

**From:** VTA Board Secretary

**Sent:** Monday, April 3, 2023 4:18 PM

**To:** VTA Board of Directors

**Subject:** VTA Information: April 6, 2023 to the Board of Directors Meeting Revised Agenda

**VTA Board of Directors:**

The April 6, 2023, Board of Directors meeting agenda packet has been updated to include a Revised Agenda. You may access the updated packet on our [agenda portal](#).

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**



**From:** VTA Board Secretary

**Sent:** Monday, April 3, 2023 5:46 PM

**To:** VTA Board of Directors

**Cc:** VTA Board Secretary

**Subject:** Memorandum from Jim Lawson and Joint Letter from ATU International and ATU Local 265

**VTA Board of Directors:**

Please see the attached memorandum from Jim Lawson, Chief External Affairs Officer, and joint letter from ATU International and ATU Local 265.

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)



## MEMORANDUM

**TO:** Board of Directors  
**FROM:** Jim Lawson, Chief External Affairs Officer  
**DATE:** March 31, 2023  
**SUBJECT:** ATU Letter of March 28th

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Staff is forwarding to the Board the attached letter from ATU's International President and Local 265 President/Business Agent dated March 28, 2023. We appreciate their stated interest in improving the safety and security of VTA workplace for our employees and passengers.

All of us at VTA are still feeling the effects of the May 26<sup>th</sup> tragedy and are grateful for the steps VTA and Santa Clara County have taken to provide resources to addressing the mental and emotional toll. The support from Senator Cortese and our state legislature is deeply appreciated.

VTA will provide a more detailed response directly to the Board in a separate letter.



## Joint Letter from ATU International and ATU Local 265 to VTA Board of Directors



March 28, 2023

Board of Directors  
Office of the Board Secretary  
Santa Clara Valley Transportation Authority  
3331 North 1st Street  
San Jose, CA 95134  
Attn: Patrick Burt, Chairperson

Re: Santa Clara Valley Transportation Authority/Samuel Cassidy – Investigative Findings

Dear Chairperson Burt:

**As we work together to improve the safety and security of VTA workplaces for VTA's dedicated operating, maintenance and other employees, and for the passengers they serve, we are compelled to respond to the false narrative that there was nothing VTA could have known or done to prevent the May 26, 2021 mass shooting at the Guadalupe Yard facility.**

The much anticipated “investigative” report issued on December 12, 2022, serves only to confirm the self-protective stance of the Agency to avoid any accountability or culpability for the tragic events that cost the lives of ten VTA employees.<sup>1</sup> As discussed below, the Agency's report fails to provide a full analysis of the circumstances and employee discontent that led to the tragedy, and is silent on any recommendations for preventing such tragedies in the future.

Fortunately, the leaders of Local 265, with the support of their International Union, immediately, and for the months that followed, responded to the tragedy by providing resources and counseling to the families of the stricken members and their co-workers. Critical support, led by California State Senator Dave Cortese and Santa Clara County Supervisor Cindy Chavez, led to legislation providing much need funding to provide vital mental health resources, employee and family support, and to address the shortfalls in VTA's employee assistance, safety and violence prevention programs.

Today, however, the VTA workplace is far from perfect and employees are not fully protected. But with the formation of a new federally mandated, state-funded labor-management safety committee charged with shaping the violence prevention policies, emergency preparedness procedures and joint training for both employees and managers, the foundations for a more secure and safe workplace are emerging. Through the newly formed “Resiliency Center,” agency and county-wide mental health resources, peer-to-peer counseling and the three state-funded mental health days, prospects to identify and address future dangers and distressed employees are in place.

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<sup>1</sup> “The investigator concluded there is no evidence that any VTA employee or supervisor had prior knowledge that Sam Cassidy was planning a shooting in the workplace that could have been prevented by VTA. Although there were some interactions that caused feelings of concern among his fellow workers, they were not based on threatening words or actions by the shooter. He also had documented incidents of work-related issues that occurred over several years. None of them individually or collectively would have caused VTA to remove him from the workplace. We will never be able to know for certain why he committed these horrendous acts.” Summary Statement by Carolyn M. Gonot, General Manager/CEO DATE: December 12, 2022.

Despite this progress and partnership, there remains a deep layer of anger and distrust among the workers with the VTA for, in effect, using a “controlled investigation” to avoid any responsibility for what took place on May 26. It is clear to Local 265 that more work is needed, especially training and improved communications, to rebuild and maintain trust among our co-workers and management. The investigative report, as directed by the VTA Board, is unacceptable, insufficient and designed to get the agency “off the hook” in the face of ongoing litigation, when instead, it should have been used as an earnest attempt to remediate the conditions that led to the May 26 tragedy.

### **Missed Signals: Self Protective Report Finds No Accountability**

In lieu of a careful analysis of what went wrong, what warning signs were missed, and what could have been done to prevent the shooting which took the lives of ten employees, VTA commissioned a study, narrow in scope, focused only on whether there was **specific evidence** to put the Agency on notice that employee Samuel Cassidy would commit a shooting on the property.

Framed at the outset as a “just the facts” examination, the investigator, as directed, stopped well short of a “root cause” analysis, criminal liability evaluation or, most importantly, recommendations for preventing such events in the future.

Contrary to statements by VTA spokespersons, this was not an “independent” investigation, and it failed to meet even the minimal requirements for an “investigation” as defined by the Federal Transit Administration: “the process of determining the causal and contributing factors of an accident, incident, or hazard, for the purpose of preventing recurrence and mitigating risk.”

Instead, the report, written in cold prose, was used as intended—to trumpet the investigator’s so-called findings, echoed repeatedly by VTA, that the VTA had no advance knowledge that the employee was planning a shooting.

### **Missed Signals and Inadequate Follow-Up**

Significantly, the report omitted any discussion of VTA’s missed opportunities to address the behavioral “red flag” signs of discontent, distrust and “hatred” for VTA and certain employees that the shooter exhibited, over a long period, which might have led to temporary leaves of absence, stress management interventions, counseling or treatment.

In rejecting any accountability or culpability on the part of VTA, the investigator dismissed or diminished the import and impact of the disgruntled employee’s erratic and abusive actions, which led to repeated complaints by his co-workers that the employee “could go postal”. Most disheartening, critical employee witnesses were never contacted, despite claims to the contrary.

Rather, inexplicably, employee fears of the shooter “going postal” were labeled mere “concerns,” not worthy of action. Moreover, while referencing these incidents of verbal abuses, insubordination, overreactions and criticism of management, none were evaluated as potential non-compliance with VTA’s “Standards of Conduct” or “Violence Free Workplace Policy” to otherwise trigger meaningful interventions.

## **Inadequate Training and Responses**

Co-workers' "feelings" about potential violence were discounted, and as inexplicably stated by VTA's spokesperson, insufficient by themselves to warrant any special actions. "We don't act on what someone thinks may happen," he said. Most telling, because of poorly drawn policies and/or inadequate training, several of Cassidy's immediate supervisors took limited or no action directly or through their managers to address "the shooter's" increasingly erratic behavior.

What is clear and cited in the investigative report is that Cassidy's supervisors and their managers were well aware of, and in some cases directly involved in dealing with, his increasingly hostile behavior. Yet none of his fellow employee complaints were dealt with properly by his supervisors or higher-level management, beyond some counseling, to address the immediate issues. They stood by and did not pursue a more robust response to address his obvious anger at fellow employees and hatred of the employer.

Relying on her determination that there was no direct evidence that Cassidy was planning a shooting in the workplace, the Investigator concluded that nothing could have been done to prevent the tragedy. Yet, we know there was a series of reassignments following the shooting. "We are not casting individual blame nor are we looking for vindictive retribution," stated ATU Local President John Courtney. But clearly, the VTA, because of failed policies, inadequate reporting systems and poor training, failed to address a volatile employee, and his anger escalated into unspeakable tragedy.

## **ATU and Local 265 Seeks Healing and Changes to Prevent Future Violence**

Moving forward, the Union truly welcomes the new mental health services, the ongoing labor-management committee discussions, and the community support. Led by ATU Local 265, legislation providing much needed funding has underwritten a mental health Resiliency Center, contracts with specialized psychiatrists to assist employees, mental health days for distressed employees, and enhanced Critical Incident Support Teams to respond to various situations.

We are indeed grateful for the support and advocacy of Senator Cortese, Supervisor Chavez and others that led to the passage of SB 129 and the appropriation of \$20 million to improve employee safety and underwrite vital employee services. These changes, along with the continued access to Dr. Torres's PTSD program, are making a real difference.

But more, much more needs to be done. As the epidemic of violence against transit workers continues unabated, we call on the VTA, the FTA and indeed, all transit agencies to incorporate comprehensive "Violence Prevention Programs" into their Public Agency Transit Safety Plans.

We ask the VTA to join Local 265 and the ATU in demanding that the FTA issue a set of specific standard requirements for effective Violence Prevention Plans and Procedures as part of the plans required under 49 C.F.R. Part 673. Further, to demand that the FTA make additional funding available to the agencies to provide for effective and lasting implementation of these vital measures. When the current state funding runs out, this additional support will be critical to maintain and improve the current programs at the VTA.

We know, based on our own experience, best practices and FTA's funded research, that to be effective these plans must be developed in partnership with their employees' unions and at a minimum provide:

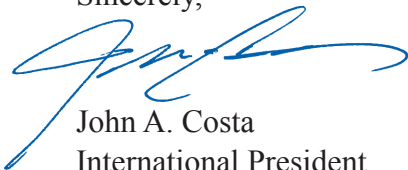
1. Requirements that all plans and programs be developed through labor-management committees, with shared responsibility and control over decision-making
2. Regular employee safety surveys
3. Clear and confidential incident-reporting systems
4. A chain of command and responsibility for timely responses
5. Direct involvement of the Union in addressing “difficult” employees
6. Dedicated administrators to ensure a timely response to complaints
7. Annual (semi-annual) risk assessments and required facility remediation
8. Regular and targeted training for employees and supervisors, covering violence prevention and “red flag” warning signs
9. Mental health and employee assistance program (EAP) resources, with union oversight

Together, in partnership with our sister agencies and the FTA, effective policies and programs can be established to improve the safety and security of members and the riders we serve. We owe it to those whose lives were lost in San Jose and to all the heroes serving our nation’s transit systems every day.

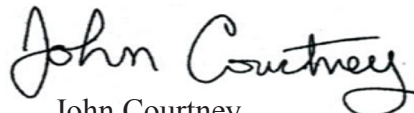
We stand ready to continue, not only the ongoing meetings in San Jose, but to pursue policies at the federal and state level to more effectively address violence in the workplace.

Please feel free to contact us to discuss and pursue these matters further.

Sincerely,



John A. Costa  
International President  
Amalgamated Transit Union  
[jcosta@atu.org](mailto:jcosta@atu.org)



John Courtney  
President/Business Agent  
ATU Local 265  
[jcourtney@atulocal265.org](mailto:jcourtney@atulocal265.org)

cc: VTA Board of Directors  
Carolyn M. Gonot, General Manager, VTA  
Nuria Fernandez, FTA Administrator  
Senator Dave Cortese  
County Supervisor Cindy Chavez  
Governor Gavin Newsom  
ATU Local 265 Executive Board

**From:** VTA Board Secretary

**Sent:** Wednesday, April 5, 2023 1:38 PM

**To:** VTA Board of Directors

**Subject:** VTA Information: April 6, 2023 Board of Directors Meeting 1st Update to the Agenda Packet

**VTA Board of Directors:**

Attached you will find maps of 70 W Hedding Street showing parking and other important information.

Also attached you will find the timed agenda for the meeting.

The April 6, 2023, Board of Directors meeting agenda packet has been updated to include additional information on the following agenda items:

- **Agenda Item #5.1.B:** Policy Advisory Committee (PAC) Chairperson's Report (written report)
- **Agenda Item #5.1.C:** Standing Committee Chairpersons' Report (CMPP and SSTPO written report)
- **Agenda Item #5.1.D:** Policy Advisory Board Chairpersons' Report (EBRC written report)
- **Agenda Item #5.2:** General Manager Report (presentation, safety and security stats, ridership stats)
- **Agenda Item #5.2.A:** Government Affairs Report (written report)
- **Agenda Item #5.3.A:** Capital Program Committee (CPC) Appointments (revised memo)
- **Agenda Item #6.9:** Unapproved Minutes/Summary Reports from VTA Committees, Joint Powers Board (JPB), and Regional Commissions (SSTPO Minutes)
- **Agenda Item #7.2:** Resolution Authorizing the GM/CEO to Execute Certain Agreements Related to the Funding and Implementation of VTA TOD Projects (presentation and updated resolution)
- **Agenda Item #7.3:** SB 129 Joint Labor Management Committee Update (presentation)
- **Agenda Item #7.4:** VTA's BART Silicon Valley Phase II Project (presentation)
- **Agenda Item #9.1:** Closed Session (additional item)

You may access the updated packet on our [agenda portal](#).

