five years, or as necessary.

It is noted that of the 190 MSRs created by LAFCo for the 15 cities and 115 special districts (some on their second updates), only five were performed to support sphere amendments requested by a local agency, 14 resulted in recommendations for sphere amendments based on the analysis alone, and 171 reaffirmed existing spheres. This indicates that the MSRs are largely initiated by LAFCo rather than as requested by local agencies. LAFCo's initial emphasis to simply complete these documents by the statutory deadline (2008) did not necessarily facilitate outreach and strengthen relationships with local agencies. Consequently, many local agencies were of the opinion that MSR inquiries were an unnecessary intrusion into their business; to others the process was an unbudgeted (and unwelcome) expense.

Consequently, the MSR represents a *process* that is substantially under-valued by local agencies and under-utilized by the Commission.

The fundamental value of the MSR is that it is a 'governance audit' required by the Legislature to check on the performance of a local agency. The misperception by local agencies of the MSR process has a potentially detrimental effect on the quality and timeliness of an agency's cooperation with LAFCo staff. This impacts staff's ability to create a sufficiently comprehensive document that serves the interests of the legislature, the Commission, the local agency, and ultimately, the public served by the local agency.

## Repositioning the Municipal Service Review

How does Fresno LAFCo redirect its resources to create MSR's that are more meaningful? By repositioning LAFCo's products (its Municipal Service Reviews) and services (actions in response to applications for sphere amendments and reorganizations, etc.), so that MSR's are recognized as a primary activity of the Commission rather than a peripheral activity. SOI and reorganization applications will still be processed in an accurate and timely manner, but staff resources can be directed to address an improved MSR process by:

- Better managing the project's start-up by establishing earlier outreach and coordination with local agencies;
- Improved data collection process to ensure higher-quality data is available up front to avoid extensive revisions to drafts that were based on out-of-date or inaccurate data provided by the local agency;
- Establishing more productive relationships with local agencies that support more consistent project development;
- Building a better-informed constituency served by the subject agency;
- Developing more useful "products" by enhancing the MSR's analytical quality and including a wider scope of analysis that takes into account the interrelationship of the subject agency to other agencies; and
- Strengthening the MSR recommendations by requiring applicants, whether by resolution or petition, to provide with their application a report on the progress toward complying with the MSR's determinations and recommendations

The value of this improved process can be reinvested by assigning LAFCo staff, rather than consultants, to perform the work. As the MSR's are developed by staff, relationships are built between staff and the subject agency. Consultant products may deliver adequate documents, but the relationships built during the process remain with a third party.

### Changes to Staffing: LAFCo Analyst

The process just described can only be accomplished by expanding the skill level of staff. Currently the growing list of administrative activities of an independent LAFCo is consuming more of the Clerk to the Commission's resources that would traditionally be directed to preparing staff reports and analysis. This has led the Clerk to delegate additional work to the LAFCo Technician II. Though this latter position is capable of performing paraprofessional work under general supervision, staff foresees this workload potentially exceeding a Technician's job classification. The challenge overall is that though staff possesses substantial *technical* expertise, the *analytical* tasks largely rest with the Executive Officer. The skill sets of staff must therefore be reorganized to accommodate the repositioned workload.

Should the Commission support this change, staff recommends that the current LAFCo Technician II position be eliminated and a LAFCo Analyst I/II/III position be approved.

### Changes to staffing: Clerk to the Commission

Another change is the anticipated retirement of the Commission's long-serving Clerk. This position is currently held by a County employee via the Commission's Professional Services Agreement (PSA) with Fresno County. Once the current Clerk retires this position will be filled by a new employee of the Commission. Ms. Fleming has been with the Commission since 1991 and

represents the most of the institutional knowledge of Fresno LAFCo. Personnel expenses in the preliminary budget assume that the LAFCo Analyst and Clerk to the Commission are two additional LAFCo employees.

### Summary of Recommendations

These scenarios would permit the Executive Officer to devote more of his time to work with local agencies and implement the FY 2014-2015 work plan; it would permit the Clerk to devote time to office administration as well as supporting the analytical work of the Commission; and it would create an analyst position responsible to the Executive Officer for the performance of MSRs and processing applications.

