



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### NOTICE OF REGULAR MEETING AND AGENDA

#### Marin Local Agency Formation Commission

**February 8th, 2024, • 6:30 PM**

**Marin Wildfire Prevention Authority Meeting Room | Suite 335 | 1600 Los Gamos Drive, San Rafael, CA (Use the Main Lobby (Lobby A) entrance, which is located on the freeway side of the building.)**

#### PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS FOR HYBRID ATTENDEES

In addition to in-person attendance, as a courtesy, and technology permitting, members of the public may also attend by virtual teleconference. However, LAFCo cannot guarantee that the public's access to teleconferencing technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Brown Act, the meeting will continue despite technical difficulties for participants using the teleconferencing option. Members of the public may access and watch a live stream of the meeting on Zoom at <https://us02web.zoom.us/j/81565499122>. Alternatively, the public may listen in to the meeting by dialing +1 669 444 9171 and entering **Meeting ID 815 6549 9122#** when prompted.

#### **SPOKEN PUBLIC COMMENTS FOR HYBRID ATTENDEES:**

Spoken comments will be accepted through the teleconference meeting. To address the Commission, click on the link <https://us02web.zoom.us/j/81565499122> to access the Zoom-based meeting.

1. You will be asked to enter an email address and name. We request that you identify yourself by name, as this will be visible online and will be used to notify you that it is your turn to speak.
2. When the Commission calls for the item on which you wish to speak, click on the "raise hand" icon. Speakers will be notified shortly before they are called to speak.
3. When called, please limit your remarks to the time limit allotted (3 minutes).

#### **CALL TO ORDER BY CHAIR**

#### **ROLL CALL BY CLERK**

#### **AGENDA REVIEW**

The Chair or designee will consider any requests to remove or rearrange items by members.

#### **PUBLIC OPEN TIME**

This portion of the meeting is reserved for persons desiring to address the Commission on any matter not on the current agenda that are within the subject matter jurisdiction of the Commission. All statements that require a response will be referred to staff for reply in writing or will be placed on the Commission's agenda for consideration at a later meeting. Speakers are limited to three minutes.

#### **CONSENT CALENDAR ITEMS (discussion and action)**

All items calendared as consent are considered ministerial or non-substantive and subject to a single motion approval. The Chair or designee will also consider requests from the Commission to pull an item for discussion.

- 1) Approval of Minutes for December 14, 2023 Regular Meeting
- 2) Approval of Minutes for January 12, 2024 Strategic Planning Workshop
- 3) Commission Ratification of Payments from December 1, 2023 to January 31, 2024
- 4) Review and File Fiscal Year 2023-2024 GASB 75 Report

**PUBLIC HEARING**

- 5) Approval of Resolution 24-1, Annexation of two Parcels in the Valley Oaks Project, Novato (APN: 125-580-34 and Pinkston Rd) to the Novato Sanitary District (LAFCo File #1376) with Waiver of Notice, Hearing, and Protest Proceedings.

**BUSINESS ITEMS (discussion and possible action)**

Business Items involve administrative, budgetary, legislative, or personnel matters and may or may not be subject to public hearings.

- 6) Approval of Resolution 24-2 Adopting the Publicly Available Pay Schedule To Update Staff Salary Classifications
- 7) Review the Outline for the Fire Special Study
- 8) Review and Discussion on the format of the Marin LAFCo Workplan

**EXECUTIVE OFFICER REPORT**

- a) Budget Update FY 2023-2024
- b) Current and Pending Proposals
- c) 2024 Committee Assignments
- d) 2024 Commission Workshop
- e) CALAFCO Update

**COMMISSIONER ANNOUNCEMENTS AND REQUESTS**

**ADJOURNMENT TO NEXT REGULAR MEETING**

April 11th, 2024 | 6:30 P.M.



Attest: Claire Devereux  
Clerk/Jr. Policy Analyst

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Any writings or documents pertaining to an open session item provided to a majority of the Commission less than 72 hours prior to a regular meeting shall be made available for public inspection at Marin LAFCo Administrative Office, 1401 Los Gamos Drive, Suite 220, San Rafael, CA 94903, during normal business hours.

Pursuant to GC Section 84308, if you wish to participate in the above proceedings, you or your agent are prohibited from making a campaign contribution of \$250 or more to any Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCo and continues until 3 months after a final decision is rendered by LAFCo. If you or your agent have made a contribution of \$250 or more to any Commissioner during the 12 months preceding the decision, in the proceeding that Commissioner must disqualify himself or herself from the decision. However, disqualification is not required if the Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings. Separately, any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCo office at least three (3) working days prior to the meeting for any requested arrangements or accommodation.

**Marin LAFCo**

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# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
February 8<sup>th</sup>, 2024  
Item No. 1 (Consent Item)

**TO:** Local Agency Formation Commission

**FROM:** Claire Devereux, Clerk/Jr. Policy Analyst

**SUBJECT:** **Approval of Minutes for December 14, 2023, Regular Meeting**

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### Background

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and establishes standards and processes therein for the public to attend and participate in meetings of local government bodies as well as those local legislative bodies created by State law; the latter category applying to LAFCos.

### Discussion

The action minutes for the December 14, 2023, regular meeting accurately reflect the Commission's actions as recorded by staff. A video recording of the meeting is also available online for viewing at <https://www.marinlafco.org/2023-12-14-commission-commission-meeting>

### Staff Recommendation for Action

1. Staff recommendation – Approve the draft minutes prepared for the December 14, 2023, meeting with any desired corrections or clarifications.
2. Alternative option – Continue consideration of the item to the next regular meeting and provide direction to staff, as needed.

### Procedures for Consideration

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

### Attachment:

- 1) Draft Minutes for December 14, 2023

**Administrative Office**  
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San Rafael, California 94903  
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[www.marinlafco.org](http://www.marinlafco.org)

**Dennis Rodoni, Vice-Chair**  
County of Marin

**Eric Lucan, Regular**  
County of Marin

Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax

**Steve Burdo, Regular**  
Town of San Anselmo

**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kiou, Regular**  
Almonte Valley Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District

**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**DRAFT**

### NOTICE OF REGULAR MEETING MINUTES

#### Marin Local Agency Formation Commission

**Thursday, December 14, 2023**

Marin Wildfire Prevention Authority Meeting Room | Suite 335 | 1600 Los Gamos Drive, San Rafael, CA (Use the Main Lobby (Lobby A) entrance, which is located on the freeway side of the building.)

#### CALL TO ORDER

Chair Coler called the meeting to order at 6:30 P.M.

#### ROLL CALL BY COMMISSION CLERK

Roll was taken and quorum was met. The following were in attendance:

#### Commissioners Present:

Barbara Coler  
Dennis Rodoni  
Craig Murray  
Lew Kious  
Larry Chu

#### Alternate Commissioners Present:

Stephen Burke (seated as a regular and attended virtually, which is allowed under AB2449)  
Roger Smith

#### Marin LAFCo Staff Present:

Jason Fried, Executive Officer  
Jeren Seibel, Deputy Executive Officer  
Claire Devereux, Clerk/Jr. Policy Analyst

#### Marin LAFCo Counsel Present:

Malathy Subramanian

#### Commissioners Absent:

Eric Lucan  
Steve Burdo

#### Alternate Members Absent:

Cathryn Hilliard  
Stephanie Moulton-Peters

#### AGENDA REVIEW

EO Fried asked the commission to remove Item 4: Authorize the Executive Officer to Request the County Auditor to Collect the LAFCo Dues owed by delinquent special district Marin City CSD from property tax or any fee or eligible revenue owed to the district, along with any expenses incurred by the Commission or Auditor from the agenda.

Chair Coler opened the meeting for public comment. Seeing no hands raised Chair Coler Closed Public Comment.

Approved: M/S by Commissioners Murray and Chu to remove item 4 and approve the rest of the agenda

Ayes: Coler, Chu, Kious, Burke, Murray, and Rodoni

Nays:

Abstain:

Absent: Lucan

Motion approved unanimously.

## **PUBLIC OPEN TIME**

Chair Coler opened the public open time. Hearing no request to speak, the Chair closed the public open time.

## **CONSENT CALENDAR ITEMS**

- 1) Approval of Minutes for October 12, Regular Meeting
- 2) Commission Ratification of Payments from October 1 to November 30, 2023
- 3) Approval of the 2024 Commission Calendar
- 5) Review and File Fiscal Year 2022-2023 GASB 75 Report and Approval of a Two-Year Contract with MacLeod Watts for future GASB 75 reports.

Approved: M/S by Commissioners Rodoni and Kious to approve the consent calendar with the removal of item 4.

Ayes: Coler, Chu, Kious, Burke, Murray, Rodoni

Nays:

Abstain:

Absent: Lucan

Motion: approved unanimously

## **PUBLIC HEARING ITEMS**

- 6) Approval of Resolution 23-15, Annexation of 45 Stirrup Ln, Novato (APN:146-020-11) to the Novato Sanitary District (LAFCo File #1374) with Waiver of Notice, Hearing, and Protest Proceedings and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15319

EO gave a staff report stating that LAFCo got support from the county and the Novato Sanitary District but received a letter of opposition from the City of Novato. They oppose the application because they see the connection to the sewer as a municipal service, and they do not want to provide services to parcels outside the city boundaries. EO also stated that the parcel is far enough away from city boundaries that annexing isn't something LAFCo or the applicant is looking to do at this meeting. Novato also has an Urban Growth Boundary that would prohibit the annexation of the parcel. EO continued to say that nothing in the state government code would say not to allow this annexation, so staff recommends approving the application.

Chair Coler opened the public comment period. Recognizing no hands were raised, Chair Coler closed public comment.

Commissioner Coler asked for clarification on policy 4.8, which is referenced in the letter. EO stated that policy 4.8 allows LAFCo to create a delayed annexation. However, the staff is not pursuing that action because of the Urban Growth Boundary and the parcel is far enough from the city boundaries that a dual annexation would not be beneficial.

Approved: M/S by Commissioners Rodoni and Murray to support staff recommendation in approving the annexation for application 1374

Ayes: Coler, Chu, Murray, Burke, Rodoni and Kious

Nays:

Abstain:

Absent: Lucan

Motion approved unanimously.

- 7) Approval of Resolution 23-16, Annexation of 19 Tanfield Rd., Tiburon (APN: 039-081-14) to the Richardson Bay Sanitary District (LAFCo File #1375) with Waiver of Notice, Hearing, and Protest Proceedings and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15319

LAFCo Junior Policy Analyst Claire Devereux presented to the commission stating that the application was straightforward and received no opposition.

Chair Coler opened public comment.

Applicant Stephen Koza came forward and stated that they were residents of Marin for eight years. He had no comments but to thank the LAFCo staff for their time.

Recognizing no more hands were raised, Chair Coler closed public comment.

Commissioner Kious stated he spoke with the manager at RBSD, that the Koza's had been working with them for a couple of years, and that he is entirely in support on behalf of Richardson Bay.

Approved: M/S by Commissioners Kious and Chu to support the staff recommendation and approve Resolution

Ayes: Coler, Chu, Kious, Rodoni, Murray, and Burke

Nays:

Abstain:

Absent: Lucan

The motion was approved unanimously.

- 8) Approval of Sewerage Agency of Southern Marin Municipal Service Review

- a) Adopt Resolution 23-17 Approving Final Draft of the Sewerage Agency of Southern Marin Municipal Service Review and Finding it Exempt from CEQA pursuant to State CEQA guidelines Section 15306, Class 6

DEO Jeren Seibel presented the final draft, the additions to the work plan, and the resolution for spheres of influence in common. Since the last meeting, there have been no more comments from the public or agencies. One major edit made was removing the suggestion to change the board size from 5 to 3 since it is in their enabling act to be a 5-member board.

Murray thanked DEO. Murray stated that having details on registered voters is important in an MSR, as 6,250 registered voters would be able to protest and trigger an election.

Coler opened a public hearing. Seeing no hands raised closed the public hearing.

After some deliberation amongst commissioners, the name was changed to The Southern Marin Wastewater Municipal Service Review (MSR)

Kious stated that although he agrees with some of the changes, he will vote against the document based on his understanding of the agencies and some statements made in the document.

Approved: M/S by Commissioners and Murray to Chu to approve the final MSR with the name change.

Ayes: Coler, Chu, Murray, Burke, and Rodoni

Nays: Kious

Abstain:

Absent: Lucan

Motion approved.

b) Approve Workplan from Report

Approved: M/S by Commissioners Chu and Murray to approve the work plan

Ayes: Coler, Chu, Burke, Murray, and Rodoni

Nays: Kious

Abstain:

Absent: Lucan

Motion approved.

c) Adopt Resolution 23-18 Reaffirming the Sphere of Influence in Common of Alto, Almonte, Homestead Valley, and Richardson Bay Sanitary Districts and Finding it Exempt from CEQA Pursuant to State CEQA Guidelines Section 15061(b)(3)

Approved: M/S by Commissioners Chu and Murray to adopt Resolution 23-18

Ayes: Coler, Chu, Burke, Murray, and Rodoni

Nays: Kious

Abstain:

Absent: Lucan

Motion approved.

9) Adopt The Following Resolution Amending a Sphere of Influence for the Novato Fire Protection District

a) Resolution 23-19 Amending the Sphere of Influence of the Novato Fire Protection District and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b)(3)

DEO presented that while working and reviewing maps, he discovered discrepancies in jurisdictional boundaries for the Novato Fire Protection District and that this item is to fix the SOI.

Rodoni asked if there was any impact to other agencies with this change, to which DEO stated there would not be.

Murray inquired if there would be any implications to Hamilton Air Base/Federal land, to which DEO stated there would not be.

Coler opened for public comment. Seeing no raised hands, Chair Coler closed public comment.

Approved: M/S by Commissioners Murray and Rodoni to adopt resolution 23-19

Ayes: Coler, Chu, Kious, Burke, Murray, and Rodoni

Nays:

Abstain:

Absent: Lucan

Motion approved unanimously.

**BUSINESS ITEMS**

10) Discussion of Commission Workshop on January 12, 2024

EO gave his staff a report on the upcoming workshop and asked commissioners if there were anything else they would like to see, or change made.

Coler and Murray discussed Urban Growth Boundaries and checking with other LAFCos on their processes of handling UGBs.

EO inquired if the commission wanted to discuss charging late fees to agencies who are delinquent in paying their fees.

Chair Coler stated that late fees could appear punitive. She also inquired if the commission needed a report on GASB 75.

EO stated that the conversation surrounding the report has not happened in a while and may be beneficial.

Commissioner Rodoni mentioned having counsel do a refresher course on the Brown Act for the public and the commission's benefit.

EO stated legal counsel was not attending but could attend virtually to present. Counsel Subramanian said she was free and could be present.

Commissioner Murray suggested adding functional consolidation opportunities in Marin that the commission should look at and how it compares to other counties.

Chair Coler opened a public hearing. Seeing no hands raised, Chair Coler closed the public hearing.

**EXECUTIVE OFFICER REPORT** (discussion and possible action)

a) Budget Update

Marin LAFCo is under budget and looking good.

b) Current and Pending Proposals

We had two proposals heard today and one pending that will be heard in February. EO also stated that the number of applications is low for this year.

c) CALAFCO Update (Verbal)

Three commissioners and the EO attended the CALAFCO Conference.

Commissioner Murray recommends people attend and says that the tour of Monterey airport was very interesting and shows how they work with the city.

Commissioner Chu stated that LAFCo 101 was very beneficial. He also enjoyed a report on taking a risk-based approach to MSRs.

Commissioner Smith also enjoyed getting to know other Marin LAFCo members and commissioners from other counties.

EO added that he attended the Fire Chief Association and gave a presentation, which was well received by attendees.

**COMMISSIONER ANNOUNCEMENTS AND REQUESTS**

Chair Coler adjourned the meeting at 7:28 P.M.

**ADJOURNMENT TO NEXT MEETING**

Thursday, February 8, 2024

Marin Wildfire Prevention Authority

*Claire Devereux*

Attest: Claire Devereux  
Clerk/Junior Analyst



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# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
February 8<sup>th</sup>, 2024  
Item No. 2 (Consent Item)

**TO:** Local Agency Formation Commission

**FROM:** Claire Devereux, Clerk/Jr. Policy Analyst

**SUBJECT:** Approval of Minutes for January 12<sup>th</sup>, 2024, Strategic Planning Workshop

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### Background

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and establishes standards and processes therein for the public to attend and participate in meetings of local government bodies as well as those local legislative bodies created by State law; the latter category applying to LAFCos.

### Discussion

The action minutes for the January 12, 2024, workshop accurately reflect the Commission's actions as recorded by staff. A video recording of the meeting is also available online at <https://www.marinlafco.org/2024-01-12-workshops-2024-strategic-planning-workshop>

### Staff Recommendation for Action

1. Staff recommendation – Approve the draft minutes prepared for the January 12, 2024, workshop with any desired corrections or clarifications.
2. Alternative option – Continue consideration of the item to the next regular meeting and provide direction to staff, as needed.

### Procedures for Consideration

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

### Attachment:

- 1) Draft Minutes for January 12, 2024

**Administrative Office**  
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**Dennis Rodoni, Vice-Chair**  
County of Marin

**Eric Lucan, Regular**  
County of Marin

**Stephanie Moulton-Peters, Alternate**  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax

**Steve Burdo, Regular**  
Town of San Anselmo

**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Regular**  
Almonte Valley Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District

**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**DRAFT**  
**SPECIAL MEETING**  
**COMMISSION WORKSHOP**

### Marin Local Agency Formation Commission

**Friday, January 12, 2024 at 9:00 a.m.**

Marin Wildfire Prevention Authority Meeting Room | Suite 335 | 1600 Los Gamos Drive, San Rafael, CA (Use the Main Lobby (Lobby A) entrance, which is located on the freeway side of the building.)

#### **CALL TO ORDER**

Chair Coler called the meeting to order at 9:30 A.M.

#### **ROLL CALL BY COMMISSION CLERK**

Roll was taken and quorum was met. The following were in attendance:

##### Commissioners Present:

Barbara Coler  
Dennis Rodoni  
Craig Murray  
Eric Lucan  
Larry Chu  
Steve Burdo (arrived at 9:20)

##### Alternate Commissioners Present:

Stephen Burke (seated as a regular until 9:20)  
Cathryn Hilliard (seated as regular)

##### Marin LAFCo Staff Present:

Jason Fried, Executive Officer  
Jeren Seibel, Deputy Executive Officer  
Claire Devereux, Clerk/Jr. Policy Analyst

##### Commissioners Absent:

Lew Kious

##### Alternate Members Absent:

Roger Smith  
Stephanie Moulton-Peters

#### **AGENDA REVIEW**

Chair Coler called for any requests from the commission to change the agenda, none were heard.

Chair Coler opened the meeting for public comment. Seeing no hands raised Chair Coler Closed Public Comment.

Approved: M/S by Commissioners Burke and Lucan to approve the agenda

Ayes: Coler, Chu, Lucan, Burke, Murray, Rodoni, Hilliard

Nays:

Abstain:

Absent:

Motion approved unanimously.