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**





## VTA Board of Directors Meeting - April 6, 2023

**Address:** Board of Supervisors' Chambers  
70 West Hedding, San Jose, CA

**Parking:** Park at the lot at the corner of San Pedro and W Hedding or the corner of N First Street and W Hedding  
Visitor lot at the corner of San Pedro and W Hedding, near the DA's office has a limit of 2 hours until 5:30.  
After 5:30, there is no limit.

**Wifi:** scc\_guest  
Please accept the terms and conditions so you can access the internet.

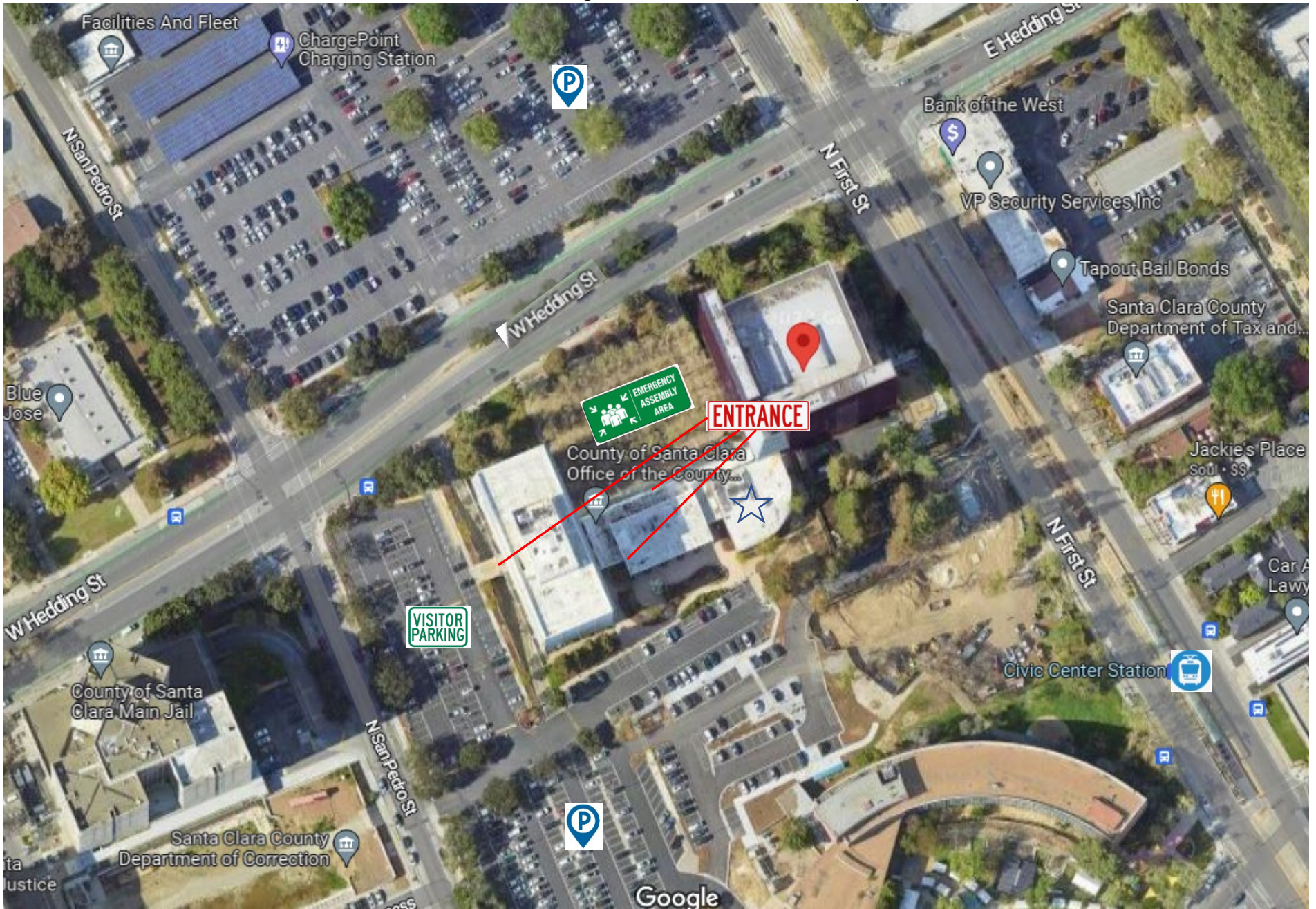
**Food & Bev:** In the closed session room

**First Aid Kit:** In closed session room

**Flashlight:** In closed session room

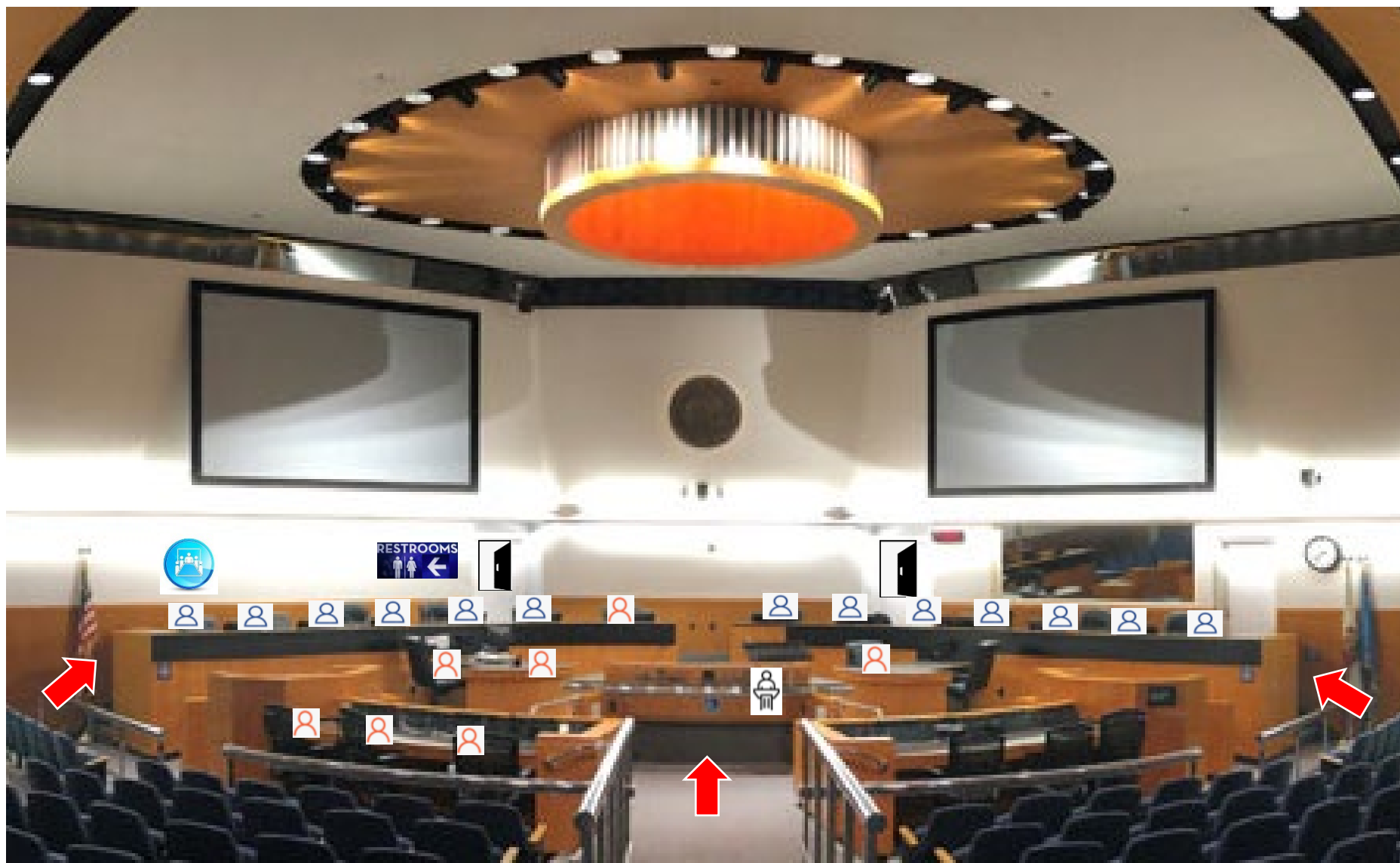
**Cell Charger:** Ask Elaine


70 W Hedding Street, San Jose, CA Area Map





- Parking "A"
- VISITOR PARKING Visitor Lot 2 Hrs no limit after 5:30
- ENTRANCE Building Entrances
- EMERGENCY ASSEMBLY AREA Assembly Area
- Bus Stop
- LR Station
- Chambers


### Board of Supervisors Chambers



 Dais entry points (1-3 stairs)

 Doors  
Turn left to go to Closed Session Room/ Restrooms

 Restrooms are behind this wall

 Closed Session Room behind this wall. Food & Bev and first aid will be here.

 Board Member

 Staff

 Public Comment

## BOARD OF DIRECTORS MEETING

Thursday, April 6, 2023

5:30 PM

**ESTIMATED TIMES:**

**5:30 PM– START MEETING**

**9:00 PM - ADJOURN**

**\*REVISED AGENDA\***

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**1. CALL TO ORDER AND ROLL CALL** *(7 mins end @ 5:37 p.m.)*

**1.1. ROLL CALL**

**1.2. Orders of the Day**

- Revised Agenda to remove the remote location.
- Addendum to add a closed session item.
- Remove Property B3305 from Item #4.2. Agreement was reached with the property owner.
- Add Item 7.3, SB 129 Joint Labor Management Committee to the consent agenda..

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**2. AWARDS AND COMMENDATION**

There are no Awards and Commendations.

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**3. PUBLIC COMMENT** *(20 mins, end @ 5:57 PM)*

- This is for items NOT on the agenda.
- 1 minute per speaker. Those in person will be heard first then those who are on zoom.
- Total time allotted is up to 30 minutes.
- After 30 minutes, those who were unable to address the Board on matters not on the agenda may address the board before adjournment.

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**4. PUBLIC HEARINGS**

*(30 mins end @ 6:27 p.m.)*

**4.1. HEARING - NOTICE OF INTENTION TO ADOPT A RESOLUTION OF NECESSITY**

**ACTION ITEM** - Close Hearing and adopt one (1) Resolution of Necessity determining that the public interest and necessity require the acquisitions of real property interests on property located in the City of Santa Clara owned by Chris Marchese; Crist Marchese; Rosalie Cacitti; Carmen Russo; Chris Marchese Jr.; Helen Owen; Rosalie Marchese Caserta and Chris Marchese as Co-Trustees for the Testamentary Trust under The Will of Domenic Caserta, deceased, as their interest may appear of record, for the Peninsula Corridor Electrification Project (PCEP) being undertaken by the Peninsula Corridor Joint Powers Board.

**Property ID/Assessor's Parcel Number/Owner**

JPB-SC3-0213-1A (APN No.: 216-26-075) owned by Chris Marchese; Crist Marchese; Rosalie Cacitti; Carmen Russo; Chris Marchese Jr.; Helen Owen; Rosalie Marchese Caserta and Chris Marchese as Co-Trustees for the Testamentary Trust under The Will of Domenic Caserta, deceased, as their interest may appear of record.

**Note: Motion must be approved by at least 2/3 of the Board (8 members).**

- *Ron Golem will present. Brian Fitzpatrick from Caltrain will be present to answer questions.*
- *Staff presentation 5 minutes.*
- *Property Owners or their representatives have 5 minutes to speak.*
- *Members of the Public not associated with the property owner will have 1 minute to speak.*

**4.2. HEARING - NOTICE OF INTENTION TO ADOPT RESOLUTIONS OF NECESSITY**

**ACTION ITEM** - Close Hearing and adopt *three (3)* ~~four (4)~~ Resolutions of Necessity determining that the public interest and necessity require the acquisitions of real property interests on properties located in the City of San José owned respectively by (1) Lenzen Associates LLC, a California limited liability company; ~~(2) Alliance for Community Care, currently known as Momentum for Health, a California non-profit corporation;~~ (2) 264 North Morrison LLC, a California limited liability company; and (3) Union Pacific Railroad Company, a Delaware corporation, and the heirs of Oliver L. Crandall (deceased) and heirs of Charlotte Altman (deceased), for VTA's BART Silicon Valley Phase II Project.

**Property ID/Assessor's Parcel Number/Owner**

B3004 (APN No.:261-03-057) owned by Lenzen Associates LLC, a California limited liability company,

**Property ID/Assessor's Parcel Number/Owner**

~~B3305 (APN No.:261-01-076) owned by Alliance for Community Care, currently known as Momentum for Health, a California non-profit corporation~~

**Property ID/Assessor's Parcel Number/Owner**

B4058 (APN No.:261-01-093) owned 264 North Morrison LLC, a California limited liability company,

**Property ID/Assessor's Parcel Number/Owner**

B4068 (APN No.:N/A; located south of Santa Clara Street, between Cahill Street and Montgomery Street, San José, CA) owned by Union Pacific Railroad Company, a Delaware corporation, and the heirs of Oliver L. Crandall (deceased) and heirs of Charlotte Altman (deceased).