The benefit of the recommendations to the Commission would be:

1. Exercises its full role under the Statute;
2. Increased importance to local agencies by enhancing the efficiency of the MSR processes;
3. Increased value to local agencies of its third-party impartiality;
4. Increased benefit to all local agencies as efficiency and order is improved county-wide;
5. Additional coordination between LAFCo and other agencies to improve the conduct of under-performing special districts.

### Summary of Preliminary FY 2014-2015 Revenue and Expenditure Accounts

Based on the preceding discussion, this section presents a comparison of each preliminary account with the adopted FY 2013-2014 budget. The total recommended appropriation for FY 2014-2015 is \$491,963, which is approximately a 9% decrease from the FY 2013-2014 budget.

#### Summary of Revenue

As noted, revenue to support LAFCo comes from local agencies represented on the Commission and application fees. Based on the preliminary analysis and recommendations, the county/city apportionments are anticipated to be \$197,805, respectively.

Though there are nationwide indications of the economy's recovery, staff is not confident that this improvement has fully made its way to the San Joaquin Valley. As a result of the Great Recession there is a backlog of both tract maps in the County that are annexed but unbuilt and reorganizations approved but not recorded that are expected to continue to depress application activity into calendar year 2015. The Drought may further dampen those developments that contribute to application revenue.

Staff therefore recommends a conservative estimate of \$30,000 in application fees that will be collected in the next fiscal year.

#### Summary of Expenditure Accounts

The following summaries describe accounts and the recommended FY 2014-2015 budget. The account numbers shown represent the current numbering protocol based on the County's budget practices. Commissioners are advised that the account numbering will likely change with the submittal of the final proposed budget in May as staff develops a budget that reflects an independent LAFCo.

**Telephone/Communications****Recommended FY 2014-2015 Appropriation - \$1,405(↑)**

Telephone/Communications are provided through the Professional Services Agreement (PSA) with Fresno County. The estimate for this account was provided by the County for FY 2014-2015. This estimate is \$297 more than last year's recommended budget appropriation of \$1,108. The projected expense for this account by 6/30/14 is \$1,639.

**Liability Insurance****Recommended FY 2014-2015 Appropriation - \$13,490(↑)**

The estimate for liability insurance was calculated by adding 10% to last year's premium which was \$12,264 as recommended by the insurance company. The projected expense for this account by 6/30/14 is \$12,264.

**Maintenance – Equipment****Recommended FY 2014-2015 Appropriation - \$700(↓)**

The recommended appropriation is an increase over last year which was \$676. The projected expense for this account by 6/30/14 is \$642.

**Professional Membership Dues****Recommended FY 2014-2015 Appropriation - \$6,563(↑)**

This account supports Fresno LAFCo's CALAFCO membership dues. From a practical viewpoint, membership offers substantial value for the Commission because it allows access to CALAFCO training, seminars, and annual conferences. It also permits your Executive Officer and Commission Clerk access to the statewide web-based "list-serves" which networks staff with their counterparts in other LAFCOs. This account increased due to a statewide 1.5% increase in CALAFCO membership dues. The projected expense for this account by 6/30/14 is \$6,466.

**Office Operational Expenses/Office Supplies****Recommended FY 2014-2015 Appropriation - \$6,000(=)**

This figure is the same amount as the FY 2013-2014 budget as no significant changes from the current year are anticipated. The projected expense for this account by 6/30/14 is \$5,060.

**Postage****Recommended FY 2014-2015 Appropriation - \$4,000(↓)**

This account estimates a decrease of \$1,000 from last year's budget based on the average current monthly charge. The projected expense for this account by 6/30/14 is \$2,330.

**PeopleSoft Human Service Charge****Recommended FY 2014-2015 Appropriation - \$400(↓)**

These charges reflect the expense of administrative/personnel costs for the Commission's two contract employees in accordance with the PSA with Fresno County. This estimate was provided

by the County. It is a \$205 decrease over last year. The projected expense for this account by 6/30/14 is \$428.

**PeopleSoft Financial Charge**  
**Recommended FY 2014-2015 Appropriation - \$660(↓)**

This charge reflects the County's cost for payroll for the Commission's two contract employees in accordance with the PSA with Fresno County. This estimate was provided by the County. It is a \$3 decrease over last year. The projected expense for this account by 6/30/14 is \$808.

