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*Executive Officer*

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February 13, 2013 (Agenda)

February 13, 2013  
 Agenda Item 9

Contra Costa Local Agency Formation Commission  
 651 Pine Street, Sixth Floor  
 Martinez, CA 94553

**Fiscal Year 2013-14 Budget and Work Program Schedule**

Dear Members of the Commission:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) creates a specific process for preparing and adopting LAFCO’s budget. Government Code §56381 provides that the Commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. Contra Costa LAFCO typically adopts a proposed budget in March and a final budget in May each year.

In conjunction with a proposed budget, the Commission sets out a work plan in March each year. The work plan typically includes goals and objectives such as preparing Municipal Service Reviews (MSRs)/Sphere of Influence (SOI) updates, updating the Commission’s Handbook, conducting the annual financial audit, and other projects and programs.

In August 2011, the Commission conducted a strategic planning session. As part of the session, the Commission identified a number of priorities, including review of LAFCO terms and conditions, facilitating sustainable fire services including resolution of East County fire service issues, facilitating local government efficiencies and collaboration through reorganization (e.g., consolidation, dissolution), and facilitating island annexations.

In the past year, much of the Commission’s work has focused on these priorities, with ongoing discussion with fire service providers, completing a reorganization of the Mt. Diablo Health Care District, and holding a workshop on island annexations. In addition, the Commission will soon complete its final inaugural MSRs/SOI updates (i.e., Library and Miscellaneous County Service Areas); and preliminary work has begun on the second round water/wastewater MSR.

In FY 2013-14, LAFCO will continue work on second round MSRs and other priorities. The Commission will hold a strategic planning session in March-April to revisit and further define its priorities which will be reflected in the final FY 2013-14 budget and work program.

RECOMMENDATIONS

1. Direct the staff to prepare the LAFCO budget and work plan for Fiscal Year 2013-14;
2. Direct staff to present a Proposed Budget for review and approval at the March 13, 2013 LAFCO meeting;
3. Direct staff to present a Final Budget for review and approval at the May 8, 2013 LAFCO meeting; and
4. Provide direction regarding related matters as desired.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

- c:     All Contra Costa County Cities  
       All Contra Costa County Special Districts  
       Contra Costa County Administrator  
       Contra Costa County Auditor-Controller