

**Estimated Alameda LAFCO Member Agency Apportionments  
FY 2021-2022\***

rev. 3/31/2021

<b>Agency</b>	<b>2020-2021 Amounts</b>	<b>2021-2022 Amounts</b>	<b>Difference</b>	<b>% change</b>
<b>Cities</b>				
ALAMEDA	\$ 9,492	\$ 8,912	\$ (580)	-6.1%
ALBANY	\$ 1,225	\$ 1,166	\$ (59)	-4.8%
BERKELEY	\$ 15,421	\$ 15,821	\$ 400	2.6%
DUBLIN	\$ 4,937	\$ 4,852	\$ (85)	-1.7%
EMERYVILLE	\$ 2,900	\$ 2,879	\$ (21)	-0.7%
FREMONT	\$ 12,136	\$ 12,374	\$ 238	2.0%
HAYWARD	\$ 11,051	\$ 12,132	\$ 1,081	9.8%
LIVERMORE	\$ 7,597	\$ 7,101	\$ (496)	-6.5%
NEWARK	\$ 2,858	\$ 2,968	\$ 110	3.8%
OAKLAND	\$ 61,226	\$ 59,106	\$ (2,120)	-3.5%
PIEDMONT	\$ 1,338	\$ 1,214	\$ (124)	-9.3%
PLEASANTON	\$ 7,070	\$ 6,960	\$ (110)	-1.6%
SAN LEANDRO	\$ 5,927	\$ 5,652	\$ (275)	-4.6%
UNION CITY	\$ 3,453	\$ 3,308	\$ (145)	-4.2%
<b>TOTAL CITIES SHARE</b>	<b>\$ 146,631</b>	<b>\$ 144,445</b>	<b>\$ (2,186)</b>	<b>-1.5%</b>
<b>Special Districts</b>				
ALAMEDA COUNTY MOSQUITO	\$ 580	\$ 572	\$ (8)	-1.4%
ALAMEDA COUNTY RESOURCE	\$ 197	\$ 222	\$ 25	12.7%
ALAMEDA COUNTY WATER	\$ 16,054	\$ 16,116	\$ 62	0.4%
CASTRO VALLEY SANITARY	\$ 1,474	\$ 1,481	\$ 7	0.5%
CITY OF ALAMEDA HEALTH CARE DISTRICT	\$ -	\$ -	\$ -	n/a
DUBLIN SAN RAMON SERVICE DISTRICT	\$ 11,905	\$ 11,599	\$ (306)	-2.6%
EAST BAY MUNICIPAL UTILITY DISTRICT	\$ 73,316	\$ 72,222	\$ (1,094)	-1.5%
EAST BAY REGIONAL PARK DISTRICT	\$ 20,872	\$ 21,666	\$ 794	3.8%
EDEN TOWNSHIP HOSPITAL	\$ 3,207	\$ 1,513	\$ (1,694)	-52.8%
FAIRVIEW FIRE DISTRICT	\$ 442	\$ 434	\$ (8)	-1.8%
HAYWARD AREA RECREATION	\$ 5,829	\$ 5,680	\$ (149)	-2.6%
LIVERMORE AREA RECREATION	\$ 2,776	\$ 2,648	\$ (128)	-4.6%
ORO LOMA SANITARY	\$ 2,852	\$ 2,880	\$ 28	1.0%
UNION SANITARY	\$ 7,127	\$ 7,412	\$ 285	4.0%
WASHINGTON TOWNSHIP HOSPITAL	\$ -	\$ -	\$ -	n/a
<b>TOTAL SPECIAL DISTRICTS SHARE</b>	<b>\$ 146,631</b>	<b>\$ 144,445</b>	<b>\$ (2,186)</b>	<b>-1.5%</b>
<b>COUNTY SHARE</b>	<b>\$ 146,631</b>	<b>\$ 144,445</b>	<b>\$ (2,186)</b>	<b>-1.5%</b>
<b>TOTAL APPORTIONMENTS*</b>	<b>\$ 439,893</b>	<b>\$ 433,335</b>	<b>\$ (6,558)</b>	<b>-1.5%</b>

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\*Fund balance is \$185,000. This amount is used per LAFCO policy to offset funding agency apportionments. Other Revenue is budgeted at \$30,000. Interest is budgeted at \$7,000. The \$222,000 in offset, other revenue and interest plus the Cities, Special Districts and County's apportionments of \$433,335 (allocated 1/3 each at \$144,445) total the LAFCO budget of \$655,335 (approved by LAFCO on March 11, 2021).

