

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

April 17, 2019

Board of Supervisors Chambers
Martinez, CA

1. Chair Tom Butt called the meeting to order at 1:32 p.m. and the Pledge of Allegiance was recited.
2. Roll was called. A quorum was present of the following Commissioners:

County Members Candace Andersen and Federal Glover and Alternate Diane Burgis.
Special District Members Igor Skaredoff and Alternate Stan Caldwell. Special District Member Mike McGill arrived at 1:36 p.m.

City Members Tom Butt and Rob Schroder and Alternate Sean Wright.

Public Members Don Blubaugh and Alternate Charles Lewis.

Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, and Clerk Kate Sibley.

3. Approval of the Agenda

Upon motion of Blubaugh, second by Glover, Commissioners approved the agenda by a vote of 6-0.

AYES: Andersen, Blubaugh, Butt, Glover, Schroder, Skaredoff
NOES: none
ABSENT: McGill (M)
ABSTAIN: none

4. Public Comments

There were no public comments.

5. Approval of February 13, 2019 Meeting Minutes

Upon motion of Andersen, second by Skaredoff, the February 13, 2019 meeting minutes were approved by a vote of 6-0.

AYES: Andersen, Blubaugh, Butt, Glover, Schroder, Skaredoff
NOES: none
ABSENT: McGill (M)
ABSTAIN: none

6. Special Presentation (CASA: Bay Area Housing Crisis)

Chair Butt introduced Ken Kirkey, Director of Planning for the Regional Planning Program serving the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). City of Clayton Councilmember Julie Pierce and City of Orinda Councilmember Amy Worth were also in attendance.

Mr. Kirkey presented a brief report on CASA, the Committee to House the Bay Area, a panel of experts and leaders convened to address the region's housing affordability crisis by identifying and unifying bold, game-changing ideas. As ABAG and MTC were working on Plan Bay Area 2040, every issue seemed to become a housing issue when the public weighed in. He noted the significant gap between job growth and new housing between 2010 and 2016. An optimal ratio is 1.5 jobs created to 1 house permitted; no county in the Bay Area achieves this. Additionally, housing needs vs. housing production as rated by income level show the greatest disparity between low income and high income categories.

The basic premise for CASA was to look at production of adequate housing for all income levels; preservation of existing affordable housing; and protection of current residents from displacement. In December 2018 the CASA Steering Committee adopted various elements focused on protection

DRAFT

against displacement, removing barriers to Accessible Dwelling Units, production of housing; assessing underused public land and how it might be used for affordable housing; identifying potential funding options needed to do these things, and creating a potential framework for distributing funding once obtained.

As a result of the CASA Compact, MTC/ABAG convened a Housing Legislative Working Group composed of city and county representatives from the nine counties in the Bay Area. Staff is also analyzing bills and will bring forward recommendations to MTC/ABAG in May.

Housing is the top issue for the State this year, led by Governor Newsom, who has proposed \$750 million in funding for local and regional planning efforts. Currently there are over 200 housing bills that have been introduced in this legislative session.

Commissioner Skaredoff remarked on the imbalance of housing in proximity to jobs. Mr. Kirkey responded that some funding options for the legislature to consider specifically address this, but he doesn't believe they've been taken up yet.

Commissioner Glover noted that this county's northern waterfront development initiative needs help from the state. They've done housing production in that area, but now they need job development. The state and legislature should put into place incentives. Commissioner Glover believes they have opportunities in this county, especially in the northern waterfront initiative, for pilot projects that can be developed quickly. Mr. Kirkey noted that the U.S. Economic Development Administration approved the economic development district application for the Bay Area, so this will go forward. He believes that the northern waterfront is a signature project.

Commissioner Burgis added that East Contra Costa County has affordable housing, but the jobs-to-housing ratio is unacceptable. Senate Bill 50 wants to "upzone" near jobs-rich areas, but in her district they would like to "upzone" jobs to housing-rich areas. She's concerned that metropolitan areas are able to dictate where the jobs go, leaving the areas providing the housing without those opportunities to create a better jobs-to-housing balance.