**Note: Motion must be approved by at least 2/3 of the Board (8 members).**

- Ron Golem will present. Staff presentation 10 minutes
- Property Owners or their representatives have 5 minutes to speak
- Members of the Public not associated with the property owner will have 1 minute to speak.

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**5. REPORTS**

(43 mins, end @ 7:10 p.m.)

**5.1. Committee Reports**

**5.1.A. Citizens Advisory Committee (CAC) Chairperson's Report. (Verbal Report) (Miller)**

Howard Miller (in person) will provide the report.

**5.1.B. Policy Advisory Committee (PAC) Chairperson's Report. (Verbal Report) (Rennie)**

Written Report in the packet.

**5.1.C. Standing Committee Chairpersons' Report. (Verbal Report)**

Written Reports in the packet.

**5.1.D. Policy Advisory Board Chairpersons' Report. (Verbal Report)**

Written Reports in the packet.

**5.2. General Manager Report. (Verbal Report)**

Slides are in the online packet.

**5.2.A. INFORMATION ITEM - Receive Government Affairs Update.**

Written Report in the packet.

**5.3. Chairperson's Report. (Verbal Report)**

- 5.3.A. ACTION ITEM - Approve the Capital Program Committee (CPC) appointments.**

**6. CONSENT AGENDA**

*(10 mins, end @ 7:20 p.m.)*

**ADMINISTRATION AND FINANCE (A&F) COMMITTEE**

*There were no items submitted for the Consent Agenda from the Administration and Finance Committee.*

**CONGESTION MANAGEMENT PROGRAM & PLANNING (CMPP) COMMITTEE**

- 6.1. INFORMATION ITEM - Receive the Programmed Projects Quarterly Monitoring Report for October to December 2022.**
- 6.2. INFORMATION ITEM - Receive the Transit-Oriented Communities Program Update.**

**SAFETY, SECURITY, AND TRANSIT PLANNING & OPERATIONS (SSTP&O) COMMITTEE**

*There were no items submitted for the Consent Agenda from the Safety, Security, and Transit Planning & Operations Committee.*

**GOVERNANCE AND AUDIT (G&A) COMMITTEE**

- 6.3. ACTION ITEM - Approve the minor amendments to the bylaws for the 2016 Measure B Citizens' Oversight Committee.**
- 6.4. ACTION ITEM - Review and accept the Auditor General's Addendum Report to the BART Silicon Valley - Phase II, Part 2 Assessment Report that was issued on December 6, 2022.**

**BOARD OF DIRECTORS**

- 6.5. ACTION ITEM – Approve the Regular Meeting Minutes of March 2, 2023.**
- 6.6. ACTION ITEM – Approve the Workshop Meeting Minutes of March 3, 2023.**
- 6.7. ACTION ITEM - Authorize the General Manager/CEO to purchase Property and Casualty insurance coverage renewing VTA's Transit Operations Insurance Program for Fiscal Year 2024 for an amount not to exceed \$5,500,000.**

- 6.8. ACTION ITEM - Authorize the General Manager/CEO to execute a contract with Bortolussi & Watkin, Inc., the lowest responsive and responsible bidder, in an amount of \$2,164,159, for the construction of the I-280/Foothill Expressway and Mathilda Avenue Landscaping Project.
- 6.9. INFORMATION ITEM - Receive unapproved Minutes/Summary Reports from VTA Committees, Joint Powers Boards (JPB), and Regional Commissions.
- 7.3. INFORMATION ITEM - Receive SB 129 Joint Labor Management Committee Update. (Verbal Report)

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**7. REGULAR AGENDA**

*(45 mins, end @ 8:05 p.m.)*

**ADMINISTRATION AND FINANCE (A&F) COMMITTEE**

*There were no items submitted for the Regular Agenda from the Administration and Finance Committee.*

**CONGESTION MANAGEMENT PROGRAM & PLANNING (CMPP) COMMITTEE**

*There were no items submitted for the Regular Agenda from the Congestion Management Program and Planning Committee.*

**SAFETY, SECURITY, AND TRANSIT PLANNING & OPERATIONS (SSTP&O) COMMITTEE**

*There were no items submitted for the Regular Agenda from the Safety, Security, and Transit Planning & Operations Committee.*

**GOVERNANCE AND AUDIT (G&A) COMMITTEE**

*There were no items submitted for the Regular Agenda from the Governance & Audit Committee.*

**BOARD OF DIRECTORS**

- 7.1. ACTION ITEM – 1) Authorize the General Manager/CEO to execute a contract with the sole responsive and responsible bidder, S&H Construction, Inc., in the amount of \$7,798,600, for the conversion of a warehouse at 501 Cinnabar Street into a parking garage to provide temporary parking to mitigate the parking impacts caused by the BART Silicon Valley Phase II (BSVII) project construction; and 2) Consider and adopt the staff recommendation on California Environmental Quality Act (CEQA) compliance.

*Hassan Basma, Transportation Engineering Manager, will present.*

*Presentation is about 5 minutes.*



- 7.2. ACTION ITEM – Adopt the Resolution authorizing the General Manager/CEO to execute certain funding and implementation-related agreements for VTA Transit-Oriented Development (TOD) projects where the Board of Directors has previously authorized the terms and conditions for a Lease Option Agreement.

Ron Golem, Director of Real Estate & TOD, and Jessie O'malley Solis, TOD Manager, will present.

Presentation is about 5 minutes.

- ~~7.3. INFORMATION ITEM – Receive SB 129 Joint Labor Management Committee Update. (Verbal Report)~~

~~Will be placed on the Consent Agenda under Orders of the Day.~~

- 7.4. INFORMATION ITEM - Receive an update on VTA's BART Silicon Valley Phase II Project. (Verbal Report)

Gary Griggs, Chief BART SV Program Officer, and Ann Calnan, Environmental Planning Manager, will present.

Presentation: 10 minutes

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**8. OTHER ITEMS** (5 mins, end @ 8:10 p.m.)

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8.1. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

8.2. Announcements

8.3. Public Comment (Continued)

This portion of the meeting is reserved for persons who had requested but were not able to address the Board of Directors under Item #3 due to the time limit and for those individuals who would like to address the Board on agenda items under “Other Items.” **Speakers are limited to 1 minute.** The law does not permit Board action or extended discussion of any item not on the agenda except under special circumstances. If Board action is requested, the matter can be placed on a subsequent agenda. All statements that require a response will be referred to staff for reply in writing.

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**9. CLOSED SESSION** (50 mins, end @ 9:00 p.m.)

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9.1. Recess to Closed Session

A. Conference with Legal Counsel - Anticipated Litigation  
[Government Code Section 54956.9(d)(2)]

Significant Exposure to Litigation: 1 case

**A.X. Conference with Legal Counsel - Existing Litigation**  
[Government Code Section 54956.9(d)(1)]

Name of Case: Skanska-Shimmick-Herzog v. Santa Clara Valley  
Transportation Authority (San Mateo Superior Court Case No. 20-CIV-02854)

**9.2. Reconvene to Open Session**

**9.3. Closed Session Report**

**10. ADJOURN**

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**From:** VTA Board Secretary  
**Sent:** Wednesday, April 5, 2023 5:02 PM  
**To:** VTA Board of Directors  
**Cc:** VTA Board Secretary  
**Subject:** VTA Information: VTA's 2022 Affordable Housing Report

**VTA Board of Directors:**

Please click on the link below to view VTA's 2022 Affordable Housing Report.

<https://www.vta.org/sites/default/files/2023-03/VTA-2022-Affordable-Housing-Report-Final-3-29-23.pdf> (also attached)

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**





**2022**

# **Affordable Housing Report**

VTA Transit-Oriented Development

March 2023



# VTA Affordable Housing Progress



## VTA Board Increases Affordable Housing Goals

In June 2022, the VTA Board increased its Affordable Housing Policy goals to ensure that 40% of its residential TOD development portfolio will be developed as affordable units. Also, the Board increased its affordable set-aside in market-rate projects to 25%. All of VTA's affordable units must serve households earning 60% of Santa Clara County's Area Median Income (AMI) or below, and half of VTA's affordable units must serve households earning 50% of AMI or below.

To achieve these goals, the VTA TOD program is working with Santa Clara County, local jurisdictions, and the development community to produce mixed-income and 100% affordable housing projects throughout our service area. VTA's recently updated projections indicate that our active current pipeline and future development sites will create approximately 2,600 affordable units.

## 2022 Snapshot: 1,209 Affordable Units Completed or Underway

### Completed Projects:

**Ohlone/Chynoweth:**

**Almaden:**

### 244 Affordable Units

194 affordable units

50 affordable units

### Active

### Mixed-Income Projects:

**Tamien:**

**Blossom Hill:**

**Evelyn:**

### 412 Affordable Units

135 affordable rental units

89 affordable rental units

188 affordable rental units

### Active

### 100% Affordable Projects:

**Capitol:**

**Berryessa:**

**Winchester:**

**Branham:**

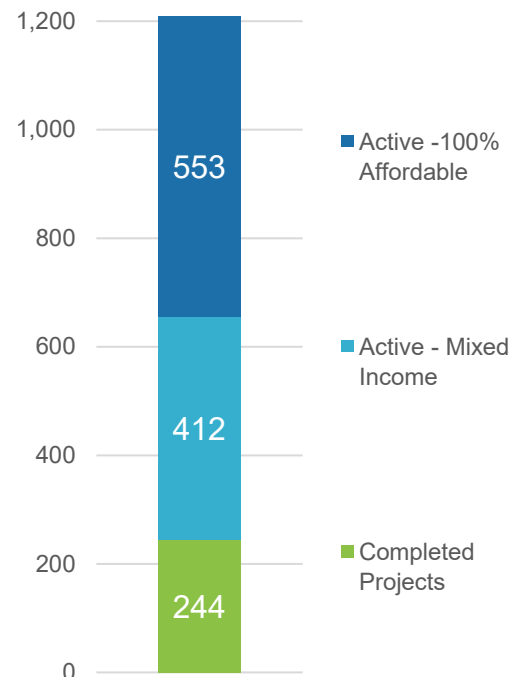
### 553 Affordable Units

203 affordable rental units

195 affordable rental units

90 affordable rental units

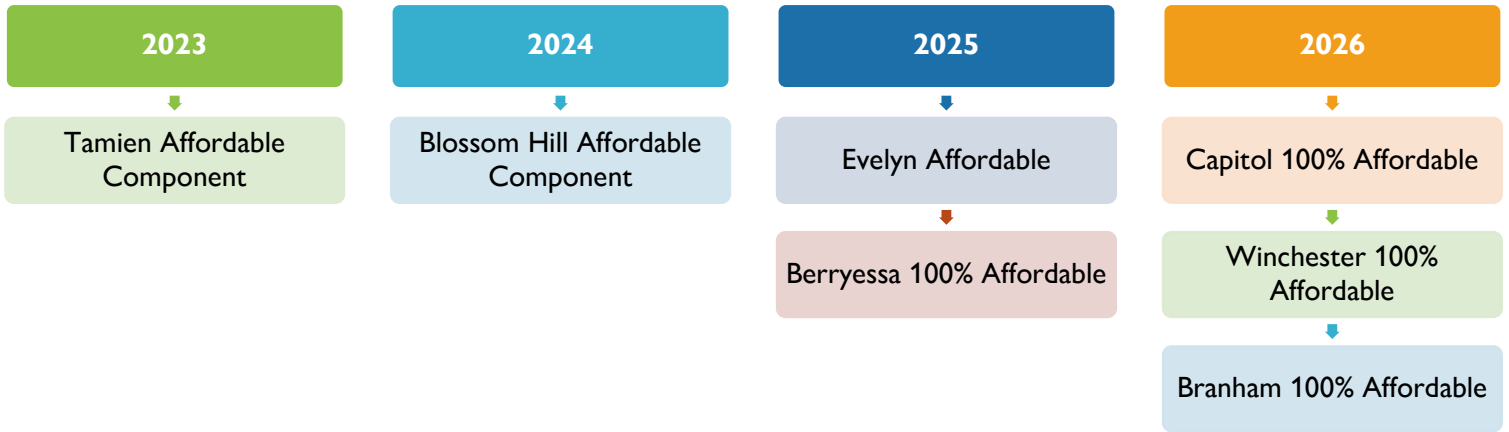
65 affordable ownership units



# VTA Affordable Housing Progress

## Timeline for Active Affordable Projects

The graphic below illustrates estimated groundbreaking for construction of active affordable housing projects on VTA sites; exact timing will depend on availability of funding.



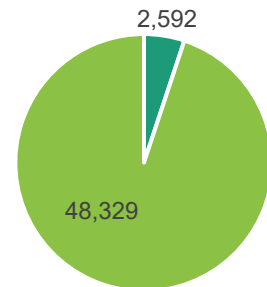
## VTA's Focus on Maximizing Affordability

VTA's active pipeline of affordable housing spans a range of income levels served, including extremely low, very low, and low incomes. Through our partnership with Santa Clara County, funding for ground leases on VTA sites ensures that up to 160 units at 4 sites will be built primarily as Permanent Supportive Housing (serving 40% or less of Area Median Income) or Rapid Rehousing (serving 50% or less of Area Median Income). Both of these types of housing support those who are unhoused or face severe housing insecurity..