Note for FY 2021-22 Final Amounts: Pursuant to Government Code §56381 the cost allocation is based on the most recent State Controller's annual Cities and Special Districts revenue reports (FY 2018-2019) and the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development. For City of Alameda Health Care District (Alameda Hospital) the report date was 07/01/2018 thru 06/30/2019 (unaudited); for the Eden Township Hospital, the report date was 1/1/2019 through 12/31/2019 (audited); and for Washington Township Hospital the report date was 7/1/2018 through 6/30/2019 (unaudited).

Draft

**AGENDA REPORT**

March 11, 2021

Item No. 11

**TO:** Alameda Commissioners**FROM:** Rachel Jones, Executive Officer**SUBJECT: Adoption of Proposed Budget and Workplan for FY 2021-2022**

The Alameda Local Agency Formation Commission (LAFCO) will consider adopting a draft budget and workplan for fiscal year 2021-2022 in anticipation of taking final action at its next regular meeting. Proposed budget expenses total \$655,335 and represents a decrease of \$1,557 or 0.2% from the current fiscal year. The decrease is marked by savings in the Service and Supplies Unit that contributes to a reduction in overhead costs such as mileage and travel, staff workshops, and a few county services. Proposed budget revenues are matched to expenses with a slight decrease in agency contributions by \$6,057 or 1.4% in step with a fund balance offset of \$185,000 applied in the same manner as the previous fiscal year with a \$5,000 increase in total amount. The draft budget and fund balance offset would produce an estimated change in the fund balance from \$882,401 to \$697,401. Adoption will precede a formal public review and comment period, and conclude with final action taken at the next regular meeting scheduled for May 13, 2021.

**Background**

Alameda LAFCO is responsible under State law to adopt a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. A mandatory review by all local funding agencies is required between the two adoption periods. Alameda LAFCO's ("Commission") annual operating costs are primarily funded by proceeds collected from 29 local public agencies operating within Alameda County. State law specifies the Commission's operating costs shall be divided in one-third increments between the (a) County of Alameda, (b) 14 cities, and (c) 15 independent special districts with the latter two categories apportioned based on total revenues as provided in the most recent annual report published by the State Controller's Office. A relatively small portion, typically representing less than one-tenth of total revenues, is also funded from application fees and interest earnings.

**Adopted 2020-2021 Budget**

The Commission's adopted final budget for fiscal year 2020-2021 totals \$656,892. This amount represents the total approved operating expenditures divided between three active expenses units: salaries and benefits; services and supplies; and internal service charges. A matching revenue total was also budgeted to provide an operating net of \$0 with the purposeful transfer of \$180,000 from reserves. Budgeted revenues are divided between three active units: agency contributions, application fees; and interest earnings. The total unaudited fund balance as of July 1, 2020 was \$788,976.

**Administrative Office**

Rachel Jones, Executive Officer  
224 West Winton Avenue, Suite 110  
Hayward, California 94544  
T: 510.670.6267  
[www.acgov.org/lafco](http://www.acgov.org/lafco)