#### **PUBLIC OPEN TIME**

Chair Coler opened public open time. Seeing no hands raised in-person or virtually Chair Coler closed public open time.

**WORKSHOP****I. Welcome**

Explanation of the workshop's purpose and intent.

The Executive Officer of Santa Cruz LAFCo, Joe Serrano, introduced himself as today's facilitator and gave a brief overview of what will and will not happen at the workshop. Stating that the commission will not edit polices, Identify solutions to problems, Dwell on specific topic/issue. The commission will discuss policies that need edits, determine if an item needs further analysis and provide directions to staff.

**II. GASB 75**

Setting context by reflecting on successes, changes, trends, and dissatisfactions over last year.

Guest presenter Cathy MacLeod gave a brief presentation on GASB 75, and the accounting side of other post-employment benefits other than pensions. She posed three questions to the commission about what trust asset allocation strategy would the commission like to use? Is the Commission comfortable with the current funded ratios in the plan and in the average remaining years to dun the differences? Do the funded ratios suggest a change or hold in the current strategy?

MacLeod presented where the commission stands and stated there was nothing that was worrisome or that she believes would warrant needing a change.

EO Fried provided context to the commission stating the prior to his time there was an EO Peter Banning who retired and Marin LAFCo had no OPEB set aside. So, the commission decided to "pay as you go" for Banning. After this occurred these parameters were set up. The question for the commission is if anything should be changed?

Chair Coler stated that she does not believe the current strategy needs to be changed.

Commissioner Chu asked MacLeod about the change in discount rate. To which Macleod stated the discount rate is solely based on the expected return on the trust. Chu then stated he was fine with the strategy Marin LAFCo uses now.

Commissioner Burke inquired as to if there is a healthcare study. MacLeod stated that there are full new evaluations every two years.

Commissioner Burdo inquired on refinancing pension obligation bonds and asked if there is an opportunity for Marin LAFCo to do something similar. EO Fried stated that we are fully funded and do not have any bond financing.

Commissioner Lucan asked what the benefits LAFCo offers to which EO stated we offer healthcare, dental and vision.

Vice-Chair Rodoni stated he also agrees with staying with the current strategy.

Commissioner Hilliard stated that MCERA does better than CalPERS. To which MacLeod stated MCERA does not offer OPEB savings account and CalPERS does.

Chair Coler stated that staying with the current strategy seems to be the consensus.

**III. Presentation on the Brown Act and Levine Act**

BBK will give a presentation on the Brown Act and new revisions to the Levine Act.

Marin LAFCo legal counsel Mala Subramanian gave a brief presentation on the Brown and Levine Act.

Commissioner Rodoni thanked Mala and asked if quorum changes if alternates are present as it pertains to the Brown Act. Mala stated that it does not change the quorum number. EO stated that if Rodoni met with three alternates, he would have met quorum. However, if two supervisors and a county alternate and another alternate it would not be quorum because the two supervisors present block the county alternate from being a voting member.

Commissioner Rodoni asked legal counsel that the Levine Act does not go back further than January 1, 2023 to which legal counsel confirmed.

Commissioner Coler stated there are three supervisors on the commission, one being an alternate who does not attend to avoid a Brown Act Violation. Coler wanted confirmation that there is an exception for LAFCo to attend our meetings to which legal counsel stated all three could be in attendance since one is an alternate for the other two so therefore would not be a voting member. EO Fried also clarified that the CAO office does not want three supervisors in the room as it would be a potential Brown Act for the Board Of Supervisors.

**IV. LAFCo 101/201a**

Examine, discuss, and expand on commissioner roles and the year in review.

EO Serrano presented on common misconceptions by outsiders which included that LAFCo is a watchdog that is here to point out wrongdoing, a death eater here to get rid of local government, and a useless agency that is here to process application only. EO Serrano then discussed misconceptions by insiders which are that we are one size fits all that what works for on LAFCo works for others, on our own that all issues are unique to individual LAFCo's, enemies to other agencies, and bound to our peers and commissioners vote based on home agency.

EO Serrano than discussed what other LAFCo's are doing which includes but not limited to fully maximize the importance of MSRs, building/repairing relationships with local agencies, maintaining regular communication with staff/commission and utilizing commissioner expertise in certain projects.

The commission then reviewed Marin LAFCo Mission and Vision Statements and were asked if there were any changes to the mission and or vision statement they wanted to be made.

Coler stated that the Mission and Vision looked good. No other comments we made by the commission.

EO Fried gave a brief rundown of the Year in Review. Fried stated the workflow was made to show the commission how busy the beginning of the year is workwise as well as to exhibit ongoing projects.

EO Serrano moved to the next segment of Policy Review.

1. Chair & Vice-Chair: Does the commission want a rotation policy created and how?

Coler stated that the policy and personnel committee would take this on but does the commission have anything to say.

Commissioner Murray stated that looking at how other LAFCo's do this could be beneficial. Coler stated that in the packet it states 11 LAFCo's rotate twelve do not.

Several commissioners including Lucan, Burdo and Coler agreed that a rotation system should be discussed at the policy and personnel committee.

Coler stated the committee will discuss public members being the chair or doing a rotation.

2. Standing Committees: Does LAFCo need these committees, or should they be Ad-Hoc? Should either the chair or vice-chair serve on the policy committee?

Chair Coler stated that if the system is not broken it does not need to be fixed and that the committees should continue to meet.

Commissioner Burdo stated the committee even if we are aligned with CALAFCo the legislative committee should still meet and discuss changes and potential changes Marin LAFCo wanted to see.

Commissioner Hilliard agreed with Commissioner Burdo and stated that in the name of transparency the committees should continue to meet.

Vice-Chair Rodoni stated that these are important committees, and they should continue to meet. He also stated that Marin LAFCo was instrumental in getting special districts added into state LAFCo.

Commissioner Murray stated that Marin LAFCo has been involved in legislation and that because of that the committee should continue to meet.

Commissioner Chu talked on both 1 and 2 stating that having a rotating chair could be risky in the sense that LAFCo could have a non-seasoned member as a chair which could pose a risk to committees as well as the chair would be serving on the policy committee. Commissioner Hilliard stated her agreement with commissioner Chu, having a Chair with LAFCo experience is important.

Commissioner Coler wrapped up the discussion and stated that having the committees stay standing is important and to discuss at the committee meeting if the chair or vice chair should be serving on the committee.

3. Dual Annexation: Does the Commission want policy 4.8 permanent in our policy?

EO Fried provided context that this policy allows for parcels currently going through the application process to be annexed into a city or town that they are adjacent to. This is also related to a delayed annexation when an applicant that is not directly adjacent to a city or town agrees to be annexed in should the area around it be annexed in at a later date. In Novato Marin LAFCo does not do delayed annexations because they have an Urban Growth Boundary.

Commissioner Lucan stated that would there be an issue if Novato and Marin LAFCo have contradicting policies?

EO Fried stated that allowing the delayed annexation and having the policy now would allow for the parcels to be annexed relatively immediately after/if the UGB goes away.

Commissioner Rodoni emphasized the importance of this policy and having it in place is significant.

Chair Coler ended discussion stating keeping the policy as is.

4. Juneteenth: Does the commission want to see this Holiday exist in our policy?

Chair Coler asked commissioner if they wanted to see this Holiday observed. Coler stated that she sees her fellow members nodding their heads.

Commissioner Lucan asked if there are any holidays the county has that LAFCo does not.

EO Fried said if the Commission wanted to move forward with this, he would be checking in with the County on what changes they made.

Rodoni stated that the county added Juneteenth but took removed other holiday.

Chair Coler closed the discussion stating that discussion and action on Juneteenth should occur at the policy committee meeting.

5. Public Seat Process: Should public members be in attendance for interviews?

Chair Coler stated it would be a good idea and asked the commissioners what they thought. To which Chair Coler saw a general consensus through the nodding of heads.

6. Remote Work: Should policy be put in place surrounding remote work?

Chair Coler stated a policy should be in place.

Commissioner Murray stated that staff should draft policy and bring it to the committee for review.

Chair Coler asked for staff to review what is being done in the county and at other LAFCOs regarding policies regarding remote work and present that to the committee.

V. **Marin LAFCo and Work Plan**

Review and discuss Marin LAFCo policy and internal operations. Commissioners examine short-term outcomes and priorities, clarify expectations for staff and each other, identify measures of progress, and discuss the work plan.

EO Serrano presented the Marin LAFCo workplan. EO Serrano asked the commissioners if they wanted to remove or bring forward the Fire and Police studies that had been put on hold.

EO Fried gave context stating that the past clerk began the fire study back in 2021 and that the report has been put on pause for further direction from the commission.

Coler stated it would be worthwhile to do the study and that many fire providers have expenses that could be examined.

Commissioner Murray stated that there is a wide range of infrastructure across different agencies and even counties. That there may be difficulties in West Marin with volunteer fire fighters. He also stated the main concerns to examine would be fire, flood, and earthquake. If there is a major fire in open space how ready in Marin and research into that may need to occur.

DEO Seibel stated that when the current MSR is completed all fire agencies would have received a full fire study in the last five years. He asked the commission what they would want to see in the study that they have not already seen in the MSRs.

Chair Coler stated that most people in the public do not read the MSRs and that providing a consolidated fire report of all Fire related MSRs would be beneficial. Then adding additional enhancements, that commissioner Murray mentioned as well as potential recommendations.

Commissioner Burke concurred with Coler and stated he did a calculation during the consolidation of Southern Marin Fire on what Marin spends on fire annually finding that it spends around a ¼ billion dollars and that this significant amount merits a review. In regard to the police, some agencies are better staffed, some have more issues than others, so a report would provide value.

Commissioner Rodoni asked what the priorities of the workplan are. EO clarified it is in no significant order.

Chair Coler suggested reordering the workplan to what is currently occurring/is important at the top. Coler also stated that there is an importance to having a digital library and having the new clerk on board would allow for the enhancement of this.

In regard to the fire study, Commissioner Rodoni stated that the OEM is being reorganized and the county is responsible for responding to emergencies. Commissioner Rodoni suggests engaging Steven Torrence while reviewing the study. In addition, Hilliard brought up the new dispatch center being built.

Commissioner Hilliard posed having the workplan at every meeting as useful tool for commissioners to see what staff is working on.

EO Fried stated he can include the work plan in the meeting materials. However, there would not be immense change from meeting to meeting. EO Serrano suggested a format change.

EO Serrano transitioned to the internal operations segment of the workshop.

EO Serrano posed the question should the RHNA analysis be added to MSRs?

Chair Coler stated the numbers should be considered to which Commissioner Rodoni agreed.

Commissioner Murray stating that RHNA analysis helps in understanding if jurisdictions are working to try and meet those goals.

EO Serrano transitioned to MSR Recommendations.

EO stated that the next round should begin at the end of this year. Then the question was posed that when the next round begins how firm should our language be in regard to agencies and district in meeting recommendations.

Chair Coler posed the idea of what is the point of recommendations if not to see and follow through on them.

Commissioner Murray stated there are actionable items in MSRs and letting districts have a conversation with staff on past recommendations that were or were not made in the past five years.

Commissioner Chu stated that keeping prior recommendations on the MSRs for continuity since reports are five years apart. If those opportunities are still there, they should be kept.

Commissioner Burke stated having strong language is fine and holding agencies accountable is important.

EO Serrano transitioned to the item of Office Hours and added it to Marin LAFCo Policy.

EO Fried gave a report stating that staff work 2 days in office and 2-3 days at home and that in 1 ½ years two people have dropped into the office during open office hours on Wednesday.



Commissioner Rodoni asked what other LAFCo's are doing.

Commissioner Murray brought up concerns of people being able to access the office when needing to make a records request.

Commissioner Hilliard asked if it is possible to get into the county building to be more accessible. Chair Coler and Fried both stated that other office spaces are pricier and that there is no room in the Civic Center.

Commissioner Rodoni mentioned remote work is great, but someone should be in the office when working as a government agency.

Chair Coler said for now to stick with office hours but to always ensure that if someone knocks on the door to ensure we open and allow them access.

EO Serrano transitioned to Temporary Aide

EO stated we have a remediation project we have that is ongoing and there is not enough staff time to get it done in a fast manner. EO posed the question to the commission of hiring a third person and increasing our dues to members?

EO Coler stated she was not open to increasing dues. However, if there are chunks that need to be done hiring a temporary individual on a case-by-case basis could be an option.

Commissioner Lucan stated that it is important to get records online for transparency and accessibility and a temporary one-time cost could be worth it.

Chair Coler closed the discussion to move on to the next session.

VI. **Reflection and Final Remarks**  
Reflection on the day.

Chair Coler thanked EO Serrano, commissioners and staff for making the workshop happen and giving a thorough breakdown of LAFCo.

Commissioner Burke stated that as a new member the workshop was immensely helpful.

Chair Coler opened the meeting for public comment. Seeing no hands raised Chair Coler Closed Public Comment.

**ADJOURNMENT TO THE REGULAR COMMISSION MEETING**

Thursday, February 8, 2024, | 6:30 pm

Marin Wildfire Prevention Authority | Suite 335 | 1600 Los Gamos Dr. STE 335, San Rafael 94903



Attest: Claire Devereux  
Clerk/Junior Analyst

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Any writings or documents pertaining to an open session item provided to a majority of the Commission less than 72 hours prior to a regular meeting shall be made available for public inspection at Marin LAFCo Administrative Office, 1401 Los Gamos Drive, Suite 220, San Rafael, CA 94903, during normal business hours.

Pursuant to GC Section 84308, if you wish to participate in the above proceedings, you or your agent are prohibited from making a campaign contribution of \$250 or more to any Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCo and continues until 3 months after a final decision is rendered by LAFCo. If you or your agent have made a contribution of \$250 or more to any Commissioner during the 12 months preceding the decision, in the proceeding that Commissioner must disqualify himself or herself from the decision. However, disqualification is not required if the Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings. Separately, any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCo office at least three (3) working days prior to the meeting for any requested arraignments or accommodation.

**Marin LAFCo**

Administrative Office

1401 Los Gamos Drive, Suite 220

San Rafael California 94903

T: 415-448-5877

E: [staff@marinlafco.org](mailto:staff@marinlafco.org)

W: [marinlafco.org](http://marinlafco.org)

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# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
February 8<sup>th</sup>, 2024  
Item No. 3 (Consent Item)

**TO:** Local Agency Formation Commission

**FROM:** Jason Fried, Executive Officer

**SUBJECT:** **Commission Ratification of Payments from December 1, 2023 to January 31, 2024.**

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### Background

Marin LAFCo adopted a Policy Handbook delegating the Executive Officer to make purchases and related procurements necessary in overseeing the agency's day-to-day business. The Policy Handbook also directs all payments made by the Executive Officer to be reconciled by LAFCo's contracted bookkeeper. Additionally, all payments are to be reported to the Commission at the next available Commission meeting for formal ratification.

The following item is presented for the Commission to consider the ratification of all payments made by the Executive Officer between December 1, 2023 to January 31, 2024, totaling \$95,047.93. The payments are detailed in the attachment.

### Staff Recommendation for Action

1. Staff Recommendation - Ratify the payments made by the Executive Officer between December 1, 2023 to January 31, 2024, as shown in the attachment.
2. Alternate Option - Continue consideration of the item to the next regular meeting and provide direction to staff as needed.

### Procedures for Consideration

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

#### Attachment:

- 1) Payments from December 1 to January 31

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: [staff@marinlafco.org](mailto:staff@marinlafco.org)  
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**Dennis Rodoni, Vice-Chair**  
County of Marin

**Eric Lucan, Regular**  
County of Marin

Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax

**Steve Burdo, Regular**  
Town of San Anselmo

**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Regular**  
Almonte Valley Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District

**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member

Marin Local Agency Formation Commission

Expenses by Vendor Detail

01/26/24

December 1, 2023 through January 26, 2024

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
<b>CA SPECIAL DISTRICT ASSOCIATION</b>						
Check	12/19/2023	20970	2024 Member...	30 · Memberships &...	1,715.00	1,715.00
Total CA SPECIAL DISTRICT ASSOCIATION					1,715.00	1,715.00
<b>Cardmember Services</b>						
Credit Card Charge	12/19/2023		adobe	20 · IT & Communic...	71.97	71.97
Credit Card Charge	12/19/2023		mac tech	20 · IT & Communic...	995.70	1,067.67
Credit Card Charge	12/19/2023		marin ij	50 · Office Supplies ...	10.87	1,078.54
Credit Card Charge	12/19/2023		verizon	40 · Office Equipme...	310.49	1,389.03
Credit Card Charge	12/19/2023		streamline	20 · IT & Communic...	126.00	1,515.03
Credit Card Charge	12/19/2023		zoom	20 · IT & Communic...	15.99	1,531.02
Credit Card Charge	12/19/2023		dine in	50 · Office Supplies ...	57.05	1,588.07
Credit Card Charge	12/19/2023		krieger	25 · Legal Services	2,906.65	4,494.72
Credit Card Charge	12/19/2023		verizon	20 · IT & Communic...	93.76	4,588.48
Credit Card Charge	12/19/2023		comcast	20 · IT & Communic...	126.74	4,715.22
Credit Card Charge	01/18/2024		adobe	20 · IT & Communic...	71.97	4,787.19
Credit Card Charge	01/18/2024		mac tech	20 · IT & Communic...	995.70	5,782.89
Credit Card Charge	01/18/2024		marin ij	50 · Office Supplies ...	10.87	5,793.76
Credit Card Charge	01/18/2024		streamline	20 · IT & Communic...	126.00	5,919.76
Credit Card Charge	01/18/2024		zoom	20 · IT & Communic...	15.99	5,935.75
Credit Card Charge	01/18/2024		krieger	25 · Legal Services	990.00	6,925.75
Credit Card Charge	01/18/2024		verizon	20 · IT & Communic...	148.55	7,074.30
Credit Card Charge	01/18/2024		comcast	20 · IT & Communic...	126.74	7,201.04
Credit Card Charge	01/18/2024			50 · Office Supplies ...	82.64	7,283.68
Total Cardmember Services					7,283.68	7,283.68
<b>CHU, LAURENCE</b>						
Check	12/19/2023	20977	Dec 23 Com...	05 · Commissioner ...	250.00	250.00
Check	12/19/2023	20977	Dec 23 Com...	10 · Conferences	10.83	260.83
Check	12/19/2023	20977	Dec 23 Com...	75 · Travel - Mileage	171.25	432.08
Total CHU, LAURENCE					432.08	432.08
<b>Cinquini &amp; Passarino Inc</b>						
Check	01/02/2024	20980	Invoice # 10718	55 · Professional Se...	377.50	377.50
Total Cinquini & Passarino Inc					377.50	377.50
<b>Coler, Barbara</b>						
Check	12/19/2023	20975	Dec 2023 Co...	05 · Commissioner ...	125.00	125.00
Total Coler, Barbara					125.00	125.00
<b>COMMUNITY MEDIA CENTER OF MARIN</b>						
Check	01/16/2024	20983	Invoice # 190...	55 · Professional Se...	800.00	800.00
Total COMMUNITY MEDIA CENTER OF MARIN					800.00	800.00
<b>CONNECT YOUR CARE</b>						
Check	12/20/2023	eft	COBRA ADMIN	126 · Health Insuran...	1.11	1.11
Check	01/18/2024	eft	COBRA ADMIN	126 · Health Insuran...	1.11	2.22
Total CONNECT YOUR CARE					2.22	2.22
<b>Delta Dental of California</b>						
Check	12/07/2023	eft		122 · Dental Insuran...	74.88	74.88
Check	12/20/2023	eft		122 · Dental Insuran...	72.63	147.51
Check	01/04/2024	eft		122 · Dental Insuran...	72.63	220.14
Check	01/17/2024	eft		122 · Dental Insuran...	72.63	292.77
Total Delta Dental of California					292.77	292.77
<b>FP MAILING SOLUTIONS</b>						
Check	12/19/2023	20971	Invoice # RI 1...	50 · Office Supplies ...	204.88	204.88
Total FP MAILING SOLUTIONS					204.88	204.88

