

From: VTA Board Secretary
Sent: Tuesday, June 9, 2020 10:31 AM
To: VTA Board of Directors
Subject: FW: Final LAFCO Budget for Fiscal Year 2020-2021

VTA Board of Directors:

At the request of LAFCO, we are forwarding you their final Budget for Fiscal Year 2020-2021.

Thank you.

VTA Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 North First Street, Building B-1
San Jose, CA 95134-1927
Phone: 408-321-5680



From: Abello, Emmanuel
Sent: Monday, June 8, 2020 4:56 PM
Subject: Final LAFCO Budget for Fiscal Year 2020-2021

The Clerk of the Board of Supervisors, City Clerks and Independent Special District Clerks:
Please distribute to the members of your governing bodies the Final LAFCO Budget for Fiscal Year 2020-2021 (attachment).

NOTE: In light of COVID-19 response measures from the Governor of the State of California and the Santa Clara County Public Health Department, commencing March 17, and extended through May 3, 2020, all staff of Santa Clara LAFCO are under a "Shelter in Place" directive, working remotely from home. If you have an inquiry, we encourage you to contact us by email at LAFCO@ceo.sccgov.org.

Thank you,
Emmanuel Abello
Commission Clerk
LAFCO of Santa Clara County
777 North First Street, Suite 410
San Jose, CA 95112
Twitter: [@SantaClaraLAFCO](https://twitter.com/SantaClaraLAFCO)
www.SantaClaraLAFCO.org

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**Local Agency
Formation Commission
of Santa Clara County**

777 North First Street
Suite 410
San Jose, CA 95112

SantaClaraLAFCO.org

Commissioners

Rich Constantine
Susan Ellenberg
Sequoia Hall
Sergio Jimenez
Linda J. LeZotte
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners

Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull

Executive Officer
Neelima Palacherla

June 8, 2020

TO: County Executive, Santa Clara County
City Managers, Cities in Santa Clara County
District Managers, Independent Special Districts in Santa Clara County

FROM: Neelima Palacherla, LAFCO Executive Officer

SUBJECT: LAFCO BUDGET FOR FISCAL YEAR 2020-2021

At its June 3, 2020 meeting, LAFCO adopted its Final Budget for Fiscal Year 2020-2021. The adopted Final Budget and the staff report are attached for your information.

Pursuant to the apportionment method specified in Government Code §56381 and §56381.6, the County Auditor-Controller will apportion LAFCO's net operating expenses to the cities, the County and the independent special districts based on the Final Budget adopted by LAFCO. Please expect to receive an invoice from the County Controller's Office in the next few days.

Should you have any questions regarding the LAFCO budget or cost apportionment, do not hesitate to contact me at (408) 993-4713 / neelima.palacherla@ceo.sccgov.org.

Thank you.

Attachments: Fiscal Year 2020-2021 Budget approved by LAFCO on June 3, 2020
Staff Report on June 3, 2020 re. Final LAFCO Budget for FY 2020-2021

cc: Board of Supervisors, Santa Clara County
City Council Members, Cities in Santa Clara County
Independent Special District Board Members
Santa Clara County Cities Association
Santa Clara County Special Districts Association

FINAL LAFCO BUDGET FISCAL YEAR 2020- 2021

ITEM # TITLE	APPROVED FY 2020 BUDGET	ACTUALS Year to Date 3/10/2020	PROJECTIONS Year End 2020	FINAL FY 2021 BUDGET
EXPENDITURES				
Object 1: Salary and Benefits	\$772,591	\$475,304	\$732,000	\$806,845
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$346	\$5,000	\$45,000
5255800 Legal Counsel	\$72,240	\$35,235	\$70,000	\$74,622
5255500 Consultant Services	\$110,000	\$89,922	\$110,000	\$110,000
5285700 Meal Claims	\$750	\$166	\$400	\$750
5220100 Insurance	\$6,000	\$5,893	\$6,000	\$10,452
5250100 Office Expenses	\$10,000	\$1,481	\$5,000	\$10,000
5270100 Rent & Lease	\$44,478	\$33,138	\$44,478	\$46,254
5255650 Data Processing Services	\$14,825	\$10,355	\$14,825	\$20,267
5225500 Commissioners' Fee	\$10,000	\$3,000	\$7,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$0	\$200	\$2,500
5245100 Membership Dues	\$11,836	\$11,822	\$11,822	\$12,000
5250750 Printing and Reproduction	\$1,500	\$799	\$1,000	\$1,500
5285800 Business Travel	\$16,650	\$7,910	\$10,000	\$12,000
5285300 Private Automobile Mileage	\$2,000	\$637	\$1,000	\$2,000
5285200 Transportation&Travel (County Car Usage)	\$605	\$256	\$500	\$605
5281600 Overhead	\$61,183	\$30,591	\$61,183	\$30,917
5275200 Computer Hardware	\$3,000	\$0	\$1,000	\$3,000
5250800 Computer Software	\$5,000	\$0	\$2,000	\$5,000
5250250 Postage	\$2,000	\$71	\$500	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$525	\$1,000	\$2,000
5701000 Reserves	\$100,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,294,158	\$707,451	\$1,084,908	\$1,207,712
REVENUES				
4103400 Application Fees	\$35,000	\$7,585	\$15,000	\$30,000
4301100 Interest: Deposits and Investments	\$6,000	\$9,203	\$10,000	\$6,000
TOTAL REVENUE	\$41,000	\$16,788	\$25,000	\$36,000
3400150 FUND BALANCE FROM PREVIOUS FY	\$107,446	\$202,123	\$202,123	\$187,927
NET LAFCO OPERATING EXPENSES	\$1,145,712	\$488,540	\$857,785	\$983,785
3400800 RESERVES Available	\$150,000	\$250,000	\$250,000	\$250,000
COSTS TO AGENCIES				
5440200 County	\$381,904	\$381,904	\$381,904	\$327,928
4600100 Cities (San Jose 50% + Other Cities 50%)	\$381,904	\$381,904	\$381,904	\$327,928
4600100 Special Districts	\$381,904	\$381,904	\$381,904	\$327,928