David Haubert, Regular  
County of Alameda

Nate Miley, Regular  
County of Alameda

Wilma Chan, Alternate  
County of Alameda

Bob Woerner, Regular  
City of Livermore

Karla Brown, Regular  
City of Pleasanton

Melissa Hernandez, Alt.  
City Dublin

Ralph Johnson, Regular  
Castro Valley Sanitary District

Ayn Wieskamp, Regular  
East Bay Regional Park District

Geogean Vonheeder-Leopold, Alternate  
Dublin San Ramon Services District

Sblend Sblendorio, Regular  
Public Member

Vacant Seat, Alternate  
Public Member

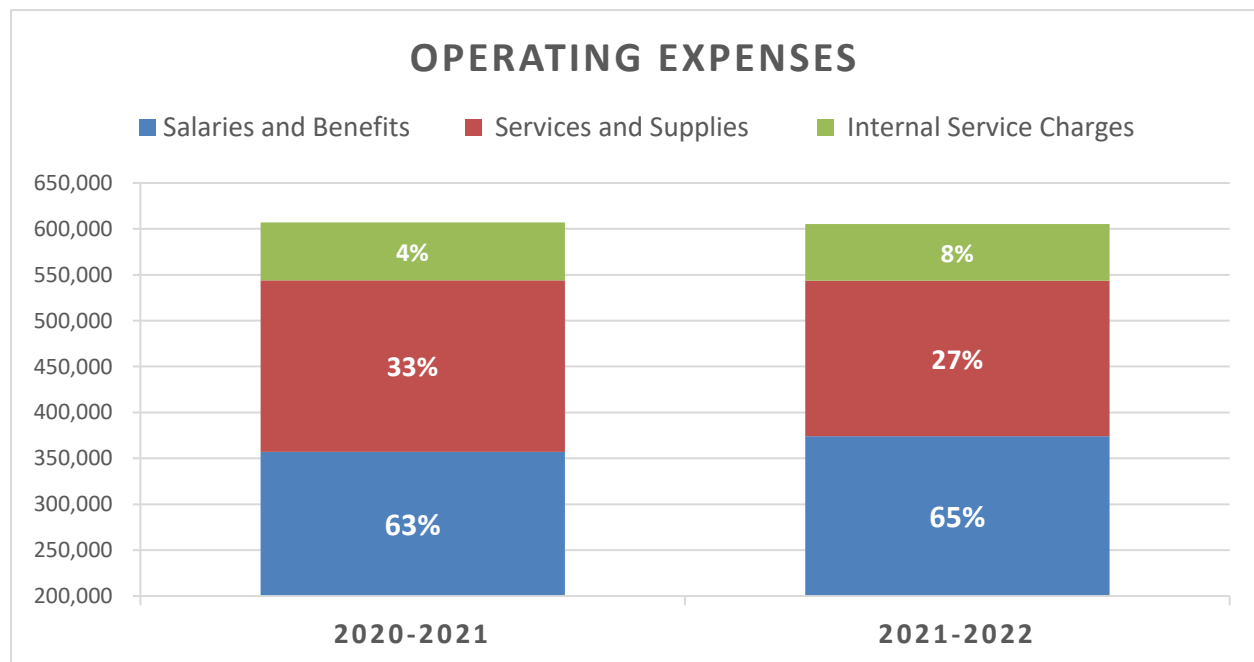
Budgeted Expenses FY 20-21	Budgeted Revenues FY 20-21	Budgeted Year End Balance FY 20-21	Fund Balance FY 20-21
\$656,892	\$656,892	\$0	\$788,976

**Discussion**

This item is for the Commission to consider in adopting a proposed (a) operating budget and (b) workplan for the upcoming fiscal year. Adoption of these documents would immediately precede a formal public review and comment period, including providing copies of the proposed budget to the 29 local funding agencies, with final actions scheduled for the Commission’s May 13<sup>th</sup> regular meeting. A summary of the proposed budget and accompanying work plan follows.

**Proposed Operating Budget for FY 2021-2022**

The proposed operating budget developed by the Executive Officer sets operating expenses at \$655,335; a net decrease of \$1,557 or 0.2% from the current fiscal year. The operating expenses total divided between labor and non-labor costs are at an 65% to 35% split. Proposed operating revenues match operating expenses and is covered by drawing down reserves consistent with the practice to help offset and phase sizable increases to agency contributions. The net effect would be a decrease in contributions of \$6,057 or 1.4% from \$439,392 to \$433,335.



## Operating Expenses

It is proposed the **Salaries and Benefits Unit** will increase by \$16,818 or 4.7% over the next fiscal year from \$357,157 to \$373,975. The unit covers labor costs tied to staffing 2.0 full-time employees: Executive Officer and Commission Clerk. Notable adjustment proposed may be reviewed below.