Commissioner McGill thanked Amy Worth, Julie Pierce, and Ken Kirkey for coming to the meeting. He noted that the northern waterfront and eastern part of the county have acute needs that are largely different from other regions in the Bay Area. LAFCO doesn't have direct land use authority, but it has an ability to influence projects through applying conditions while respecting local control, and it should be part of the team looking at solutions. There is a need to move this issue quickly. Mr. Kirkey agreed that the northern waterfront is the signature project for the economic development district plan, which is specific to the Bay Area in its approach to the uneven distribution of jobs and housing. He believes that the economic development district will meet first in May, and the northern waterfront will be discussed shortly thereafter. A lot will be happening this year, and it's up to all of us to

Commissioner Butt stated that he would like to see more emphasis on transportation and mobility, which does not seem to be in the discussion enough at this time.

Kristen Altbaum, a member of the public, has often wondered why there can't be more of a push by developers to bring jobs to the low-income housing rather than the low-income housing to the jobs. She would encourage CASA to develop certain areas of California that would be more conducive to a good quality of life in those regions that are more affordable.

7. LAFCO 18-14 – Santiago Island Village (SIV) Reorganization: Annexations to Contra Costa Water District (CCWD) and Diablo Water District (DWD)

The Executive Officer presented background on the annexation of Santiago Island Village (SIV) Mobile Home Park property and a portion of Gateway Road to CCWD and DWD, following the March SOI expansion for both districts to accommodate this reorganization. The purpose of the annexations is to allow for the extension of municipal water service to 211 connections in the mobile home park, serving 300 residents and 100 visitors daily. The property currently relies on a single groundwater well which poses reliability, supply and contamination issues. The State Water Resources

Control Board (SWRCB) recommends annexation. DWD will provide treated water and CCWD will supply wholesale water. Both water agencies indicate they have the capacity to serve the area.

Staff noted that one letter was received from a resident of SIV, with several questions as to how the service would change residents' situation. All questions were answered to his satisfaction.

Commissioner McGill wondered how LAFCO can address an application that intends to serve only part of an area that has been identified as a Disadvantaged Unincorporated Community (DUC); is there some way to address the rest of that DUC area?

Dan Muelrath, DWD General Manager, acknowledged that SIV is part of a bigger water needs assessment on Bethel Island. DWD is currently working with the Department of Water Resources and the SWRCB to better identify the needs there.

Commissioner Burgis commented on the need for fire hydrants in the area.

Commissioner Lewis asked about the resident's questions. Staff responded that they had to do with the water lines, the new water supply, and whether there would be individual meters placed on the connections. The SIV owners responded to all of the questions to the satisfaction of the resident.

Commissioner Glover asked how the water supply will get to Bethel Island. Mr. Muelrath responded that the line has already been installed there for the Delta Coves project.

The Chair opened the public hearing. No one spoke, so the public hearing was closed.

Upon motion of Glover, second by Blubaugh, Commissioners, by a 7-0 unanimous vote, certified that it reviewed and considered the information contained in the CEQA documentation; approved the proposal known as Santiago Island Village Reorganization: Annexations to CCWD and DWD, with specified conditions; determined that the territory being annexed is liable for the continuation of taxes, assessments and charges; found that the subject territory is uninhabited and received no objections to annexation; waived the protest proceeding, and directed staff to complete the proceeding.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff

NOES: none

ABSENT: none

ABSTAIN: none

8. "City Services" MSR/SOI Updates (2nd Round)

The Executive Officer provided background on the "City Services" MSR/SOI Updates (2nd Round), which covers all 19 cities and 4 community services districts (CSDs), being presented for a public hearing at this meeting. Lamphier-Gregory and Berkson Associates prepared the draft MSR report, which was released on March 27th, with the public comment period ending on April 25th. Each agency was encouraged to share the draft report with their Councils and Boards.

Most municipal services are covered in this MSR except for fire, water and wastewater, which were covered in previous 2nd Round MSRs. Focus areas in this MSR include shared services, infill/urban sprawl/islands, agricultural and open space preservation, and updating data from the 1st round MSRs. The MSR also includes information relating to growth and population, capacity including infrastructure needs and deficiencies, and financial ability to provide services as required by statute.