Marin Local Agency Formation Commission

Expenses by Vendor Detail

01/26/24

December 1, 2023 through January 26, 2024

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
<b>Hilliard, Cathryn</b>						
Check	01/02/2024	20979	CALAFCO W...	05 · Commissioner ...	250.00	250.00
Check	01/02/2024	20979	CALAFCO W...	75 · Travel - Mileage	120.00	370.00
Total Hilliard, Cathryn					370.00	370.00
<b>Indoff Incorporated</b>						
Check	12/06/2023	20966	Invoice #3694...	50 · Office Supplies ...	427.81	427.81
Total Indoff Incorporated					427.81	427.81
<b>Jeren Seibel</b>						
Check	01/23/2024	20986	Workshop su...	50 · Office Supplies ...	46.08	46.08
Total Jeren Seibel					46.08	46.08
<b>KIOUS, LEWIS</b>						
Check	12/19/2023	20973	Dec 2023 Co...	05 · Commissioner ...	125.00	125.00
Total KIOUS, LEWIS					125.00	125.00
<b>MacLeod Watts, Inc</b>						
Check	01/10/2024	10049	Invoice #1102...	55 · Professional Se...	4,500.00	4,500.00
Total MacLeod Watts, Inc					4,500.00	4,500.00
<b>MURRAY, CRAIG K</b>						
Check	12/19/2023	20976	Dec 2023 Co...	05 · Commissioner ...	500.00	500.00
Check	12/19/2023	20976	Dec 2023 Co...	75 · Travel - Mileage	166.50	666.50
Total MURRAY, CRAIG K					666.50	666.50
<b>Neelima Palcheria</b>						
Check	12/13/2023	20968	Lunch for Bay...	35 · Misc Services	17.49	17.49
Total Neelima Palcheria					17.49	17.49
<b>PAYCHEX</b>						
Check	12/11/2023	eft		35 · Misc Services	139.72	139.72
Check	12/22/2023	eft		35 · Misc Services	72.20	211.92
Check	01/05/2024	eft		35 · Misc Services	68.54	280.46
Check	01/05/2024	eft		35 · Misc Services	98.20	378.66
Check	01/19/2024	eft		35 · Misc Services	68.54	447.20
Check	01/19/2024	eft		35 · Misc Services	191.70	638.90
Total PAYCHEX					638.90	638.90
<b>PAYROLL</b>						
Check	12/08/2023	eft	11/12-11/25/23	105 · Sal - Regular ...	13,644.38	13,644.38
Check	12/08/2023	eft	11/12-11/25/23	124 · Auto Allowance	350.00	13,994.38
Check	12/08/2023	eft	11/12-11/25/23	125 · Unused Fringe...	100.00	14,094.38
Check	12/08/2023	eft	11/12-11/25/23	131 · Co Ret Cont Ti...	1,610.04	15,704.42
Check	12/22/2023	eft	11/26-12/9/23	105 · Sal - Regular ...	13,644.38	29,348.80
Check	12/22/2023	eft	11/26-12/9/23	124 · Auto Allowance	0.00	29,348.80
Check	12/22/2023	eft	11/26-12/9/23	125 · Unused Fringe...	100.00	29,448.80
Check	12/22/2023	eft	11/26-12/9/23	131 · Co Ret Cont Ti...	1,610.04	31,058.84
Check	01/05/2024	eft	12/10-12/23/23	105 · Sal - Regular ...	13,644.38	44,703.22
Check	01/05/2024	eft	12/10-12/23/23	124 · Auto Allowance	350.00	45,053.22
Check	01/05/2024	eft	12/10-12/23/23	125 · Unused Fringe...	100.00	45,153.22
Check	01/05/2024	eft	12/10-12/23/23	131 · Co Ret Cont Ti...	1,610.04	46,763.26
Check	01/19/2024	eft	12/24/23-1/6/24	105 · Sal - Regular ...	13,644.38	60,407.64
Check	01/19/2024	eft	12/24/23-1/6/24	124 · Auto Allowance	0.00	60,407.64
Check	01/19/2024	eft	12/24/23-1/6/24	125 · Unused Fringe...	100.00	60,507.64
Check	01/19/2024	eft	12/24/23-1/6/24	131 · Co Ret Cont Ti...	1,610.04	62,117.68
Total PAYROLL					62,117.68	62,117.68

Marin Local Agency Formation Commission

Expenses by Vendor Detail

01/26/24

December 1, 2023 through January 26, 2024

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
<b>PAYROLL TAXES</b>						
Check	12/08/2023	eft	11/12-11/25/23	111 · Medicare Tax	205.38	205.38
Check	12/22/2023	eft	11/26-12/9/23	111 · Medicare Tax	200.30	405.68
Check	01/05/2024	eft	12/10-12/23/23	111 · Medicare Tax	205.01	610.69
Check	01/05/2024	eft	12/10-12/23/23	114 · CA ETT	13.91	624.60
Check	01/05/2024	eft	12/10-12/23/23	112 · CA SUI	459.26	1,083.86
Check	01/05/2024	eft	12/10-12/23/23	113 · FUTA	83.51	1,167.37
Check	01/19/2024	eft	12/24/23-1/6/24	111 · Medicare Tax	199.93	1,367.30
Check	01/19/2024	eft	12/24/23-1/6/24	114 · CA ETT	5.05	1,372.35
Check	01/19/2024	eft	12/24/23-1/6/24	112 · CA SUI	166.72	1,539.07
Check	01/19/2024	eft	12/24/23-1/6/24	113 · FUTA	30.31	1,569.38
Total PAYROLL TAXES					1,569.38	1,569.38
<b>Roger Smith</b>						
Check	12/19/2023	20974	Dect 2023 Co...	05 · Commissioner ...	375.00	375.00
Check	12/19/2023	20974	Dect 2023 Co...	75 · Travel - Mileage	167.50	542.50
Check	12/19/2023	20974	Dect 2023 Co...	10 · Conferences	20.21	562.71
Total Roger Smith					562.71	562.71
<b>Santa Cruz LAFCo</b>						
Check	01/23/2024	20985	2024 Worksh...	55 · Professional Se...	2,090.45	2,090.45
Total Santa Cruz LAFCo					2,090.45	2,090.45
<b>SCHIFFMANN, ALYSSA</b>						
Check	12/13/2023	20969	Invoice # 232	55 · Professional Se...	703.00	703.00
Total SCHIFFMANN, ALYSSA					703.00	703.00
<b>SECURITY MORTGAGE GROUP 2</b>						
Check	12/01/2023	20965	Dec 2023 Rent	45 · Office Lease/Rent	2,956.00	2,956.00
Check	01/02/2024	20978	Jan 2024 Rent	45 · Office Lease/Rent	2,956.00	5,912.00
Total SECURITY MORTGAGE GROUP 2					5,912.00	5,912.00
<b>Stephen Burke</b>						
Check	12/19/2023	20972	Dec 2023 Co...	05 · Commissioner ...	125.00	125.00
Total Stephen Burke					125.00	125.00
<b>Teamsters Local 856 Health &amp; Welfare</b>						
Check	12/01/2023	eft		126 · Health Insuran...	1,798.24	1,798.24
Check	12/21/2023	eft		126 · Health Insuran...	944.08	2,742.32
Check	01/25/2024	eft		126 · Health Insuran...	944.08	3,686.40
Total Teamsters Local 856 Health & Welfare					3,686.40	3,686.40
<b>The Hartford</b>						
Check	12/12/2023	eft		121 · Life Insurance	151.98	151.98
Check	01/18/2024	eft		121 · Life Insurance	89.78	241.76
Total The Hartford					241.76	241.76
<b>Vision Service Plan</b>						
Check	12/05/2023	eft		123 · Vision Service ...	14.64	14.64
Total Vision Service Plan					14.64	14.64
<b>TOTAL</b>					<b>95,047.93</b>	<b>95,047.93</b>



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
February 8<sup>th</sup>, 2024  
Item No. 4 (Consent Item)

**TO:** Local Agency Formation Commission

**FROM:** Jason Fried, Executive Officer

**SUBJECT:** **Review and File Fiscal Year 2023-2024 GASB 75 Report.**

---

### Background

Every year we must have a Government Accounting Standards Board (GASB) 75 done for our OPEB obligations. After the discussion we had at our January workshop our consultant completed our report for Fiscal year 2023-2024, which is attached for your review. As has been mentioned in the past while we had a little more than needed in previous years that has now ended. This report shows that we are now a little underfunded, so based on the Commission discussion at the January workshop staff will cut a check in the amount of \$2,156 based on the report's suggestion which we have the funds within our budget to do.

### Procedures for Consideration

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

### Staff Recommendation for Action

1. Staff Recommendation – Accept and file fiscal year 2023-2024 GASB 75 report.
2. Alternate Option – Take no action today and give staff any needed instructions.

### Attachment:

- 1) [GASB 75 Report](#)

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: [staff@marinlafco.org](mailto:staff@marinlafco.org)  
[www.marinlafco.org](http://www.marinlafco.org)

**Dennis Rodoni, Vice-Chair**  
County of Marin

**Eric Lucan, Regular**  
County of Marin

Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax

**Steve Burdo, Regular**  
Town of San Anselmo

**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Regular**  
Almonte Valley Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District

**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member

# MacLeod Watts

January 26, 2024

Jason Fried  
Executive Officer  
Marin Local Agency Formation Commission  
1401 Los Gamos, Suite 220  
San Rafael, CA 94903

Re: Marin Local Agency Formation Commission Other Post-Employment Benefits  
Actuarial Valuation and GASB 75 Report for Fiscal Year Ending June 30, 2024

Dear Mr. Fried:

We are pleased to enclose our actuarial report providing financial information about the other post-employment benefit (OPEB) liabilities of the Marin Local Agency Formation Commission. The primary purposes of this report are to:

- 1) Remeasure plan liabilities as of June 30, 2023, in accordance with GASB 75's biennial valuation requirement,
- 2) Develop Actuarially Determined Contributions levels for prefunding plan benefits,
- 3) Provide information to be submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy filing requirements for the trust, and
- 4) Provide information required by GASB 75 ("Accounting and Financial Reporting for Postemployment Benefits Other Than Pension") to be reported in the Commission's financial statements for the fiscal year ending June 30, 2024.

The exhibits presented in this report assume the Commission will contribute 100% of the Actuarially Determined Contributions each year and that OPEB trust assets will remain in CERBT Asset Allocation Strategy 2. We based the valuation on the employee data, details on plan benefits and retiree benefit payments reported to us by the Commission. Please review our summary of this information to ensure that it matches your records. **Note that contributions and payroll for fiscal year 23/24 shown in this report are estimates** and may need to be updated once final amounts are known after the close of the year.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of Commission staff who provided valuable time and information to enable us to prepare this report. Please let us know if we can be of further assistance.

Sincerely,

*Catherine L. MacLeod*

Catherine L. MacLeod, FSA, FCA, EA, MAAA  
*Principal & Consulting Actuary*

Enclosure



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## A. Executive Summary

This report presents the results of the June 30, 2023, actuarial valuation and accounting information regarding the other post-employment benefit (OPEB) program of the Marin Local Agency Formation Commission (the Commission). The purposes of this report are to: 1) summarize the results of the valuation; 2) develop Actuarially Determined Contribution (ADC) levels for prefunding plan benefits; 3) provide information required by the California Employers' Retiree Benefit Trust (CERBT); and 4) provide disclosure information as required by Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) for the fiscal year ending June 30, 2024.

Important background information regarding the valuation process can be found in Appendix 1. We recommend users of the report read this information to familiarize themselves with the process and context of actuarial valuations, including the requirements of GASB 75. The pages following this executive summary present exhibits and other information relevant for disclosures under GASB 75.

Results of the June 30, 2023, valuation may be applied to prepare the Commission's GASB 75 report for the fiscal year ending June 30, 2025. If there are any material unexpected changes in plan members, plan benefits or eligibility and/or premium rates, an earlier valuation might be required or appropriate.

### OPEB Obligations of the Commission

The Commission offers continuation of medical and dental coverage to retiring employees. This benefit creates one or more of the following types of OPEB liabilities:

- **Explicit subsidy liabilities:** An "explicit subsidy" exists when the employer contributes directly toward the cost of retiree healthcare. In this program, the Commission contributes a portion of medical and dental premiums for qualifying retirees. These benefits are described in Section 2.
- **Implicit subsidy liabilities:** An "implicit subsidy" exists when premiums are developed using blended active and retiree claims experience. In this situation, premiums charged for retirees may not be sufficient to cover expected medical claims and the premiums charged for active employees are said to "implicitly subsidize" retirees.

Commission employees and retirees are offered coverage through Marin County. In this program, the claims experience is blended and the same monthly premiums are charged for active employees and for pre-Medicare retirees. We determine the implicit rate subsidy for pre-Medicare retirees as the projected difference between (a) retiree medical claim costs by age and (b) premiums charged for retiree coverage. For more about this process see Section 3 and Appendix 2: MacLeod Watts Age Rating Methodology. We assumed no implicit subsidy exists for retiree dental coverage.

- **Other subsidy liabilities:** Pooled plans that do not blend active and retiree premiums likely generate subsidies between employers and retirees within the pool. In the County's medical program, the premium rates for Medicare-covered retirees are based only on retiree claims experience of the pool. An actuarial practice note indicates these subsidies should be included in plan liabilities to the extent they are paid by the employer.<sup>1</sup> We generally expect these subsidies to be small and included any such liability with the implicit subsidy liability in this report.

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<sup>1</sup> Exceptions exist for: 1) Medicare Advantage Plans: these plans are treated as if their premiums are age-based due to the nature of the Federal subsidies paid to these plans. 2) Plans with low explicit subsidies to Medicare-covered retirees: in these plans no part of any potential pool subsidy is expected to be paid by the employer.



## Executive Summary

(Continued)

### OPEB Funding Policy

The Commission's OPEB funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. "Prefunding" is the term used when an agency consistently contributes an amount based on an actuarially determined contribution (ADC) each year. GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets. Pay-as-you-go, or "PAYGO", is the term used when an agency only contributes the required retiree benefits when due. When an agency finances retiree benefits on a pay-as-you-go basis, GASB 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate.

The Commission continues to prefund its OPEB liability, consistently contributing 100% or more of the Actuarially Determined Contributions each year. With the Commission's approval, the discount rate used for accounting purposes and to develop Actuarially Determined Contributions for plan funding is 5.50%. Information on how this rate was determined is provided on page 11, Expected Return on Trust Assets.

### Actuarial Assumptions

The actuarial "demographic" assumptions used in this report (i.e., rates of retirement, death after retirement, or other termination of employment) were chosen, for the most part, to be the same as the actuarial demographic assumptions 2021 experience study of the California Public Employees Retirement System. Other assumptions, such as age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. All these assumptions, and more, impact expected future benefits.

Please note that this valuation has been prepared on a closed group basis. This means that only employees and retirees present as of the valuation date are considered. We do not consider replacement employees for those we project to leave the current population of plan participants until the valuation date following their employment.

We emphasize that this actuarial valuation provides a projection of future results based on many assumptions. Actual results are likely to vary to some extent and we will continue to monitor these assumptions in future valuations. See Section 3 for a description of assumptions used in this valuation.

### Important Dates for GASB 75 in this Report

GASB 75 allows reporting liabilities as of any fiscal year end based on: (1) a *valuation date* no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a *measurement date* up to one year prior to the close of the fiscal year. The following dates were used for this report:

Fiscal Year End	June 30, 2024
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022, to June 30, 2023
Valuation Date	June 30, 2023



## Executive Summary

(Concluded)

### Updates Since the Prior Report

No benefit changes were reported to MacLeod Watts since the June 2021 valuation was prepared. After collecting updated employee census and premium data, we determined differences between actual and expected results since the prior valuation (referred to as “plan experience”). We also reviewed and updated certain assumptions used to project the OPEB liability. Investment experience (the difference between actual and expected trust earnings) was determined as well.

The Net OPEB Liability on the current measurement date is lower than that reported one year ago. Section D presents the new valuation results and provides additional information on the impact of the new assumptions and plan experience. See *Recognition Period for Deferred Resources* on page 12 for details on how these changes are recognized.

### Impact on Statement of Net Position and OPEB Expense for Fiscal Year Ending 2024

The plan’s impact to Net Position will be the sum of difference between assets and liabilities as of the measurement date plus the unrecognized net outflows and inflows of resources.

Items	For Reporting At Fiscal Year Ending June 30, 2024
Total OPEB Liability	\$ 64,450
Fiduciary Net Position	(72,287)
<b>Net OPEB Liability</b>	<b>\$ (7,837)</b>
<i>Adjustment for Deferred Resources:</i>	
Deferred (Outflows)	(15,544)
Deferred Inflows	18,791
<b>Impact on Statement of Net Position</b>	<b>\$ (4,590)</b>
 <b>OPEB Expense, FYE 6/30/2024</b>	 <b>\$ 3,143</b>

### Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the Commission’s financial statements. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. The Commission should consult counsel on these matters; MacLeod Watts does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the Commission consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.