- Assumes a 2.0% cost-of-living adjustment in regular salaries with the County of Alameda's contract with unrepresented employees for 2021-2022.
- Assumes the position of a full-time Clerk position filled at an annual salary of \$81,254.

It is proposed the **Services and Supplies Unit** will decrease by 17,052 or 9.1% over the next fiscal year from \$186,662 to \$169,610. The unit provides for direct support services necessary to operate Alameda LAFCO. Notable adjustment proposed may be reviewed below.

- Reduces \$2,000 in the copier services account; a difference of 66.7% over the next fiscal year. The decrease is based on actuals of the current fiscal year.
- Reduces \$4,500 in the mapping services account to decrease the total line item from \$5,000 to \$500; a difference of 90% over the next fiscal year. The decrease is based on the reduction of mapping services required from the County Surveyor as a result of LAFCO's new GIS mapping system.
- Reduces \$5,000 in the legal services account to decrease the total line item from \$25,000 to \$20,000; a difference of 20% over the next fiscal year. The reduction is an estimate based on the recent demands provided by the Office of County Counsel.
- Subtracts \$2,500 in the training services account for conferences and workshops to decrease the total line item from \$5,000 to \$2,500; a difference of 50% over the next fiscal year. The decrease responds to the cancellation of CALAFCO's Annual Conference and the increase of remote workshops due to the COVID-19 pandemic.

It is proposed the **Internal Service Charges Unit** will decrease by \$1,323 or 2.1% over the next fiscal year from \$63,073 to \$61,750. The unit provides for indirect support services necessary to operate Alameda LAFCO. Notable adjustment proposed may be reviewed below.

- Subtracts \$1,503 from the information technology services account to decrease the total line item from \$27,373 to \$25,870 a difference of 5.5% over the next fiscal year. The decrease is attributed to LAFCO relying more on the Community Development Agency for utilities and equipment uses.

## Operating Revenues

It is proposed the **Intergovernmental Unit** will decrease by \$1,557 or 0.2% over the next fiscal year from \$656,892 to \$655,335. The unit provides payments received from the 29 local government agencies responsible under State law for funding Alameda LAFCO with apportionments divided in three equal shares among the County of Alameda, 14 cities and 15 independent special districts. Actual invoice amounts for cities and special districts would be determined by the County Auditor's Office consistent with the allocation formula outlined under Government Code Section 56383 and based on local revenue tallies.

It is proposed the **Service Charge Unit** remain as is at \$30,000. This unit covers payments received from outside applicants to process change of organizations (annexations, detachments, formations, etc.), outside service extensions, and sphere of influence amendments.

It is proposed the **Interest Earnings Unit** will decrease by \$500 from \$7,500 to \$7,000 over the next fiscal year. This reflects anticipated changes in interest earnings consistent with recent quarters.

## Proposed Work Plan for FY 2021-2022

The proposed work plan draws on a review of Alameda LAFCO's needs and goals by the Executive Officer and ahead of receiving input and direction from the Commission. It outlines 20 specific projects divided between statutory (legislative directives) and administrative (discretionary) activities. The projects are listed in sequence by assigned priority between high, moderate, and low. The majority of the projects are rollover from this current fiscal year with several additional items. A summary of notable high priority projects follows.

### General MSR on Fire Protection and Emergency Medical Services

The project is being continued from the current fiscal year due to delays from the completion of the General MSR on Water, Wastewater and Stormwater services. The project involves a countywide study of fire protection and emergency services with a request-for-proposals (RFP) issued for professional consulting services to conduct the study.

### Policy Review on Agricultural Protection and Out of Area Service Agreements

The project is being continued from the current fiscal year. This item aims to review existing policies relative to practices and trends, and determine whether changes are appropriate to better reflect current preferences. Alameda LAFCO being recently awarded with the Sustainable Agricultural Lands and Conservation Grant by the Department of Conservation and in partnership with the Alameda County Resource Conservation District should be able to update its existing policies by creating a stakeholders group and depository of existing agricultural practices and policies within the County.

### LAFCO Study on Measure D

The Commission will review how Measure D has impacted agricultural and open space lands and its surrounding community. The report will examine the economic and open space needs of the area and how Measure D has supported or constrained the delivery of efficient and effective services.

