

DATE: January 25, 2008

TO: Members, Local Agency Formation Commission

FROM: Peter Banning, Executive Officer

SUBJECT: Status Report - Strategic Planning Workshop

This year's workshop will again combine a normal Commission meeting with strategic planning activity to follow as shown on the attached meeting agenda. The regular meeting agenda includes routine and consent calendar items only. The Commission will also meet in executive session (and over lunch) following the workshop for the Executive Officer's performance review. Proposed ground rules for the workshop are also attached.

This report is intended to provide summary information on staff and commission activity in the last year with comparison to last year's strategic planning goals and objectives. Staff will present its report with additional informal discussion at the Strategic Planning Workshop.

2007 Strategic Plan Goals and Objectives

In January 2007, the Commission adopted the following strategic plan goals (three-year goals, not in priority order):

- Goal 1: Carry Out AB 2838 Mandates and bring Marin LAFCO into compliance with all other applicable laws and regulations
- Goal 2: Align the work plan and budget process with the strategic plan
- Goal 3: Increase public understanding of LAFCO mandates and functions
- Goal 4: Exchange information and partner with other LAFCOs and other peer organizations to improve efficiency in LAFCO's work.
- Goal 5: Address other major municipal services and planning issues that affect LAFCO's Mandate.

These goals and objectives for each goal have been met in the manner summarized on the attached monitoring table. Two objectives that have not been met are discussed below under Unfinished Business.

Recent Activities and Accomplishments, 2007

- ❑ Processed 15 proposals for changes of organization.
- ❑ Completed municipal service review/sphere of influence updates for cities of Fairfax, San Anselmo, Ross, Larkspur and Corte Madera; Sanitary Districts #1 and #2, Sleepy Hollow FPD, Kentfield FPD, CSAs #16, #17 and #27, Inverness PUD, Bolinas PUD, Bolinas FPD and Muir Beach CSD. Staff reporting for the Stinson Beach FPD, Stinson Beach County Water District and CSA #33 is in final editing.
- ❑ Conducted the first round of periodic (five year) review of adopted spheres of influence for spheres in the Novato area.
- ❑ Performed presentations & out-reach: Civil Grand Jury, Ross Valley fire agencies, Fairfax Recreation Commission, Seafirth HOA, Central Marin Sanitation Agency (2), Muir Woods Park HOA, Homestead Valley Sanitary District and Stinson Beach Water District.
- ❑ Completed various staff training including attendance at regular CALAFCO conferences, courses in city incorporation, water determinations, commission clerk functions, CSDA board secretary training and environmental sustainability (APA).

Work in Progress and Anticipated for 2008 & FY2008-09

Administrative: Staff is reorganizing stored content on the Commission's website to archive staff reports and special studies and working with County GIS staff to add a utility to show the orthophoto layer with GIS boundary information (due in four to six weeks). Staff is also identifying requirements and vendors for reconfiguration of the office computer network, moving toward greater reliance on electronic communications and data management if actions are authorized by the Commission.

Proposal Processing: The Commission is continuing to receive routine annexation proposals. Staff expects to receive significant boundary change proposals related to lands of the Las Gallinas Valley Sanitary District, the Romberg Center (Tiburon), Martha Company (Town of Tiburon, Sanitary District #5), Mount Tamalpais Cemetery (San Rafael) and Camgros property (San Rafael).

Special Studies: As noted above, the Commission's MSR/SOI update program is nearly complete, with outstanding studies and Commission actions still needed for Tomales CSD, Marin Municipal and North Marin Water Districts, Marin Health Care District and Marin Resource Conservation District. The workload generated by these outstanding studies is discussed below.

Communication: Staff continues to work closely with applicants, potential applicants, community groups and public officials and agency staff members to explain LAFCO's policies and process. Recent efforts to consolidate member agencies of the Central Marin Sanitation Agencies appear to have collapsed due to failures in communication or other insubstantial causes. The Commission may wish to consider actions to revive this effort.

Training: Staff members will attend and/or provide content to CALAFCO conferences in San Jose (April) and Los Angeles (September) this year. Staff expect to undergo additional software training if the Commission authorizes electronic data storage.

Budget Status

The Commission's budget for the current fiscal year is on-track with expenditures at or below amounts budgeted and receipt of expected application fee revenues. The Commission began the year with a fund balance of \$91,671. Of that reserve, the Commission appropriated \$32,000 to avoid increasing charges to the agencies that fund LAFCO costs. If current revenue and expenditure trends continue for the rest of the fiscal year, the Commission can again expect to end the year with a fund balance of \$90,000 to 100,000.

The Commission's reserves are used to control costs to contributing agencies, replace office equipment, cover un-programmed legal or environmental review costs or shortfalls from unrealized application fee revenues.

Unfinished Business & Unresolved Issues

From last year's Strategic Plan objectives, staff and the members of Admin and Policy Committee are just beginning to review adopted Policies, Procedures and Guidelines. Work on this objective will continue into the coming year.