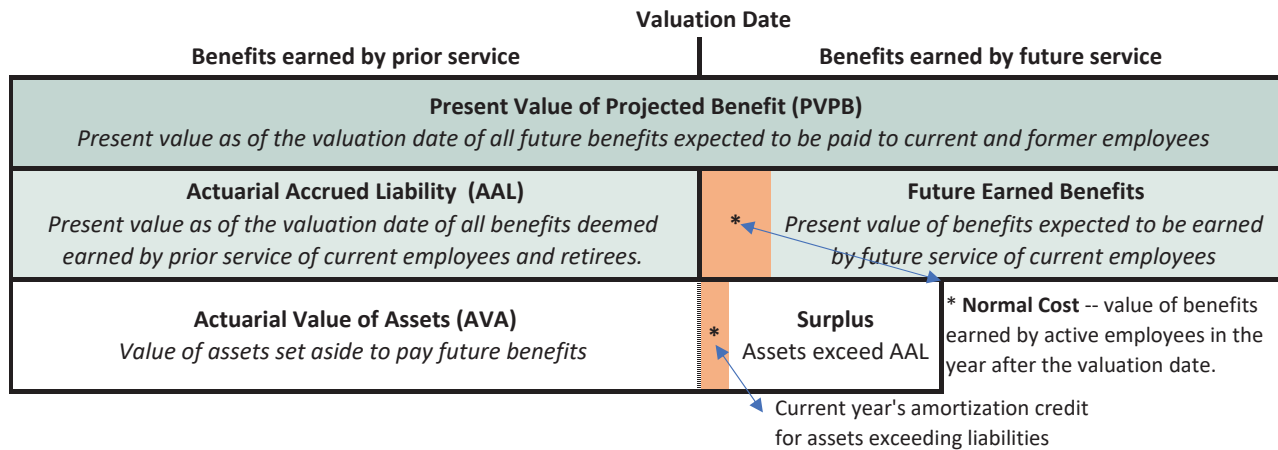


## B. Valuation Process

This valuation is based on employee census data and benefits initially submitted by the Commission and clarified in various related communications. A summary of the employee data is provided in Section 1 and a summary of the plan benefits is provided in Section 2. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the Commission as to its accuracy. The valuation has been performed in accordance with the process described below using the actuarial methods and assumptions described in Section 3 and is consistent with our understanding of Actuarial Standards of Practice.

In projecting benefit values and liabilities, we first determine an expected premium or benefit stream over each current retiree's or active employee's future retirement. Benefits may include both direct employer payments (explicit subsidies) and any implicit subsidies arising when retiree premiums are expected to be partially subsidized by premiums paid for active employees. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected dates when benefits will end. Assumptions regarding the probability that each employee will remain in service to receive benefits and the likelihood that employees will elect coverage for themselves and their dependents are also applied.

We then calculate the present value of these future benefit streams by discounting the value of each future expected employer payment back to the valuation date using the valuation discount rate. This present value is called the **Present Value of Projected Benefits (PVPB)** and represents the current value of all expected future plan payments to current retirees and current active employees. Note that this long-term projection does not anticipate entry of future employees.



The next step in the valuation process splits the Present Value of Projected Benefits into 1) the value of benefits already earned by prior service of current employees and retirees and 2) the value of benefits expected to be earned by future service of current employees. Actuaries employ an "attribution method" to divide the PVPB into prior service liabilities and future service liabilities. For this valuation we used the **Entry Age Normal** attribution method. This method is the most commonly used for government funding purposes and the only attribution method allowed for financial reporting under GASB 75.

We call the value of benefits deemed earned by prior service the **Actuarial Accrued Liability (AAL)**. Benefits deemed earned by service of active employees in a single year is called the **Normal Cost** of



## Valuation Process

(Concluded)

benefits. The present value of all future normal costs (PVFNC) plus the Actuarial Accrued Liability will equal the Present Value of Projected Benefits (i.e.,  $PVPB = AAL + PVFNC$ ).

The Agency has been making regular contributions to a trust in order to prefund plan benefits. Trust contributions and earnings accumulate so that the trust can make benefit payments to retirees (or reimburse the Agency for making those payments directly). The difference between the value of trust assets (i.e., the Market Value of Assets and the Actuarial Accrued Liability yields the **Unfunded Actuarial Accrued Liability (UAAL)**. The UAAL represents, as of the valuation date, the present value of benefits already earned by past service that remain unfunded. A plan is generally considered “fully funded” when the UAAL is zero. The plan sponsor of a fully funded plan will still need to make future contributions for benefits earned by future service of active employees. But in a fully funded plan, the plan sponsor has set aside sufficient assets to pay for benefits that have been earned by past service of current retirees and active employees if all valuation assumptions are realized.

Future contributions by the Agency will fund 1) the value of benefits earned each year by service of active employees (i.e., annual Normal Costs) less 2) an amortized credit of the amount by which assets exceed the actuarial accrued liability. Various strategies might be employed to reflect surplus assets, although it’s recommended that any surplus assets should generally be recognized in contributions over a long period<sup>2</sup>.

### Variation in Future Results

Please note that projections of future benefits over such long periods (frequently 70 or more years) which are dependent on numerous assumptions regarding future economic and demographic variables are subject to substantial revision as future events unfold. While we believe that the assumptions and methods used in this valuation are reasonable for the purposes of this report, the costs to the Commission reflected in this report are subject to future revision, perhaps materially. Demonstrating the range of potential future plan costs was beyond the scope of our assignment except to the limited extent of providing liability information at various discount rates.

Certain actuarial terms and GASB 75 terms may be used interchangeably, as shown below. Specific results from this valuation are provided in the following Section C.

Actuarial Terminology	GASB 75 Terminology
Present Value of Projected Benefits (PVPB)	<i>No equivalent term</i>
Actuarial Accrued Liability (AAL)	Total OPEB Liability (TOL)
Market Value of Assets (MVA)	Fiduciary Net Position
Actuarial Value of Assets (AVA)	<i>No equivalent term</i>
Unfunded Actuarial Accrued Liability (UAAL)	Net OPEB Liability
Normal Cost	Service Cost

<sup>2</sup> See “Actuarial Funding Policies and Practices for Public Pension and OPEB Plans”, November 2015, California Actuarial Advisory Panel.

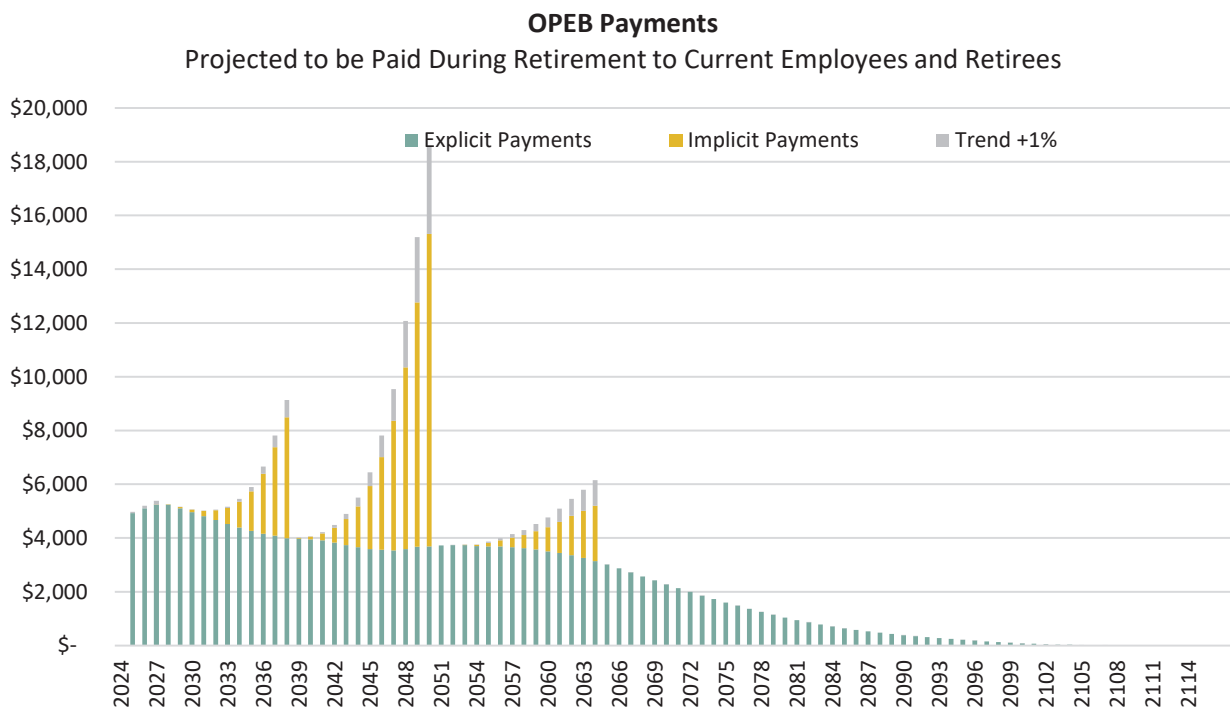


### C. Valuation Results as of June 30, 2023

This Section presents the basic results of our recalculation of the OPEB liability using the updated employee data, plan provisions and asset information provided to us for the June 30, 2023, valuation. We described the general process for projecting all future benefits to be paid to retirees and current employees in the preceding Section. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Supporting Information, Section 3.

Lifetime healthcare coverage and benefits are offered to qualifying Commission retirees. Please see Supporting Information, Section 2 for details.

The following graph illustrates the annual other post-employment benefits projected to be paid on behalf of current retirees and current employees expected to retire from the Commission.



The amounts shown in green reflect the expected payment by the Commission toward retiree medical premiums while those in yellow reflect the implicit subsidy benefits (i.e., the excess of estimated retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage). The projections in gray reflect increases in benefit levels if healthcare trend were 1% higher.

The first 15 years of benefit payments from the graph above are shown in tabular form on page 20.

Liabilities relating to these projected benefits are shown beginning on the following page.



**Valuation Results as of June 30, 2023**  
(Continued)

This chart compares the results measured as of June 30, 2022, based on the prior valuation, with the results measured as of June 30, 2023, based on the current valuation.

Valuation Date	6/30/2021			6/30/2023		
Fiscal Year Ending	6/30/2023			6/30/2024		
Measurement Date	6/30/2022			6/30/2023		
Discount rate	5.60%			5.50%		
<b>Number of Covered Employees</b>						
Actives	3			3		
Retirees	1			1		
Total Participants	4			4		
OPEB Subsidy Type	Explicit	Implicit	Total	Explicit	Implicit	Total
<b>Actuarial Present Value of Projected Benefits</b>						
Actives	\$ 17,596	\$ 25,832	\$ 43,428	\$ 22,809	\$ 19,529	\$ 42,338
Retirees	53,937	-	53,937	52,362	-	52,362
Total APVPB	71,533	25,832	97,365	75,171	19,529	94,700
<b>Total OPEB Liability (TOL)</b>						
Actives	4,262	6,182	10,443	6,484	5,604	12,088
Retirees	53,937	-	53,937	52,362	-	52,362
TOL	58,199	6,182	64,380	58,846	5,604	64,450
Fiduciary Net Position	69,820			72,287		
<b>Net OPEB Liability</b>	(5,440)			(13,441)	5,604	(7,837)
<b>Service Cost</b>						
For the period following the measurement date	1,291	1,967	3,258	1,375	1,180	2,555
<b>Funded Ratio (Assets divided by TOL)</b>	108.4%			112.2%		

Net OPEB Liability has decreased by \$2,397 from that reported one year ago. Reasons for the change in the TOL are discussed on the following page.





### Valuation Results as of June 30, 2023

(Concluded)

**Expected NOL changes:** The NOL was expected to decrease by \$3,157, from additional service and interest costs accruing for the period reduced by employer contributions and earnings on trust assets.

**Unexpected NOL changes** further decreased the NOL by \$5,554 and fall into one of these categories:

- *Plan experience* decreased the NOL by \$5,855, reflecting results that are different than expected based on the prior valuation data and assumptions. The main causes are shown in the chart below.
- *Assumption changes* collectively decreased the TOL by \$1,121. These changes are listed below, with additional information provided on the last page in Supporting Information, Section 3.
- *Investment experience:* Trust asset return exceeded the expected earnings by \$1,422.

This chart reconciles results measured as of June 30, 2022, to results measured as of June 30, 2023.

Reconciliation of Changes During Measurement Period	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
<b>Balance at Fiscal Year Ending 6/30/2023</b> <i>Measurement Date 6/30/2022</i>	\$ 64,380	\$ 69,820	\$ (5,440)
<b>Expected Changes During the Period:</b>			
Service Cost	3,258		3,258
Interest Cost	3,788		3,788
Expected Investment Income		3,909	(3,909)
LAFCo Marin Contributions		-	-
Trust Administrative Expenses		(20)	20
Benefit Payments	-	-	-
<b>Total Expected Changes During the Period</b>	7,046	3,889	3,157
<b>Expected at Fiscal Year Ending 6/30/2024</b> <i>Measurement Date 6/30/2023</i>	\$ 71,426	\$ 73,709	\$ (2,283)
<b>Unexpected Changes During the Period:</b>			
Change Due to Investment Experience		(1,422)	1,422
<i>Plan Experience:</i>			
Premiums and Estimated Claims Other Than Expected	(3,545)		
Prior Employee & Retiree Status Changes Other Than Expected	3,782		
Annual Benefit Liability Released For Current Retiree	(5,500)		
Other Plan Experience	(592)		
Change Due to Plan Experience			(5,855)
<i>Assumption Changes:</i>			
Update Trust Return/Discount Rate From 5.6% To 5.5%	538		
Change in Healthcare Trend	28		
Updated Demographic Assumptions	238		
Lower % Of Future Retirees Assumed To Elect County Coverage	(1,925)		
Change Due to Assumption Changes			(1,121)
<b>Total Unexpected Changes During the Period</b>	(6,976)	(1,422)	(5,554)
<b>Balance at Fiscal Year Ending 6/30/2024</b> <i>Measurement Date 6/30/2023</i>	\$ 64,450	\$ 72,287	\$ (7,837)



## D. Accounting Information (GASB 75)

The following exhibits are designed to satisfy the reporting and disclosure requirements of GASB 75 for the fiscal year ending June 30, 2024. The Commission is classified for GASB 75 purposes as a single employer. *Deferred Contributions and covered payroll for fiscal year 23/24 shown in this Section are estimates subject to change once known after the close of the year.*

### Components of Net Position and Expense

The exhibit below shows the development of Net Position and Expense as of the Measurement Date.

Plan Summary Information for FYE June 30, 2024 <i>Measurement Date is June 30, 2023</i>	Marin LAFCo
<b>Items Impacting Net Position:</b>	
Total OPEB Liability	\$ 64,450
Fiduciary Net Position	(72,287)
Net OPEB Liability (Asset)	(7,837)
<i>Deferred (Outflows) Due to:</i>	
Assumption Changes	(743)
Plan Experience	(2,680)
Investment Experience	(9,965)
Deferred Contributions	(2,156)
<i>Deferred Inflows Due to:</i>	
Assumption Changes	1,974
Plan Experience	13,101
Investment Experience	3,716
<b>Impact on Statement of Net Position, FYE 6/30/2024</b>	<b>\$ (4,590)</b>
<b>Items Impacting OPEB Expense:</b>	
Service Cost	\$ 3,258
Cost of Plan Changes	-
Interest Cost	3,788
Expected Earnings on Assets	(3,909)
Trust Administrative Expenses	20
<i>Recognition of Deferred Outflows:</i>	
Assumption Changes	120
Plan Experience	397
Investment Experience	3,255
<i>Recognition of Deferred (Inflows):</i>	
Assumption Changes	(243)
Plan Experience	(1,523)
Investment Experience	(2,020)
<b>OPEB Expense, FYE 6/30/2024</b>	<b>\$ 3,143</b>



## Accounting Information

(Continued)

### Change in Net Position During the Fiscal Year

The exhibit below shows the year-to-year changes in the components of Net Position.

For Reporting at Fiscal Year End <i>Measurement Date</i>	6/30/2023	6/30/2024	Change During Period
	6/30/2022	6/30/2023	
Total OPEB Liability	\$ 64,380	\$ 64,450	\$ 70
Fiduciary Net Position	(69,820)	(72,287)	(2,467)
Net OPEB Liability (Asset)	(5,440)	(7,837)	(2,397)
<i>Deferred (Outflows) Due to:</i>			
Assumption Changes	(863)	(743)	120
Plan Experience	(3,077)	(2,680)	397
Investment Experience	(11,798)	(9,965)	1,833
Deferred Contributions	-	(2,156)	(2,156)
<i>Deferred Inflows Due to:</i>			
Assumption Changes	1,096	1,974	878
Plan Experience	8,769	13,101	4,332
Investment Experience	5,736	3,716	(2,020)
Impact on Statement of Net Position	<u>\$ (5,577)</u>	<u>\$ (4,590)</u>	<u>\$ 987</u>

### Change in Net Position During the Fiscal Year

Impact on Statement of Net Position, FYE 6/30/2023	\$ (5,577)
OPEB Expense (Income)	3,143
LAFCo Marin Contributions During Fiscal Year	<u>(2,156)</u>
Impact on Statement of Net Position, FYE 6/30/2024	<u>\$ (4,590)</u>

### OPEB Expense

LAFCo Marin Contributions During Fiscal Year	\$ 2,156
Deterioration (Improvement) in Net Position	<u>987</u>
OPEB Expense (Income), FYE 6/30/2024	<u>\$ 3,143</u>



## Accounting Information

(Continued)

### Change in Fiduciary Net Position During the Measurement Period

	Marin LAFCo
<b>Fiduciary Net Position at Fiscal Year Ending 6/30/2023</b>	<b>\$ 69,820</b>
<i>Measurement Date 6/30/2022</i>	
<b>Changes During the Period:</b>	
Investment Income	2,487
LAFCo Marin Contributions	-
Trust Administrative Expenses	(20)
Benefit Payments	-
<b>Net Changes During the Period</b>	<b>2,467</b>
<b>Fiduciary Net Position at Fiscal Year Ending 6/30/2024</b>	<b>\$ 72,287</b>
<i>Measurement Date 6/30/2023</i>	

### Expected Long-term Return on Trust Assets

CalPERS last updated the projected future investment returns for CERBT Strategy 2 in March 2022. CalPERS determined its returns using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are split for years 1-5 and years 6 -20. We assumed that the returns for years 6 through 20 would continue in later years.

CERBT Strategy 2		Years 1-5			Years 6-20		
Major Asset Classification	Target Allocation	General Inflation Rate Assumption	1-5 Year Expected Real Rate of Return	Compound Return Yrs 1-5	General Inflation Rate Assumption	6-20 Year Expected Real Rate of Return	Compound Return Years 6-20
Global Equity	34%	2.40%	4.40%	6.80%	2.30%	4.50%	6.80%
Fixed Income	41%	2.40%	-1.00%	1.40%	2.30%	2.20%	4.50%
Global Real Estate(REITs)	17%	2.40%	3.00%	5.40%	2.30%	3.90%	6.20%
Treasury Inflation Protected Securities	5%	2.40%	-1.80%	0.60%	2.30%	1.30%	3.60%
Commodities	3%	2.40%	0.80%	3.20%	2.30%	1.20%	3.50%
Volatility	9.9%		weighted	4.2%		weighted	5.9%

To derive the expected future trust return specifically for the Commission, we first adjusted CalPERS' future return expectations to align with the 2.5% general inflation assumption used in this report. Then applying the plan specific benefit payments to CalPERS' bifurcated return expectations, we determined the single equivalent long-term rate of return to be 5.50%.



**Accounting Information**

(Continued)

**Recognition Period for Deferred Resources**

Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the plan’s Expected Average Remaining Service Life (“EARSL”). The EARSL of 10.08 years is the period used to recognize such changes in the OPEB Liability arising during the current measurement period.