**Professional and Specialized Services**  
**Recommended FY 2014-2015 Appropriation - \$384,849(↓)**

This account includes LAFCo staff salaries and benefits (\$286,489), possible sick leave/vacation payout for retiring County employee (\$15,000), LAFCo counsel (\$50,000), a contingency for special counsel (\$2,000), a bi-annual audit to be performed in 2015 (\$7,000), private payroll service for LAFCo's Executive Officer (\$1,500), private bookkeeping service (\$3,000), and services provided in accordance with the PSA with Fresno County: Auditor's Office (\$3,000), Assessor's Office (\$4,500), Health Department (\$1,760), and Elections (\$600). Also included in this account is \$10,000 for extra help, if needed. The projected decrease of \$39,135 from the FY 13-14 budget (\$423,984) is largely due to the reduction in retirement contribution for LAFCo only employees. The projected expense for this account by 6/30/14 is \$395,270.

**Data Processing Services**  
**Recommended FY 2014-2015 Appropriation - \$19,221(↑)**

Data Processing Services are provided through the PSA with Fresno County. This estimate was provided by the County and reflects an increase of \$2,569 over FY 13-14's estimate of \$16,652. The projected expense for this account by 6/30/14 is \$20,180.

**Publications & Legal Notices**  
**Recommended FY 2014-2015 Appropriation - \$3,000(=)**

Staff recommends the same amount as last year to account for anticipated additional noticing for FY 2014-2015. The projected expense for this account by 6/30/14 is \$2,012.

**Rents & Leases-Buildings**  
**Recommended FY 14-15 Appropriation - \$30,915(↑)**

This amount reflects the expense to lease LAFCo's office space for twelve months. The proposed appropriation includes an additional office space and storage in support of the staffing changes described in this report. The lease contains an annual 8.5% increase; last year's estimate was \$26,248. The projected expense for this account by 6/30/14 is \$27,927.

**Postage Equipment Rental**  
**Recommended FY 2014-2015 Appropriation - \$260(↓)**

This amount reflects the expense to lease LAFCo's postage meter. Last year's recommendation was 382. The projected expense for this account by 6/30/14 is \$223.

**Mileage/Auto Allowance**

**Recommended FY 2014-2015 Appropriation - \$2,000(=)**

This account supports Commissioner's mileage for scheduled Commission meetings and is the same as last year's estimate. The projected expense for this account as of 6/30/14 is \$1,191.

**Commissioner Per Diem**

**Recommended FY 2014-2015 Appropriation - \$4,500(=)**

This amount provides per diem for twelve regular meetings. It is the same as last year's appropriation and does not include special meetings. The projected expense for this account by 6/30/14 is \$4,671.

When the Commission considers the final budget in May, staff will recommend approval of a special meeting policy to establish criteria to evaluate third-parties' requests for special meetings or amendments to the approved hearing calendars and provide funding associated with unbudgeted expenses related to amendments or special meetings (additional per diem/mileage, noticing, etc.).

**Transportation, Travel & Education, Commissioners & Staff**

**Recommended FY 2014-2015 Appropriation - \$8,000(↑)**

This account supports transportation and training/education expenses for LAFCo-related activities and reflects a \$2,000 increase over last year's budget. Staff recommends an increase in this account to offer additional opportunities for training and workshops for staff and Commissioners. The projected expense for this account by 6/30/14 is \$4,242.

**Fixed Assets-Office Furniture, Computers. Etc.**

**Recommended FY 2014-2015 Appropriation - \$3,000(↑)**

This expense would support new office furniture for the additional office space if approved by the Commission. There were no funds budgeted for fixed assets or office furniture during the FY 2013-2014 year.

**Contingency Funds**

**Recommended FY 2014-2015 Appropriation - \$3,000(=)**

This amount is the same as last year's recommendation. The projected expense for this account by 6/30/14 is \$0.

Reserve Funds

Legal Reserve – Currently the Commission maintains a separate legal reserve account in the amount of \$60,000. Staff recommends that this amount be reduced to \$50,000.

Operational Reserve – Based on past recommendations by Fresno County Auditor/Controller-Tax-Collector and LAFCo's independent auditor, staff recommends a operational reserve account. Staff proposes a reserve account balance of \$100,000.