## VTA Plays Important Role in Meeting Housing Goals for Local Jurisdictions

Santa Clara County communities are engaged in planning and implementing an increased number of affordable housing units to meet the current housing crisis. In the 2023–2031 Housing Element cycle, County jurisdictions must facilitate the construction of 50,921 affordable units serving very-low / low-income households (up to 80% AMI). VTA's estimated affordable housing unit yield on its active TOD sites plus remaining portfolio will create 2,592 affordable units or 5.1% of total Santa Clara County goals.

VTA's Role in County RHNA  
For Very-Low / Low Income 2023-2031



- VTA's Projected Very Low/Low Income Units
- Remaining County RHNA Goal for Very Low/Low Income Units

**For more information please visit:**

**<https://www.vta.org/transitorientedcommunities>**

**Jessie O'Malley Solis**  
**TOD Program Manager**  
**[Jessie.O'MalleySolis@vta.org](mailto:Jessie.O'MalleySolis@vta.org)**

**Josselyn Hazen**  
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**Roy Mann**  
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**Ron Golem**  
**Director of Real Estate & TOD**  
**[Ron.Golem@vta.org](mailto:Ron.Golem@vta.org)**



**From:** VTA Board Secretary  
**Sent:** Friday, April 7, 2023 11:51 AM  
**To:** VTA Board of Directors  
**Cc:** VTA Board Secretary  
**Subject:** VTA Information: Ridership for February 2023

**VTA Board of Directors:**

Attached is a memorandum from Derik Calhoun, Chief Operating Officer, regarding VTA ridership for February 2023.

Thank you.

Office of the Board Secretary  
Santa Clara Valley Transportation Authority  
3331 N. First Street  
San Jose, CA 95134  
408.321.5680  
[board.secretary@vta.org](mailto:board.secretary@vta.org)





Date: March 30, 2023  
Current Meeting: NA  
Board Meeting: April 6, 2023

## BOARD MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority Board of Directors  
**THROUGH:** Carolyn Gonot, General Manager/CEO  
**FROM:** Derik Calhoun, Chief Operating Officer  
**SUBJECT:** VTA Ridership – February 2023

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**Policy-Related Action:** NA

**Government Code Section 84308 Applies:** No

## INFORMATION ITEM

### **EXECUTIVE SUMMARY:**

- To present the bus and light rail ridership performance of the Santa Clara Valley Transportation Authority.

### **STRATEGIC PLAN/GOALS:**

The report is an information item only.

### **BACKGROUND:**

This report is routinely produced after each month. This report is for the month of February 2023.

### **CLIMATE IMPACT:**

The report is an information item and will have no impact on climate change.

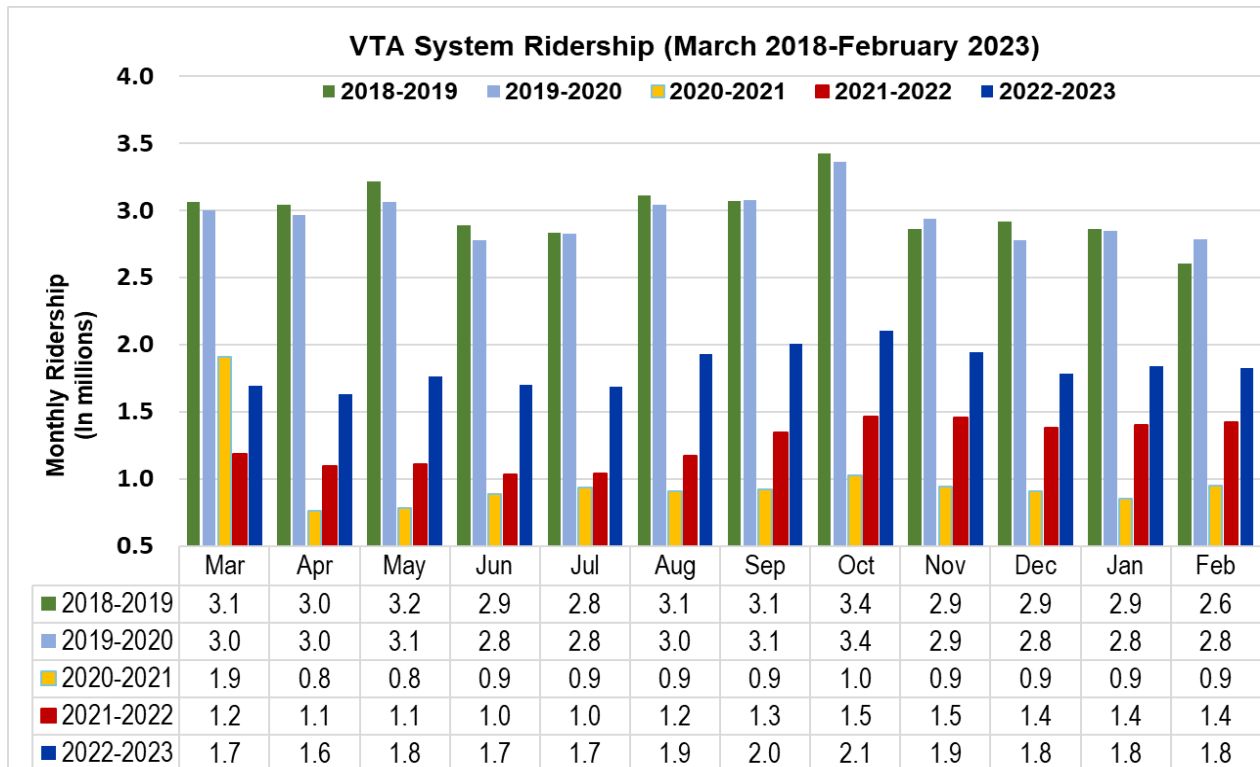
### **DISCUSSION:**

February 2023 total monthly system ridership was 1,822,543, an increase of 28.2% over February 2022. The total monthly bus ridership was 1,492,974, an increase of 22.0% over February 2022. The total monthly light rail ridership in February 2023 was 329,569, an increase of 66.1% over February 2022. February 2023 monthly ridership recorded less than one percent decrease over January 2023. However, the average weekday ridership in February was up by 9.2% compared to January 2023.

The system ridership (bus and light rail) in February 2023 is approximately 35% less compared to pre-pandemic levels.

Ridership	Feb-23	Compared to:				CYTD				
		Feb-22	Percent change	Jan-23	Percent change	Current 2023	Prior 2022	Percent change	Pre-Pandemic 2019	Percent change
						Jan-Feb	Jan-Feb		Jan-Feb	
Bus	1,492,974	1,223,579	22.0%	1,490,156	0.2%	2,983,130	2,410,598	23.8%	4,312,901	-30.8%
Light Rail	329,569	198,399	66.1%	349,766	-5.8%	679,335	410,288	65.6%	1,314,679	-48.3%
System	1,822,543	1,421,978	28.2%	1,839,922	-0.9%	3,662,465	2,820,886	29.8%	5,627,580	-34.9%

The system ridership (Bus and light rail) in millions from March 2018 through February 2023 is presented in the chart below.



Note: Pre-pandemic data reflected in the months March 2018 through February 2020. Mid-March 2020 had impacts from COVID-19.

The boardings per total hour and boardings per revenue hour for bus and rail for February 2023 are shown in the table below:

	Boardings per Total hour <sup>1</sup>			Boardings per Revenue hour <sup>2</sup>		
	February 2023	February 2022	Percent Change	February 2023	February 2022	Percent Change
Bus	14.03	12.5	12.24%	15.76	13.3	18.50%
Light Rail	29.89	19.0	57.32%	31.83	20.4	56.03%

<sup>1</sup> Total hours – Includes revenue hours and deadhead hours (hours that a vehicle travels when out of revenue service).

<sup>2</sup> Revenue hours - Scheduled hours of service available to passengers for transport on the routes. Includes recovery/layover time.

**From:** VTA Board Secretary  
**Sent:** Friday, April 7, 2023 11:52 AM  
**To:** VTA Board of Directors  
**Cc:** VTA Board Secretary  
**Subject:** FW: Proposed LAFCO Budget for Fiscal Year 2024

**VTA Board of Directors:**

At the request of LAFCO, we are forwarding you their proposed LAFCO Budget for Fiscal Year 2023-2024 and Notice of Public Hearing on June 7, 2023.

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:** Thursday, April 6, 2023 11:49 AM  
**Subject:** [EXTERNAL] Proposed LAFCO Budget for Fiscal Year 2024

**CAUTION: This Message originated from outside VTA. Do not click links or open attachments unless you recognize the sender and know the content is safe!**

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**The Clerk of the Board of Supervisors, City/Town Clerks and Special District Clerks:**

Please distribute to the members of your governing bodies the Proposed LAFCO Budget for Fiscal Year 2023-2024 and Notice of Public Hearing on June 7, 2023 (attachment).

Thank you,  
**Emmanuel Abello**  
Associate Analyst, LAFCO of Santa Clara County  
777 North First Street, Suite 410, San Jose, CA 95112  
(408) 993-4705 | Mobile: (669) 321-9704 | Twitter: [@SantaClaraLAFCO](https://twitter.com/SantaClaraLAFCO) | [www.SantaClaraLAFCO.org](http://www.SantaClaraLAFCO.org)



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

777 North First Street  
Suite 410  
San Jose, CA 95112

**SantaClaraLAFCO.org**

**Commissioners**

Sylvia Arenas  
Jim Beall  
Rosemary Kamei  
Yoriko Kishimoto  
Otto Lee  
Russ Melton  
Susan Vicklund Wilson

**Alternate Commissioners**

Helen Chapman  
Domingo Candelas  
Cindy Chavez  
Terry Trumbull  
Mark Turner

**Executive Officer**

Neelima Palacherla

April 6, 2023

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

**FROM:** Neelima Palacherla, Executive Officer

**SUBJECT: ADOPTION OF PROPOSED BUDGET FOR FISCAL YEAR 2023 &  
NOTICE OF JUNE 7, 2023 LAFCO PUBLIC HEARING**

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At its public hearing on April 5, 2023, the Local Agency Formation Commission of Santa Clara County (LAFCO) adopted a Proposed Budget for Fiscal Year 2024, as recommended in the attached staff report. The attached report reviews the status of LAFCO's current year work plan and budget; and sets forth the proposed work plan and budget for Fiscal Year 2024.

LAFCO is scheduled to consider adoption of its Final Budget at a public hearing on Wednesday, June 7, 2022 at 1:15 PM. The County Auditor will apportion LAFCO costs and invoice the cities, independent special districts and the County based on the Final Budget adopted by LAFCO.

The meeting agenda, staff reports and related meeting material will be available on the LAFCO website by June 2, 2023. All interested persons may attend the meeting as provided for on the agenda. Written public comments may be submitted by email to **LAFCO@ceo.sccgov.org** prior to the date of the hearing.

Attachment:

Staff Report on the Proposed Work Plan and Budget for FY 2024 (April 5, 2023)

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





Local Agency  
Formation Commission  
of Santa Clara County

777 North First Street  
Suite 410  
San Jose, CA 95112

[SantaClaraLAFCO.org](http://SantaClaraLAFCO.org)

**Commissioners**

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Helen Chapman  
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Terry Trumbull  
Mark Turner

**Executive Officer**

Neelima Palacherla

**ITEM # 7**

**LAFCO MEETING: April 5, 2023**

**TO: LAFCO**

**FROM: Neelima Palacherla, Executive Officer  
Dunia Noel, Asst. Executive Officer**

**SUBJECT: PROPOSED WORK PLAN AND BUDGET FOR FY 2024**

**FINANCE COMMITTEE / STAFF RECOMMENDATIONS**

1. Adopt the Proposed Work Plan for Fiscal Year 2023-2024.
2. Adopt the Proposed Budget for Fiscal Year 2023-2024.
3. Find that the Proposed Budget for Fiscal Year 2024 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
4. Authorize staff to transmit the Proposed Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice for the adoption of the Fiscal Year 2024 Final Budget to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.

**ANNUAL 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 proposed budget by May 1 and a final budget by June 15 at noticed public hearings. Both the proposed 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.

**FISCAL YEAR 2023-2024 WORKPLAN & BUDGET DEVELOPMENT  
TIMELINE**

<b>Dates</b>	<b>Staff Tasks / LAFCO Action</b>
March 13 - April 5	Notice of this public hearing was advertised in a local newspaper, posted on the LAFCO website and distributed to local agencies. The agenda and a link to the posted agenda packet are also distributed to local agencies, interested persons and organizations. The proposed Workplan and Budget are posted on the LAFCO website and available for public review and comment.
April 5	LAFCO public hearing on adoption of Proposed Workplan and Budget
April 6	Proposed Work Plan and Budget, preliminary apportionments and LAFCO public hearing notice for Final Budget Hearing transmitted to agencies
June 7	LAFCO public hearing and adoption of Final Budget
June 7 - July 1	Final Budget transmitted to agencies; Auditor requests payment from agencies

**LAFCO FINANCE COMMITTEE**

At its February 1, 2023 LAFCO meeting, the Commission appointed Commissioner Melton, Commissioner Beall and Alternate Commissioner Chapman to serve on the Finance Committee.