Staff thanked the cities and districts for their participation in the MSR process. To date several cities have provided comments on the Draft MSR; also, LAFCO has received several public comment letters, and comments from Commissioner Lewis. In addition, LAFCO received several anonymous phone calls, and over 100 emails expressing concern over the use of public funds to maintain Calle Arroyo Road in the Diablo CSD, which we believe has been deemed a private road by the court. Some individuals have also asked that the MSR language regarding this matter be more definitive. Following the comment period deadline, the consultants will prepare a comment log with responses to comments.

Staff introduced Sharon Wright from Lamphier-Gregory and Richard Berkson from Berkson Associates, who together made a brief presentation on their findings.

Sharon Wright opened the briefing noting that much of the demographic data in the MSR was obtained from ABAG; they found that cities have mostly recovered from the Great Recession. Between 2010 and 2015, Contra Costa County experienced a 10% increase in jobs, while the Bay Area as a whole saw a 17.6% increase in the same period. Permitting for housing construction is trending away from single-family to multi-family housing. They looked at development within Priority Development Areas, which serve the needs of residents and workers in a pedestrian and transit friendly environment.

Aging infrastructure and deferred maintenance are a concern and potential challenge for several cities, with roadways at the heart of these concerns. The Metropolitan Transportation Commission (MTC) identified a target pavement index and the majority of cities in the county do not meet the target of 75. The average for the county is 70, with one city at risk of failing and many others below the MTC target.

Population growth is predicted to increase pressure on housing, with Brentwood, Concord, Oakley, Pittsburg, and Richmond bearing the brunt of that growth from 2010 to 2040. The jobs-housing ratio of 1:1 is the ideal; two cities, Lafayette and Pinole are projected to come closest to achieving that ratio. Taking into account the projected high employment and housing growth for Richmond and Oakley, the 2040 projection for Richmond would be 1.1 job for every occupied housing unit, while Oakley would remain the same at .32 job per household. There are numerous benefits in a jobs-to-housing balance for both the cities and their residents.

The Regional Housing Need Allocation is a state-mandated process to identify the number of housing units by affordability level that each jurisdiction must accommodate. The combined Contra Costa County/cities allocation is just over 19,000 residential units, and the city housing elements overall identified sites appropriately zoned for more than 41,000 units, more than double what is required.

Most agencies prepared and published their CAFRs within six months of their fiscal year end, with some exceptions. Richard Berkson added that they looked at three years of annual financial reports to determine whether there were any particular trends—in addition to the most recent available budget. Most agencies are operating with a general fund surplus, with the exception of Antioch, Concord, Pinole, Pittsburg, and San Ramon. General fund expenditures vary significantly. Richmond has the highest per capita expenditures at just over \$1,400, and Clayton the lowest at \$366. Many factors contribute to the variations, including the range of services provided by the cities. The average for the county is \$784.

Most agencies report declining debt obligations. In looking at debt per capita, two cities, Clayton and Pleasant Hill, have no debt per capita (pc). In other cities, the range was from a low of \$52 pc in Walnut Creek and a high of \$3,600 pc in Richmond. Looking at FY 2017 liquidity ratios, most cities are able to meet their fiscal obligations in the short run, with the exception of El Cerrito, Hercules, and Richmond. Mr. Berkson added that this is just one indicator of fiscal conditions based on City CAFRs; agencies have a range of resources available to fund ongoing operations, but they have found that agencies with liquidity ratios that drop significantly below 1 usually are correlated with other fiscal problems as well, so it's a useful flag to suggest other research.

Overall, most agencies appear to have sufficient resources to continue provision of municipal services and accommodate infrastructure expansion or replacement.

Regarding SOI determinations, Ms. Wright noted that this MSR did not study water, sewer, or fire protection, as they have been covered in other MSRs. There are no anticipated changes in the type of public services and facilities required within the SOIs for the cities and CSDs reviewed. However, the level of demand for these services and facilities will increase commensurate with anticipated population growth over the next five years. The present capacity of these agencies appears adequate, and the agencies anticipate they will continue to have adequate capacity for the next five years.

