

**AGENDA
ITEM
NO. 9.c**

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
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Kate McKenna, AICP
Executive Officer

DATE: February 22, 2010
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: PROPOSED WORK PROGRAM FOR FISCAL YEAR 2010-2011

SUMMARY OF RECOMMENDATIONS:

The Budget and Finance Committee recommends that the Commission:

1. Receive the Executive Officer's report;
2. Conduct a public hearing;
3. Adopt a proposed work program for Fiscal Year 2010-2011 (see Attachment);
4. Direct the Executive Officer to distribute the adopted proposed work program to local agencies for review and comment, and
5. Direct the Executive Officer to schedule a public hearing on March 18 to consider adoption of the final work program for Fiscal Year 2010-2011.

EXECUTIVE OFFICER'S REPORT:

Introduction

On January 20, the Budget and Finance Committee met to consider a proposed work program and budget for Fiscal Year 2010-2011. The Committee recommends adoption of the attached work program.

The emphasis is on cost cutting and on delivering core services in a responsive, professional and legally defensible manner. Formal boundary change applications are down in volume, but several dozen are under discussion and some will be submitted in coming months. Fast-track priority status will be given to certain applications. Staff is also engaged in various LAFCO-initiated studies, including the multiple-year, state-

mandated program to update all Municipal Service Reviews and Spheres of Influence for our cities and districts. Highlights of each area of the work program are listed below.

Application Processing Functions

Application processing is a core responsibility of LAFCO. Although staff has many discussions with potential applicants, most applicants are deferring the submittal of formal applications for boundary formations or changes. This trend is expected to continue into the new fiscal year and will last until the economy improves and development activity increases. A partial list of potential applications is attached to the work program as Table 1.

The priority is to provide the Commission with legally defensible recommendations and alternatives, and alerts to litigation risks, liabilities and alternatives associated with potential actions. Also, fast-track status is given to applications with economic development, public health and safety, or other urgent needs.

Special Studies Initiated by LAFCO

With fewer boundary change applications, in-house staff will continue to work on LAFCO-initiated special studies. Significant progress will be made to carry out state-mandated Municipal Service Reviews and Sphere of Influence updates. Required every five years for all cities, dependent districts and independent districts, that work is designed in phases to be done over several years. Phase One is underway and will be substantially done by December 2010 (cities, fire protection/emergency medical service providers). Reviews of water, wastewater & solid waste districts will start in December 2010 (Phase Two). County Service Area reviews will start in June 2011 (Phase Three).

Other special studies will be undertaken as needed, including ongoing work to review and update LAFCO's policies, maps, procedures and flowcharts.

Government and Community Relations

LAFCO staff will continue to actively participate in certain activities of constituent agencies – the County, cities, and special districts – including the review of planning and environmental documents. Staff will also continue to participate in regional activities in which LAFCO has statutory responsibilities, such as the implementation of SB 375 (Global Warming Emission Reductions). Goals are to encourage cooperation and to promote knowledge of laws, policies, procedures and issues that are core responsibilities of LAFCO.

Of note are talks that have started with the Fort Ord Reuse Authority (FORA). Existing state law requires LAFCO to “provide for the orderly dissolution of the authority” by June 30, 2014. LAFCO will coordinate with FORA so that a work program for dissolution is in place by 2012.

Also, this LAFCO will continue a tradition of providing assistance and being represented at a statewide level. The Executive Officer was recently appointed as a Staff Officer of the California Association of Local Agency Formation Commissions. This is a volunteer position that includes coordination of professional development courses for LAFCO staff and Commissioners throughout California

Commission and Committee Functions

Support of the Commission's work is an ongoing priority. This includes clear and complete Commission and Committee meeting packets, notices of public meetings, preparation of meeting minutes, updating and maintaining Commission policies and procedures, regular meetings between the Executive Officer and the Commission Chair and Vice-Chair, monitoring of state legislation and CALAFCO legislative activities, and informing the Commission of changes in laws.

A proposed new task is to set a local legislative agenda each Fall. This task will support the Commission's current priority that ensures that local interests are communicated to CALAFCO and state legislators.

Administrative and Human Resources Management

These tasks will continue to emphasize systems in place for productivity and employment law compliance.

Financial Management

These tasks will continue to emphasize systems in place for cost controls and transparency in financial, accounting and audit systems and procedures.