At its special meeting held on February 27, 2023, the Finance Committee discussed the progress on the current year work plan and the status of the current year budget; and recommended the proposed FY 2024 work plan and budget for consideration and adoption by the full commission.

**CURRENT YEAR IN REVIEW**

**PROGRESS REPORT ON FY 2022-2023 WORK PLAN**

LAFCO’s current fiscal year workplan was adopted at a noticed public hearing held on April 6, 2022. **Attachment A** depicts the current status (through the third quarter of the year) of the 2022-2023 Work Program.

A major component of the current work program involves the ongoing Countywide Fire Service Review. LAFCO retained a new consultant in June 2022 and relaunched its Countywide Fire Service Review. The new consultant is working with LAFCO staff and the service provider agencies to finalize / validate agency profiles after completing an extensive and challenging data collection process. To date, two Technical Advisory Committee meetings have been held to obtain feedback on key

aspects including evaluation criteria and preliminary findings. It is anticipated that another Technical Advisory Committee meeting will be held in the next few weeks and a Draft Service Review Report will be published for public review and comment by the end of this fiscal year.

LAFCO has received and /or processed major applications such as a special district sphere of influence amendment/annexation and a city urban service area amendment. Staff has held pre-application meetings and has received and responded to many requests for assistance and expertise from local and regional agencies on a variety of matters related to city service extensions, city annexations/island annexations, special district detachments, and housing element updates. Similarly, responding to public inquiries is another significant and growing area of the workplan and staff has seen an increase in the volume and complexity of such inquiries, including requests for information under the Public Records Act, and information requests from local attorneys, appraisers, real estate agents and developers.

In accordance with the Commission's directive, as opportunities arise and time permits, staff continues to conduct targeted outreach to various local entities (special districts, County, cities, civil grand jury, and other community organizations/individuals) through informational presentations on LAFCO and its role in promoting sustainable growth and governance in the county.

The Commission has experienced major changes in its membership; in the last two months, 6 new commissioners have come on board and LAFCO will be selecting a new public member and an alternate public member to fill positions due to term expirations in May 2023. Staff conducts onboarding activities and new commissioner orientations for all new appointees.

Other notable administrative activities and projects that have been completed or are currently underway include among others, the annual financial audit, the annual report, required staff training, LaserFische and LAFCO database server upgrades/migrations, transition back to in-person and hybrid meetings to allow for remote public participation, and preparations for webcasting LAFCO meetings.

Notwithstanding the preceding progress on various work plan items, some important, high priority projects such as the comprehensive review and update of LAFCO policies and scanning of LAFCO records have fallen behind and will not be completed by the end of the fiscal year. The delays are partly due to the application workload, increased demand for LAFCO services and staff's efforts to prioritize and meet the needs of the local agencies and the public; and staffing issues including a vacant position since January 2021. Completion of the County classification study in July 2022 allows LAFCO staff to implement the Study's recommendations and work with the County Employee Services Agency on recruitment efforts for a new LAFCO Clerk. It is anticipated that the vacant LAFCO Clerk position will be filled by the end of this fiscal year.



The projects in the current workplan that will not be completed by the end of the fiscal year have been added to the proposed FY 2024 workplan.

The LAFCO Annual Report for FY 2023 will be published at the end of the current fiscal year and will document all the applications reviewed and processed by LAFCO in Fiscal Year 2023; and will summarize the various accomplishments, activities/projects that LAFCO has engaged in or completed during the period.

#### **STATUS OF FY 2022-2023 ADOPTED BUDGET**

**Attachment D** includes the FY 2023 budget adopted by the Commission at a noticed public hearing on June 1, 2022, the status of LAFCO's expenditures and revenues as of February 21, 2023, and expenditure and revenue projections for end of FY 2023. The adopted LAFCO budget for FY 2023 is \$985,974 and reflects a 11% increase compared to the previous fiscal year's (FY 2022) budgeted operating expenses. It is estimated that the total year-end projected expenditures for FY 2023 would be approximately 13% lower than the adopted budget primarily due to salary savings from the vacant staff position. Staff anticipates that year end revenue for FY 2023 will be slightly lower than the amount budgeted. LAFCO has received the respective FY 2023 funds from the County, the cities and the independent special districts. The actual fund balance rolled over at the end of FY 2022 was significantly higher at \$410,027, compared to the amount estimated (\$201,006) in the FY 2023 budget. The excess fund balance and the unspent FY 2023 expenditure amounts will carry over into FY 2024 and will be used to reduce net operating expenses that would in turn translate to reduced FY 2024 costs for contributing agencies.

#### **PROPOSED WORK PLAN FOR FISCAL YEAR 2024**

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**Attachment C** includes the proposed work plan for FY 2024, as recommended by the Finance Committee, for consideration and adoption by the full commission.

The proposed workplan includes ongoing as well as new projects and outlines detailed projects/activities organized under six broad areas: (1.) LAFCO application processing; (2.) island annexations; (3.) outreach, government/community relations and customer service; (4.) service reviews, special studies and sphere of influence updates; (5.) commission support; and (6.) administrative projects. The work plan assigns priority levels (high, moderate, low); and designates whether the work is to be conducted by staff or outside consultants.

The proposed work plan includes a broad spectrum of responsibilities that LAFCO, as an independent local agency and as a regulatory body of the state, is expected to fulfil in its role of promoting sustainable growth and good governance in Santa Clara County. It incorporates the Commission's legislative functions and mandates and also the Commission's proactive local initiatives and priorities such as its directives for ongoing public outreach and education and its proactive service review and implementation program.

The Finance Committee discussed the possible creation of a LAFCO student internship program and recommended that LAFCO staff contact the County to

further explore such a potential initiative. The Committee also discussed a potential strategic planning workshop in the upcoming year and requested opportunities for ongoing commissioner education.

Reduced staffing levels over the last two years have impacted the functioning of the LAFCO office. While the LAFCO Clerk position is expected to be filled in the next several months, actual professional staffing capabilities will be below 4.0 FTE for at least half of the upcoming fiscal year, considering the onboarding and training period for the new staff person.

According to the Comprehensive Organizational Assessment report prepared by LAFCO's consultant, even the 4.0 FTE staffing level is lower than other LAFCOs with comparable operations. However, in August 2020, the Commission voted to maintain the current 4.0 FTE staffing level given uncertain economic conditions related to the COVID-19 pandemic but kept open the option to consider the potential addition of 1.0 FTE in the future.

Staff actively manages the workload in order to focus on accomplishing essential activities such as processing applications, completing projects currently underway such as the Countywide Fire Service Review, maintaining core administrative functions, tracking on-going projects and studies, supporting the commission and responding to local agency and public requests for assistance. Non-essential activities and other proactive initiatives will need to be deferred until staffing levels/expertise are restored. This is consistent with past practice where LAFCO's statutorily mandated activities take priority over administrative projects that are not statutorily required, and over proactive commission-initiated projects which are discretionary but support LAFCO's mission and statutory requirements.

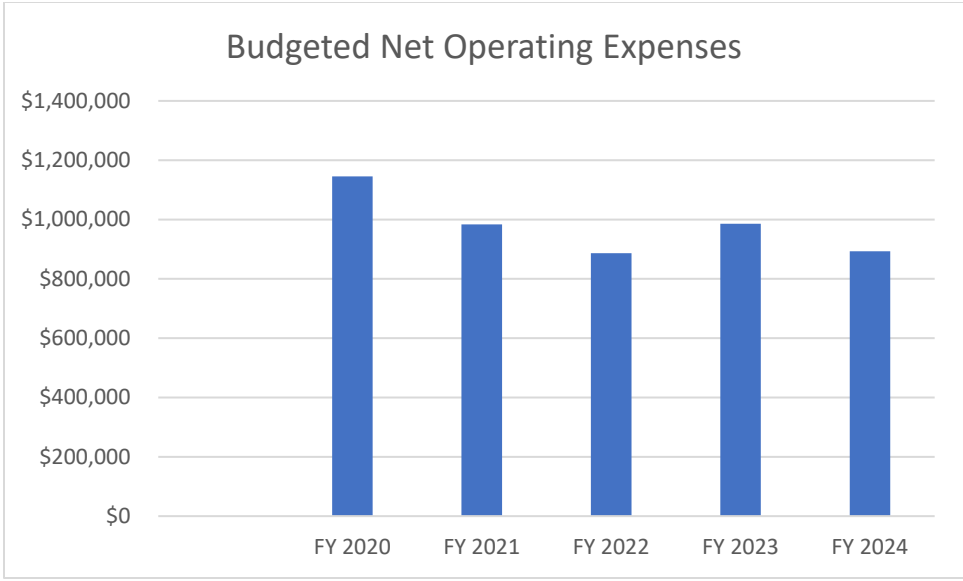
## **PROPOSED BUDGET FOR FISCAL YEAR 2024**

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**Attachment D** includes the proposed Budget for FY 2023-2024 as recommended by the Finance Committee, for consideration and adoption by the full commission. The Finance Committee conducted a thorough review of the work plan and budget and recognized the public benefit of LAFCO's work and the high demand for LAFCO's services from local agencies and the public. The Committee maintained its commitment to ensure adequate resources that allow the Commission to fulfill its statutory responsibilities and accomplish its work plan while also limiting costs for LAFCO's funding agencies. The overall expenditure for FY 2024 (\$1,296,000) in the proposed budget is approximately 6% higher than the current year budgeted expenses (\$1,222,980).

Projected current year cost savings (such as from salary savings), and a larger than estimated fund balance from FY 2022 are expected to result in a \$366,814 fund balance at the end of the current year – and will be used to reduce net operating expenses in FY 2024.

LAFCO's proposed net operating expense for FY 2024 is 9% lower than the FY 2023 budgeted net operating expense and is similar to the FY 2022 level.



**DESCRIPTION OF FY 2023-2024 BUDGET LINE ITEMS**

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 proposed 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.

The following is a detailed itemization of the proposed budget.

**EXPENDITURES**

Expenditures are divided into two main sections: Staff Salary and Benefits (Object 1) which comprise 68% of the total expenditures, and Services and Supplies (Object 2).

**OBJECT 1. SALARIES AND BENEFITS \$882,121**

This line item supports the salary and benefits for the 4.0 FTE positions including the Executive Officer position, a Senior Analyst position, an Associate Analyst position, and a Clerk position. The Clerk position is currently vacant and is anticipated to be filled by the end of the current fiscal year. LAFCO contracts with the County of Santa Clara for staffing and services and in accordance with the MOU between the County and LAFCO, all four positions are staffed through the County Executive’s Office. The proposed amount is based on the best available projections from the County at this time for salary and benefits for the 4 positions. Changes to the projections for the four positions that occur within the next couple of months will be reflected in the Final LAFCO budget.

**OBJECT 2. SERVICES AND SUPPLIES**

**5255100 Intra-County Professional \$10,000**

This includes the costs for services from various County agencies such as the County Surveyor's Office, the County Assessors' Office, and the Registrar of Voters. The County Surveyor assists with map review and approval for boundary change proposals. In addition, the Surveyor's Office also assists with research to resolve boundary discrepancies. The County Assessor's Office prepares reports for LAFCO and the Registrar of Voters provides data necessary for processing LAFCO applications. This item also allows LAFCO to seek GIS mapping services including maintenance and technical assistance from the County Planning Office, as necessary. This budgeted amount has been maintained at the same level as the current year.

**5255800 Legal Counsel \$82,780**

This item covers the cost for general legal services.

In February 2009, the Commission retained the firm of Best Best & Krieger for legal services on a monthly retainer. The contract was amended in 2010 to reduce the number of total hours required to 240 hours per year. The contract sets the hourly rate and allows for an annual automatic adjustment to the rates based on the Consumer Price Index (CPI). In 2017, the contract was once again amended to increase the monthly retainer cost and limit the CEQA work within the retainer to 24 hours annually. Any additional CEQA work above 24 hours would be charged outside the retainer at the same hourly rate.

The monthly retainer for FY 2024 increases to \$6,630, based on a 5.6% increase in the Consumer Price Index for the prior calendar year (2022). This item covers the annual retainer fees and includes additional monies to cover approximately 10 hours of work outside the retainer at the current hourly rate of \$316.

**5255500 Consultant Services \$150,000**

This item is budgeted for hiring consultants to assist LAFCO with special projects such as for conducting service reviews and special studies, facilitating a strategic planning workshop, scanning LAFCO's hardcopy records into the existing electronic document management system, meeting broadcast services for LAFCO meetings and for conducting the annual financial audit, among others. The Commission must take action to authorize such special projects prior to expending funds. This item also includes costs associated with ongoing existing contracts such as costs for maintenance and hosting of the LAFCO website by an outside provider. The Finance Committee recommended that an amount of \$6,000 be allocated under this item to cover a potential future student internship program cost.

