



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

Notice

BUDGET AND WORK PLAN COMMITTEE MEETING AND AGENDA

April 13, 2020 ▪ 3:00 PM

Appointed Members

Dennis Rodoni | Barbara Coler | Lew Kious

***** BY VIRTUAL TELECONFERENCE ONLY *****

Pursuant to the provisions of California Governor's Executive Order N-29-20, issued on March 17, 2020, this meeting will be held by teleconference only. No physical location will be available for this meeting. However, members of the public will be able to access and participate in the meeting.

PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS

PUBLIC ACCESS

Members of the public may access and watch a live stream of the meeting on Zoom at <https://zoom.us/j/4350473750>. Alternately, the public may listen in to the meeting by **dialing (669) 900-6833** and entering **Meeting ID 4350473750#** when prompted.

WRITTEN PUBLIC COMMENTS may be submitted by email to staff@marinlafco.org. Written comments will be distributed to the Commission as quickly as possible. Please note that documents may take up to 24 hours to be posted to the agenda on the LAFCO website.

SPOKEN PUBLIC COMMENTS will be accepted through the teleconference meeting. To address the Commission, click on the link <https://zoom.us/j/4350473750> to access the Zoom-based meeting.

1. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
2. When the Commission calls for the item on which you wish to speak, click on "raise hand" icon. Staff will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.
3. When called, please limit your remarks to the time limit allotted (3 minutes).

3:00 PM CALL TO ORDER - Executive Officer to call the meeting to order

ROLL CALL – Executive Officer to call the roll

SELECTION OF CHAIR

The Committee shall nominate and select a Chair of the Budget Committee for calendar year 2020.

Administrative Office

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Judy Arnold Regular
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Dennis Rodoni, Alternate
County of Marin

Sashi McEntee, Chair
City of Mill Valley

Vacant, Regular

Barbara Coler, Alternate
Town of Fairfax

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Lew Kious, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Public
Public Member

Chris Skelton, Alternate
Public Member

PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Committee on any relevant matter not listed on this agenda and that are within the jurisdiction of the Committee. Speakers are limited to three minutes.

BUSINESS ITEMS

The Committee is scheduled to discuss and provide direction on the following items.

1. Approval of February 21, 2019, Meeting Minutes
2. Discussion on Approval of New Contingency Funds
3. Recommendation on Proposed Budget for Fiscal Year 2020-2021

ADJOURNMENT

Any writings or documents pertaining to an open session item provided to a majority of the Commission less than 72 hours prior to a regular meeting shall be made available for public inspection at Marin LAFCo Administrative Office, 1401 Los Gamos Drive, Suite 220, San Rafael, CA 94903, during normal business hours.

Pursuant to GC Section 84308, if you wish to participate in the above proceedings, you or your agent are prohibited from making a campaign contribution of \$250 or more to any Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCo and continues until 3 months after a final decision is rendered by LAFCo. If you or your agent have made a contribution of \$250 or more to any Commissioner during the 12 months preceding the decision, in the proceeding that Commissioner must disqualify himself or herself from the decision. However, disqualification is not required if the Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings. Separately, any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCo office at least three (3) working days prior to the meeting for any requested arrangements or accommodations.



Marin Local Agency Formation Commission

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AGENDA REPORT

April 13, 2020

Item No. 1 (Business)

TO: Marin LAFCo Budget and Work Plan Committee

FROM: Jason Fried, Executive Officer

SUBJECT: Approve the February 21, 2019 Committee Meeting Minutes

Background

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and establishes standards and processes therein for the public to attend and participate in meetings of local government bodies as well as those local legislative bodies created by State law; the latter category applying to LAFCos.

Discussion

The draft minutes for the February 21, 2019, Budget and Work Plan Committee meeting accurately reflect the Committee's actions as recorded by staff and are attached. A copy of the approved meeting minutes is available online.

Staff Recommendation for Action

1. **Staff recommendation** – Approve the draft minutes prepared for the February 21, 2019 meeting with any desired corrections or clarifications.
2. Alternative Option - Continue consideration of the item to the next committee meeting and provide direction to staff, as needed.