When applicable, changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years.

Liability changes attributable to benefit changes occurring during the period, if any, are recognized immediately.

**Deferred Resources as of Fiscal Year End and Expected Future Recognition**

The exhibit below shows deferred resources as of the fiscal year end June 30, 2024.

Marin Local Agency Formation Commission	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 743	\$ 1,974
Differences Between Expected and Actual Experience	2,680	13,101
Net Difference Between Projected and Actual Earnings on Investments	6,249	-
Deferred Contributions	2,156	-
<b>Total</b>	<b>\$ 11,828</b>	<b>\$ 15,075</b>

In addition, future recognition of these deferred resources is shown below.

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2025	\$ 145
2026	106
2027	1,941
2028	(1,056)
2029	(1,342)
Thereafter	(5,197)



**Accounting Information**

(Continued)

**Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate**

The discount rate used for accounting purposes for the fiscal year end 2023 is 5.50%. Healthcare Cost Trend Rate was assumed to start at 6.5% (increase effective January 1, 2025) and grade down to 3.9% for years 2075 and later. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

Sensitivity to:			
Change in Discount Rate	Current - 1% 4.50%	Current 5.50%	Current + 1% 6.50%
<b>Total OPEB Liability</b>	70,256	64,450	59,383
Increase (Decrease)	5,806		(5,067)
% Increase (Decrease)	9.0%		-7.9%
<b>Net OPEB Liability (Asset)</b>	(2,031)	(7,837)	(12,904)
Increase (Decrease)	5,806		(5,067)
% Increase (Decrease)	74.1%		-64.7%
Change in Healthcare Cost Trend Rate	Current Trend - 1%	Current Trend	Current Trend + 1%
<b>Total OPEB Liability</b>	63,223	64,450	65,801
Increase (Decrease)	(1,227)		1,351
% Increase (Decrease)	-1.9%		2.1%
<b>Net OPEB Liability (Asset)</b>	(9,064)	(7,837)	(6,486)
Increase (Decrease)	(1,227)		1,351
% Increase (Decrease)	-15.7%		17.2%



**Accounting Information**  
(Continued)

**Schedule of Changes in the Commission's Net OPEB Liability and Related Ratios**

Fiscal Year Ending	2024	2023	2022	2021	2020	2019	2018
<i>Measurement Date</i>	<i>6/30/2023</i>	<i>6/30/2022</i>	<i>6/30/2021</i>	<i>6/30/2020</i>	<i>6/30/2019</i>	<i>6/30/2018</i>	<i>6/30/2017</i>
<i>Discount Rate on Measurement Date</i>	<i>5.50%</i>	<i>5.60%</i>	<i>5.75%</i>	<i>5.75%</i>	<i>5.75%</i>	<i>5.75%</i>	<i>5.75%</i>
<b>Total OPEB liability</b>							
Service Cost	\$ 3,258	\$ 3,078	\$ 2,226	\$ 2,161	\$ -	\$ -	\$ -
Interest	3,788	3,987	3,505	3,365	3,309	3,413	3,529
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(5,855)	(9,711)	3,595	-	372	-	-
Changes of assumptions	(1,121)	770	(1,360)	-	348	-	-
Benefit payments	-	-	(898)	(5,400)	(5,013)	(5,456)	(5,615)
<b>Net change in total OPEB liability</b>	<b>70</b>	<b>(1,876)</b>	<b>7,068</b>	<b>126</b>	<b>(984)</b>	<b>(2,043)</b>	<b>(2,086)</b>
<b>Total OPEB liability - beginning</b>	<b>64,380</b>	<b>66,256</b>	<b>59,188</b>	<b>59,062</b>	<b>60,046</b>	<b>62,089</b>	<b>64,175</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 64,450</b>	<b>\$ 64,380</b>	<b>\$ 66,256</b>	<b>\$ 59,188</b>	<b>\$ 59,062</b>	<b>\$ 60,046</b>	<b>\$ 62,089</b>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ -	\$ -	\$ 898	\$ 5,400	\$ 5,013	\$ 21,071	\$ 25,102
Net investment income	2,487	(10,049)	13,132	3,431	4,208	2,544	1,894
Benefit payments	-	-	(898)	(5,400)	(5,013)	(5,456)	(5,615)
Administrative Expenses	(20)	(20)	(24)	(31)	(13)	(22)	(15)
Other Expenses	-	-	-	-	-	(54)	-
<b>Net change in plan fiduciary net position</b>	<b>2,467</b>	<b>(10,069)</b>	<b>13,108</b>	<b>3,400</b>	<b>4,195</b>	<b>18,083</b>	<b>21,366</b>
<b>Plan fiduciary net position - beginning</b>	<b>69,820</b>	<b>79,889</b>	<b>66,781</b>	<b>63,381</b>	<b>59,186</b>	<b>41,103</b>	<b>19,737</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 72,287</b>	<b>\$ 69,820</b>	<b>\$ 79,889</b>	<b>\$ 66,781</b>	<b>\$ 63,381</b>	<b>\$ 59,186</b>	<b>\$ 41,103</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ (7,837)</b>	<b>\$ (5,440)</b>	<b>\$ (13,633)</b>	<b>\$ (7,593)</b>	<b>\$ (4,319)</b>	<b>\$ 860</b>	<b>\$ 20,986</b>
<b>Covered-employee payroll</b>	<b>\$ 313,029</b>	<b>\$ 323,489</b>	<b>\$ 280,829</b>	<b>\$ 251,193</b>	<b>\$ 127,930</b>	<b>\$ -</b>	<b>\$ 217,782</b>
<b>Net OPEB liability as a % of covered payroll</b>	<b>-2.50%</b>	<b>-1.68%</b>	<b>-4.85%</b>	<b>-3.02%</b>	<b>-3.38%</b>	<b>N/A</b>	<b>9.64%</b>



**Accounting Information**  
(Continued)

**Schedule of Changes in the Commission’s Net OPEB Liability and Related Ratios**  
(concluded)

Fiscal Year Ending	2024	2023	2022	2021	2020	2019	2018
<i>Measurement Date</i>	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<i>Discount Rate on Measurement Date</i>	5.50%	5.60%	5.75%	5.75%	5.75%	5.75%	5.75%

**Notes to Schedule:**

Valuation Date	6/30/2023	6/30/2021	6/30/2019	6/30/2017
Actuarial cost method	Entry Age Normal	Entry Age Normal Level Dollar	Entry Age Normal Level Dollar	Entry Age Normal Level Dollar
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Inflation	2.50%	2.50%	2.50%	2.75%
Healthcare cost trend rates	6.5% in 2025, fluctuates down to 3.9% by 2075	5.6% in 2023, step down .1% per year to 4% by 2076	5.4% in 2021, fluctuates until ultimate rate of 4% in 2076	7.50% in 2019, step down .5% per year to 5% by 2024
Salary increases	3.00%	3.00%	3.00%	N/A
Retirement age	From 55 to 75	From 55 to 75	From 55 to 75	N/A; all members are retired
Mortality	2021 CalPERS Experience Study	2017 CalPERS Experience Study	2017 CalPERS Experience Study	2014 CalPERS Experience Study
Mortality Improvement (generational)	Projected with MW Scale 2022	Projected with MW Scale 2022	Projected with MW Scale 2018	Projected with MW Scale 2017





**Accounting Information**  
(Continued)

**Schedule of Contributions**

Fiscal Year End June 30	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 2,156	\$ 2,191	\$ 1,606	\$ 1,801	\$ 1,981	\$ 1,526	\$ 15,615
Contributions in relation to the ADC	<i>2,156</i>	-	-	898	5,400	5,013	21,071
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 2,191</u>	<u>\$ 1,606</u>	<u>\$ 903</u>	<u>\$ (3,419)</u>	<u>\$ (3,487)</u>	<u>\$ (5,456)</u>
Covered employee payroll	<i>\$ 322,000</i>	\$ 313,029	\$ 323,489	\$ 280,829	\$ 251,193	\$ 127,930	\$ 144,601
Contributions as a % of covered payroll	<i>0.67%</i>	0.00%	0.00%	0.32%	2.15%	3.92%	14.57%
Percent if ADC contributed	<i>100.00%</i>	0.00%	0.00%	49.86%	272.59%	328.51%	134.94%

**Notes to Schedule: assumptions applied to determine Actuarially Determined Contributions**

Valuation Date	6/30/2023	6/30/2021	6/30/2019	6/30/2017	7/1/2015
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Open 30 yrs*	Level Dollar Open 30 yrs*	Level Dollar Basis, Open 30 years*	Level Dollar Closed 30 yrs	Level Dollar Closed 30 yrs
Amortization period	30 yrs remain	30 yrs remain	30 years remain	27 yrs remain	30 yrs remain
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%
Healthcare cost trend rates	6.5% in 2025, fluctuating to 3.9% by 2075	5.6% in 2023, fluctuating to 4% by 2076	5.4% in 2021, fluctuates until ultimate rate of 4% in 2076	7.50% in 2019, step down .5% per year to 5% by 2024	Ultimate trend rate of 4%
Salary increases	3.00%	3.00%	3.00%	N/A	2.00%
Investment rate of return	5.50%	5.75%	5.75%	5.75%	6.37%
Retirement age	From 55 to 75	From 55 to 75	From 55 to 75	N/A; no active members	Age 64 (or 1st yr after benefit elig
Mortality	2021 CalPERS Experience Study	2017 CalPERS Experience Study	2017 CalPERS Experience Study	2014 CalPERS Experience Study	Based on mortality tables of the National Center for Health Statistics
Mortality Improvement (generational)	Projected with MW Scale 2022	Projected with MW Scale 2022	Projected with MW Scale 2018	Projected with MW Scale 2017	N/A



**Accounting Information**  
(Continued)

**Detail of Changes to Net Position**

The chart below details changes to all components of Net Position.

Marin Local Agency Formation Commission	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)	(d) Deferred Outflows:				(e) Deferred Inflows:			Impact on Statement of Net Position (f) = (c) - (d) + (e)
				Assumption Changes	Plan Experience	Investment Experience	Deferred Contributions	Assumption Changes	Plan Experience	Investment Experience	
<b>Balance at Fiscal Year Ending 6/30/2023</b> <i>Measurement Date 6/30/2022</i>	\$ 64,380	\$ 69,820	\$ (5,440)	\$ 863	\$ 3,077	\$ 11,798	\$ -	\$ 1,096	\$ 8,769	\$ 5,736	\$ (5,577)
<b>Changes During the Period:</b>											
Service Cost	3,258		3,258								3,258
Interest Cost	3,788		3,788								3,788
Expected Investment Income		3,909	(3,909)								(3,909)
LAFCo Marin Contributions		-	-								-
Changes of Benefit Terms	-		-								-
Trust Administrative Expenses		(20)	20								20
Benefit Payments	-	-	-								-
Assumption Changes	(1,121)		(1,121)					1,121			-
Plan Experience	(5,855)		(5,855)						5,855		-
Investment Experience		(1,422)	1,422			1,422					-
Recognized Deferred Resources				(120)	(397)	(3,255)	-	(243)	(1,523)	(2,020)	(14)
Contributions After Measurement Date							2,156				(2,156)
<b>Net Changes in Fiscal Year 2023-2024</b>	70	2,467	(2,397)	(120)	(397)	(1,833)	2,156	878	4,332	(2,020)	987
<b>Balance at Fiscal Year Ending 6/30/2024</b> <i>Measurement Date 6/30/2023</i>	\$ 64,450	\$ 72,287	\$ (7,837)	\$ 743	\$ 2,680	\$ 9,965	\$ 2,156	\$ 1,974	\$ 13,101	\$ 3,716	\$ (4,590)



**Accounting Information**  
(Continued)

**Schedule of Deferred Outflows and Inflows of Resources**

A listing of all deferred resource bases used to develop the Net Position and OPEB Expense is shown below. Deferred Contributions are not shown.

Measurement Date: June 30, 2023

Deferred Outflow or (Inflow)						Balance as of Jun 30, 2023	Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:						
Date Created	Source	Impact on Net OPEB Liability (NOL)	Initial Amount	Period (Yrs)	Annual Recognition		2022-23 (FYE 2024)	2023-24 (FYE 2025)	2024-25 (FYE 2026)	2025-26 (FYE 2027)	2026-27 (FYE 2028)	2027-28 (FYE 2029)	Thereafter
6/30/2019	PlanExperience	IncreasedNOL	\$ 372	7.76	\$ 48	\$ 132	\$ 48	\$ 48	\$ 48	\$ 36	\$ -	\$ -	\$ -
6/30/2019	AssumptionChanges	IncreasedNOL	348	7.76	45	123	45	45	45	33	-	-	-
6/30/2019	InvestmentEarnings	DecreasedNOL	(805)	5.00	(161)	-	(161)	-	-	-	-	-	-
6/30/2020	InvestmentEarnings	IncreasedNOL	213	5.00	43	41	43	41	-	-	-	-	-
6/30/2021	PlanExperience	IncreasedNOL	3,595	10.31	349	2,548	349	349	349	349	349	349	803
6/30/2021	AssumptionChanges	DecreasedNOL	(1,360)	10.31	(132)	(964)	(132)	(132)	(132)	(132)	(132)	(132)	(304)
6/30/2021	InvestmentEarnings	DecreasedNOL	(9,293)	5.00	(1,859)	(3,716)	(1,859)	(1,859)	(1,857)	-	-	-	-
6/30/2022	PlanExperience	DecreasedNOL	(9,711)	10.31	(942)	(7,827)	(942)	(942)	(942)	(942)	(942)	(942)	(3,117)
6/30/2022	AssumptionChanges	IncreasedNOL	770	10.31	75	620	75	75	75	75	75	75	245
6/30/2022	InvestmentEarnings	IncreasedNOL	14,642	5.00	2,928	8,786	2,928	2,928	2,928	2,930	-	-	-
6/30/2023	PlanExperience	DecreasedNOL	(5,855)	10.08	(581)	(5,274)	(581)	(581)	(581)	(581)	(581)	(581)	(2,369)
6/30/2023	AssumptionChanges	DecreasedNOL	(1,121)	10.08	(111)	(1,010)	(111)	(111)	(111)	(111)	(111)	(111)	(455)
6/30/2023	InvestmentEarnings	IncreasedNOL	1,422	5.00	284	1,138	284	284	284	284	286	-	-



## Accounting Information

(Continued)

### Detail of Commission Contributions to the Plan

Commission contributions to the Plan occur as benefits are paid to or on behalf of retirees and/or as contributions are made to the OPEB trust. Benefit payments may occur in the form of direct payments for premiums (“explicit subsidies”) and/or indirect payments to retirees in the form of higher premiums for active employees (“implicit subsidies”). Note that an implicit subsidy contribution does not represent cash payments to retirees, but rather the reclassification of a portion of active healthcare expense to be recognized as a retiree healthcare cost. For details, see Appendices for a description of implicit subsidy plan contributions.

The Commission reported the following OPEB contributions paid during the measurement period.

<b>For the Measurement Period, Jul 1, 2022 thru Jun 30, 2023</b>	<b>Marin LAFCo</b>
<b>LAFCo Marin</b>	
(a) Contribution To CERBT	\$ -
(b) Benefits Paid Directly To or On Behalf of Retirees	-
(c) Implicit Subsidy Payment	-
<b>CERBT</b>	
(d) Benefits Paid Directly To or On Behalf of Retirees	-
(e) Reimbursements to LAFCo Marin	-
<i>Total Benefits Paid During the MP, (b)+(c)+(d)</i>	-
<i>LAFCo Marin Contribution During the MP, (a)+(b)+(c)-(e)</i>	-

We *estimate* the Commission’s OPEB benefits payments made after the measurement date but prior to the current fiscal year end in the chart below. *These estimates should be updated with the actual amounts once known after the close of the year.*

<b>For the Fiscal Year, Jul 1, 2023 thru Jun 30, 2024</b>	<b>Marin LAFCo</b>
<b>LAFCo Marin</b>	
(f) Contribution To CERBT	\$ 2,156
(g) Benefits Paid Directly To or On Behalf of Retirees	-
(h) Implicit Subsidy Payment	-
<b>CERBT</b>	
(i) Benefits Paid Directly To or On Behalf of Retirees	-
(j) Reimbursements to LAFCo Marin	-
<i>Total Benefits Paid During the Current FY, (g)+(h)+(i)</i>	-
<i>LAFCo Marin Contribution During the Current FY, (f)+(g)+(h)-(j)</i>	2,156



## Accounting Information

(Continued)

### Projected Benefit Payments (15-year projection)

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and current employees expected to retire from the Commission. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Section 3.

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2024	\$ 4,868	\$ -	\$ 4868*	\$ -	\$ -	\$ -	\$ 4868*
2025	4,924	-	4,924	-	-	-	4,924
2026	5,093	4	5,097	-	(1)	(1)	5,096
2027	5,231	13	5,244	-	2	2	5,246
2028	5,221	23	5,244	-	13	13	5,257
2029	5,058	45	5,103	-	41	41	5,144
2030	4,880	81	4,961	-	100	100	5,061
2031	4,686	126	4,812	-	200	200	5,012
2032	4,477	188	4,665	-	362	362	5,027
2033	4,256	262	4,518	-	593	593	5,111
2034	4,017	371	4,388	-	963	963	5,351
2035	3,758	500	4,258	-	1,473	1,473	5,731
2036	3,477	675	4,152	-	2,231	2,231	6,383
2037	3,189	894	4,083	-	3,294	3,294	7,377
2038	2,899	1,090	3,989	-	4,506	4,506	8,495

The amounts shown in the Explicit Subsidy section of the table reflect the expected payment by the Commission toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date (“current retirees”) and those expected to retire after the valuation date (“future retirees”).

**\* The explicit subsidy benefit amount shown for FYE 2024 is currently an estimate and will be replaced with the actual amount, once known.** This amount could be as low as \$0.

The amounts shown in the Implicit Subsidy section reflect the estimated excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees’ coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.

These projections do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).