### LAFCO Review on South Livermore Valley Area Specific Plan

In 1987, the County of Alameda in conjunction with the cities of Livermore and Pleasanton created the South Livermore Valley Area Plan providing land use policies aimed at preserving existing vineyards and wineries to enhance the recognition and image of the area as an important premium wine-producing region and create incentives for investment and expansion of vineyards and other cultivated agriculture. The plan was approved by the County and City of Livermore in 1993, and Alameda LAFCO proposes to review and examine and provide any recommendations to the current growth management needs of the region.

### **Conclusion**

The proposed operating budget and work plan affirmatively responds to the feedback provided by the Commission along with the functional needs in meeting the agency's existing and expanding duties under State law. This includes advancing the Commission's outreach and educational opportunities throughout the community and region, conducting municipal service reviews to inform spheres of influence updates, and creating stakeholder groups to determine growth management policies. The principal difference in the proposed budget is largely tied to the adjustments made in salaries and benefits and services and supplies units to account for the modification of staffing levels for the Commission Clerk position and the reduction in overhead costs.

### **Alternatives for Action**

The following alternatives are available to the Commission:

#### Alternative One (Recommended):

Adopt the attached resolution approving the proposed budget and work plan for 2021-2022 with any desired changes;

Direct the Executive Officer to circulate the proposed budget for 2021-2022 for review and comment by the funding agencies and general public; and

Direct staff to return with a final budget for 2021-2022 for adoption as part of a noticed public hearing on May 13, 2021.

#### Alternative Two:

Continue consideration of the item to a special meeting scheduled no later than the legislative deadline of May 1, 2021 and provide direction to staff with respect to any additional information requests.

## **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

## **Procedures for Consideration**

This item has been placed on the agenda for action as part of a noticed public hearing. The following procedures are recommended for consideration.

- 1) Receive a verbal report from staff;
- 2) Invite questions from the Commission;
- 3) Open the public hearing and invite comments from audience (mandatory); and
- 4) Close the public hearing, discuss item, and consider recommendation.

Respectfully,



Rachel Jones  
Executive Officer

### **Attachments:**

1. Draft Resolution Adopting the Proposed Budget and Work Plan for FY 2021-2022
2. Proposed Budget for FY 2021-2022
3. Proposed Work Plan for FY 2021-2022



**ALAMEDA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION OF THE  
ALAMEDA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A PROPOSED WORK PLAN AND BUDGET  
FOR FISCAL YEAR 2021-2022**

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the Alameda Local Agency Formation Commission (“Commission”) to perform certain regulatory and planning duties for purposes of facilitating efficient and accountable local government; and

**WHEREAS**, the Commission is required to adopt proposed and final budgets each year by May 1<sup>st</sup> and June 15<sup>th</sup>, respectively; and

**WHEREAS**, the Commission’s Executive Officer prepared a written report outlining recommendations with respect to anticipated work activities and budgetary needs in 2021-2022; and

**WHEREAS**, the Commission has heard and fully considered all evidence on a proposed work plan and budget for 2021-2022 presented at a public hearing held on March 11, 2021; and

**WHEREAS**, the adoption of a work plan and budget are not projects under the California Environmental Quality Act;

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

1. The proposed operating budget for 2021-2022 shown as Exhibit A is APPROVED.
2. The proposed work plan for 2021-2022 shown as Exhibit B is APPROVED
3. 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 March 11, 2021 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

\_\_\_\_\_  
Sblend Sblendorio  
Chair

ATTEST:

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

APPROVED TO FORM:

\_\_\_\_\_  
Andrew Massey  
Legal Counsel



**Revenue Ledger**

	FY2018-2019		FY2019-2020		FY2020-2021		FY2021-2022		
	Adopted	Actuals	Adopted	Actuals	Adopted	Projected	Proposed		Difference
<b>Intergovernmental</b>									
<u>Account</u>	<u>Description</u>								
-	Agency Contributions								
	County of Alameda								
	196,948	196,948	192,127	192,127	146,464	146,464	144,445	(2,019)	-1.4%
	Cities								
	196,948	196,948	192,127	192,127	146,464	146,464	144,445	(2,019)	-1.4%
	Special Districts								
	196,948	196,948	192,127	192,127	146,464	146,464	144,445	(2,019)	-1.4%
	<b>590,844</b>	<b>590,844</b>	<b>576,380</b>	<b>576,380</b>	<b>439,392</b>	<b>439,392</b>	<b>433,335</b>	<b>(6,057)</b>	<b>-1.4%</b>
<b>Service Charges</b>									
-	Application Fees								
	30,000	10,000	30,000	25,000	30,000	25,000	30,000	-	0.0%
<b>Investments</b>									
-	Interest								
	-	11,531	7,500	7,500	7,500	7,500	7,000	(500)	-6.7%
<b>Fund Balance Offset</b>									
	176,000	176,000	180,000	180,000	180,000	-	185,000	5,000	2.8%
	<b>796,844</b>	<b>788,375</b>	<b>793,880</b>	<b>788,880</b>	<b>656,892</b>	<b>471,892</b>	<b>655,335</b>	<b>(1,557)</b>	<b>-0.2%</b>

<b>OPERATING NET</b>	-	246,268	-	239,472	-	43,425	-	-	-
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<b>UNRESTRICTED FUND BALANCE</b>	595,309	788,976	882,401	697,401
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As of June 30th

Priority	Urgency	Type	Status	Project	Key Issues
1	High	Statutory	Rollover	General MSR on Fire Protection and Emergency Services	Second MSR on Fire and Emergency Services sine 2006   Address Shared Opportunities
2	High	Administrative	Rollover	Policy Review on Agricultural Protection and Out of Area Service Agreements	Periodical review of existing policies relative to practices and trends, and determine whether changes are appropriate to better reflect current preferences
3	High	Statutory	New	Measure D Study	Review Impacts on Measure D and Provide Recommendations
4	High	Statutory	New	South Livermore Valley Area Specific Plan	Provide a LAFCO Update on Plan and Review Current Trends
5	High	Statutory	New	Community Services Municipal Service Review	Service Specific MSR   Last MSR completed in 2013
6	High	Statutory	New	Alameda County Resource Conservation District Municipal Service Review	MSR on resource conservation in Alameda County
7	High	Administrative	Rollover	2018-2021 Audits	Verify Fund Balance; Perform Regular Audits
8	Moderate	Administrative	New	Establish LAFCO's Role in Housing	Work with stakeholders in determining LAFCO's role in promoting equitable housing
9	Moderate	Administrative	Rollover	Prepare Informational Report on Unincorporated Islands	Map all Unincorporated Islands and Examine Island Annexation Implementation Issues in Alameda County
10	Moderate	Administrative	Rollver	Update Application Packet and Mapping Requirements	Current Application Dated; Make User Friendly
11	Moderate	Administrative	Rollover	LAFCO Presentations	Introductory Overview of LAFCO's Duties and Responsibilities to Boards, Councils, Community Groups
12	Moderate	Administrative	Rollover	LAFCO Agency Logo	Establish New Agency Logo for Branding (Website, Publications, etc.)
13	Moderate	Statutory	New	SALC Grant Award	Begin Two-Year Process on Grant Project
14	Low	Administrative	Rollover	Prepare Informational Report on JPAs	Post Enactment of SB 1266; Enhance Repository on Local Government Services
15	Low	Statutory	Rollover	Sphere Update for City of Pleasanton	Implement Planning Functions; Update SOIs of Local Government Agencies; Cities MSR
16	Low	Administrative	Rollover	Informational Report on Remen Tract	Special Report on Service Delivery Feasibility
17	Low	Administrative	Rollover	Host Alameda County Special District Association Meeting	Communicate LAFCO's Mission and Goals to the Community
18	Low	Administrative	Rollover	LAFCO Annual Report on Status of County	Evaluate LAFCO's Mission and Goals Relative to Local Conditions; Identify Strategies to Achieve Shared Objectives

19	Low	Administrative	Rollover	Local Agency Directory	User-Friendly Publication Identifying and Summarizing Local Government Agencies and Services in Alameda County
20	Low	Administrative	New	Social Media	Expand Alameda LAFCO's Social Media Presence