Attachment:

- 1) Draft Minutes for February 21, 2019

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Las Gallinas Valley Sanitary

Lew Kiious, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member



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DRAFT

BUDGET AND WORK PLAN COMMITTEE MINUTES

Thursday, February 21, 2019
1401 Los Gamos Drive Suite 220
San Rafael, California 94903

Appointed Members

Dennis Rodoni (Chair) | Sashi McEntee (Vice-Chair) | Craig K. Murray

Chair Rodoni called the meeting to order at 9:05 am.

ROLL CALL

Commission Clerk called roll.

Commissioners Rodoni and McEntee present
Commissioner Murray (arrived 9:07 am)

PUBLIC COMMENT

Chair Rodoni asked for any public comments. Hearing none, Chair Rodoni closed public comment.

BUSINESS ITEMS

1. Approval of January 21, 2019, Meeting Minutes

Approved; M/S by Commissioners McEntee and Rodoni to approve the January 31, 2019 meeting minutes.

Ayes: Commissioners Rodoni, McEntee
Absent: Commissioner Murray

Noes: None
Abstaining: None

Motion approved unanimously.

(Commissioner Murray arrived)

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Judy Arnold, Alternate
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Sashi McEntee, Chair
City of Mill Valley

Sloan Bailey, Regular
Town of Corte Madera

Matthew Brown, Alternate
City of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Jack Baker, Regular
North Marin Water District

Lew Kiou, Alternate
Almonte Sanitary District

Vacant, Public
Public Member

Chris Skelton, Alternate
Public Member

2. Approval of the Proposed Draft Budget for Fiscal Year 2019-2020

Executive Officer Fried gave a brief presentation on determining the budget for FY 2019-20. Executive Officer Fried noted that this budget assumed that staff benefits are at 40% of salaries. Salary and benefits also include the Policy Analyst position being hired at the top end of the ranged advertised.

The Committee discussed the various changes in the budget for FY 2019-20 compared to other fiscal years including the reserve account, website upgrade, phone enhancement, rent increase, possible equipment replacement, legal services, and other shifts in expenses. Staff responded in kind and stated that the proposed draft budget should be on par for the coming fiscal year.

Staff and the Budget Committee felt it was important to maintain the member agencies' contributions given the recent increases over the past few fiscal years.

Executive Officer Fried suggested a future discussion on updating the fee schedule given that currently the contributing agencies are required to pay application fees for a sphere of influence change if it is not part of a Municipal Service Review study.

The Budget Committee considered ideas on how Marin LAFCo could be an invaluable part of the disaster preparedness for Marin County. The proposition of creating an Ad Hoc Committee or hiring an outside consultant to study the level of support and the costs that would incur was considered.

Approved; M/S by Commissioners McEntee and Murray to have Chair Rodoni review the draft budget prior to it being presented to the Commission in April.

Ayes: Commissioners Rodoni, McEntee, Murray

Noes: None

Absent: None

Abstaining: None

Chair Rodoni adjourned the meeting at 9:37 am.

ATTEST:

Candice Bozzard
Commission Clerk



Marin Local Agency Formation Commission

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AGENDA REPORT

April 13, 2020

Item No. 2 (Business)

TO: Marin LAFCo Budget and Work Plan Committee

FROM: Jason Fried, Executive Officer

SUBJECT: Discussion on Approval of New Contingency Funds

Background

Marin LAFCo currently has a reserve fund policy [3.10 (B)(vii)] to set aside approximately 20% of the annual budget. This reserve can be used for a list of unplanned reasons which can include unanticipated legal fees, unrealized application fee revenue, special studies, and environmental reviews. Since our current budget is about \$600,000, we currently have a reserve fund of \$120,000.