## Accounting Information

(Concluded)

### Sample Journal Entries

OPEB Accounts at Beginning of Fiscal Year	By Source		Sources Combined	
	Debit	Credit	Debit	Credit
Net OPEB Liability	5,440		5,440	
<i>Deferred Outflow:</i>				
Assumption Changes	863			
Plan Experience	3,077			
Investment Experience	11,798			
Contribution Subsequent to MD	-			
<b>Deferred Outflows</b>			15,738	
<i>Deferred Inflow:</i>				
Assumption Changes		1,096		
Plan Experience		8,769		
Investment Experience		5,736		
<b>Deferred Inflows</b>				15,601
<b>Record Contributions to the Trust</b>		<b>Debit</b>		<b>Credit</b>
Net OPEB Liability		2,156		
Cash				2,156
<b>Record End of Year Updates to OPEB Accounts</b>		<b>By Source</b>		<b>Sources Combined</b>
		<b>Debit</b>		<b>Credit</b>
Net OPEB Liability		241		241
<i>Deferred Outflow:</i>				
Assumption Changes				120
Plan Experience				397
Investment Experience				1,833
Contribution Subsequent to MD		2,156		
<b>Deferred Outflows</b>				194
<i>Deferred Inflow:</i>				
Assumption Changes				878
Plan Experience				4,332
Investment Experience		2,020		
<b>Deferred Inflows</b>				3,190
OPEB Expense		3,143		3,143



## E. Funding Information

The employer's OPEB funding policy and level of contributions to an irrevocable OPEB trust directly affects the discount rate which is used to calculate the OPEB liability to be reported in the employer's financial statements. Prefunding (setting aside funds to accumulate in an irrevocable OPEB trust) has certain advantages, one of which is the ability to (potentially) use a higher discount rate in the determination of liabilities for GASB 75 reporting purposes. Prefunding also improves the security of benefits for current and potential future recipients and contributes to intergenerational taxpayer equity by better matching the cost of the benefits to the service years in which they are "earned" and which correspond to years in which taxpayers benefit from those services.

### Paying Down the UAAL

Once an employer decides to prefund, a decision must be made about how to pay for benefits related to accumulated prior service that have not yet been funded (the Unfunded Actuarial Accrued Liability, or UAAL<sup>3</sup>). This is most often, though not always, handled through structured amortization payments. The period and method chosen for amortizing this unfunded liability can significantly affect the Actuarially Determined Contribution (ADC) or other basis selected for funding the OPEB program.

Much like paying off a mortgage, when the Actuarial Accrued Liability (AAL) exceeds plan assets, choosing a longer amortization period to pay off the UAAL means smaller payments, but the payments will be required for more years; plan investments will have less time to work toward helping reduce required contribution levels. When the plan is in a surplus position, the reverse is true, and a longer amortization period is usually preferable.

There are several ways the amortization payment can be determined. The most common methods are calculating the amortization payment as a level dollar amount or as a level percentage of payroll. The employer might also choose to apply a shorter period when the UAAL is positive, i.e., when trust assets are lower than the AAL, but opt for a longer period or to exclude amortization of a negative UAAL, when assets exceed the AAL. The entire UAAL may be amortized as one single component or may be broken into multiple components reflecting the timing and source of each change, such as those arising from assumption changes, benefit changes and/or liability or investment experience.

The amortization period(s) should not exceed the number of years which would allow current trust assets plus future contributions and earnings to be sufficient to pay all future benefits and trust expenses each year. Prefunding of OPEB is optional and contributions at any level are permitted. However, if trust sufficiency is not expected, a discount rate other than the assumed trust return will likely be required for accounting purposes.

### Funding and Prefunding of the Implicit Subsidy

An implicit subsidy liability is created when retiree medical claims are expected to exceed the premiums charged for retiree coverage. Recognition of the estimated implicit subsidy each year is handled by an accounting entry, reducing the amount paid for active employees and shifting that amount to be treated as a retiree healthcare expense/contribution (see Sample Journal Entries). The implicit subsidy is a true benefit to the retiree but can be difficult to see when medical premiums are set as a flat rate for both actives and pre-Medicare retirees.

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<sup>3</sup> We use actuarial, rather than accounting, terminology to describe the components used to develop the ADCs.



## Funding Information

(Continued)

This might lead some employers to believe the benefit is not real or is merely an accounting construct, and thus to forgo prefunding of retiree implicit benefits.

Consider what would happen if the retiree premiums were based only on expected retiree claims experience. Almost certainly, retiree premiums would increase while premiums for active employees would go down if the active premiums no longer had to help support the higher retiree claims. *Who would pay the increases in retiree premiums?* Current plan documents and bargaining agreements would have to be consulted. Depending on circumstances, the increase in retiree premiums might remain the responsibility of the employer, pass entirely to the retirees, or some blending of the two. The answer would determine whether separate retiree-only premium rates would result in a higher or lower employer OPEB liability. In the current premium structure, with blended active and pre-Medicare retiree premiums, the employer is clearly, though indirectly, paying the implicit retiree cost.

The prefunding decision is complex. OPEB materiality, budgetary concerns, desire to use the full trust rate in developing the liability for GASB 75, and other factors must be weighed by each employer. Since prefunding OPEB benefits is not required, each employer's OPEB prefunding strategy will depend on how they balance these competing perspectives.

### Development of the Actuarially Determined Contributions

The Commission has approved development of ADCs based on the following two components, which are then adjusted with interest to each fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL) over an open 30-year period. Amortization payments are determined on a level \$ basis; 30 years remain for FYE 2024.

Actuarially Determined Contributions, developed as described above for the Commission's fiscal years ending June 30, 2024, 2025 and 2026 are shown the exhibit on the next page. These ADCs incorporate both explicit (cash benefit) and implicit subsidy benefit liabilities. Contributions credited toward meeting the ADC will be comprised of:

- 1) direct payments to insurers toward retiree premiums, to the extent not reimbursed to the Commission by the trust; plus
- 2) each year's implicit subsidy payment; and
- 3) contributions to the OPEB trust.

ADCs determined on this basis should provide for trust sufficiency, based on the current plan provisions and census data, provided all assumptions are exactly realized and if the Commission contributes 100% or more of the ADC each year. When an agency commits to funding the trust at or above the ADC, the expected long-term trust return may be used as the discount rate in determining the plan liability for accounting purposes. Trust sufficiency cannot be guaranteed to a certainty, however, because of the non-trivial risk that the assumptions used to project future benefit liabilities may not be realized.





**Funding Information**

(Continued)

We develop the Actuarially Determined Contributions (ADCs) for fiscal years ending June 30, 2024, June 30, 2025 and June 30, 2026 from the results of this valuation.

Valuation date	6/30/2023		
Discount rate	5.50%		
<b>Number of Covered Employees</b>			
Actives	3		
Retirees	1		
Total Participants	4		
For fiscal year ending	6/30/2024	6/30/2025	6/30/2026
<b>Actuarial Present Value of Projected Benefits</b>	\$ 94,700	\$ 94,906	\$ 95,066
<b>Actuarial Accrued Liability (AAL)</b>			
Actives	12,088	15,448	19,073
Retirees	52,362	50,240	47,944
Total AAL	64,450	65,688	67,017
Actuarial Value of Assets	72,287	73,551	74,908
<b>Unfunded AAL (UAAL)</b>	(7,837)	(7,863)	(7,891)
UAAL Amortization method	Level Dollar	Level Dollar	Level Dollar
Remaining amortization period (years)	30	30	30
Amortization Factor	15.3331	15.3331	15.3331
<b>Actuarially Determined Contribution (ADC)</b>			
Normal Cost	\$ 2,555	\$ 2,631	\$ 2,709
Amortization of UAAL	(511)	(513)	(515)
Interest to fiscal year end	112	117	120
<b>Total ADC</b>	<b>2,156</b>	<b>2,235</b>	<b>2,314</b>

As described on the prior page, OPEB funding consists of 3 different sources. The chart below estimates how these 3 contribution sources would apply toward satisfying the ADC for each of these years.

1 Implicit subsidy contribution	\$ -	\$ -	\$ (1)
Additional payments needed to meet ADC	2,156	2,235	2,315
2 <i>Estimated agency paid premiums for retirees</i>	4,868	4,924	5,097
3 <i>Estimated agency contribution to OPEB trust</i>	(2,712)	(2,689)	(2,782)
<b>Total Expected Employer Contributions (1+2+3)</b>	<b>\$ 2,156</b>	<b>\$ 2,235</b>	<b>\$ 2,314</b>

If retiree benefit payments for those years are lower than our projection, the contribution to the trust should be increased to balance so that total contributions equal or exceed the ADC each year.

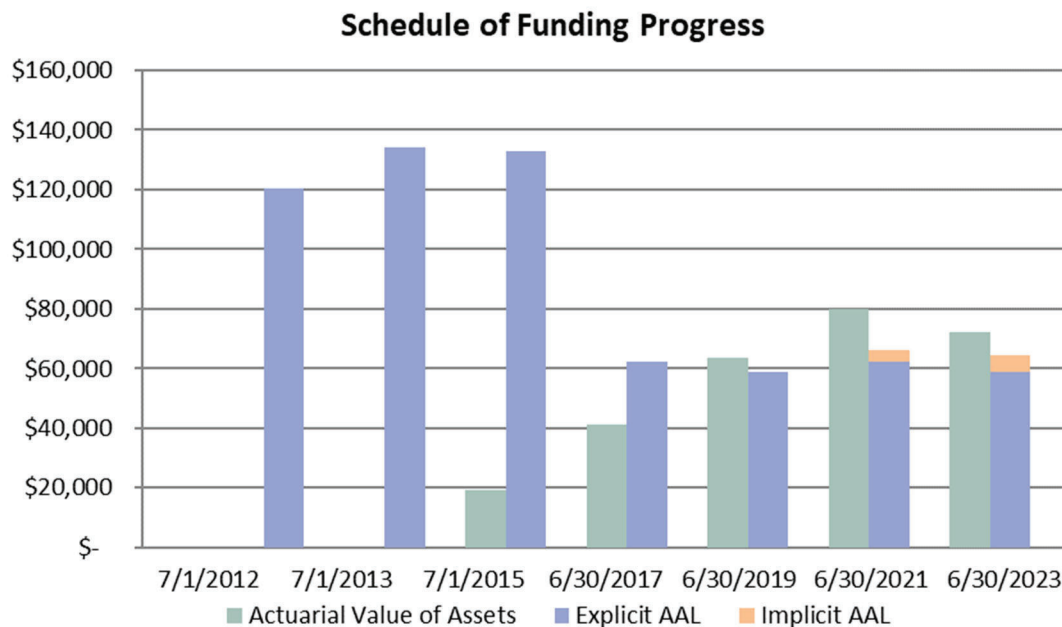


## Funding Information

(Concluded)

In this section, we provide a review of key components of valuation results from 2012 through 2023.

Schedule of Funding Progress							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)	Discount Rate
7/1/2012	\$ -	\$ 120,400	\$ 120,400	0.0%	\$ 174,200	69.1%	0.00%
7/1/2013	\$ -	\$ 134,300	\$ 134,300	0.0%	\$ 176,200	76.2%	0.00%
7/1/2015	\$ 19,339	\$ 132,725	\$ 113,386	14.6%	\$ 254,700	44.5%	6.37%
6/30/2017	\$ 41,103	\$ 62,089	\$ 20,986	66.2%	\$ 144,601	14.5%	5.75%
6/30/2019	\$ 63,381	\$ 59,062	\$ (4,319)	107.3%	\$ 229,570	-1.9%	5.75%
6/30/2021	\$ 79,889	\$ 66,256	\$ (13,633)	120.6%	\$ 280,829	-4.9%	5.75%
6/30/2023	\$ 72,287	\$ 64,450	\$ (7,837)	112.2%	\$ 313,029	-2.5%	5.50%



Significant changes during this period include:

- **July 1, 2017:** Separation of 3 employees dropped the number of covered plan members to just 1 retired employee; decreased discount rate from 6.37% to 5.75%
- **June 30, 2019:** Addition of 2 new active employees increased the normal cost but not the unfunded liability; updated underlying health trend scale
- **June 30, 2021:** Addition of 1 active employee; updated several assumptions; trust investment return was significantly higher than the assumed 5.75% rate
- **June 30, 2023:** Investment earnings were lower than expected since the June 30, 2021; future expected earnings were reduced from 5.75% (2021 valuation) to 5.5% (2023 valuation).



## F. Certification

The primary purposes of this report are: (1) to provide actuarial information of the other postemployment benefits (OPEB) provided by the Marin Local Agency Formation Commission (the Commission) in compliance with Statement 75 of the Governmental Accounting Standards Board (GASB 75); and (2) to provide Actuarially Determined Contributions for prefunding of this program in conformity with the District's OPEB funding policy. The Commission is not required to contribute the ADC shown in this report and we make no representation that it will, in fact, fund the OPEB trust at any particular level.

In preparing this report we relied without audit on information provided by the Commission. This information includes, but is not limited to, plan provisions, census data, and financial information. We performed a limited review of this data and found the information to be reasonably consistent. The accuracy of this report is dependent on this information and if any of the information we relied on is incomplete or inaccurate, then the results reported herein will be different from any report relying on more accurate information.

We consider the actuarial assumptions and methods used in this report to be individually reasonable under the requirements imposed by GASB 75 and taking into consideration reasonable expectations of plan experience. The results provide an estimate of the plan's financial condition at one point in time. Future actuarial results may be significantly different due to a variety of reasons including, but not limited to, demographic and economic assumptions differing from future plan experience, changes in plan provisions, changes in applicable law, or changes in the value of plan benefits relative to other alternatives available to plan members.

Alternative assumptions may also be reasonable; however, demonstrating the range of potential plan results based on alternative assumptions was beyond the scope of our assignment except to the limited extent required by GASB 75 and in accordance with the Commission's stated OPEB funding policy. Results for accounting purposes may be materially different than results obtained for other purposes such as plan termination, liability settlement, or underlying economic value of the promises made by the plan.

This report is prepared solely for the use and benefit of the Commission and may not be provided to third parties without prior written consent of MacLeod Watts. Exceptions: The Commission may provide copies of this report to their professional accounting and legal advisors who are subject to a duty of confidentiality, and the Commission may provide this work to any party if required by law or court order. No part of this report should be used as the basis for any representations or warranties in any contract or agreement without the written consent of MacLeod Watts.

The undersigned are unaware of any relationship that might impair the objectivity of this work. Nothing within this report is intended to be a substitute for qualified legal or accounting counsel. The signing actuaries are members of the American Academy of Actuaries and meet the qualification standards for rendering this opinion.

Signed: January 26, 2024

*Catherine L. MacLeod*

Catherine L. MacLeod, FSA, FCA, EA, MAAA

*Sandhya Raman*

Sandhya Raman, Actuarial Analyst



## G. Supporting Information

### Section 1 - Summary of Employee Data

**Active employees:** The Commission reported 3 active plan members for the June 2023 valuation. The average age of these employees is 37 and average Commission service is 2.9 on the valuation date.

**Retirees:** There is 1 retired employee receiving benefits under this program. Now covered by a Medicare Advantage plan, this former employee retired about 11 years ago at age 63 with 13 years of service for the Commission.

**Change in Covered Members:** The chart below reconciles the number of actives and retirees included in the June 30, 2021, valuation of the Commission plan with those included in the June 30, 2023, valuation:

Reconciliation of LAFCo Marin Plan Members Between Valuation Dates				
Status	Covered Actives	Waiving Actives	Covered Retirees	Total
Number reported as of June 30, 2021	2	1	1	4
New employees		1		1
Separated employees		(1)		(1)
<b>Number reported as of June 30, 2023</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>4</b>

From this reconciliation, we can see that the total population did not change.

**Summary of Plan Member Counts:** The numbers of those members currently or potentially eligible to receive benefits under the OPEB plan are required to be reported in the notes to the financial statements.

Summary of Plan Member Counts	
Number of active plan members	3
Number of inactive plan members currently receiving benefits	1
Number of inactive plan members entitled to but not receiving benefits	0*

\* We are not aware of any retirees who are eligible but not currently enrolled.

**OPEB Tiers:** There are two levels of benefits provided under this program, which are described in the following section. This chart summarizes the number of active and retired employees by benefit tier (determined by hire date).

Status	Actives	Retirees	Total
Benefit Tier 3 <i>Hired before 1/1/2008</i>	0	1	1
Benefit Tier 4 <i>Hired after 12/31/2007</i>	3	0	3
<b>Total</b>	<b>3</b>	<b>1</b>	<b>4</b>

Please note that while Marin County retiree healthcare program provides for two earlier benefit Tiers (1 and 2), the Commission has no current active employees or retirees eligible for benefits under those other tiers.



## Supporting Information

(Continued)

### Section 2 - Summary of Retiree Benefit Provisions

**OPEB provided:** The Commission provides medical and dental plan coverage for qualifying retirees, with certain limits described further below. It is our understanding that medical and dental plan coverage and the portion of premiums paid by the Commission, if any, are the same as the coverage and benefits provided by Marin County.

**Access to coverage:** To be eligible for retiree health coverage through the Commission (other than any temporary coverage available through COBRA), an employee must retire from the Commission.

**Benefits provided by the Commission:** The Commission pays the single-coverage retiree medical and dental premiums up to but not exceeding an annual dollar maximum (cap). The cap is based tied to years of service for the Commission and varies based on the date of employment. Specifically,

- *For employees hired between October 1993 and December 31, 2007, the dollar cap is currently \$442.65 per year of Commission service, up to a maximum 20 years or a \$8,853 maximum annual benefit.*

While the County Board of Supervisors has the option to increase the benefit cap by up to 3% per year, no increases have been adopted since January 2009.

There is only one plan member (the current retiree), who will ever qualify for benefits at this level.

- *For employees hired on or after January 1, 2008, the dollar cap is currently \$150 per year of Commission service, up to a maximum 20 years or a \$3,000 maximum annual benefit.*

All current and future active plan members are expected to fall into this benefit category.

**Current Health Plan Premiums:** The Commission offers coverage to its employees and qualifying retirees through the plans offered by Marin County. The chart below summarizes the premium rates for calendar year 2024. We have shown only those plans selected by the Commission’s active and retired employees.

Marin LAFCo 2024 Health Care Premiums						
Plan	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
Kaiser Low HMO	\$ 1,027.87	\$ 2,055.73	\$ 2,734.12	\$ 353.24	\$ 706.48	\$ 2,027.64
Teamster Anthem PPO	944.08	1,894.74	2,650.00	<i>Not available</i>		
Delta Dental	52.46	97.70	152.72	<i>Same for Medicare Retirees</i>		



## Supporting Information

(Continued)

### Section 3 - Actuarial Methods and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These payments depend only on the terms of the plan and the administrative arrangements adopted. Actuarial assumptions are used to estimate the cost of these benefits; the funding method spreads the expected costs on a level basis over the life of the plan.

#### Important Dates

Valuation Date	June 30, 2023
Fiscal Year End	June 30, 2024
GASB 75 Measurement Date	June 30, 2023 (last day of the prior fiscal year)

#### Valuation Methods

Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

#### Development of Age-related Medical Premiums

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves can be found in MacLeod Watts's Age Rating Methodology (see Appendices).

Monthly baseline premium costs were set equal to the active single premiums shown in the chart at the bottom of Section 2.

Sample age-based claims for retirees not yet eligible for Medicare are shown in the chart below.

Expected Monthly Claims by Medical Plan for Selected Ages					
Medical Plan	Male				
	52	55	57	60	63
Kaiser Low HMO	\$ 1,174	\$ 1,369	\$ 1,506	\$ 1,720	\$ 1,955
Teamsters Anthem PPO	916	1,069	1,176	1,342	1,525
Medical Plan	Female				
	52	55	57	60	63
Kaiser Low HMO	\$ 1,388	\$ 1,501	\$ 1,574	\$ 1,712	\$ 1,897
Teamsters Anthem PPO	1,083	1,172	1,228	1,336	1,481



**Supporting Information**  
 (Continued)

**Section 3 - Actuarial Methods and Assumptions**

Development of Age-related  
 Medical Premiums (continued)

All current and future Medicare-eligible retirees are assumed to be covered by plans that are rated based solely on the experience of Medicare retirees and these premium rates are assumed to be sufficient to cover Medicare retiree claims over the long term. Age-based claims were not developed for Medicare-eligible retirees.