## **Summary of Budget Recommendations**

Based on a recent review of the Commission's account balance, by 6/30/14 LAFCo's account balance is estimated to be approximately \$153,000.

With the projected annual savings LAFCo will realize by having "LAFCo only" employees as opposed to County contract employees, staff recommends that the Commission evaluate offering the following benefits to its employees to make the benefit package more attractive to prospective employees:

- annual vacation/sick leave;
- cost-of-living increases;
- contribution towards health insurance, retirement contribution, disability insurance; and
- short- and long-term life insurance.

As noted, CKH section 56381 (a) states that, "the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter."

The following analysis is presented in support of a finding in accordance with section 56381:

- The proposed annual budget is lower than the previous year's budget by \$29,523, or approximately 9%;
- A significant reduction in expense is from the transition of county-contract employees to LAFCo employees. For example, the PSA with Fresno County stipulates that a 0.6 multiplier for county retirement, in contrast, LAFCo employees will have an equivalent multiplier of 0.075; and
- The proposed LAFCo work plan and associated staffing changes are expected to enhance and support the Commission's mission.

## **Recommended Action**

Approve the proposed Fiscal Year 2014-2015 budget, as it balances anticipated costs with projected revenue, supports improvements to LAFCo's capabilities, and maintains a prudent reserve.

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**EXHIBIT 1**  
**FISCAL YEAR 2014-2015 PROPOSED BUDGET**  
**Total Services, Supplies and Capital Facilities - Appropriations**

BUDGET ITEM	ADOPTED FY 2013-2014 BUDGET	RECOMMENDED PROPOSED FY 2014-2015	NOTES
7040 Telephone Charges	1,108	1,405	
7101 Liability Insurance	12,203	13,490	
7175 Property/Other Insurance	0	0	
7205 Maintenance-Equipment	767	700	
7250 Professional Memberships	6,466	6,563	
7265 Office Operations Expense	6,000	6,000	
7268 Postage	5,000	4,000	
7286 PeopleSoft Human Resources Charge	605	400	
7287 PeopleSoft Financials Charge	663	660	
7295 Professional & Special Services	423,984	384,849	
7296 Data Processing Services	16,652	19,221	
7325 Publication & Legal Notices	3,000	3,000	
7340 Office Leases	26,248	30,915	
7355 Postage Equipment Rental	382	260	
7412 Mileage	2,000	0	
7415 Commissioner Per Diem & Mileage	4,500	6,500	
NEW Special Hearing Expense	0	0	
7417 Trans & Travel - Comm & Adv Bds	6,000	8,000	
8300 Fixed Assets (Computers)	0	3,000	
8991 Contingencies	3,000	3,000	
<b>Total</b>	<b>\$518,578</b>	<b>\$491,963</b>	

TOTAL RECOMMENDED APPROPRIATIONS FOR 2013-2014

**EXHIBIT 2**  
**FISCAL YEAR 2014-2015 PROPOSED BUDGET**  
**Net Operating Cost and City/County Contribution Calculation**

	<b>PROPOSED FY 2014-2015 BUDGET</b>
Total Proposed Gross Expenses	<b>491,963</b>
<i>Preliminary City/County Contribution</i>	<b>245,982</b>
Projected 7/1/14 Fund Balance	<b>156,353</b>
Estimated FY 14-15 Fee Revenue (+)	<b>30,000</b>
Reduce Legal Reserve, move to Fund Balance (+)	<b>10,000</b>
Funds from Fund Balance to establish an Operational Reserve (-)	<b>-100,000</b>
Net Available Fund Balance to Reduce County/City Contribution	<b>96,353</b>
Contribution from Fund Balance	
Estimated Cities' Contribution	<b>197,805</b>
Estimated County Contribution	<b>197,805</b>

**EXHIBIT 3**  
**PROPOSED FISCAL YEAR 2014-2015 BUDGET**  
**ACCOUNT #7295 - PROFESSIONAL AND SPECIALIZED SERVICES**  
 General Administrative, Auditor-Controller, Professional and Specialized, Salaries/Benefits