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ITEM # 5

Alternate Commissioners
Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: June 3, 2020
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
SUBJECT: FY 2021 FINAL BUDGET

FINANCE COMMITTEE / STAFF RECOMMENDATION

1. Adopt the Final Budget for Fiscal Year 2020-2021.
2. Find that the Final Budget for Fiscal Year 2021 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association and the Special Districts Association.
4. Direct the County Auditor-Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

REVISIONS TO THE DRAFT/PRELIMINARY BUDGET

On April 8, 2020, the Commission adopted its preliminary budget for Fiscal Year 2020-2021. The preliminary budget was prepared using the best information available at that time. Since then, new information has become available for two line items which require adjustment in the LAFCO budget. Presented below are the proposed line item revisions:

5281600 Overhead Reduced from \$167,019 to \$30,917

This item is LAFCO’s share of the County’s FY 2021 Cost Allocation Plan. As discussed in the preliminary budget, working in cooperation with staff, the County has reviewed and reconsidered its Cost Plan to exclude those programs and allocations (totaling \$68,051) that do not provide a benefit to LAFCO. Furthermore, the County has accordingly adjusted the Roll Forward amount which is part of its Cost Plan and is calculated by comparing FY 2019 Cost Plan estimates with FY 2019 actuals. Because the FY 2019 cost estimates were higher than the actuals by \$4,649, this amount is reduced from LAFCO’s FY 21 allocations. Together, these adjustments have resulted in a total reduction of \$136,102 for this line item and therefore, the County’s net billing to LAFCO in FY 21 is reduced to \$30,917.

5220200 Insurance Increased from \$6,000 to \$10,452

This item is for purchasing general liability insurance for LAFCO and workers' compensation coverage for LAFCO commissioners from the Special District Risk Management Authority (SDRMA). As reported in the preliminary budget, SDRMA in mid-March 2020, notified LAFCO that it is in the process of negotiating rates on behalf of its program membership and that the 2021 renewal rates for the SDRMA property / liability program are expected to increase significantly for all members due to the increased reinsurer costs. LAFCO recently received the rate letter from SDRMA which confirmed an 85% rate increase for the property/liability program. The workers' compensation program rates remain flat, with no change for the 2020-2021 program year. The proposed Final Budget therefore includes \$9,470 for the property/liability coverage and \$981 for the workers compensation program.

Reduction in LAFCO's FY 2021 Expenditures and Operating Expenses

The proposed FY 2021 Final Budget (Attachment A) includes the above listed modifications and indicates a 7% reduction in FY 2021 overall expenditures and a 14% reduction in net operating expenses compared to the current year budget. This in turn results in a corresponding reduction in costs to LAFCO's funding agencies – the 15 cities, 17 independent special districts and the County.

LAFCO BUDGET PROCESS REQUIREMENTS

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) which became effective on January 1, 2001, requires LAFCO, as an independent agency, to annually adopt a draft budget by May 1 and a final budget by June 15 at noticed public hearings. Both the draft and the final budgets are required to be transmitted to the cities, the special districts and the County. Government Code §56381(a) establishes that at a minimum, the budget must be equal to that of the previous year unless the Commission finds that reduced staffing or program costs will nevertheless allow it to fulfill its statutory responsibilities. Any unspent funds at the end of the year may be rolled over into the next fiscal year budget. After adoption of the final budget by LAFCO, the County Auditor is required to apportion the net operating expenses of the Commission to the agencies represented on LAFCO.

LAFCO and the County of Santa Clara entered into a Memorandum of Understanding (MOU) (effective since July 2001), under the terms of which, the County provides staffing, facilities, and services to LAFCO. The associated costs are reflected in the LAFCO budget. LAFCO is a stand-alone, separate fund within the County's accounting and budget system and the LAFCO budget information is formatted using the County's account descriptions/codes.

COST APPORTIONMENT TO CITIES, DISTRICTS AND COUNTY

The CKH Act requires LAFCO costs to be split in proportion to the percentage of an agency's representation (excluding the public member) on the Commission. Santa

Clara LAFCO is composed of a public member, two County board members, two city council members, and since January 2013 – two special district members. Government Code §56381(b)(1)(A) provides that when independent special districts are seated on LAFCO, the county, cities and districts must each provide a one-third share of LAFCO’s operational budget.