**Economic Assumptions**

Long Term Return on Assets

5.5% as of June 30, 2023, and 5.6% as of June 30, 2022, net of plan investment-related expenses

Discount Rate

5.5% as of June 30, 2023, and 5.6% as of June 30, 2022

General Inflation Rate

2.5% per year

Salary Increase

3.0% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.

Healthcare Trend

Medical plan premiums and estimated claims costs by age are assumed to increase once each year, with the increases over the prior year assumed to be effective on the dates shown below.

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2024	Actual	2040-2043	4.8%
2025	6.5%	2044-2049	4.7%
2026	6.0%	2050-2059	4.6%
2027	5.5%	2060-2065	4.5%
2028	5.4%	2066-2067	4.4%
2029	5.3%	2068-2069	4.3%
2030	5.2%	2070	4.2%
2031	5.1%	2071-2072	4.1%
2032-2037	5.0%	2073-2074	4.0%
2038-2039	4.9%	2075 & Later	3.9%

The healthcare trend shown above was developed using the Getzen Model 2023 published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.4%; Excess Medical Growth 1.0%; Expected Health Share of GDP in 2032 20%; Resistance Point 21%; Year after which medical growth is limited to growth in GDP 2075.

Dental premiums are assumed to increase by 3.0% per year.



## Supporting Information

(Continued)

### Section 3 - Actuarial Methods and Assumptions

#### Participant Election Assumptions

Retiree Participation Rate	<p><i>Active employees:</i> 100% of those who qualify for retiree health benefits are assumed to receive these benefits in retirement since continuation of coverage through the Commission's health plans is not a requirement.</p> <p><i>Retired participants:</i> All current retirees are assumed to receive benefits until their death.</p>
Plan Election in Retirement	<p><i>All current and future retirees not yet eligible for Medicare:</i></p> <p>(a) If currently enrolled in County plan coverage, 60% are assumed to continue their current plan election until eligible for coverage under Medicare and to elect the Kaiser Medicare Advantage plan in retirement; the other 40% are assumed to elect another (non-County) plan of their choice.</p> <p>(b) If not currently enrolled in County plan coverage, 15% are assumed to enroll in a County plan at retirement until eligible for coverage under Medicare and to elect the Kaiser Medicare Advantage plan in retirement; the other 75% are assumed to elect another (non-County) plan of their choice.</p>
Spouse Coverage	<p><i>Active and retired members:</i> Existing elections for spouse coverage are assumed to be continued until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.</p>
Medicare Eligibility	<p>Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.</p>





**Supporting Information**

(Continued)

**Section 3 - Actuarial Methods and Assumptions**

**Demographic Assumptions**

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvements. The representative mortality rates were the published CalPERS rates, projected as described below.

Mortality Before Retirement Not applied due to the small size of the active employee group and low likelihood of occurrence.

Mortality After Retirement  
(before improvement applied)

**Healthy Lives**

CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement Mortality		
Age	Male	Female
40	0.00075	0.00039
50	0.00271	0.00199
60	0.00575	0.00455
70	0.01340	0.00996
80	0.04380	0.03403
90	0.14539	0.11086
100	0.36198	0.31582
110	1.00000	1.00000

**Disabled Miscellaneous**

CalPERS Public Agency Disabled Miscellaneous Post-Retirement Mortality		
Age	Male	Female
20	0.00411	0.00233
30	0.00452	0.00301
40	0.00779	0.00730
50	0.01727	0.01439
60	0.02681	0.01962
70	0.04056	0.02910
80	0.08044	0.06112
90	0.16770	0.14396

Mortality Improvement MacLeod Watts Scale 2022 applied generationally from 2017

Termination Rates Rates of pre-retirement separation from Commission service were doubled from those applied by CalPERS for those under age 30 with 5 or fewer years of public agency service.

Each rate in this table reflects the probability that an employee with that age and service will end its employment with the agency in the next 12 months for reasons other than retirement or death.

<b>Male Miscellaneous Employees: Sum of Vested Terminated &amp; Refund Rates</b> From CalPERS Experience Study Report Issued November 2021						
Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.3702	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.3702	0.1854	0.1686	0.0000	0.0000	0.0000
25	0.3538	0.1854	0.1686	0.0377	0.0000	0.0000
30	0.1631	0.0802	0.0804	0.0377	0.0180	0.0000
35	0.1493	0.0677	0.0715	0.0366	0.0180	0.0141
40	0.1490	0.0583	0.0627	0.0337	0.0180	0.0141
45	0.1487	0.0538	0.0562	0.0309	0.0166	0.0141



## Supporting Information

(Continued)

### Section 3 - Actuarial Methods and Assumptions

Termination Rates  
 (concluded)

Female Miscellaneous Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued November 2021						
Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.3888	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.3888	0.2170	0.2148	0.0000	0.0000	0.0000
25	0.3798	0.2170	0.2148	0.0502	0.0000	0.0000
30	0.1824	0.0977	0.1041	0.0502	0.0252	0.0000
35	0.1749	0.0869	0.0925	0.0491	0.0252	0.0175
40	0.1731	0.0777	0.0809	0.0446	0.0252	0.0175
45	0.1713	0.0710	0.0730	0.0401	0.0213	0.0175

Service Retirement Rates

Each rate reflects the probability that an employee with that age and service will take a service retirement in the next 12 months.

Miscellaneous "PEPRA" Employees: 2% at 62 formula From CalPERS Experience Study Report Issued November 2021						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
55	0.0100	0.0190	0.0280	0.0360	0.0610	0.0960
60	0.0310	0.0510	0.0710	0.0910	0.1110	0.1380
65	0.1080	0.1410	0.1730	0.2060	0.2390	0.3000
70	0.1200	0.1560	0.1930	0.2290	0.2650	0.3330
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Disability Retirement Rates

Not applied due to the small size of the active employee group and low likelihood of occurrence.

### Software and Models Used in the Valuation

**ProVal** - MacLeod Watts utilizes ProVal, a licensed actuarial valuation software product from Winklevoss Technologies (WinTech) to project future retiree benefit payments and develop the OPEB liabilities presented in this report. ProVal is widely used by the actuarial community. We review results at the plan level and for individual sample lives and find them to be reasonable and consistent with the results we expect. We are not aware of any material inconsistencies or limitations in the software that would affect this actuarial valuation.

**Age-based premiums model** – developed internally and reviewed by an external consultant at the time it was developed. See discussion on Development of Age-Related Medical Premiums in Appendices.

**Getzen model** – published by the Society of Actuaries; used to derive medical trend assumptions described earlier in this section.



## Supporting Information

(Continued)

### Section 3 - Actuarial Methods and Assumptions

#### Changes in assumptions or methods since the prior Measurement Date

Trust rate of return  
and discount rate

Decreased from 5.60% to 5.50%, reflecting updated long term rates of return provided by CalPERS in March 2022

Demographic Assumptions

Updated demographic assumptions (retirement rates, termination rates and mortality rates after retirement) from those in the 2019 CalPERS experience study to those recommended in the CalPERS 2021 Experience Study report issued November 2021.

Assumed termination rates (i.e., separation from service before retirement) were doubled for those under age 30 with 5 or fewer years of public agency service, based on observed Commission experience over the past 6 years.

We believe these assumptions will be reasonably representative of the rates expected to be observed for Commission plan members.

Healthcare Trend

Updated the base healthcare trend scale from Getzen Model 2021\_b to Getzen Model 2023, as published by the Society of Actuaries



## Appendix 1: Important Background Information

### General Types of Other Post-Employment Benefits (OPEB)

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave (unless converted to defined benefit OPEB), or other direct retiree payments.

A direct employer payment toward the cost of OPEB benefits is referred to as an “explicit subsidy”. In addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an “implicit subsidy” of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

Expected retiree claims		
Premium charged for retiree coverage		<i>Covered by higher active premiums</i>
Retiree portion of premium	Agency portion of premium Explicit subsidy	Implicit subsidy

*This chart shows the sources of funds needed to cover expected medical claims for pre-Medicare retirees. The portion of the premium paid by the Agency does not impact the amount of the implicit subsidy.*

### Valuation Process

The valuation was based on employee census data and benefits provided by the Commission. A summary of the employee data is provided in Section 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the Commission as to its accuracy. The valuation was also based on the actuarial methods and assumptions described in Section 3.

In developing the projected benefit values and liabilities, we first determine an expected premium or benefit stream over the employee’s future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service to receive benefits.
- The probability of when such retirement will occur for each retiree, based on current age, service and employee type; and



## Important Background Information

(Continued)

- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for many decades.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "Total OPEB Liability". The OPEB cost allocated for active employees in the current year is referred to as "Service Cost".

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets ("Fiduciary Net Position") is applied to offset the "Total OPEB Liability", resulting in the "Net OPEB Liability". If a plan is not being funded, then the Net OPEB Liability is equal to the Total OPEB Liability.

It is important to remember that an actuarial valuation is, by its nature, a projection of one possible future outcome based on many assumptions. To the extent that actual experience is not what we assumed, future results will differ. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members
- A significant increase or decrease in the future premium rates
- A change in the subsidy provided by the Agency toward retiree premiums
- Longer life expectancies of retirees
- Significant changes in estimated retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents
- Higher or lower returns on plan assets or contribution levels other than were assumed, and/or
- Changes in the discount rate used to value the OPEB liability



## Important Background Information

(Continued)

### Requirements of GASB 75

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and disclosure of OPEB expense and related liabilities (assets), note disclosures, and required supplementary information (RSI) in the financial reports of state and local governmental employers.

### Important Dates

GASB 75 requires that the information used for financial reporting falls within prescribed timeframes. Actuarial valuations of the total OPEB liability are generally required at least every two years. If a valuation is not performed as of the Measurement Date, then liabilities are required to be based on roll forward procedures from a prior valuation performed no more than 30 months and 1 day prior to the most recent year-end. In addition, the net OPEB liability is required to be measured as of a date no earlier than the end of the prior fiscal year (the "Measurement Date").

### Recognition of Plan Changes and Gains and Losses

Under GASB 75, gains and losses related to changes in Total OPEB Liability and Fiduciary Net Position are recognized in OPEB expense systematically over time.

- *Timing of recognition:* Changes in the Total OPEB Liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and Losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.
- *Deferred recognition periods:* These periods differ depending on the source of the gain or loss.

Difference between projected  
and actual trust earnings:

5 year straight-line recognition

All other amounts:

Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.



## Important Background Information

(Continued)

### Implicit Subsidy Plan Contributions

An implicit subsidy occurs when estimated retiree claims exceed the premiums charged for retiree coverage. When this occurs, we expect part of the premiums paid for active employees to cover a portion of retiree claims. This transfer represents the current year’s “implicit subsidy”. Because GASB 75 treats payments to an irrevocable trust *or directly to the insurer* as employer contributions, each year’s implicit subsidy is treated as a contribution toward the payment of retiree benefits.

The following hypothetical example illustrates this treatment:

Hypothetical Illustration of Implicit Subsidy Recognition	For Active Employees	For Retired Employees
<i>Prior to Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Accounting Treatment	Compensation Cost for Active Employees	Contribution to Plan & Benefits Paid from Plan
<i>After Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Implicit Subsidy Adjustment	(23,000)	23,000
Accounting Cost of Premiums Paid	\$ 388,000	\$ 71,000
Accounting Treatment Impact	Reduces Compensation Cost for Active Employees	Increases Contributions to Plan & Benefits Paid from Plan

The example above shows that total payments toward active and retired employee healthcare premiums is the same, but for accounting purposes part of the total is shifted from actives to retirees. This shifted amount is recognized as an OPEB contribution and reduces the current year’s premium expense for active employees.



## **Important Background Information**

(Concluded)

### **Discount Rate**

When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). When a plan sponsor makes regular, sufficient contributions to a trust in order to prefund the OPEB liabilities, GASB 75 allows use of a rate up to the expected rate of return of the trust. Therefore, prefunding has an advantage of potentially being able to report overall lower liabilities due to future expected benefits being discounted at a higher rate.

### **Actuarial Funding Method and Assumptions**

The “ultimate real cost” of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method.

The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the “incidence of cost”. GASB 75 specifically requires that the actuarial present value of projected benefit payments be attributed to periods of employee service using the Entry Age Actuarial Cost Method, with each period’s service cost determined as a level percentage of pay.

The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable.





## Appendix 2: MacLeod Watts Age Rating Methodology

Both accounting standards (e.g., GASB 75) and actuarial standards (e.g., ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately, the actuary is often required to perform these calculations without any underlying claims information. In most situations, the information is not available, but even when available, the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender intended to better approximate what the insurer might be expecting in actual claims costs at each age and gender.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant.* For example, a claims cost curve might show that, if a 50 year old male has \$1 in claims, then on average a 50 year old female has claims of \$1.25, a 30 year male has claims of \$0.40, and an 8 year old female has claims of \$0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Section 3 provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Section 3.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop claims cost curves for any given plan sponsor. These methodologies and assumptions can be found in the referenced paper cited as a source in the valuation report.



### Appendix 3: MacLeod Watts Mortality Projection Methodology

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principles in developing a credible mortality improvement model would include the following:

- (1) Short-term mortality improvement rates should be based on recent experience.
- (2) Long-term mortality improvement rates should be based on expert opinion.
- (3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **MacLeod Watts Scale 2022** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report, published in October 2021 and (2) the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published August 2021.

MacLeod Watts Scale 2022 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2021 which has two segments – (1) historical improvement rates for the period 1951-2017 and (2) an estimate of future mortality improvement for years 2018-2020 using the Scale MP-2021 methodology but utilizing the assumptions used in generating Scale MP-2015. The MacLeod Watts scale then transitions from the 2020 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2021-2030. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2030-2044. The SSA's Intermediate Scale has a final step in 2045 which is reflected in the MacLeod Watts scale for years 2045 and thereafter. Over the ages 95 to 117, the age 95 improvement rate is graded to zero.

Scale MP-2021 can be found at the SOA website and the projection scales used in the 2021 Social Security Administrations Trustees Report at the Social Security Administration website.



## Glossary

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

Actuarial Present Value of Projected Benefits (APVPB) – The amount presently required to fund all projected plan benefits in the future. This value is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

CalPERS – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

Deferred Contributions – When an employer makes contributions after the measurement date and prior to the fiscal year end, recognition of these contributions is deferred to a subsequent accounting period by creating a deferred resource. We refer to these contributions as Deferred Contributions.

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member's account are determined and the terms of distribution of the account after separation from employment

Discount Rate - Interest rate used to discount future potential benefit payments to the valuation date. Under GASB 75, if a plan is prefunded, then the discount rate is equal to the expected trust return. If a plan is not prefunded (pay-as-you-go), then the rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Expected Average Remaining Service Lifetime (EARSL) – Average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period

Entry Age Actuarial Cost Method – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual's projected earnings or service from entry age to the last age at which benefits can be paid

Explicit Subsidy – The projected dollar value of future retiree healthcare costs expected to be paid directly by the Employer, e.g., the Employer's payment of all or a portion of the monthly retiree premium billed by the insurer for the retiree's coverage

Fiduciary Net Position – The value of trust assets used to offset the Total OPEB Liability to determine the Net OPEB Liability.

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments.

Health Care Trend – The assumed rate(s) of increase in future dollar values of premiums or healthcare claims, attributable to increases in the cost of healthcare; contributing factors include medical inflation, frequency or extent of utilization of services and technological developments.



**Glossary**  
(Continued)

Implicit Subsidy – The projected difference between future retiree claims and the premiums to be charged for retiree coverage; this difference results when the claims experience of active and retired employees are pooled together and a ‘blended’ group premium rate is charged for both actives and retirees; a portion of the active employee premiums subsidizes the retiree premiums.

Net OPEB Liability (NOL) – The liability to employees for benefits provided through a defined benefit OPEB. Only assets administered through a trust that meet certain criteria may be used to reduce the Total OPEB Liability.

Net Position – The Impact on Statement of Net Position is the Net OPEB Liability adjusted for deferred resource items

OPEB Expense – The OPEB expense reported in the Agency’s financial statement. OPEB expense is the annual cost of the plan recognized in the financial statements.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

PEMHCA – The Public Employees’ Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that a contracting Agency contribute toward medical insurance premiums for retired annuitants and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

Plan Assets – The value of cash and investments considered as ‘belonging’ to the plan and permitted to be used to offset the AAL for valuation purposes. To be considered a plan asset, GASB 75 requires (a) contributions to the OPEB plan be irrevocable, (b) OPEB assets to dedicated to providing OPEB benefit to plan members in accordance with the benefit terms of the plan, and (c) plan assets be legally protected from creditors, the OPEB plan administrator and the plan members.

Public Agency Miscellaneous (PAM) – Non-safety public employees.

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

Service Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the actuarial funding method; also called normal cost

Total OPEB Liability (TOL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; a subset of “Actuarial Present Value”

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility





# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
February 8<sup>th</sup>, 2024  
Item No. 5 (Public Hearing)

**TO:** Local Agency Formation Commission

**FROM:** Claire Devereux, Clerk/Jr. Policy Analyst

**SUBJECT:** Approval of Resolution 24-1, Annexation of two Parcels in the Valley Oaks Project, Novato (APN: 125-580-34 and Pinkston Road) to the Novato Sanitary District (LAFCo File #1376) with Waiver of Notice, Hearing, and Protest Proceedings.

---

### Background

Marin LAFCo has received an application from Catherine E. Juchau (“applicant”) requesting approval to annex two parcels of approximately 2.49 acres into the Novato Sanitary District. The parcels are addressed as follows APN: 125-580-34 and Pinkston Road. The proposal, as stated by the applicant, is to enter NSD boundaries to allow for these two parcels to connect to the sewer as needed for the development of eighty-one homes. The parcels are a part of a greater development project called Valley Oaks, the City of Novato has vacated Pinkston Road, and it will now be privately owned and operated. The parcel is currently in the boundaries of the City of Novato and the Sphere of Influence of Novato Sanitary District. Staff have requested comments from NSD, along with other interested agencies. All comments received were in support or neutral.

Staff has reviewed the submitted petition for accuracy and considered all factors pursuant to §56668 and §56668.3 of Cortese-Knox-Hertzberg.

### Staff Recommendation for Action

Staff Recommendation 1 – Approve the requested annexation of APN: 125-580-34 and Pinkston Road and approve the attached Resolution No. 24-1 with conditions.

Alternate Option 2 – Continue consideration of the item at a future regular meeting, and provide directions to staff, as needed.

Alternate Option 3 – Deny the request.