BUDGET ITEM	ADOPTED FY 13-14 BUDGET	PROPOSED FY 14-15 BUDGET	NOTES
<b>GENERAL COUNTY</b>			
Personnel, Employee Relations	\$2,000	\$0	
General Accounting/Auditor Charges	\$3,000	\$3,000	
<b>SUB-TOTAL</b>	<b>\$5,000</b>	<b>\$3,000</b>	
<b>FINANCIAL SERVICES</b>			
Bi-Annual Audit	\$0	\$7,000	
Payroll Services	\$850	\$1,500	
Bookkeeping Service	\$6,000	\$3,000	
<b>SUB-TOTAL</b>	<b>\$6,850</b>	<b>\$11,500</b>	
<b>PROFESSIONAL &amp; SPECIALIZED SERVICES</b>			
Fresno Co. Assessor	\$4,500	\$4,500	
LAFCo Counsel	\$85,000	\$50,000	
Fresno Co. Elections	\$600	\$600	
Fresno Co. Health	\$1,760	\$1,760	
Special Counsel	\$6,000	\$2,000	
Executive Officer Compensation	\$130,083	\$131,198	
<b>SUB-TOTAL</b>	<b>\$227,943</b>	<b>\$190,058</b>	
<b>SALARIES AND BENEFITS</b>			
6100 - Regular Salaries	\$101,842	\$117,000	
6300 - Overtime	\$0	\$0	
6350 - Unemployment Insurance	\$618	\$1,692	
6400 - Retirement Contribution	\$57,337	\$8,775	
6500 - OASDI Contribution	\$7,792	\$9,000	
6550 - Workers Comp Contribution	\$235	\$1,440	EOs estimate of \$720 x 2
6600 - Health Insurance Contribution	\$15,820	\$16,580	
6650 - Life & Disability Insurance	\$292	\$584	
6670 - Benefit Administration	\$255	\$220	
<b>SUB-TOTAL</b>	<b>\$184,191</b>	<b>\$155,291</b>	
<b>EXTRA HELP &amp; VACATION PAYOUT</b>			
0000 - Sick Leave/Vacation Payout	\$0.00	\$15,000	
6200 - Extra Help	\$0.00	\$10,000	
<b>SUB-TOTAL</b>	<b>\$0.00</b>	<b>\$25,000</b>	
<b>GRAND TOTAL</b>	<b>\$423,984</b>	<b>\$384,849</b>	

\* Portion of County Support - Total Contribution of Salaries and Benefits

**EXHIBIT 4**  
**FISCAL YEAR 2014-2015 PROPOSED BUDGET**  
**Salaries and Benefits - County Employees**

Account Number & Description	ADOPTED FY 13-14 BUDGET FOR TWO EMPLOYEES	PROPOSED FY 14-15 BUDGET-CLERK	NOTES
6100 - Regular Salaries	\$101,842	\$62,000	
6200 - Extra Help	\$0	\$0	
6300 - Overtime	\$0	\$0	
6350 - Unemployment Insurance	\$618	\$846	
6400 - Retirement Contribution	\$57,337	\$4,650	
6500 - OASDI Contribution	\$7,792	\$4,743	
6550 - Workers Comp Contribution	\$235	\$720	
6600 - Health Insurance Contribution	\$15,820	\$8,290	
6650 - Life & Disability Insurance	\$292	\$292	
6670 - Benefit Administration	\$255	\$110	
<b>Total Salaries and Benefits</b>	<b>\$184,191</b>	<b>\$81,651</b>	

Account Number & Description	ADOPTED FY 13-14 BUDGET	PROPOSED FY 14-15 BUDGET-ANALYST	NOTES
6100 - Regular Salaries	\$0	\$55,000	
6200 - Extra Help	\$0	\$0	
6300 - Overtime	\$0	\$0	
6350 - Unemployment Insurance	\$0	\$846	
6400 - Retirement Contribution	\$0	\$4,125	
6500 - OASDI Contribution	\$0	\$4,257	
6550 - Workers Comp Contribution	\$0	\$720	
6600 - Health Insurance Contribution	\$0	\$8,290	
6650 - Life & Disability Insurance	\$0	\$292	
6670 - Benefit Administration	\$0	\$110	
<b>Total Salaries and Benefits</b>	<b>\$0</b>	<b>\$73,640</b>	