**5285700 Meal Claims \$750**

This item includes cost of food to support Commission events, workshops, meetings.

**5220200 Insurance \$8,335**

This item is for the purpose of purchasing general liability insurance and workers' compensation coverage for LAFCO. In 2010, LAFCO switched from the County's

coverage to the Special District Risk Management Authority (SDRMA), for the provision of general liability insurance. Additionally, LAFCO also obtains workers' compensation coverage for its commissioners from SDRMA. Workers' compensation for LAFCO staff is currently covered by the County and is part of the payroll charge. SDRMA has recently provided estimated FY 2024 contribution amounts for use in the budgeting process: Property Liability (\$7,225) and Workers' Compensation (\$1,100). SDRMA is in the process of negotiating rates on behalf of its program membership and expects to confirm rates in mid-May. The Final budget will reflect any major revisions to these estimates.

**5270100 Rent & Lease \$54,766**

This item includes FY 2024 monthly rent for LAFCO office space located at 777 North First Street, Suite 420, San Jose. The original lease term expired on May 5, 2022. At its February 2, 2022 meeting, the Commission authorized the extension of the lease for a five-year period through April 30, 2027.

**5250100 Office Expenses \$5,000**

This item includes funds for purchase of books, subscriptions/publications necessary to keep current on laws and trends; small equipment and supplies for office operations, including printer/photocopier lease.

**5255650 Data Processing Services \$27,520**

This item includes estimated costs associated with County Technology Solutions & Services Department (TSS) providing IT services to the LAFCO program. According to TSS, the projected costs cover Telecom services for 5 phones- VOIP/Landline (\$3,000), Wireless Carrier Service (\$144), MS Adobe special order, Acrobat Pro and MS Visio monthly subscription (\$2,480), and other services (\$21,896) comprising Enterprise Content Management services and solutions, Kronos support, Architecture and Innovation Services, Claranet services, Data Analytics and Visualizations, digital print and sccLearn. Any further revised cost estimates received from the County will be reflected in the Final LAFCO budget.

**5225500 Commissioner's Fees \$10,000**

This item covers the \$100 per diem amount for LAFCO commissioners and alternate commissioners to attend LAFCO meetings and committee meetings.

**5260100 Publications and Legal Notices \$1,000**

This item is for costs associated with publication of hearing notices for LAFCO applications and other projects/ studies, as required by state law. This budgeted amount has been maintained at the same level as the current year.

**5245100 Membership Dues \$13,870**

This item includes CALAFCO – the California Association of LAFCOs membership dues. At its meeting on February 17, 2023, the CALAFCO Board approved an 8.27% rate adjustment to account for inflation in accordance with the CALAFCO Bylaws. The FY 2024 membership dues for Santa Clara LAFCO is \$12,221.

Additionally, this item includes estimated membership dues for CSDA – the California Special Districts Association. In June 2018, CSDA informed that Santa Clara LAFCO as a customer of SDRMA, must be a member of CSDA pursuant to SDRMA bylaws.

**5250750 Printing and Reproduction \$1,500**

This covers printing expenses for reports such as service reviews or other studies and documents.

**5285800 Business Travel \$15,900**

This item includes funding for staff and commissioners to attend conferences and workshops. It would cover costs of air travel, accommodation, conference registration and other expenses at the conferences. CALAFCO annually holds a Staff Workshop (location TBD, April 2024) and an Annual Conference (Monterey, October 2023) that is attended by commissioners as well as staff.

**5285300 Private Automobile Mileage \$1,000**

This item provides for mileage reimbursement when staff travels by private car to conduct site visits and attend meetings / training sessions. This budgeted amount has been maintained at the same level as the current year.

**5285200 Transportation and Travel (for use of County car) \$600**

This item would cover costs associated with the use of a County vehicle for travel to conferences, workshops, site visits and meetings.

**5281600 Overhead \$20,358**

This overhead charge is established by the County Controller’s Office, for service rendered by various County departments that do not directly bill LAFCO. The overhead includes LAFCO’s share of the County’s FY 2024 Cost Allocation Plan which is based on actual overhead costs from FY 2022 – the most recent year for which actual costs are available. The overhead amount includes the following charges from:

County Executive’s Office:	\$6,653
Controller-Treasurer:	\$11,003
Employee Services Agency:	\$6,072
OBA:	\$357
BHS-MH - Employee:	\$198
TSS Intragovernmental Service:	\$958
Technology Services & Solutions:	\$1,710
Procurement:	\$57
Equal Opp. (County Counsel):	\$809
CoB – Harvey Rose Mgt Audit:	\$22

Further, a “roll forward” is applied which is calculated by comparing FY 2022 Cost Plan estimates with FY 2022 actuals. The FY 2022 cost estimates were higher than the actuals by \$7,480; this amount is deducted from the FY 2024 Cost Plan. This is a state requirement.

**5275200 Computer Hardware \$3,000**

This item is designated for any required hardware upgrades / purchases.

**5250800 Computer Software \$5,000**

This amount is designated for computer software purchases, and annual licenses for GIS software and records management (LaserFische) hardware/software annual maintenance agreement.

**5250250 Postage \$500**

This amount covers postage costs for mailing notices, agendas, agenda packets and general correspondence.

**5252100 Training Programs \$2,000**

This item covers the costs associated with attendance at staff development courses and seminars. CALAFCO conducts University Courses throughout the year on topics of relevance to LAFCO.

**REVENUES**

**4103400 Application Fees \$30,000**

It is anticipated that LAFCO will receive approximately \$30,000 in fees from processing applications. The actual amount earned from fees corresponds to the level of application activity.

**4301100 Interest \$6,000**

It is estimated that LAFCO will receive an amount of approximately \$6,000 from interest earned on LAFCO funds.

**3400150 Fund Balance from Previous Fiscal Year (i.e, FY 2023) \$366,814**

It is projected that there will be a savings or fund balance of approximately \$366,814 at the end of the current year, which will be carried over to reduce the proposed Fiscal Year 2024 costs for LAFCO’s funding agencies (cities, independent special districts and the County).

Projected Year-End [FY 2023] Fund Balance = (Projected Year-End [FY 23] Revenue + Actual Fund Balance from Previous Fiscal Year [FY 22] + Funds Received from Local Agencies in FY 23) - (Projected Year-End [FY 23] Expenses)

$$= (\$31,000 + \$410,027 + \$985,974) - \$1,060,187$$

$$= \$366,814$$

The fund balance excludes the reserves.

## **RESERVES**

### **3400800 Reserves Available \$200,000**

This item includes reserves for two purposes: litigation reserve – for use if LAFCO is involved with any litigation; and contingency reserve – to be used for unexpected expenses. If used during the year, this account will be replenished in the following year. Since 2012, the reserves have been retained in a separate Reserves account, thus eliminating the need for LAFCO to budget each year for this purpose.

The Reserves amount was held at \$250,000 since FY 2020 to timely implement potential recommendations from the Comprehensive Organizational Assessment, and as a tentative measure in recognition that LAFCO operates in an increasingly complex and controversial environment.

In FY 2022, LAFCO reduced the Reserves from \$250,000 to \$200,000, in order to further reduce costs to local agencies given the COVID -19 related economic hardships; and maintained the reserve level at \$200,000 in FY 2023. The Finance Committee recommends maintaining the current level of reserves for FY 2024. This places the proposed Reserve amount at approximately 15% of the total FY 2024 expenditures. LAFCO has not adopted a Reserves policy, however as an independent agency, LAFCO should maintain sufficient reserves for flexibility and stability in the event of unanticipated needs.

### **FY 2024 NET OPERATING EXPENSES**

FY 2024 Net Operating Expenses = (Proposed FY 2024 Expenditures) - (Proposed FY 2024 Fee & Interest Revenues + Projected Fund Balance from FY 2023)

= (\$1,296,000) - (\$36,000 + \$366,814)

= \$893,186

The projected operating expense for FY 2024 is based on projected expenditures and revenues as well as on estimated fund balance for the current year. Further revisions may be needed as we get a better indication of current year expenses/revenues towards the end of this fiscal year. Additionally, a more accurate projection of costs/revenues for the upcoming fiscal year could become available, particularly for employee salary and benefits. This could result in changes to the proposed net operating expenses for FY 2024 which could in turn impact the costs for each of LAFCO's funding agencies.

## **COST APPORTIONMENT TO CITIES, INDEPENDENT SPECIAL DISTRICTS AND COUNTY**

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In January 2013, independent special districts were seated on LAFCO. Government Code §56381(b)(1)(A) provides that when independent special districts are represented on LAFCO, the county, cities and independent special districts must each provide a one-third share of LAFCO's operational budget.

The City of San Jose has permanent membership on LAFCO pursuant to Government Code Section 56327. As required by Government Code §56381.6(b), the City of San

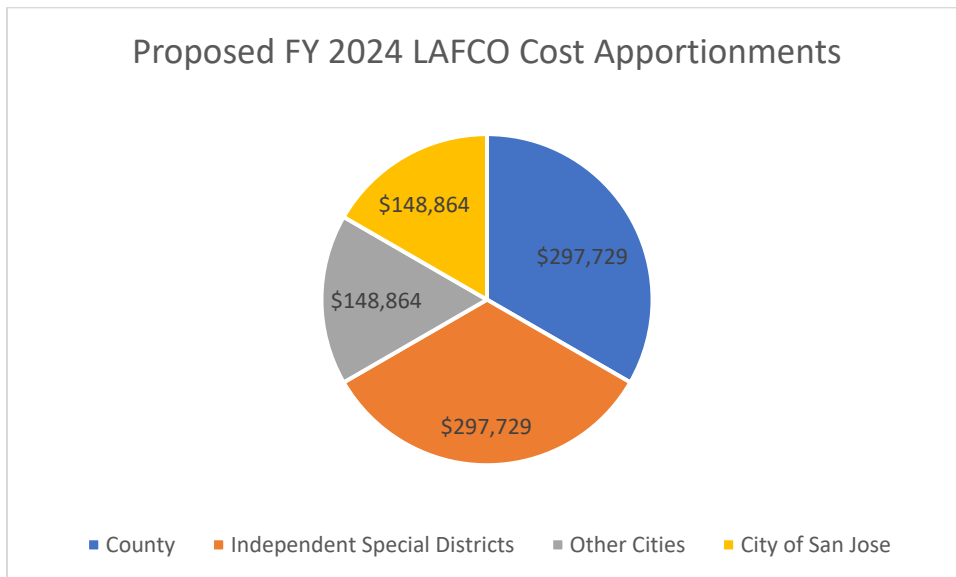


Jose’s share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. The remaining cities’ share must be apportioned in proportion to each city’s total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county.

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.

Therefore, in Santa Clara County, the County pays a third of LAFCO’s operational costs, the independent special districts pay a third, the City of San Jose pays one sixth and the remaining cities pay one sixth. Government Code §56381(c) requires the County Auditor to request payment from the cities, independent special districts and the County no later than July 1 of each year for the amount each agency owes based on the net operating expenses of the Commission and the actual administrative costs incurred by the Auditor in apportioning costs and requesting payment.

The following is a draft apportionment to the agencies based on the proposed net operating expenses for FY 2024.



Apportionment of the costs among the 14 cities and among the 17 independent special districts will be calculated by the County Controller’s Office after LAFCO adopts the final budget in June. In order to provide each of the cities and districts

with a general indication of their costs in advance, **Attachment E** includes draft estimated apportionments, based on the proposed FY 2024 net operating expenses and the FY 2020-2021 Cities Annual Report. The final apportionments will be prepared by the County Controller's Office based on the latest available Cities Annual Report.