Since the City of San Jose has permanent membership on LAFCO, as required by Government Code §56381.6(b), the City of San Jose’s share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. Therefore in Santa Clara County, the City of San Jose pays one sixth and the remaining cities pay one sixth of LAFCO’s operational costs. Per the CKH Act, the remaining cities’ share must be apportioned in proportion to each city’s total revenue, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county. Each city’s share is therefore based on the 2017/2018 Report – which is the most recent edition available.

Government Code Section 56381 provides that the independent special districts’ share shall be apportioned in proportion to each district’s total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts’ share to individual districts. The SDA’s agreement requires each district’s cost to be based on a fixed percentage of the total independent special districts’ share.

The estimated apportionment of LAFCO’s FY 2021 costs to the individual cities and districts is included as Attachment B. The final costs will be calculated and invoiced to the individual agencies by the County Controller’s Office after LAFCO adopts the final budget.

ATTACHMENTS

- Attachment A: Final LAFCO Budget for Fiscal Year 2021
- Attachment B: Costs to Agencies Based on the Final Budget

**FINAL LAFCO BUDGET
FISCAL YEAR 2020- 2021**

**ITEM #4
Attachment A**

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LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS
Estimated Costs to Agencies Based on the FY 2021 Final LAFCO Budget

Proposed Net Operating Expenses for FY 2021				\$983,785
JURISDICTION	REVENUE PER 2017/2018 REPORT	PERCENTAGE OF TOTAL REVENUE	ALLOCATION PERCENTAGES	ALLOCATED COSTS
County	N/A	N/A	33.33333333%	\$327,928.33
Cities Total Share			33.33333333%	\$327,928.33
San Jose	N/A	N/A	50.00000000%	\$163,964.17
Other cities share			50.00000000%	\$163,964.16
Campbell	\$62,469,004	1.9027943%		\$3,119.90
Cupertino	\$104,218,557	3.1744779%		\$5,205.01
Gilroy	\$122,687,359	3.7370342%		\$6,127.40
Los Altos	\$53,411,743	1.6269118%		\$2,667.55
Los Altos Hills	\$15,986,557	0.4869476%		\$798.42
Los Gatos	\$49,799,685	1.5168892%		\$2,487.15
Milpitas	\$189,377,374	5.7683997%		\$9,458.11
Monte Sereno	\$3,510,862	0.1069402%		\$175.34
Morgan Hill	\$98,311,510	2.9945503%		\$4,909.99
Mountain View	\$374,877,705	11.4187053%		\$18,722.58
Palo Alto	\$642,327,689	19.5651822%		\$32,079.89
Santa Clara	\$961,395,788	29.2839373%		\$48,015.17
Saratoga	\$29,306,193	0.8926612%		\$1,463.64
Sunnyvale	\$575,334,067	17.5245689%		\$28,734.01
Total Cities (excluding San Jose)	\$3,283,014,093	100.0000000%		\$163,964.16
Total Cities (including San Jose)				\$327,928.33
Special Districts Total Share		(Fixed %)	33.33333333%	\$327,928.34
Aldercroft Heights County Water District		0.06233%		\$204.40
Burbank Sanitary District		0.15593%		\$511.34
Cupertino Sanitary District		2.64110%		\$8,660.92
El Camino Healthcare District		4.90738%		\$16,092.69
Guadalupe Coyote Resource Conservation District		0.04860%		\$159.37
Lake Canyon Community Services District		0.02206%		\$72.34
Lion's Gate Community Services District		0.22053%		\$723.18
Loma Prieta Resource Conservation District		0.02020%		\$66.24
Midpeninsula Regional Open Space District		5.76378%		\$18,901.07
Purissima Hills Water District		1.35427%		\$4,441.04
Rancho Rinconada Recreation and Park District		0.15988%		\$524.29
San Martin County Water District		0.04431%		\$145.31
Santa Clara Valley Open Space Authority		1.27051%		\$4,166.36
Santa Clara Valley Water District		81.44126%		\$267,068.96
Saratoga Cemetery District		0.32078%		\$1,051.93
Saratoga Fire Protection District		1.52956%		\$5,015.86
South Santa Clara Valley Memorial District		0.03752%		\$123.04
Total Special Districts		100.00000%		\$327,928.34
Total Allocated Costs				\$983,785.00

From: VTA Board Secretary
Sent: Friday, June 12, 2020 4:01 PM
To: VTA Board of Directors
Subject: VTA Information: Board of Directors Agenda Packet for June 19, 2020

VTA Board of Directors:

You may now access your VTA Board of Directors Agenda packet for the **Thursday, June 19, 2020, Meeting** on our [Agenda Portal](#).

Board Members will receive a unique “Panelist” link via email on Wednesday, June 17, 2020, from VTA Board Secretary. The email will provide instructions on how to join the meeting.

Thank you.

Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 North First Street, Building B
San Jose, CA 95134-1927
Phone [408-321-5680](tel:408-321-5680)