Staff is suggesting the creation of 2 new contingency funds for budgeting purposes moving forward. The first fund would be a Technology Reserve Fund. In 2017, LAFCo did a major replacement of all its computers. Those computers are still good, but in the next 2-4 years will likely need to be replaced. When the last replacement occurred in 2017, the cost was over \$20,000. In addition to computers, eventually, the LAFCo iPads, server, printers, and copier will need to be replaced. Staff would propose creating a Technology Replacement Fund where each year any unspent money from the "Office Equipment Purchases" line item rolls over into this new fund to address future needs to replace these items. This will allow for the slow build-up of funds so as equipment needs to be replaced LAFCo should already have the funds in place to do that. This will keep LAFCo from having to have a line item that does not have large changes from year to year in what we need to request from our member agencies. This will help LAFCo maintain a steady budget request that our member agencies can rely on as they plan their annual budgets.

The second fund, in some ways, may be semi-duplicative of the current Reserve Fund but still worth setting up. It would be a Consultant Reserve Fund. The Consultant Reserve Fund would be used when LAFCo is looking to do a major study or consolidation that would be beneficial in Marin County. A possible example would be the Countywide Fire Study that we are looking to do. This study may require technical experts to assist with some portion of the work. While the countywide fire is the item we are currently looking at, this fund could also be available if some other large consolidation was being looked at and outside experts were needed. Depending on the specialization of issue, size of project, and scope of work, an average typical study can range from

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\$50,000 - \$70,000. It may be good to set-a-side between \$100,000 - \$150,000 in such a fund to give us the ability to do 1-2 studies in the future.

Due to unspent money from prior years, mainly when LAFCo was not fully staffed, LAFCo does have money in our bank accounts to establish the Consultant Reserve Fund without needing to request any more money from our member agencies.

Should this Committee and the full Commission wish to move forward with either of these new funds, policies on how those funds are allowed to be used in the future should be created and approved by the Commission.

Staff Recommendation for Action

- 1. Staff recommendation** – Recommend to the Commission the establishment of one or both of the above mentioned new funds and instruct staff to draft policies for those funds.
- 2. Alternate Option** - Continue consideration of the item to the next committee meeting and provide direction to staff, as needed.



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AGENDA REPORT

April 13, 2020

Item No. 3 (Business)

TO: Marin LAFCo Budget and Work Plan Committee

FROM: Jason Fried, Executive Officer

SUBJECT: Recommendation on Proposed Budget for FY 2020-2021

Background

State Government Code section 56381 states that all LAFCos need to approve a proposed budget by May 1st and a final budget by June 15th of each year. The attached budget being presented today is the proposed budget which, if approved by this committee today, will be presented to the Commission at its April 30th meeting to fulfill the May 1st deadline. In the attached chart it should be noted that how Marin County reports its numbers in MUNIS for salary, benefits, and MCERA portrays numbers for those line items that do not reflect the full amount LAFCo has paid through 2/29/20. All other line items are correct, but unaudited, based on Quickbooks.

Item 2 on today's agenda, in part, talks about some thoughts on ways to do budgeting for LAFCo that are reflected in the budget being presented today.

LAFCo went through a major budget overhaul from FY 2018-2019 to FY 2019-2020 merging and readjusting line items. Staff believes this overhaul has been beneficial and is not looking to make any major changes to it. Only one small change is to rename the "Communications Services" line item to "IT and Communications Services". In the past year, we have moved most of our communications services into a VoIP system that is part of our agreement with Marin Mac Tech. This will better reflect what makes up this line item as our IT and phone systems are now one integrated service. This line item also covers other similar related items such as Comcast, who still provides our internet access.

Staff's goal with this budget was a status quo from what LAFCo is requesting from our contributing agencies. The budget being presented does that. There are some line item changes from last year to this year based on better understanding and looking to the needs of LAFCo in FY 20-21. Some key line item changes include:

- Salary – This line item has been increased to allow for COLA and other possible salary increases that may occur after staff reviews are done by the LAFCo Commission at the April meeting for the

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E.O. and by the E.O. of all other staff in May. Staff believes the number presented today is at the high end of what would be needed to cover possible increases.