## **ATTACHMENTS**

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Attachment A:	Status of FY 2023 Work Plan
Attachment B:	LAFCO Financials 2008-2022
Attachment C:	Proposed Work Plan for Fiscal Year 2024
Attachment D:	Proposed LAFCO Budget for Fiscal Year 2024
Attachment E:	Estimated FY 2024 Costs to Agencies



**STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2023)**

PRIORITY\* H - High Priority (essential activities: state mandate, Commission directive, requirements)  
M - Medium Priority (important, provided resources allow or time permits)  
L - Low Priority (desirable provided resources allow or time permits, not urgent)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
<b>LAFCO APPLICATIONS</b>	Process applicant-initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal  Conduct pre-agenda meetings with County Depts to obtain Assessor & Surveyor reports, as needed  Process applications per CKH Act requirements: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H	Several pre-application meetings held (Monte Sereno, Sunnyvale/Cupertino Sanitary District, WVSD, San Jose)  3 city conducted and a SOI amendment/annexation application completed, one USA amendment in progress
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H	Ongoing  County Housing Element
	Review and update LAFCO policies for context, clarity and consistency with State law	In progress	Staff / Consultant	H	In progress
	Prepare flowcharts for LAFCO processes and update application packets for current requirements and ease of public use	Upon completion of policies update	Staff	L	Internal application processing checklists updated

## STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2023)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
<b>ISLAND ANNEXATIONS</b>	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L	As needed
	Facilitate interagency discussions to support remaining island annexations	Monte Sereno	Staff	H	As needed, pending city initiation
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H	As needed
<b>OUTREACH, GOVERNMENT / COMMUNITY RELATIONS &amp; CUSTOMER SERVICE</b>	Conduct outreach to increase awareness of LAFCO's role	<p>Presentations to cities, other agencies on LAFCO, as relevant</p> <p>Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County</p> <p>Seek exhibit opportunities at public spaces / events</p> <p>Maintain website as the primary information resource on LAFCO</p> <p>Increase social media presence (Twitter)</p>	Staff	L M L H L	<p>Presentations provided upon request (Grand Jury, Leadership Sunnyvale, San Jose Planning)</p> <p>Website updated</p>
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	<p>Attend regular meetings of SDA (quarterly), SCCAPO (monthly), County Planning Dept.(quarterly)</p> <p>Small water systems issues / legislation</p> <p>Collaborate with agencies and entities with goals common to LAFCO</p>	Staff	M M M	Ongoing

## STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2023)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
	Track LAFCO related legislation	EO attends CALAFCO Legislative Committee Commission takes positions and submit letters on proposed legislation	Staff	L  M	EO served on the Legislative Committee until October 2021
	Respond to public enquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries Update the PRA form for the website Document research on complex inquiries Report to Commission on complex inquiries	Staff	H L L H	Ongoing High volume of enquiries
<b>SERVICE REVIEWS, SPECIAL STUDIES &amp; SPHERE OF INFLUENCE UPDATES</b>	Countywide Fire Service Review	Manage new consultant's work and contract Coordinate TAC meetings Attend stakeholder interviews with consultant Work with consultant on any data collection issues Review and comment on administrative draft reports Distribute Public hearing notices and coordinate community workshops and public hearings Prepare and distribute stakeholder/public outreach material Coordinate stakeholder / public engagement process Prepare staff reports with implementation recommendations	Staff / Consultant	H	Working with new consultant on data collection and profiles preparation, review and comment  Conducted 2 TAC meetings

## STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2023)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
		Follow up with agencies and report back to the commission			
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L	Pending city action
	Map Mutual Water companies	Initial maps complete, further work through service review	Staff	L	As needed
	Engage in or support grant / partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L	As needed
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L	Ongoing
<b>COMMISSION SUPPORT</b>	Provide ongoing support to the 12 commissioners for regularly-scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Ad Hoc Committee on Organizational Assessment and the Fire Service Review TAC)	<p>Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings</p> <p>Hold pre-agenda review meeting with Chair</p> <p>Hold pre-meeting calls with individual commissioners to address agenda item questions</p> <p>Process commissioner per diems for attendance at LAFCO meetings</p>	Staff	H	Ongoing
	Keep the Commission informed	EO report off-agenda emails, as needed	Staff	H	Ongoing

## STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2023)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
	Onboarding new Commissioners	Facilitate filing / completion of Form 700, commissioner pledge, ethics training. Update LAFCO letterhead, directory, and website Set up vendor accounts, provide parking permits Conduct new Commissioner orientation Recognize outgoing commissioners for service on LAFCO	Staff	H	Five new commissioners; one position remains vacant at this time  Onboarding, orientations completed for 4; one in progress  LAFCO past, present, future: guest presentation at 2/1 LAFCO meeting
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria Convene ISDSC committee meeting, as necessary Coordinate public member selection process, as necessary	Staff	H	Initiated process for selection of new public member and alternate public member
	Conduct a Strategic Planning Workshop	2018 Workshop re. LAFCO Communications and Outreach Plan	Staff / Consultant	L	On hold
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L	2 commissioners attended CALAFCO Annual Conference



## STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2023)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
<b>ADMINISTRATIVE PROJECTS</b>	Prepare LAFCO annual work plan	March –June	Staff	H	In progress
	Prepare LAFCO annual budget	March –June	Staff	H	In progress
	Prepare LAFCO Annual Report	August 2022	Staff	H	Completed
	Prepare LAFCO Annual Financial Audit	October 2022 (Contract with Chavan Associates extended for FY 2023 and FY 2024)	Consultant / Staff	H	Completed
	Office / facility management	Coordinate with Building Manager on facilities issues  Coordinate with County re. computers/network, phone, printers, office security, procurement , installation & maintenance  Order and manage office supplies  Make travel arrangements and process expense reimbursements.  Process mileage reimbursements  Office space lease extended (lease extended through April 30, 2027)	Staff	H	Ongoing  Transitioning to in-person / hybrid meetings  Coordinating with County for webcasting LAFCO meetings
	Records management	Organize scan of LAFCO records to Electronic Document Management System (LaserFische)  Maintain LAFCO’s hard copy records  Maintain and enhance the LAFCO Website  Maintain LAFCO database	Staff/ Consultant  Staff	H  H H H	On hold  Completed LaserFische and LAFCO database server migrations  Website content updates completed

## STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2023)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
<b>ADMINISTRATIVE PROJECTS</b>	Contracts and payments & receivables	Track consultant contracts and approve invoices  Approve vendor invoices / process annual payments for various services/ memberships  Coordinate with County Controller's Office and track annual collection of payments from member agencies	Staff	H	Ongoing
	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed	Staff	H	Ongoing
	Staff training and development	CALAFCO workshops, conferences, relevant courses	Staff	M	Staff registered for CALAFCO Workshop
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H	Ongoing
	Staff performance evaluation	April - October 2022	Staff/ Commission	H	Completed in February 2023
	Comprehensive Organizational Assessment Study - implementation	As needed	Staff/ Commission	H	LAFCO/County MOU to be revised
	Recruitment and training of LAFCO staff	One LAFCO Analyst position currently vacant - recruitment pending County Classification study results	Staff	H	Begin LAFCO Clerk recruitment
	Other administrative functions mandated of a public agency (Form 700 annual filing & AB 1234 training compliance, Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H	Ongoing



**FY 2008 - FY 2022 LAFCO FINANCIALS**  
**February 2023**

**ITEM # 7**  
**Attachment B**

ITEM NO.	TITLE	ACTUALS FY 2008	ACTUALS FY 2009	ACTUALS FY 2010	ACTUALS FY 2011	ACTUALS FY 2012	ACTUALS FY 2013	ACTUALS FY 2014	ACTUALS FY 2015	ACTUALS FY 2016	ACTUALS FY 2017	ACTUALS FY 2018	ACTUALS FY 2019	ACTUALS FY 2020	ACTUALS FY 2021	ACTUALS FY 2022
<b>EXPENDITURES</b>																
	Salary and Benefits	\$356,009	\$400,259	\$406,650	\$413,966	\$393,194	\$411,929	\$450,751	\$466,755	\$484,216	\$514,381	\$628,534	\$713,900	\$744,439	\$730,716	\$639,099
Object 2:	Services and Supplies															
5255100	Intra-County Professional	\$66,085	\$57,347	\$13,572	\$4,532	\$6,118	\$5,260	\$5,663	\$4,379	\$18,523	\$1,292	\$703	\$3,593	\$346	\$201	\$354
5255800	Legal Counsel	\$0	\$9,158	\$67,074	\$52,440	\$48,741	\$56,791	\$53,550	\$52,854	\$57,498	\$71,131	\$59,400	\$72,276	\$69,975	\$65,791	\$78,977
5255500	Consultant Services	\$19,372	\$75,000	\$76,101	\$58,060	\$102,349	\$59,563	\$35,602	\$37,250	\$39,625	\$0	\$45,000	\$52,650	\$106,709	\$41,966	\$25,389
5285700	Meal Claims	\$0	\$368	\$277	\$288	\$379	\$91	\$228	\$209	\$367	\$50	\$901	\$257	\$166	\$0	\$56
5220100	Insurance	\$491	\$559	\$550	\$4,582	\$4,384	\$4,378	\$4,231	\$4,338	\$4,135	\$4,679	\$4,893	\$5,296	\$5,893	\$10,452	\$8,591
1151	Office Expenses	\$1,056	\$354	\$716	\$639	\$1,212	\$536	\$850	\$783	\$6,266	\$48,632	\$15,412	\$4,702	\$2,544	\$1,151	\$1,462
5270100	Rent and Lease										\$41,120	\$39,360	\$44,478	\$46,254	\$47,903	
5255650	Data Processing Services	\$8,361	\$3,692	\$3,505	\$1,633	\$3,384	\$1,663	\$3,311	\$9,024	\$1,519	\$6,869	\$877	\$11,894	\$15,500	\$21,223	\$18,125
5225500	Commissioners' Fee	\$5,700	\$5,400	\$3,500	\$3,400	\$4,000	\$4,900	\$5,800	\$4,900	\$6,700	\$5,300	\$5,400	\$5,000	\$4,600	\$6,100	\$4,200
5260100	Publications and Legal Notices	\$1,151	\$563	\$1,526	\$363	\$916	\$222	\$378	\$2,484	\$487	\$191	\$145	\$192	\$44	\$90	\$704
5245100	Membership Dues	\$5,500	\$7,000	\$7,000	\$7,000	\$7,000	\$14,473	\$0	\$7,428	\$7,577	\$8,107	\$8,674	\$9,615	\$11,822	\$12,144	\$12,316
5250750	Printing and Reproduction	\$5	\$0	\$0	\$0	\$0	\$0	\$9	\$177	\$703	\$0	\$0	\$0	\$799	\$0	\$0
5285800	Business Travel	\$7,238	\$8,415	\$4,133	\$8,309	\$3,095	\$4,777	\$5,800	\$4,042	\$5,811	\$3,877	\$13,091	\$4,260	\$6,908	\$0	\$0
5285300	Private Automobile Mileage	\$1,016	\$704	\$832	\$1,185	\$615	\$424	\$409	\$396	\$1,009	\$1,264	\$590	\$689	\$696	\$61	\$0
5285200	Transportation&Travel (County Car Usage	\$894	\$948	\$629	\$0	\$384	\$250	\$371	\$293	\$559	\$605	\$0	\$328	\$256	\$0	\$0
5281600	Overhead	\$42,492	\$62,391	\$49,077	\$46,626	\$60,647	\$43,133	\$42,192	\$34,756	\$49,452	\$0	\$28,437	\$69,944	\$4,505	\$30,917	\$49,173
5275200	Computer Hardware	\$0	\$451	\$0	\$83	\$2,934	\$1,791	\$2,492	\$0	\$106	\$0	\$0	\$773	\$0	\$0	\$0
5250800	Computer Software	\$0	\$0	\$626	\$314	\$579	\$3,124	\$933	\$1,833	\$2,079	\$754	\$4,505	\$3,012	\$1,200	\$4,708	\$1,753
5250250	Postage	\$1,160	\$416	\$219	\$568	\$309	\$589	\$246	\$597	\$411	\$209	\$183	\$117	\$73	\$184	\$159
5252100	Staff Training Programs	\$0	\$665	\$491	\$250	\$300	\$0	\$0	\$1,431	\$0	\$0	\$0	\$350	\$525	\$70	\$70
5701000	Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>		<b>\$516,530</b>	<b>\$633,691</b>	<b>\$636,478</b>	<b>\$604,238</b>	<b>\$640,540</b>	<b>\$613,895</b>	<b>\$612,816</b>	<b>\$633,929</b>	<b>\$687,043</b>	<b>\$667,342</b>	<b>\$857,865</b>	<b>\$998,208</b>	<b>\$1,021,478</b>	<b>\$972,028</b>	<b>\$888,331</b>
<b>REVENUES</b>																
4103400	Application Fees	\$46,559	\$41,680	\$35,576	\$48,697	\$37,426	\$45,458	\$63,561	\$27,386	\$146,168	\$20,436	\$29,864	\$33,049	\$7,587	\$34,622	\$41,847
4301100	Interest: Deposits and Investments	\$24,456	\$16,230	\$6,688	\$4,721	\$4,248	\$3,416	\$2,674	\$2,844	\$6,073	\$10,830	\$12,620	\$12,141	\$18,176	\$10,488	\$7,831
<b>TOTAL REVENUES</b>		<b>\$71,015</b>	<b>\$57,911</b>	<b>\$42,264</b>	<b>\$53,418</b>	<b>\$41,674</b>	<b>\$48,873</b>	<b>\$66,235</b>	<b>\$30,230</b>	<b>\$152,241</b>	<b>\$31,266</b>	<b>\$42,484</b>	<b>\$45,190</b>	<b>\$25,763</b>	<b>\$45,110</b>	<b>\$49,678</b>
<b>AVAILABLE FUND BALANCE</b>																
3400150	<b>END OF YEAR</b>	<b>\$271,033</b>	<b>\$368,800</b>	<b>\$334,567</b>	<b>\$275,605</b>	<b>\$209,987</b>	<b>\$208,219</b>	<b>\$160,052</b>	<b>\$226,111</b>	<b>\$187,310</b>	<b>\$293,489</b>	<b>\$331,177</b>	<b>\$314,693</b>	<b>\$352,123</b>	<b>\$312,351</b>	<b>\$410,027</b>
3400800	<b>RESERVES AVAILABLE</b>				<b>\$100,000</b>	<b>\$100,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$200,000</b>
<b>BUDGETED COSTS TO AGENCIES</b>																
5440200	County	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$281,780	\$156,002	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904	\$327,928	\$295,443
4600100	Cities (San Jose 50% +other cities 50%)	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$282,625	\$156,002	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904	\$327,928	\$295,443
4600100	Special Distrcits							\$296,892	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904	\$327,928	\$295,443