Beginning in 2000 with the passage of the Cortese-Knox-Hertzberg Act, the Commission has committed significant resources to its special studies in order to complete municipal service reviews and sphere of influence updates for all cities and special districts in the

County. That program is nearly complete. The Commission will continue to review adopted spheres of influence at five-year intervals and perform additional studies as needed as set out in Chapter IV, Section 4 of its adopted Policies, Procedures and Guidelines. That process calls for the Commission to consider the oldest one-fifth of the adopted spheres of influence and determine which of those should be reaffirmed without additional review and which will require restudy for possible amendment.

This year, staff will be working on completion of studies for Tomales CSD, North Marin and Marin Municipal Water Districts, Marin Health Care District and Marin Resource Conservation District. Under the five-year review process, the Commission has reaffirmed spheres of influence for agencies in the Novato area with the exception of Bel Marin Keys CSD which is authorized for restudy. The Tomales CSD sphere of influence may require greater-than-expected resources due to the need for environmental review of the growth-inducing impact of an expanded district sphere, an alternative LAFCO will need to consider.

Overall, approximately one-third of the Commission's staff hours and budget have been spent on special studies (i.e. MSR/SOI work) in recent years. We estimate a total of 1638 total staff time for this work which absorbs 30% of the Executive Officer's time, 55% of the Assistant Planner's time and 10% of the Clerk's time. At the beginning of Fiscal Year 2008-09, we expect that the Tomales CSD and water district studies will still be underway. In addition, the five-year periodic review of spheres of influence will evaluate the need for restudy of city and district spheres of influence in the southern Marin area. The MSR/SOI update program will otherwise be complete. The reduction in demand for staff time for special studies is expected to be 1,000 hours or more for the coming year.

Since 2004, it has been assumed by staff, and communicated among staff members, that completion of the MSR/SOI program would be likely to result in elimination of the Assistant Planner position with resultant reduction in the Commission's budget. At last year's Strategic Planning Retreat, the Commission deferred discussion of this eventuality, focusing instead on seeking other possible LAFCO involvement in sub-regional or inter-jurisdictional planning issues and exploring partnerships with other agencies in these issues.

While staff and the Commission have not identified any clear role in sub-regional/inter-jurisdictional planning in the past year, several needs or opportunities for re-directed staff involvement are possible, including:

Expanded participation in CALAFCO events and programs: This alternative would take the form of appointment of Marin staff as Deputy CALAFCO Executive Officer, greater

involvement in CALAFCO's legislative program, and/or conducting CALAFCO University courses. The expected time commitment would be approximately 350 hours per year at an approximate cost of \$25,000. CALAFCO provides a stipend for direct expenses, but no other compensation.

Technology requirements and strategy for communication, records retention & security: Computers in the LAFCO office were organized as a network in 1999. The configuration adopted at that time was the simplest possible configuration for two computers, one functioning as the network server. A third computer and various peripheral devices have been added since. Office data and communications functions are increasingly dependent on the adequacy of the network. The network configuration is deficient in several respects, especially data security. Staff will propose reconfiguration of the network in the coming budget cycle. Costs will be under \$7,500, for a new network server and replacement of two computers more than five years old.

However, the uses and capabilities of computer networks and other existing office practices show opportunity for transition to safer and more efficient operating methods. An up-to-date computer network is able to provide secure and unlimited document storage, provided the necessary structure and backup procedures. LAFCO is required to maintain records of proposal files and some other records indefinitely. The Commission's paper records maintained in a storage facility are deteriorating and subject to other loss.

Following a sprinkler malfunction that flooded their office, Riverside LAFCO instituted electronic data storage. The accident required staff to purge and reorganize files and work with a contractor (American Micro Imaging, Inc.) to digitize paper records. All digitized records are stored on a server and are available for electronic search, retrieval and communication.

Transition from paper to electronic record keeping would represent a significant commitment of staff time and contract costs with long-term benefits to office efficiency, data security, institutional memory and other advantages. Staff will develop minimum requirements and cost estimates as directed by the Commission.

The Commission may also wish to consider increasing reliance on electronic transmittal of agenda materials rather than delivery of paper documents in the week prior to LAFCO meetings. Commissioners would receive agenda materials on compact disc or over the internet by connecting to a members section of the LAFCO website. The Commission has already invested in photocopy/scanning equipment useful in converting paper documents to PDF format.

Initiation of changes of district organization: The Commission may wish to consider initiation of proceedings to dissolve inactive county service areas and to revive consolidation studies planned but discontinued by CMSA member agencies. Staff estimates costs at less than 100 hours and \$7,500.

Following discussion at the Strategic Planning Retreat, the Commission's direction to staff and the Budget Committee will guide the drafting of a new strategic plan document, budget and work program for Fiscal Year 2008-09 for review at the March 13, 2008 meeting.

Respectfully submitted,

Peter Banning
Executive Officer