Ms. Wright noted that Contra Costa LAFCO has identified contiguous populations with specific social or economic interests relevant to Danville, Lafayette, Pleasant Hill, San Pablo, and Walnut Creek. Other agencies have disadvantaged communities (annual median household income less than 80% of the statewide annual median income) within their boundary, their SOI, or contiguous to their SOI.

Ms. Wright stated that the report confirms maintaining and reaffirming all existing SOIs at this time. Additionally, the report suggests conditional recommendations for future SOI updates pending additional study due to one or more concerns regarding ability to provide services, or because there was insufficient information available from the agencies related to municipal services and future growth patterns. Thus, the consultants recommend that SOIs for the cities of Concord, Hercules, Moraga, and Richmond, and Crockett CSD include a condition stipulating that future annexation applications from these agencies include information needed to demonstrate capacity, adequacy, and ability to provide services to the areas under consideration. The consultants also recommend a similar condition for El Cerrito, stipulating that future SOI and annexation applications include information needed to demonstrate financial ability to provide services to the areas under consideration.

Commissioner Schroder asked about the additional studies recommended. Ms. Wright responded that these cities did not provide the full range of information that was requested for the review; the exception in this short list is El Cerrito, which provided adequate information but the information was such that it warrants another look in the event of any SOI and annexation applications.

At this time, Commissioner Burgis left the meeting.

Commissioner Schroder asked about city islands, and whether the consultants have taken these into account, given this Commission's push to annex islands and concern about out of area service applications. Ms. Wright noted that there is a discussion in each chapter for those cities that have islands, especially if they are 150 acres or less and can be annexed through an expedited process, and that LAFCO encourages annexation of islands.

Commissioner Blubaugh asked if LAFCO should pursue these agencies for further information now, or simply put them on notice that if they come forward with annexation applications, they should be prepared to prepare supplemental material. Ms. Wright confirmed the latter option. She also noted that since the Public Review Draft was published, some of the cities mentioned providing additional information. She also confirmed that this list could change by the time the Final Draft is presented.

Chair Butt asked if the comments received will be submitted to the Commission. Staff confirmed that all comments received between initial publication of the Public Review Draft and the Final Draft will be included in a comment log and incorporated or responded to appropriately. Chair Butt, referring to the Richmond chapter, noted that there were a number of years referenced in that chapter, and that there would be value in picking a date with consistency. Ms. Wright responded that while the consultants tried to establish and maintain consistency and set FY 2017 as the "snapshot in time" that they would review, there was not adequate data available from 2017 specifically across all of the areas reviewed. At that point, the consultants relied on census and ABAG data to provide more of an "apples-to-apples" comparison.

Commissioner Blubaugh noted that there are people in the audience and communications the Commission has received regarding a change in the SOIs of the cities of Pleasant Hill and Lafayette, as well as removal from Pleasant Hill Recreation and Park District (PHRPD). How do the Commissioners respond to this? Is this something they can deal with or is it a separate process? Staff responded that this MSR culminates in the updating of SOIs of each city and CSD covered in the report; it's possible that this could result in changes in Pleasant Hill's and Lafayette's SOIs. In 2009, when the previous cities MSRs were done, the Commissioners did approve some sphere changes; it's part of the purpose of MSRs. Regarding PHRPD, this district is not part of this MSR so there can be no sphere adjustments until either there is an MSR for Recreation and Park Districts or a special study for that district. Removing Brookwood Park, located in the Reliez Valley, from PHRPD's SOI and service boundary would have an effect on the District.

Commissioner Blubaugh then asked if the cities of Pleasant Hill and Lafayette would have an opportunity to weigh in on this sphere request so that Commissioners hear not only from the residents but also from the agencies. Staff noted that the cities were sent the residents' letter when LAFCO received it. They will have a chance to respond before the Final Draft MSR is presented.

The Chair opened the public hearing.

Alan Kalin, Danville resident, spoke regarding the issue of private roads, public funds, and public safety in Diablo Community Services District (DCSD), where residents have secured a court ruling on public use of Calle Arroyo, indicating that the road is private; the judge also reminded the district that if the road is private then district funds should not be used for upkeep on the road. His concern, and that of fellow bicyclists, is that closing this road to the public is forcing bicyclists onto a very dangerous road. Diablo residents are trying to intimidate non-residents who come into the district. Mr. Kalin has been threatened and harassed since submitting a complaint to LAFCO.