FISCAL IMPACT

The proposed work program has been prepared in coordination with the proposed budget for Fiscal Year 2010-2011 (see related agenda item, February 22, 2010). The budget will fund core services of LAFCO. Application processing, special studies, government and community relations, and commission and committee support will be done with existing in-house staff resources. If the volume of boundary change applications is higher than expected, this will affect staff's ability to accomplish other responsibilities. Contract assistance is required for general and special counsel services, computer technology support, human resources services, and accounting and financial systems services. No funding is proposed for in-house professional or clerical staff assistance.

The proposed budget is less than the current year budget. In order to adopt a reduced budget, State law requires that the Commission must be able to make a finding that LAFCO can still accomplish its work program. That finding was made for the current

year adopted budget and can be made again. Language will be included in the resolution to adopt the final budget for Fiscal Year 2010-2011.

ALTERNATIVES

In lieu of the recommended work program, the Commission may add, delete, or modify the tasks.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment:

Proposed FY 2010-2011 Work Program

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

PROPOSED WORK PROGRAM FISCAL YEAR 2010-2011

February 22, 2010

1. APPLICATION PROCESSING FUNCTIONS		
TASK	STATUS	COMMENTS
<p>Process applications for boundary changes in a responsive, professional and efficient manner.</p> <p>(A partial list of potential boundary change proposals that have been discussed with local government agencies is attached to this Work Program. Does not include active, current proposals. See Table 1)</p>	ONGOING	Priority fast-tracking is given to applications for economic development, public health and safety, or other urgent needs.
<p>Provide Commission with legally defensible recommendations and alternatives, and alert to litigation risks, liabilities and alternatives associated with potential actions.</p>	ONGOING	No active litigation. No litigation is anticipated in FY 2010-2011
<p>Continue to work cooperatively with the City of Greenfield and the County of Monterey to complete the Memorandum of Agreement required by LAFCO's approval of the City's Updated Sphere of Influence. City and County are the lead agencies in discussions.</p>	ONGOING	

2. SPECIAL STUDIES		
TASK	STATUS	COMMENTS
<p>Complete Phase One Municipal Service Reviews and Sphere of Influence Reviews for all cities, fire service providers and emergency service providers. This is part of a comprehensive, state-mandated program to update service reviews and spheres for all cities, independent districts and dependent districts. The program is designed in phases to be done over several years.</p>	<p>IN PROGRESS</p> <p>Substantially complete by December 2010</p>	
<p>Initiate Municipal Service Reviews and Sphere of Influence Updates for:</p> <ul style="list-style-type: none"> • Phase Two: Independent Water, Wastewater, & Solid Waste Districts <p>Phase Three: Dependent County Service Areas (Streets, Highways, Drainage, Landscaping, etc.)</p>	<p>Begin Phase Two in December 2010. Begin Phase Three in June 2011</p>	
<p>As needed, update the LAFCO map inventory and publish maps on the LAFCO web site.</p>	ONGOING	

As needed, develop and update local policies, procedures, applications, and flowcharts for spheres of influence, annexations, reorganizations, and the creation of cities and districts.	ONGOING	
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3. GOVERNMENT AND COMMUNITY RELATIONS

TASK	STATUS	COMMENTS
Initiate informal meetings to discuss budget and policy issues with Cities, Special Districts and County, as appropriate.	ONGOING	
Attend meetings of the Special Districts Association and the Special Districts General Managers' Group (quarterly).	ONGOING	
Attend meetings as requested by the City Managers Group and City Mayors Association.	ONGOING	
Attend meetings as requested by the County of Monterey.	ONGOING	
Provide early notice to County, Cities and Special Districts of issues that may affect them, and opportunities to participate in the LAFCO process.	ONGOING	
Post public information on the LAFCO website and review website layout, graphics and content for ease of public use.	ONGOING	
Encourage and provide early LAFCO participation in Sphere of Influence updates, General Plan updates, city-county-district dialogues, and environmental review activities that affect government boundaries & services.	ONGOING	
Participate in regional activities for which LAFCO has direct responsibilities, such as AB 32 (Blueprint Planning) and SB 375 (Global Warming Emission Reductions).	IN PROGRESS Serving on AMBAG Committee	
Participate in community educational opportunities to promote understanding and dialogue with various sectors of the Monterey County economy.	ONGOING	
Work with the Fort Ord Reuse Authority (FORA) in the analysis of dissolution alternatives for presentation to the FORA Board and the Formation Commission, consistent with the 2014 "sunset" requirements of the FORA Act.	IN PROGRESS	Initial meeting has been held with FORA to discuss steps and timing.