**EXHIBIT 5**

**PROPOSED FISCAL YEAR 2014-2015 BUDGET**

**Salaries and Benefits - Executive Officer**

<b>Account Number &amp; Description</b>	<b>ADOPTED 13-14 BUDGET</b>	<b>PROPOSED FY 14-15 BUDGET</b>	<b>NOTES</b>
Salary	100,000	100,000	
Car Allowance (\$400/month)	4,800	6,000	\$500/mo
Worker's Comp (Quote from insurance company)	720	720	
6350 - Unemployment Insurance	846	846	
6400 - Retirement	7,500	7,500	
6500 - OASDI Contribution	8,017	7,300	
6600 - Health Insurance	7,908	8,430	
6650 - Life & Disability	292	292	
6670 - Benefit Administration		110	
<b>Total Salaries and Benefits</b>	<b>130,083</b>	<b>\$131,198</b>	

OASDI rate of .062 + Medicare rate of .0145 times gross salary

## DRAFT 2014-15 LAFCO WORK PLAN

### Introduction

Fresno LAFCo's Financial and Accounting Procedures specify that before July 1st, the LAFCo Executive Officer shall prepare for the Commission's review and approval an annual work plan. The work plan is prepared in conjunction with the law and annual budget. The work plan identifies the purposes and plans of State Law and local policy, including requirements for service reviews, sphere of influence updates, and other mandated functions.

This work plan reflects the Fresno LAFCo's policies and procedures and the current and emergent needs of the local agencies in Fresno County. The work plan is composed of projects to be undertaken directly by LAFCo staff during the year.

The work plan is developed to advance the state's interests, the Commission's issues and goals,

I. The scope of the work plan is developed to be consistent with the legislature's findings and declarations:

- It is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state.
- The logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services.
- Providing housing for persons and families of all incomes is an important factor in promoting orderly development.
- This policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.
- The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

II. The projects are identified to address important issues identified by the Commission in its initial Policies, Standards, and Procedures Document, adopted in 1986 or as revised:

Fresno LAFCo identified the following list of problems and needs locally, which pertain to the Commission's responsibilities, and developed policies, standards, and procedures in this document in order to help resolve the problems and meet needs within the Commission's jurisdiction:

1. Proliferation of overlapping and competing local agencies

2. Need for more cooperation/coordination among local agencies
3. Inadequate level or range of services in county/community
4. Inadequate revenue base or adverse fiscal impacts for local agencies
5. Illogical, gerrymandered agency boundaries, islands, surrounded areas
6. Illogical agency service areas
7. Conflicts between urban and rural/agricultural land uses
8. Premature proposals and lack of development proposals
9. Phasing of agency expansion/growth
10. Determining environmental effects of proposals
11. Determining consistency with city or county general plans
12. Urban sprawl and leap frog urban development
13. Guiding urban growth away from prime agricultural lands
14. Defining agricultural lands and open space lands
15. Opposition of proposals by residents and popularity of proposals by landowners/developers
16. Provision of adequate noticing of LAFCO hearing and conducting authority hearing

III. The work plan is refined to conform with Commission goals:

1. Encouraging Orderly Formation and Development of Agencies (Government Code Section 56301)
2. Encouraging Consistency with Spheres of Influence and Recommended Reorganization Of Agencies: (Government Code Section 56425)
  - a. 102-04 Transition Agreements
3. Encouraging Orderly Urban Development and Preservation of Open Space Patterns: (Government Code Section 56300)
4. Encouraging Conservation of Prime Agricultural Lands and Open Space Areas: (Government Code Section 56377)
5. Providing Public Access to the Commission via the Internet
6. LAFCo Disadvantaged Communities Policy

**2014 Work Plan Projects**

**Project: Commission Workshops**

Issues Addressed: 3, 4, 9

Compatible with Goals: 1, 3, 6

This project consists of a series of working sessions with the Commission and local agencies that are educational in nature and may ultimately contribute to policy or procedural action by the Commission. Local agencies, interested parties and other stakeholders will be invited to participate in the discussion; topics will be focused on a specifically-defined topics for discussion.