Nicola Place, resident on Mt. Diablo Scenic Boulevard, spoke regarding a mile-long stretch of road, which is privately owned, but on which Diablo State Park has an easement (since 1931). According to State law, if you hold an easement you're required to participate in the maintenance and upkeep of that property. In all the years since acquiring that easement, the Park has not come to the table to work on an agreement, complaining that there are too many parties involved and they can't work with that many. In 2011, the remaining eight of about 25 properties were annexed into DCSD in order to more logically address maintenance of this road. Nothing has happened since. She has provided some edits to the DCSD chapter, including that DCSD cannot and will not maintain that stretch of road. What they need from DCSD is assistance in working with Diablo State Park and the County to resolve the road maintenance issue. She has highlighted eight items in the report that are inaccurate about what DCSD is doing—which they are not doing. The residents on Mt. Diablo Scenic Boulevard need help in coming up with an evaluation and a long-term plan on addressing this issue.

Kristen Altbaum, Reliez Valley resident, drew Commissioners' attention to the letter regarding unincorporated territory between Pleasant Hill and Lafayette (between Withers Avenue and Grayson Road). That territory is in Pleasant Hill's SOI, but it is divided topographically, by school district, and by neighborhood unity. She would like to see the area that she is in moved into Lafayette's SOI.

The Chair asked the Executive Officer what happens with these comments. Does the Commission take them under consideration, does the staff include them in the MSR? Staff indicated they will work with the consultants on the comment log, which will include these comments, and develop options and recommendations for the Commissioners to consider.

The Chair closed the public hearing and requested a motion.

Upon motion of McGill, second by Schroder, Commissioners voted unanimously, 7-0, to direct LAFCO to set a public hearing for June 12, at which time the Commission will be asked to accept the Final MSR, make the required determinations, and update the SOIs of the 19 cities and four community services districts in the report.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff

NOES: none

ABSENT: none

ABSTAIN: none

9. LAFCO Staffing Plan & Personnel System Updates

The Executive Officer reported that the tenant improvements at 40 Muir Road are nearly complete, and LAFCO will relocate its office in the near future—thus, at last, allowing LAFCO to move forward with a staffing plan.

LAFCO is currently staffed with a full-time Executive Officer (EO) and a full-time Executive Assistant/LAFCO Clerk (EA). The proposed staffing plan maintains the full-time EO, adds a full-time

Analyst, and decreases the EA to half time. LAFCO's current EA will retire later this summer and some of the current EA tasks will be assumed by the new Analyst.

In conjunction with the proposed staffing plan, it is recommended that the Commission adopt the proposed job description for the Analyst position, along with updates to the LAFCO salary plan. The recommended salary ranges are based on the average of comparable positions of the Bay Area/Urban LAFCOs and current market conditions. The proposed adjustments to the salary ranges will not result in adjustments to employee salaries. LAFCO employee salary adjustments are based solely on an annual review and performance. LAFCO employees do not receive annual cost-of-living adjustments. The employee benefits and salary ranges are provided at the discretion of the Commission and may be modified as deemed appropriate. The benefit package and salary ranges should be reviewed periodically to keep pace with market conditions.

Upon motion of Blubaugh, second by Skaredoff, commissioners unanimously, by a 7-0 vote, approved Resolution 2019-01, creating the LAFCO Analyst position.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff
NOES: none
ABSENT: none
ABSTAIN: none

Upon motion of Blubaugh, second by Skaredoff, commissioners unanimously, by a 7-0 vote, approved Resolution 2019-02, updating the LAFCO Salary Plan, adding the Analyst position salary range and increasing the salary ranges for the Executive Officer and LAFCO Executive Assistant/Clerk positions.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff
NOES: none
ABSENT: none
ABSTAIN: none

10. Fiscal Year 2019-20 Proposed Budget and Work Plan

The Executive Officer presented a proposed budget for Fiscal Year 2019-20, which reflects an overall increase of 8% as compared to the approved FY 2018-19 budget, which is primarily attributable to relocation of the LAFCO office and adding an Analyst position. Services & Supplies expenses are expected to be slightly less than the current year budget, due to incurring most of the costs associated with the relocation in the current year budget.

