

LOCAL AGENCY FORMATION COMMISSION
SAN BENITO COUNTY

2301 Technology Parkway
Hollister, CA 95023
Phone: (831) 637-5313

September 24, 2015 (Agenda)

Local Agency Formation Commission
2301 Technology Parkway
Hollister CA 95023

Request by CALAFCO for a Dues Increase

Dear Members of the Commission:

RECOMMENDATION

Support a proposed dues increase to belong to the California Association of LAFCOs as explained in this report.

DISCUSSION

The Commission is a member of the California Association of LAFCOs (CALAFCO). This is a voluntary association of LAFCOs from throughout the State.

The Association, with the help of local LAFCOs, annually organizes a Staff Workshop and a CALAFCO Conference more oriented towards Commissioners. These entail creating program committees that confer during the year to organize these annual events.

The Association maintains an active Legislative Committee that reviews and comments on proposed legislation that might have an effect on LAFCOs and their responsibilities. Your Executive Officer has been a member of this committee for several years.

CALAFCO prepares a journal, *The Sphere*, the latest copy of which is included with the packet of materials for the September 24 meeting.

The Commission participates financially in CALAFCO by paying annual dues, which for a rural county such as San Benito are \$785 this year. This is a minor part, about one-half of one percent, of the overall Commission budget of \$143,416.

CALAFCO is proposing a dues increase spread over two years. In each year the dues would increase by seven (7) percent. This means for FY 2016-17 the dues to participate as a member of CALAFCO would be \$840 and in FY 216-17 it would be \$896.

A justification entitled "Dues Increase Summary" prepared by CALAFCO is attached.

Since a significant amount of what occurs in Sacramento affects LAFCOs, it is vital that individual Commissions are kept apprised of what is being proposed and are able to actively monitor and participate in the legislative process. Also the consistent turnover in LAFCO Commissioners and staffs throughout the State makes necessary the training and exposure to other LAFCOs that occurs at events sponsored annually by CALAFCO.

Therefore CALAFCO is a very worthwhile organization for ensuring local LAFCOs remain connected to what is occurring and its new members are informed and educated about LAFCO's legitimate role in the managing the organization of local governments.

Please contact the LAFCO office if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bob Braitman", followed by a long horizontal line.

BOB BRAITMAN
Executive Officer

Dues Increase Summary

WHAT'S THE ISSUE?

- ❖ Desired membership needs and expectations requires additional funding to allow CALAFCO to effectively deliver services and expanded efforts to meet expectations.
- ❖ CALAFCO's current part-time contracted staff hours are insufficient to meet the current and evolving needs and expectations.
- ❖ Dues do not fully cover the operational and staff costs of the organization (and have not for some years).
- ❖ Heavy reliance on carry-over fund balances and annual conference profit each year to balance the budget.

HOW DID WE GET HERE?

1. Availability of volunteer staff to provide services has diminished; workload shifting to CALAFCO staff.
 - Natural evolution in a volunteer-based organization that faces ever increasing responsibilities
 - Current annual conference "host model" not as effective as it once was (not as many LAFcos able to or wanting to act as host)
 - Legislative monitoring and participation have grown substantially and created additional workload
 - CALAFCO assuming "host" responsibilities for annual conference starting in 2017
 - Member LAFco volunteer staff (CALAFCO Executive Officer and Deputy Executive Officers) roles have expanded and stipends have not kept pace (not increased since 2001/2002)
2. No increase in dues since 2008/2009 (except CPI increases beginning in 2012/2013)
3. Increased demand for services from member LAFcos and stakeholders
 - Increase in requests for CALAFCO to serve on state policy workgroups (e.g. water and land use)
 - Expanding legislative agenda and efforts
 - Research (e.g. implementation of 2014 groundwater and 2015 water system consolidation legislation)
 - Website upgrades (upgrading of existing CALAFCO website, increase in online resources and addition of technical support)
 - Increasing revenue opportunities for CALAFCO through increased conference sponsorships (hiring specialized firm to assist with branding message and solicitations)

WHAT WILL THE DUES INCREASE PROVIDE?

1. Add and expand services in the current year and beyond
 - Expand Executive Director hours from 24/wk to 32/wk (to meet expectations beyond contracted scope of work and better align compensation with hours worked)
 - Improved website and ongoing technical support for web services to ensure reliable accessibility and functionality
 - Increase external education and outreach about LAFco
 - Add professional assistance in conference branding, marketing and increase sponsorship outreach
 - Reasonable compensation for LAFcos who provide volunteer staff (EO and DEOs)
 - Maintaining the increased legislative effort
 - Enhanced partnerships with sister organizations to increase CALAFCO credibility and effectiveness
2. Reduce dependence upon member LAFcos to act as conference host
 - Transfer to CALAFCO all current local LAFco host responsibilities (effective 2017 conference)
 - Provide incentives for CALAFCO volunteers (partial conference registration compensation for LAFcos who provide volunteer staff at conferences)

SUMMARY

1. CALAFCO members should commit to funding professional staff at appropriate funding to ensure continued high levels of service.
2. CALAFCO members should recognize that the current service levels are not sustainable without additional funding.
3. CALAFCO members should consider that excellent service is a valuable tool for all LAFcos and helps us fulfill our missions.

HOW WAS THE RECOMMENDED DUES INCREASE DEVELOPED?

Board worked on various approaches over the course of the past six months

- Began discussions at biennial strategic planning retreat on January 29, 2015
- Formed two subcommittees, conducted extensive research, reported to the full Board on May 8, subcommittees did further work and considered a number of options for implementation
- Final recommendations made to full Board on July 31, receiving unanimous Board of Directors support