*Commission Workshop 1:*

This workshop is designed to discuss and develop the Commission's role in Fresno County. It will start with a summary of the Commission's long-held issues and goals and will end with affirmation or amendment to these benchmarks. During the workshop, there will be discussion of CKH's procedures for annexations, detachments, and changes of organization (consolidate, dissolution, etc.) as well as the logistics and

statutory requirements for each option. Workshop will include a discussion of a range of policy options to determine if the Commission should initiate a change of organization as either an independent action or at the request of a third party, or support an application by a local agency.

*Local Agency Workshop 1: City Annexation Soup to Nuts: The role of LAFCo, Spheres of influence, Reorganizations, MSRs, and the Annexation Process*

Based in input from the first Commission workshop, this workshop will acquaint cities, consultants, and the development community with information they need to know about LAFCo and the annexation application process. The workshop will describe the application process, critical timelines, the public hearing and conducting authority process. We will also walk through the sphere of influence update process to put it in proper perspective, and describe the function of Municipal Service Reviews.

*Commission Workshop 2: Special District Status, Support and Organizational Options.*

Workshop on status of special districts, their current challenges and options available to the Commission and districts to address these options; management, financial, and technological/operational support by Commission or other agencies. Other agencies invited to participate will include the California Department of Public Health, County Resources staff, and the Fresno County Elections Department.

*Local Agency Workshop 2: Special District Support*

Based in input from the second Commission workshop, staff will hold a workshop to address the needs of special districts. The scope of this workshop is under development but is intended to provide information and support for special districts. Given the variety of special districts in the County and each district's need for support, staff will likely tailor this workshop to the districts that would benefit most from supporting information and resources.

**Project: Disadvantaged Unincorporated Community Implementation Process**

Issues Addressed: 2, 3, 7, 8, 9, 11, 15, 16

Compatible with Goals: 1, 3, 6

This project focuses on creating an active and updatable database of Disadvantaged Unincorporated Communities in Fresno County, and creation of an administrative process to implement the Commission's DUC policy.

**Project: Fire Transition Policy Review and Assessment**

Issues Addressed: 2, 8, 9

Compatible with Goals: 1, 3

A Fire Transition Policy has been in place in one form or another since the late 1970s. It was substantially revised recently to address implementation issues raised by cities. This project would review the implementation of the amended policy and outreach to local agencies to evaluate the state of fire departments, their mutual support capacities, explore options to address service transition and seek to build consensus of the policy's efficacy among local agencies.

**Project: Develop a Model Annexation Process**

Issues addressed: 2, 3, 5, 6, 7, 8, 9, 11, 12, and 15

Goals Addressed: 1,3

The Commission has considered peninsula policies, transition of service; expiration of transition agreements, etc. Each of these issues is linked to a city's unique growth, development, and service characteristics. The variation between cities' development and annexation practices contributes to an administrative burden that can be resolved by 'translating' a city's practice with a standardized list of criteria to address the Commission's statutory and policy requirements.

**Project: Revive Agricultural Preservation Policies**

Issues addressed: 1, 2, 3, 6, 7, 9, 10, 12, 13, 14

Goals Addressed: 1, 2, 3, 4

Preserving open-space and prime agricultural lands is of paramount importance to the Commission. There have been a number of other agencies in the County that have been involved in drafting policies and procedures to protect agricultural resources. LAFCo's statutory foundation puts it in a position to develop policies that permit it to influence orderly growth without being involved in actual land uses.

This project will evaluate the effectiveness of past LAFCo policy efforts, efforts of other agencies in Fresno County, and provide recommendations on an appropriate level of commission policy, whether project-by-project or on a sphere of influence basis.

**Project: LAFCo Policies and Procedures**

Issues Addressed: 2, 3, 7, 8, 11, 12, 13, 14, 15, 16

Compatible with Goals: 1-5

This project would review in depth the current Policies and Procedures manual, clarify and update the process and policy language, and bring the manual into full conformance with the revised Local Government Act of 2000. This project will also strive to make the document more easily understandable by the public.

**Project: LAFCo Subcommittees**

Issues Addressed: 1-16

Compatible with Goals: 1-5

This project shall explore the benefits of establishing standing committees composed of members and alternate members to address specific administrative, policy, budgetary issues and develop recommendations in conjunction with the Executive Officer. Modeled after the practice of the Fresno Metropolitan Flood Control District, standing committee meetings shall be held pursuant to the applicable statutory notice requirements.