The current year budget includes funding associated with the relocation, partial year rent at the new location, and moving costs. The move was delayed due to occupancy and other issues. However, staff is pleased to report that the tenant improvements are nearly complete, and we anticipate moving in the near future. The proposed budget includes increased costs in several accounts (e.g., Tel Exchange, Minor Equipment, Computer Software, Building Occupancy, Building Maintenance, Other Travel Employees, Document Imaging, Data Processing, Courier, Telecom Rents, etc.), most of which are associated with relocating the LAFCO office.

The budget also includes two new lines, a **minor furniture/equipment account**, which includes funding in the current year for office furniture, and funding in the proposed 2019-20 budget for additional office furniture; and a **fixed assets account**, which will fund a new server and backup for LAFCO's computers and archives, as the current refurbished server is at the end of its useful life.

As in previous years, the budget also includes an \$80,000 contingency reserve for unanticipated expenses, which is re-appropriated each year, an annual contribution of \$40,000 to prefund LAFCO's OPEB liability, and a contribution of \$30,000 to prefund LAFCO's retirement liability through CCCERA. The Commission began prefunding the OPEB liability in FY 2011-12, and the retirement liability in FY 2017-18. The budget assumes the ongoing funding of these liabilities.

Revenue sources include local agency contributions and application fees. The most significant portion of LAFCO's revenue comes from the funding agencies – the County, cities and independent special districts. Per the Government Code, LAFCO's net operating budget is apportioned to these agencies, with the County paying 1/3, the cities paying 1/3, and the special districts paying 1/3. The County Auditor calculates and collects the apportionment based on general revenues reported to the State Controller. Based on the proposed budget, the revenue needed from our funding agencies is approximately 5% more than the current year contributions. The FY 2019-20 estimate for application and related fees is comparable to the current year budgeted amount based on a multi-year historical average, and recent application activity.

As in the past, the year-end fund balance will be used to offset the contributions from the County, cities, and special districts.

Major accomplishments this current fiscal year include Commission action on 12 proposals, including four district dissolutions; processing eight new applications; releasing and expecting to complete 2nd round city services MSR covering all 19 cities and four CSDs; conducting three protest hearings; working with the Mayors Conference on appointment of two city members; completing a third actuarial valuation; working on a first employer audit with CCCERA; responding to two grand jury reports; approving updates to various LAFCO policies & procedures; and soon completing an update to the LAFCO Directory of Local Agencies.

The proposed 2019-20 work plan includes completing the relocation of the LAFCO office; conducting staff recruitments; initiating a 2nd round MSR covering CSAs or park & recreation services; resuming work on LAFCO policies & procedures; processing LAFCO applications; completing annual financial audit and employer audit (CCCERA); conducting an election for one special district LAFCO seat; working with the Commission on appointment of public member seats; and continuing involvement with CALAFCO and on statewide issues involving LAFCO.

Chair Butt opened the public hearing, with one speaker.

Roger Chelemedos, representing residents of unincorporated Lafayette, asked Commissioners to consider a Recreation and Parks MSR for FY 2019-20. As a resident of an area that lies within the Pleasant Hill Recreation and Park District (PHRPD), he stated that he speaks for his neighbors in saying that their area has been misaligned with the PHRPD for at least 25 years, and that they feel that this is “not their district, and not their community.” They do not use the park operated by PHRPD in their area, and they feel that the \$150,000 in taxes that they pay annually is not appropriate.

Commissioner Blubaugh asked if this issue is something that would need an MSR; staff affirmed that.

Commissioner Andersen stated that she would support moving forward with a Recreations and Parks MSR in FY 2019-20; other commissioners agreed.

Upon motion of Blubaugh, second by Glover, Commissioners, by a 7-0 unanimous vote, approved the budget as proposed for FY 2019-20; directed staff to distribute the proposed budget to the County, cities, and special districts; and scheduled a public hearing for June 12 to adopt the Final FY 2019-20 LAFCO budget.