Represent the interests of Monterey LAFCO in statewide issues by providing Staff Officer assistance to California Association of Local Agency Formation Commissions (CALAFCO).	IN PROGRESS	
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4. COMMISSION AND COMMITTEE FUNCTIONS

TASK	STATUS	COMMENTS
Provide support to ten regularly-scheduled Commission meetings, special meetings as needed, and Committee meetings, including the provision of public notices, agenda packets, web meeting broadcasts, and minutes.	ONGOING	
Hold monthly agenda review sessions with Chair and Vice-Chair.	ONGOING	
Conduct new Commissioner orientations, as needed.	ONGOING	
Set an annual local legislative agenda each Fall. Continue to participate in the CALAFCO legislative process to ensure that local interests are coordinated with policies and activities of that statewide organization. Continue to monitor state legislation. Continue to provide feedback to legislators and CALAFCO as needed. Continue to update local policies and procedures for consistency with approved legislation.	Setting annual local legislative priorities is a new task. It supports the other ongoing legislative tasks that ensure local interests are communicated to CALAFCO and state legislators.	
Provide Commission with regular update of laws, policies and procedures.	ONGOING	

5. ADMINISTRATIVE AND HUMAN RESOURCES MANAGEMENT

TASK	STATUS	COMMENTS
Maintain the LAFCO project tracking system.	ONGOING	
Maintain the staff time keeping, cost tracking and invoicing systems for applications.	ONGOING	
Review LAFCO Human Resources Policies and Procedures.	IN PROGRESS	

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

PROPOSED WORK PROGRAM FISCAL YEAR 2010-2011

February 22, 2010

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Continue to work cooperatively with the City of Greenfield and the County of Monterey to complete the Memorandum of Agreement required by LAFCO's approval of the City's Updated Sphere of Influence. City and County are the lead agencies in discussions.	ONGOING	

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Review LAFCO Human Resources Policies and Procedures.	IN PROGRESS	
Identify and support staff training needs and opportunities, including professional certification, technical training and ethics/harassment compliance.	ONGOING	

6. FINANCIAL MANAGEMENT		
TASK	STATUS	COMMENTS
Review and update the project fee schedule and hourly staffing rates, as needed.	ONGOING	
Continue to review existing financial policies and procedures, and prepare new financial policies and procedures as necessary.	ONGOING	
Coordinate with County Auditor to implement the 2009 policy on annual contributions to LAFCO, including timely issuance of initial invoices in July of each year.	ONGOING	
Complete audit for Fiscal Year 2009-2010.	Start August 2010. Complete by December 2010.	
Conduct periodic review of Benefits, Services and Supplies with the goal of maintaining services at a lower cost.	ONGOING	

Table:1 Partial List of Potential Local Agency Applications

LOCAL AGENCY	POTENTIAL APPLICATION
Aromas County Water District	Oak Ridge / Via del Sol Sphere of Influence Amendment and Annexation
Carmel Area Wastewater District	Rancho Cañada Village Sphere Amendment and Annexation
	Carmel Highlands Sphere of Influence Update and Annexations (pending recommendation from County "Onsite Wastewater Management Plan")
Carmel Valley County Sanitation District	Dissolution
Castroville Community Services District	Sphere Amendment (County Redevelopment Area)
Cities of Del Rey Oaks, Monterey, and Seaside	Minor Adjustments to Spheres of Influence and City Boundaries
City of Gonzales	Comprehensive Sphere Amendment & Annexation
City of Greenfield	Sundance Annexation (Northwest of City)
	Villages Annexation (West of City)
	Don Chapin Batch Plant Industrial Annexation
City of King City	Comprehensive Sphere of Influence Amendment
	Silva Properties Sphere of Influence Amendment
City of Salinas	Fresh Express Sphere Amendment and Annexation
City of Soledad	Comprehensive Sphere of Influence Amendment
	Miravale IIB Sphere Amendment and Annexation
	Miravale III Sphere Amendment and Annexation
	North End Remnant SOI Amendment & Annexation
	US 101 / Front Street Interchange Sphere of Influence Amendment & Annexation
Marina Coast Water District	Various Sphere Amendments and Annexations
	Ord Community Ad-Hoc Committee Report
Mission Soledad Fire Protection District	Annexation
Pajaro County Sanitation District	Merger with Pajaro/Sunny Mesa Community Services District (under discussion with County)
Pajaro/Sunny Mesa Community Services District	Comprehensive Sphere of Influence Amendment
	Former Alco Water Systems Sphere Amendment and Annexations (under discussion with County)
Seaside County Sanitation District	Annexation
South Monterey County Fire Protection District	Annexation