**PROPOSED WORK PLAN FOR FISCAL YEAR 2024**

**PRIORITY\*** H - High Priority (essential activities: state mandate, Commission directive, requirements)  
M - Medium Priority (important, provided resources allow or time permits)  
L - Low Priority (desirable provided resources allow or time permits, not urgent)

	<b>PROJECT DESCRIPTION</b>	<b>ACTIVITIES / TIMELINE</b>	<b>RESOURCES</b>	<b>PRIORITY*</b>
<b>LAFCO APPLICATIONS</b>	Process applicant-initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal  Conduct pre-agenda meetings with County Depts to obtain Assessor & Surveyor reports, as needed  Process applications per CKH Act requirements: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H
	Review and update LAFCO policies for context, clarity and consistency with State law	In progress	Staff / Consultant	H
	Prepare flowcharts for LAFCO processes and update application packets and application fee schedules for current requirements and ease of public use	Upon completion of policies update	Staff	L
<b>ISLAND ANNEXATIONS</b>	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H

## PROPOSED WORK PLAN FOR FISCAL YEAR 2024

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
<b>OUTREACH, GOVERNMENT / COMMUNITY RELATIONS &amp; CUSTOMER SERVICE</b>	Conduct outreach to increase awareness of LAFCO's role	Presentations to cities, other agencies on LAFCO, as relevant	Staff	L
		Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County		M
		Seek exhibit opportunities at public spaces / events		L
		Maintain website as the primary information resource on LAFCO		H
		Increase social media presence (Twitter)		L
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	Attend regular meetings of SDA (quarterly), SCCAPO (monthly), County Planning Dept.(quarterly)	Staff	M
		Small water systems issues / legislation		M
		Collaborate with agencies and entities with goals common to LAFCO		M
	Track LAFCO related legislation	EO attends CALAFCO Legislative Committee meetings	Staff	L
		Commission takes positions and submits letters on proposed legislation		M
	Respond to public enquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries	Staff	H
		Update the PRA form for the website		L
		Document research on complex inquiries		L
Report to Commission on complex inquiries		H		

## PROPOSED WORK PLAN FOR FISCAL YEAR 2024

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
<b>SERVICE REVIEWS, SPECIAL STUDIES &amp; SPHERE OF INFLUENCE UPDATES</b>	Countywide Fire Service Review	Manage new consultant's work and contract Coordinate TAC meetings Review and comment on administrative draft report Distribute Public hearing notices and coordinate community workshops and LAFCO public hearings Prepare and distribute stakeholder/public outreach material Coordinate stakeholder / public engagement process along with public comment and response process Prepare staff reports with implementation recommendations Follow up with agencies on implementation and report back to the commission	Staff / Consultant	H
	Countywide Water and Wastewater Service Review	Develop water/wastewater service review workplan and identify method for consultant selection	Staff	M
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L
	Map Mutual Water companies	Initial maps complete, further through service review	Staff	L
	Engage in or support grant / partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L



## PROPOSED WORK PLAN FOR FISCAL YEAR 2024

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
<b>COMMISSION SUPPORT</b>	Provide ongoing support to the 12 commissioners for regularly-scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, and the Fire Service Review TAC)	Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings  Hold pre-agenda review meeting with Chair  Hold pre-meeting calls with individual commissioners to address agenda item questions and prepare meeting script for Chair  Process commissioner per diems for attendance at LAFCO meetings	Staff	H
	Keep the Commission informed	EO report  Off-agenda emails, as needed  Provide ongoing educational opportunities/events	Staff	H
	Onboarding new Commissioners	Facilitate filing / completion of Form 700, commissioner pledge, ethics training  Update LAFCO letterhead, directory, and website  Set up vendor accounts, provide parking permits  Conduct new Commissioner orientation  Recognize outgoing commissioners for LAFCO service	Staff	H
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria  Convene ISDSC committee meeting, as necessary  Coordinate public member selection process, as necessary	Staff	H
	Conduct a Strategic Planning Workshop	Most recent workshop in 2018 re. LAFCO Communications and Outreach Plan	Staff / Consultant	L
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L

## PROPOSED WORK PLAN FOR FISCAL YEAR 2024

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
<b>ADMINISTRATIVE PROJECTS</b>	Prepare LAFCO annual work plan	March -June	Staff	H
	Prepare LAFCO annual budget	March -June	Staff	H
	Prepare LAFCO Annual Report	August 2023	Staff	H
	Prepare LAFCO Annual Financial Audit	October 2023 (Contract with Chavan Associates extended for FY 2023 and FY 2024)	Consultant / Staff	H
	Office / facility management	Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers, office security, procurement, installation & maintenance Order and manage office supplies Make travel arrangements and process expense reimbursements. Process mileage reimbursements Office space lease extended (lease extended through April 30, 2027)	Staff	H
	Records management	Organize scan of LAFCO records to Electronic Document Management System (LaserFische) Maintain LAFCO's hard copy records Maintain and enhance the LAFCO Website Maintain LAFCO database	Staff/ Consultant  Staff	H  H H H
	Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships Coordinate with County Controller's Office and track annual collection of payments from member agencies	Staff	H
	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed	Staff	H

## PROPOSED WORK PLAN FOR FISCAL YEAR 2024

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
<b>ADMINISTRATIVE PROJECTS</b>				
	Staff training and development	CALAFCO workshops, conferences, relevant courses	Staff	M
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H
	Staff performance evaluation	April - October 2023	Staff/Commission	H
	Recruitment, hiring, and training of LAFCO staff	Training of new LAFCO Clerk - recruitment and hiring expected by end of FY 2023	Staff	H
	Student internship program	Contact the County to explore creation of a paid student internship program	Staff	L
	Other administrative functions mandated of a public agency (Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H

**PROPOSED LAFCO BUDGET  
FISCAL YEAR 2023- 2024**

<b>ITEM #</b>	<b>TITLE</b>	<b>APPROVED BUDGET FY 2023</b>	<b>ACTUALS Year to Date 2/21/2023</b>	<b>PROJECTIONS Year End FY 2023</b>	<b>PROPOSED BUDGET FY 2024</b>
<b>EXPENDITURES</b>					
Object 1:	Salary and Benefits	\$810,419	\$403,351	\$719,768	\$882,121
Object 2:	Services and Supplies				
5255100	Intra-County Professional	\$10,000	\$0	\$10,000	\$10,000
5255800	Legal Counsel	\$78,326	\$42,043	\$75,500	\$82,780
5255500	Consultant Services	\$150,000	\$22,552	\$100,000	\$150,000
5285700	Meal Claims	\$750	\$56	\$300	\$750
5220100	Insurance	\$9,237	\$7,042	\$9,237	\$8,335
5250100	Office Expenses	\$5,000	\$344	\$2,000	\$5,000
5270100	Rent & Lease	\$53,182	\$35,272	\$53,182	\$54,766
5255650	Data Processing Services	\$28,038	\$16,375	\$28,038	\$27,520
5225500	Commissioners' Fee	\$10,000	\$1,900	\$7,000	\$10,000
5260100	Publications and Legal Notices	\$1,000	\$308	\$1,000	\$1,000
5245100	Membership Dues	\$12,887	\$12,921	\$12,921	\$13,870
5250750	Printing and Reproduction	\$1,500	\$0	\$500	\$1,500
5285800	Business Travel	\$10,000	\$3,125	\$6,000	\$15,900
5285300	Private Automobile Mileage	\$1,000	\$7	\$200	\$1,000
5285200	Transportation&Travel (County Car Usage)	\$600	\$0	\$200	\$600
5281600	Overhead	\$30,041	\$15,021	\$30,041	\$20,358
5275200	Computer Hardware	\$3,000	\$0	\$1,000	\$4,000
5250800	Computer Software	\$5,000	\$853	\$2,000	\$4,000
5250250	Postage	\$1,000	\$10	\$300	\$500
5252100	Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000	Reserves	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>		<b>\$1,222,980</b>	<b>\$561,180</b>	<b>\$1,060,187</b>	<b>\$1,296,000</b>
<b>REVENUES</b>					
4103400	Application Fees	\$30,000	\$19,603	\$25,000	\$30,000
4301100	Interest: Deposits and Investments	\$6,000	\$4,657	\$6,000	\$6,000
<b>TOTAL REVENUE</b>		<b>\$36,000</b>	<b>\$24,260</b>	<b>\$31,000</b>	<b>\$36,000</b>
3400150	<b>FUND BALANCE FROM PREVIOUS FY</b>	<b>\$201,006</b>	<b>\$410,027</b>	<b>\$410,027</b>	<b>\$366,814</b>
<b>NET LAFCO OPERATING EXPENSES</b>		<b>\$985,974</b>	<b>\$126,893</b>	<b>\$619,160</b>	<b>\$893,186</b>
3400800	<b>RESERVES Available</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>
<b>COSTS TO AGENCIES</b>					
5440200	County	\$328,658	\$328,658	\$328,658	\$297,729
4600100	Cities (San Jose 50% + Other Cities 50%)	\$328,658	\$328,658	\$328,658	\$297,729
4600100	Special Districts	\$328,658	\$328,658	\$328,658	\$297,729



**LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS**  
**Estimated Costs to Agencies Based on the Preliminary FY 2024 LAFCO Budget**

<b>Preliminary Net Operating Expenses for FY 2024</b>				<b>\$893,186</b>
<b>JURISDICTION</b>	<b>REVENUE PER 2020/2021 REPORT</b>	<b>PERCENTAGE OF TOTAL REVENUE</b>	<b>ALLOCATION PERCENTAGES</b>	<b>ALLOCATED COSTS</b>
<b>County</b>	N/A	N/A	33.3333333%	<b>\$297,728.67</b>
<b>Cities Total Share</b>			<b>33.3333333%</b>	<b>\$297,728.67</b>
San Jose	N/A	N/A	50.0000000%	\$148,864.34
Other cities share			50.0000000%	\$148,864.33
Campbell	\$67,824,629	1.9995536%		\$2,976.62
Cupertino	\$125,426,339	3.6977230%		\$5,504.59
Gilroy	\$131,638,480	3.8808646%		\$5,777.22
Los Altos	\$61,718,303	1.8195316%		\$2,708.63
Los Altos Hills	\$19,614,107	0.5782480%		\$860.81
Los Gatos	\$51,370,842	1.5144757%		\$2,254.51
Milpitas	\$186,509,610	5.4985331%		\$8,185.35
Monte Sereno	\$4,845,074	0.1428388%		\$212.64
Morgan Hill	\$113,620,439	3.3496705%		\$4,986.46
Mountain View	\$373,855,966	11.0217345%		\$16,407.43
Palo Alto	\$664,162,959	19.5803423%		\$29,148.15
Santa Clara	\$1,000,850,828	29.5063155%		\$43,924.39
Saratoga	\$35,690,808	1.0522090%		\$1,566.36
Sunnyvale	\$554,860,115	16.3579598%		\$24,351.17
<b>Total Cities (excluding San Jose)</b>	<b>\$3,391,988,499</b>	<b>100.0000000%</b>		<b>\$148,864.33</b>
<b>Total Cities (including San Jose)</b>				<b>\$297,728.67</b>
<b>Special Districts Total Share</b>		<b>(Fixed %)</b>	<b>33.3333333%</b>	<b>\$297,728.66</b>
Aldercroft Heights County Water District		0.06233%		\$185.57
Burbank Sanitary District		0.15593%		\$464.25
Cupertino Sanitary District		2.64110%		\$7,863.31
El Camino Healthcare District		4.90738%		\$14,610.68
Guadalupe Coyote Resource Conservation District		0.04860%		\$144.70
Lake Canyon Community Services District		0.02206%		\$65.68
Lion's Gate Community Services District		0.22053%		\$656.58
Loma Prieta Resource Conservation District		0.02020%		\$60.14
Midpeninsula Regional Open Space District		5.76378%		\$17,160.42
Purissima Hills Water District		1.35427%		\$4,032.05
Rancho Rinconada Recreation and Park District		0.15988%		\$476.01
San Martin County Water District		0.04431%		\$131.92
Santa Clara Valley Open Space Authority		1.27051%		\$3,782.67
Santa Clara Valley Water District		81.44126%		\$242,473.98
Saratoga Cemetery District		0.32078%		\$955.05
Saratoga Fire Protection District		1.52956%		\$4,553.94
South Santa Clara Valley Memorial District		0.03752%		\$111.71
<b>Total Special Districts</b>		<b>100.00000%</b>		<b>\$297,728.66</b>
<b>Total Allocated Costs</b>				<b>\$893,186.00</b>

