



Santa Cruz Local Agency Formation Commission

Date: January 4, 2023
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **LAFCO Staffing Support**

SUMMARY OF RECOMMENDATION

The Cortese-Knox-Hertzberg Act delegates LAFCOs with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies through various actions, including but not limited to, processing boundary changes and developing service and sphere reviews. In some cases, LAFCO requires additional assistance from outside consultants for specific projects on a temporary basis or even a staff increase for permanent support. This report will summarize the proposed actions for additional staffing assistance.

It is recommended that the Commission consider the following actions:

- 1) Adopt the contractual agreement with Marin LAFCO for shared services opportunities on an as-needed basis;
- 2) Adopt the contractual agreement with Piret Harmon for water consulting services on an as-needed basis;
- 3) Authorize staff to enter into a contractual agreement with County of Santa Cruz for administrative support on an as-needed basis;
- 4) Direct staff to continue the recruitment process in search of a LAFCO Analyst; and
- 5) Allow temporary permission for the Executive Officer to work remotely during the remainder of Fiscal Year 2022-23.

EXECUTIVE OFFICER'S REPORT:

LAFCO has been operating with one full-time employee since September 2021 following the departure of the Commission Clerk. During this time, staff was able to perform without any setbacks in completing the Commission's scheduled service reviews, processing various boundary changes, and managing other identified goals during the 2022 calendar year. However, the Commission has tasked staff to implement contingencies in case the Executive Officer is out of the office for an extended period of time. Additionally, there may be future projects that would benefit from further administrative support. That is why staff is recommending the approval of four contractual agreements and the hiring of an Analyst that will help with internal operations in the short and long-run.

Shared Services (Marin LAFCO)

Government Code Section 56430(a)(5) requires LAFCO to determine the status of, and opportunities for, shared services and facilities when conducting a service review for a city or special district. Encouraging strategic partnerships among local agencies is, and continues to be, a core goal for LAFCO. It is staff's position that LAFCO should also consider collaborating with neighboring LAFCOs for shared services opportunities. One way to maximize existing resources and champion a new joint venture is by developing a contractual agreement with neighboring LAFCOs for administrative services. This agreement would be similar to a retainer with a law firm when legal services are needed during specific projects/tasks.

The proposed agreement with Marin LAFCO, as shown in **Attachment 1**, will address situations where additional administrative assistance is needed. If approved, the agreement may be extended to include other LAFCOs such as Monterey, Santa Clara or San Mateo Counties, any may even become a model for other LAFCOs statewide to consider. Marin LAFCO unanimously adopted this agreement during their December 8th Regular Commission Meeting. It is important to note that this agreement does not require any LAFCO to provide services but rather offer the opportunity to utilize existing resources from the identified LAFCO if such resources are available upon request. For example, Marin LAFCO may reach out to Santa Cruz LAFCO for assistance in creating GIS maps. Staff will provide support if, and only if, time and resources are available and the request does not negatively affect other projects and priorities. Therefore, staff is recommending that the Commission approve the contractual agreement with Marin LAFCO.

Water Consulting Services (Piret Harmon, Sole Proprietor)

Last August, the Commission adopted the 2022 Countywide Water Service & Sphere Review. A number of recommendations and actions were identified in this comprehensive report, including the modification of certain sphere boundaries and the proposed coordination with private water companies to ensure they are in compliance with AB 54 and other state laws. Additionally, the report noted the possible dissolution of two water agencies: County Service Area 54 and the Reclamation District No. 2049. Due to the extensive work that may be subject to the upcoming dissolutions and coordination with the small water companies, staff is recommending that the Commission hire Piret Harmon for her expertise in water-related operations and reorganizations. As you may recall, Ms. Harmon was the former General Manager for the Scotts Valley Water District before her retirement in December 2022. The proposed agreement with Piret Harmon would last until March 2024 and includes language that the total cost for her services will not exceed \$20,000 at the end of any calendar year, as shown in **Attachment 2**.

Temporary Administrative Support (County of Santa Cruz)

As previously mentioned, LAFCO is currently operating with one full-time employee. Temporary administrative support may be needed in the near future, such as mailing public notices for a large boundary change (i.e. fire reorganizations), conducting hybrid meetings, archiving LAFCO files, and other specific projects. Such temporary support may not warrant the hiring of a part-time or full-time employee. That is why staff is currently working with the County to develop a contractual agreement that will allow LAFCO to utilize the County's staffing resources and receive administrative support on an as-needed basis. It is recommended that the Commission direct staff to enter into a contractual agreement with the County once the document has been finalized. Staff anticipates the agreement to go into effect by mid-2023.

Recruitment for Additional Full-Time Staff Member

LAFCO is expecting a heavy workload in 2023 with four active applications, five anticipated applications, six scheduled service reviews, and one countywide feasibility study already in progress. In addition, the Executive Officer plans to take paternity leave in late-January/early-February. Staff met with the Personnel Committee this past November to discuss the 2023 projects and the benefits of hiring a new employee. The Committee agreed to search for a LAFCO Analyst and a recruitment flyer was posted on LAFCO's website, as shown in **Attachment 3**. It is recommended that the Commission direct staff to continue the recruitment process until a qualified candidate is found.

Temporary Remote Work (Executive Officer)

As previously mentioned, the Executive Officer is expected to take some time off in early-2023 to acclimate into parenthood. Staff is requesting the option of working remotely until the end of Fiscal Year 2022-2023 (June 30, 2023). This will offer staff flexibility while also ensuring that productivity is not negatively affected during this timeframe. Staff will continue to conduct/attend any necessary in-person meetings, including but not limited to Commission meetings. Staff will also conduct in-person meetings at the office if requested by the public or any other local agency. **Attachment 4** shows the proposed sign that will be outside the LAFCO office if the request is approved. The sign will be removed by June 30, 2023, if not sooner, and will be replaced with the original sign depicting normal office hours.

Conclusion

Staff has proven that LAFCO's productivity over the past year has increased even though the number of staffing was reduced to only one full-time employee. While staff is confident that day-to-day operations, processing boundary changes, and upcoming service reviews will continue to be completed in a timely manner, certain projects may benefit from additional support. Staff also believes that the increase in support will not have a negative impact to LAFCO's finances. **Attachment 5** shows how adjustments to LAFCO's existing funding sources will cover projected expenses for the upcoming budget. A full analysis of the draft and final budget will be presented to the Commission in April and June 2023, respectively.

In summary, staff is recommending that the Commission approve the two attached agreements with Marin LAFCO and Piret Harmon, direct staff to work with the County to develop a contractual agreement for administrative services when needed, support staff in its effort to hire a new Analyst, and approve staff's request to work remotely until June 30, 2023. The table below summarizes the additional staffing opportunities:

Table A: Additional Staffing Support

Service Provider	Purpose/ Objective	Estimated Cost
Marin LAFCO	Administrative Services	Hourly Rate (as needed basis)
Piret Harmon	Water Consulting Services	No more than \$20,000/year
Santa Cruz County	Administrative Services	Hourly Rate (as needed basis)
LAFCO Analyst	Full-Time Employee	Salary Range: \$55k to \$85k (based on qualifications)

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. [Contractual Agreement for Administrative Services \(Marin LAFCO\)](#)
2. [Contractual Agreement for Water Consulting Services \(Piret Harmon\)](#)
3. [Analyst Recruitment Flyer \(Job Opening: LAFCO Analyst\)](#)
4. [LAFCO Office Sign \(Temporary Office Hours\)](#)
5. [FY 23-24 LAFCO Budget \(Cost Projections\)](#)

cc: Piret Harmon, Water Consultant
Jason Fried, Marin LAFCO