- Benefits - Has been lowered because from FY 19-20 since at the time of doing that year's budget LAFCo was not fully staffed so estimates were used that we got from Marin County. Now that we have more time under this system with a full staff, those estimates turns out were a little high so it has been lowered.
- Pension - Going to be slightly lower since MCERA has lowered its rate that agencies need to contribute from FY 19-20 to FY 20-21. Tier 3 employees are going from 22.6% to 17.22%, while Tier 4 will be going from 17.36% to 12.75%. This number is directly tied to salaries and is currently set at the high-end mark for salaries in the proposed budget and therefore will likely be reduced once salaries are known for next year.
- Professional Services – This is the line item with the largest change. This is due to the fact that we have wrapped up our work with Planwest Partners for the San Rafael and Novato area MSR's. The current amount better reflects work for this category for next year.
- Legal Services – This line has been increased to ensure we are properly budgeted for the amount of legal time we are using.
- Retiree Health – Currently, this is a place holder as we are in the process of having our GASB report done. This number will be replaced once that report is completed.
- All other line items are basic adjustments due to either inflationary increases or small adjustments in projected future spending in that category.

Income is divided into two different line items:

- Agency Contribution is made of all the amounts that each agency needs to transfer to LAFCo based on a formula prescribed in State Government Code. The total amount requested for all agencies will be staying the same from the previous year, but individual agencies may see small fluctuations based on how the state formula works.
- Carry Forward Balance - Is made up of three main pots of money. It is a combination of unspent money from the previous fiscal year, interest earned on money kept in our County bank account from the previous fiscal year, and any application fees paid to LAFCo in the previous fiscal year.

Staff Recommendation for Action

- 1. Staff Recommendation** – Approve the proposed budget to be presented at the April 30, 2020 LAFCo Commission meeting with any needed amendments.
- 2. Alternate Option** - Continue consideration of the item to the next committee meeting and provide direction to staff, as needed.

Attachment:

- 1) Budget Chart for FY 20-21.

Line Items	Draft FY 20-21	FY 19-20 Actual	Final FY 19-20
Expense		(as of 2/29/20)	
5110110 · Salary	\$330,000.00	\$165,575.59	\$305,553.00
5130120 · Benefits	\$40,000.00	\$17,293.71	\$61,110.60
5130500 · Pension	\$50,000.00	\$29,434.46	\$56,911.23
5130525 · Retiree Health	\$16,000.00		\$16,000.00
5210110 · Professional Services	\$20,000.00	\$49,706.52	\$70,000.00
5210131 · Legal Services	\$45,000.00	\$23,058.00	\$35,000.00
5210525 · General Insurance	\$7,000.00	\$6,391.28	\$4,000.00
5210710 · IT & Communications Services	\$16,000.00	\$10,742.44	\$14,000.00
5210935 · Office Equipment Purchases	\$4,500.00	\$0.00	\$4,500.00
5211215 · Rent - Storage	\$650.00	\$412.46	\$500.00
5211270 · Office Lease/Rent	\$33,588.88	\$21,716.80	\$32,652.95
5211325 · Conferences	\$5,000.00	\$2,380.54	\$4,000.00
5211330 · Memberships & Dues	\$16,000.00	\$14,707.00	\$15,000.00
5211340 · Training	\$1,700.00	\$0.00	\$1,700.00
5211440 · Travel - Mileage	\$3,500.00	\$1,481.56	\$4,000.00
5211510 · Misc Services	\$2,000.00	\$881.34	\$2,000.00
5211520 · Publications/Notices	\$3,000.00	\$329.70	\$3,500.00
5211533 · Commissioner Per Diems	\$10,000.00	\$5,875.00	\$13,500.00
5220110 · Office Supplies and Postage	\$4,000.00	\$2,412.54	\$4,000.00
Total Expense	\$607,938.88	\$352,398.94	\$647,927.78
Income			
Carry Forward Balance	\$48,416.35	\$66,830.44	\$66,830.44
4710510 · Agency Contributions	\$559,522.53	\$559,522.33	\$559,522.51
Total Income	\$607,938.88	\$626,352.95	\$626,352.95
*Munis is slow to update so these numbers do not reflect number as of 2/29/2020			