11. Legislative Report – Update and Position Letters

The Executive Officer noted that this year marks the first year of a two-year legislative session in Sacramento. CALAFCO is sponsoring two bills: **AB 1822**, the **annual omnibus bill**, and **AB 1253** (*Riva*), which would establish one-time grant funding for LAFCOs to prepare reorganization studies in conjunction with the 2017 Little Hoover Commission report relating to special districts and DUCs. Due to a lack of funding in last year's version of this bill, the Governor vetoed it. This year, CALAFCO will attempt to secure funding in the May Revise Budget so there is no General Fund appropriation.

CALAFCO will also embark on a two-year process with other state associations to rewrite LAFCO protest provisions.

CALAFCO is currently tracking about 20 bills that have direct and indirect impact on LAFCOs as shown on the CALAFCO Legislative Report.

On February 27, CALAFCO issued an urgent call for legislative action requesting that LAFCOs send letters of support for the two bills which will impact LAFCOs. The first is **AB 1253** – the CALAFCO sponsored bill as described above; the second is **AB 213** which restores funding for inhabited annexations (through ERAF and backfilled by the general fund). CALAFCO and Contra Costa LAFCO have historically supported this bill. In accordance with our legislative policy, and in consultation with the LAFCO Chair, we sent letters of support for these two bills. On April 16th, Contra Costa LAFCO received a new request from CALAFCO to send letters on three bills, which staff will coordinate with the Chair.

Upon motion of Andersen, second by Skaredoff, Commissioners unanimously, by a 7-0 vote, received the Legislative Report.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff
NOES: none
ABSENT: none
ABSTAIN: none

12. FY 2018-19 Third Quarter Budget Report

The Executive Officer reported that expenditures to date for the first three quarters of this fiscal year are approximately 54% of total appropriations, and total revenues exceed 100% of projected revenues, including fund balance. Application activity through the 3rd quarter is slightly less than the FY 2017-18 activity for the same period. No budget adjustments are needed at this time. LAFCO staff will continue to closely monitor the budget and keep the Commission apprised.

Upon motion of Andersen, second by Skaredoff, Commissioners unanimously, by a 7-0 vote, received the FY 2018-19 Third Quarter Budget Report.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff
NOES: none
ABSENT: none
ABSTAIN: none

13. Contract Extension – Lamphier-Gregory/Berkson Associates

The Executive Officer provided an update on the contract with Lamphier-Gregory/Berkson Associates to prepare the 2nd round “City Services” MSR covering all 19 cities and four CSDs. The current schedule provides for completing the 2nd round “City Services” MSR/SOI updates by April 30, 2019. However, due to a protracted data collection effort, more time is needed to complete the MSR/SOI updates.

Upon motion of Andersen, second by Blubaugh, Commissioners unanimously, by a 7-0 vote, authorized LAFCO staff to execute a contract amendment with Lamphier-Gregory/Berkson Associates to extend the term of the contract from April 30, 2019 to June 30, 2019.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff
NOES: none
ABSENT: none
ABSTAIN: none

14. Commissioner Comments and Announcements

Commissioner McGill recounted the CALAFCO meeting he had attended (Legislative Committee, 3/22), noted those he will be attending (Finance, 4/22; Legislative Committee, 5/3; Board, 5/10), and noted that a major dues reform is coming, but that there is significant disagreements among the regions regarding this. He added that he will also be working on a special statewide County Drought Committee on behalf of CALAFCO.

15. Staff Announcements

The Executive Officer thanked Commissioners for supporting staff's attendance at the 2019 CALAFCO Staff Workshop April 10-12 in San Jose.

The Executive Officer announced that there were no actionable items for a May meeting, so the May meeting will be cancelled.

The meeting adjourned at 3:20 p.m.

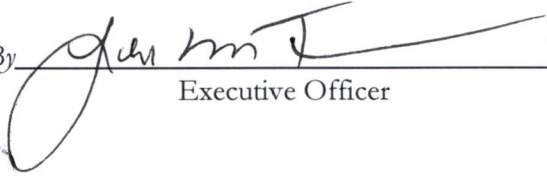
Final Minutes Approved by the Commission June 12, 2019.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Skaredoff, Wright (A)

NOES:

ABSTAIN:

ABSENT: Schroder (M)

By  _____
Executive Officer