### Attachment

1. Resolution #24-1
2. Application Packet
3. Section 56668 Checklist

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gamos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

**Dennis Rodoni, Vice-Chair**  
County of Marin  
**Eric Lucan, Regular**  
County of Marin  
Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax  
**Steve Burdo, Regular**  
Town of San Anselmo  
**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kiou, Regular**  
Almonte Valley Sanitary District  
**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District  
**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member  
**Roger Smith, Alternate**  
Public Member

**MARIN LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION 24-1**

**RESOLUTION APPROVING AN ANNEXATION OF TWO PARCELS IN THE VALLEY OAKS PROJECT, NOVATO (APN;125-580-34 AND PINKSTON ROAD) TO THE NOVATO SANITARY DISTRICT WITH WAIVER OF NOTICE, HEARING AND PROTEST PROCEEDINGS**

“Annexation of two Parcels in the Valley Oaks Project, Novato (APN: 125-580-34 and Pinkston Road) to the Novato Sanitary District (LAFCo File #1376)”

**WHEREAS** Catherine E. Juchau, hereinafter referred to as “Property Owner,” has filed a validated landowner petition with the Marin Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS** the proposal seeks Commission approval to annex approximately 2.49 acres of incorporated land to Novato Sanitary District; and

**WHEREAS** the affected territory represents two undeveloped parcels with no situs address but identified by the County of Marin Assessor’s Office as APN: 125-580-34 and Pinkston Road located in the City of Novato (“Properties”); and

**WHEREAS** the Commission’s staff has reviewed the proposal and prepared a report with recommendations; and

**WHEREAS** the staff’s report and recommendations on the proposal have been presented to the Commission in the manner provided by law; and

**WHEREAS** the Commission considered all the factors required by law under Government Code Section 56668 and 56668.3 and adopted local policies and procedures.

**WHEREAS** the proposal is for an annexation of territory that is uninhabited, and no affected local agency has submitted a written demand for notice and hearing as provided for in Government Code section 56662(a).

**NOW THEREFORE**, the Marin Local Agency Formation **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. Approve the proposed annexation of APN: 125-580-34 and Pinkston Road to Novato Sanitary District (File #1376) as shown and with the boundaries as depicted and described in Exhibits “A” and “B” attached hereto and incorporated herein by reference.

Section 2. The territory includes 2.49 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: “Annexation of two Parcels in the Valley Oaks Project, Novato (APN: 125-580-34 and Pinkston Road) to the Novato Sanitary District (LAFCo File #1376)”

Section 3. The proposal is consistent with the adopted sphere of influence of Novato Sanitary District.

Section 4. The Executive Officer is hereby authorized to waive notice and hearing and protest proceedings and complete the change of organization proceedings.

Section 5. As Responsible Agency The Executive Officer has reviewed the application noting that the City of Novato, as Lead Agency, prepared and approved an Initial Study/Mitigated Negative

Declaration on January 9, 2024 for a project consisting of the annexation and development of 81 units. In accordance with Marin LAFCo Guidelines, adopted California Environmental Quality Act (CEQA) procedures, and applicable provisions of CEQA. Marin LAFCo staff finds that the prior environmental documents adequately discuss and disclose potential environmental impacts of the proposed annexation; all potential impacts have appropriate mitigation measures and a mitigation monitoring and reporting program in place; and staff finds the proposed project will not introduce any new impacts previously disclosed.

**PASSED AND ADOPTED** by the Marin Local Agency Formation Commission on February 8, 2023 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Barbara Coler, Chair Marin LAFCo

**Attest:**

**Approved As To Form:**

\_\_\_\_\_  
Jason Fried, Executive Director

\_\_\_\_\_  
Mala Subramanian, Marin LAFCo Legal Counsel

Attachments to Resolution 24-1

- a) Exhibit A – Map
- b) Exhibit B – Legal Description

Rev.: 12/26/2023  
Date: 06/07/2023  
Project: 2010140

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**  
**LAFCO FILE # 1376**  
**ANNEXATION TO THE NOVATO SANITARY DISTRICT**

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF NOVATO, COUNTY OF MARIN, STATE OF CALIFORNIA, BEING AN ANNEXATION OF THE LANDS OF WCJA, A CALIFORNIA LIMITED PARTNERSHIP TO THE NOVATO SANITARY DISTRICT, AS DESCRIBED IN DOCUMENT NUMBERS 2022-0027526 AND 2022-0027529, RECORDED JULY 25, 2022, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING AT** A POINT ON THE WESTERLY LINE OF REDWOOD BOULEVARD, SAID POINT BEING AT THE INTERSECTION OF THE COURSES "SOUTH 22°47'23" WEST 448.38 FEET" AND "NORTH 88°29'39" EAST 149.10 FEET", AS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP OF SAN MARIN BUSINESS PARK PHASE 2", FILED IN BOOK 24 OF PARCEL MAPS, PAGE 68, MARIN COUNTY RECORDS, SAID POINT BEING SOUTH 22°47'23" WEST, A DISTANCE OF 142.49 FEET FROM THE NORTHWESTERLY CORNER OF THE NOVATO SANITARY DISTRICT ON SAID WESTERLY LINE OF REDWOOD BOULEVARD;

1. THENCE LEAVING SAID WESTERLY LINE OF REDWOOD BOULEVARD AND ALONG THE SOUTHERLY LINE OF PINKSTON ROAD (FORMERLY COUNTY ROAD), AS SHOWN ON SAID PARCEL MAP AND DESCRIBED IN DOCUMENT NUMBER 2022-0027529, SOUTH 88°29'39" WEST, A DISTANCE OF 149.10 FEET;
2. THENCE SOUTH 63°40'39" WEST, A DISTANCE OF 122.00 FEET;
3. THENCE SOUTH 77°32'39" WEST, A DISTANCE OF 227.60 FEET;
4. THENCE LEAVING SAID SOUTHERLY LINE OF PINKSTON ROAD AND ALONG THE SOUTHERLY LINE OF THE LANDS OF WCJA, AS DESCRIBED IN DOCUMENT NUMBER 2022-0027526, SOUTH 63°40'29" WEST, A DISTANCE OF 15.50 FEET TO THE MOST SOUTHWESTERLY CORNER OF SAID LANDS;
5. THENCE ALONG THE NORTHWESTERLY LINE OF SAID LANDS, NORTH 17°51'37" EAST, A DISTANCE OF 511.92 FEET;
6. THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 140.50 FEET;
7. THENCE SOUTH 49°00'00" EAST, A DISTANCE OF 60.00 FEET;
8. THENCE NORTH 76°00'00" EAST, A DISTANCE OF 130.00 FEET;
9. THENCE SOUTH 53°00'00" EAST, A DISTANCE OF 216.87 FEET;
10. THENCE SOUTH 67°12'28" EAST, A DISTANCE OF 30.00 FEET TO THE WESTERLY LINE OF REDWOOD BOULEVARD;
11. THENCE ALONG SAID WESTERLY LINE OF REDWOOD BOULEVARD, SOUTH 22°47'23" WEST, A DISTANCE OF 89.73 FEET TO **THE POINT OF BEGINNING.**



Rev.: 12/26/2023

Date: 06/07/2023

Project: 2010140

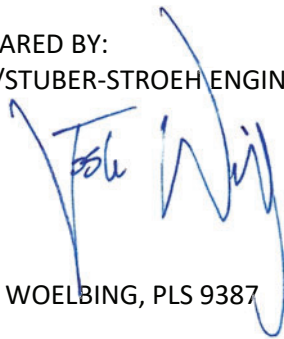
THE PARCEL HEREIN DESCRIBED CONTAINING 108,599 SQUARE FEET MORE OR LESS OR 2.49 ACRES MORE OR LESS.

SEE EXHIBIT "B" ATTACHED HERETO AND MADE PART HEREOF.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS BASED ON THAT CERTAIN MAP ENTITLED "PARCEL MAP SAN MARIN BUSINESS PARK PHASE 2", FILED IN BOOK 24 OF PARCEL MAPS, PAGE 68, MARIN COUNTY RECORDS.

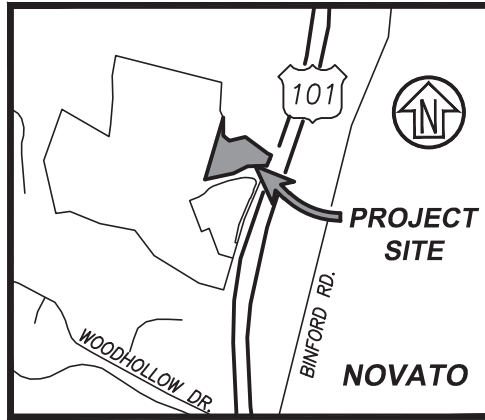
SITE FALLS WITHIN RANCHO OLOMPALI. PROJECTED TOWNSHIP 3 NORTH, RANGE 6 WEST, SECTION 6, MOUNT DIABLO MERIDIAN.

PREPARED BY:  
CSW/STUBER-STROEH ENGINEERING, INC.




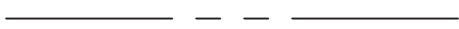


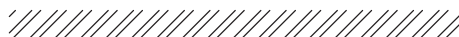

JOSH WOELBING, PLS 9387





**VICINITY MAP**  
NOT TO SCALE

**LEGEND**

-  ANNEXATION BOUNDARY
-  ADJOINING BOUNDARY LINES
-  THE CITY OF NOVATO LIMITS
-  PARCEL ONE PER DN:2022-0027529 (ANNEXATION HATCH)
-  PARCEL TWO PER DN:2022-0027526 (ANNEXATION HATCH)
-  NOVATO SANITARY DISTRICT HATCH
- POB** POINT OF BEGINNING
- (#)** COURSE NUMBER

*Josh Woelbing*

JOSH WOELBING, P.L.S. 9387

01/10/2024  
DATE



**CSW | ST2**

**CSW/Stuber-Stroeh Engineering Group, Inc.**  
Civil & Structural Engineers | Surveying & Mapping | Environmental Planning  
Land Planning | Construction Management  
504 Redwood Blvd, Suite 310 tel: 415.883.9850  
Novato, CA 94947 fax: 415.883.9835  
<http://www.cswst2.com>

Rev. 12-26-2023  
Job No. 2010140

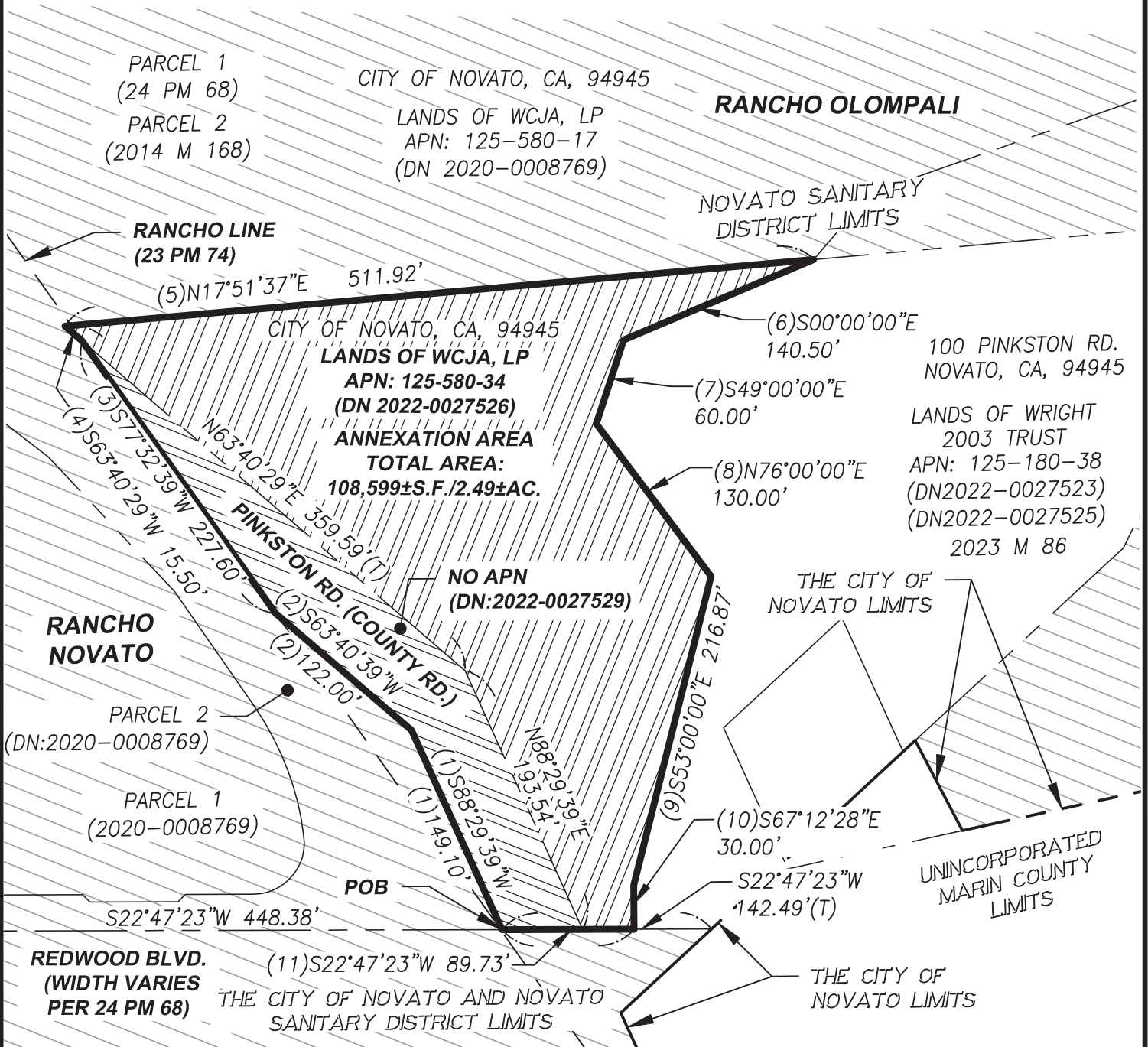
Date: 06/07/2023  
Scale: -

**EXHIBIT "B" LAFCO - 1376**  
ANNEXATION TO NOVATO SANITARY DISTRICT  
PLAT TO ACCOMPANY LEGAL DESCRIPTION  
UNINCORPORATED MARIN COUNTY CALIFORNIA

Graphic Scale (in feet)



1 inch = 100 ft.



**CSW | ST2**

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 Civil & Structural Engineers | Surveying & Mapping | Environmental Planning  
 Land Planning | Construction Management  
 504 Redwood Blvd, Suite 310 tel: 415.883.9850  
 Novato, CA 94947 fax: 415.883.9835  
<http://www.cswst2.com>

Rev. 01/07/2024

Date: 06/07/2023

Job No. 2010140

Scale: 1" = 100'

**EXHIBIT "B" LAFCO - 1376**  
 ANNEXATION TO NOVATO SANITARY DISTRICT  
 PLAT TO ACCOMPANY LEGAL DESCRIPTION  
 CITY OF NOVATO MARIN COUNTY CALIFORNIA



**Marin Local Agency Formation Commission**  
Regional Service Planning | Subdivision of the State of California

MARIN LAFCO

I. PETITION FOR PROCEEDING PURSUANT TO THE CORTESE-KNOX-HERTZBERG ACT  
LOCAL GOVERNMENT REORGANIZATION ACT OF 2000

The undersigned hereby petition(s) the Marin Local Agency Formation Commission for approval of a proposed change or organization or reorganization and stipulates as follows:

1. This proposal is made pursuant to Part 3, Division 3, and Title 5 of the California Government Code (commencing with Section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000).
2. The specific change(s) of organization proposed (i.e. Annexation, Detachment, Reorganization, etc.) is/are Annexation to Novato Sanitary District
3. The boundaries of the territory(ies) included in the proposal are as described in Exhibits "A" and "B" attached hereto and by this reference incorporated herein.
4. The territory(ies) included in the proposal is/are:  
 Inhabited (12 or more registered voters)  
 Uninhabited (11 or fewer registered voters)
5. This proposal is  or is not  consistent with the sphere(s) of influence of the affected city and/or district(s).
6. The reason(s) for the proposed Annexation (ie. Annexation, Detachment, Reorganization, etc.) is/are 125-580-34 and land underlying Pinkston Road (no APN Assigned) - Exhibits A and B attached Annexation needed for development of 81 homes.
7. The proposal is requested to be made subject to the following terms and conditions:
8. The persons signing this petition have signed as:  
 Registered voters  
 Owners of the land  
 On behalf of the Board, City, District, or Agency

Catherine E. Juchau, Partner, WCJA, LP  
Print Name

  
Signature

6/12/23  
Date



**Marin Local Agency Formation Commission**  
Regional Service Planning | Subdivision of the State of California

**II. LANDOWNERS SIGNATURES**  
(§56700, et seq.)

We the undersigned landowners hereby request proceedings be initiated pursuant to Government Code §56000, et seq. for the change(s) of organization described on the attached Proposal Application.

Name and Address of Applicant: Catherine E. Juchau  
18434 Rimrock Street, Surprise, AZ 85388

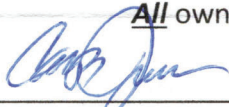
Contact Number: (480) 823-3932 Email: kcjuchau1@cox.net gmail.com

Agent Representative (optional)  
I/We hereby authorize Michael R. Hooper to act as my/our agent to process all phases of the LAFCo action relating to the parcels listed below.

Name and Address of Agent: Michael R. Hooper  
18434 Rimrock Street, Surprise, AZ 85388 Campus Properties, LLC, P. O Box 1613, Glen Ellen, CA 95442

Contact Number: (415) 298 7571 Email: mhooper@campusproperty.com

**All** owners of each parcel **must** sign. Original signatures are required.

  
Property Owner Signature

6/12/23  
Date

\_\_\_\_\_  
Property Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Property Owner Signature

\_\_\_\_\_  
Date



**Marin Local Agency Formation Commission**  
Regional Service Planning | Subdivision of the State of California

Additional Notification Approval (Optional)

I/We hereby authorize, that in addition to the application representative, the persons listed below are granted permission to receive copies of application notices, and reports.

\_\_\_\_\_  
Property Owner Signature

Please provide the names, email addresses, and phone numbers of any persons who are to be furnished copies of the Agenda, Executive Officer's Report, and Notice of Hearings. This includes name, title, email address, and phone number of key staff you've worked with/talked to. This allows LAFCo to send information directly to the key person in each agency who is relevant to the application:

Please Print Name

Email Address

Phone Number

Brett Walker    bwalker@novato.org    (415-899-8989)

Michael Brewer    michaelb@novatosan.com    (415-892-1694 x108)

Rosalia Solar    rsolar@nmwd.com    (415-761-8935)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# Marin Local Agency Formation Commission

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## MARIN LAFCO III. APPLICATION QUESTIONNAIRE

In accordance with requirements set forth in the California Government Code, the Commission must review specific factors in its consideration of this proposal. In order to facilitate the Commission's review, please respond to the following questions:

### GENERAL INFORMATION

1. Please check the method by which this application was initiated:  
 Petition (Landowner)  
 Resolution of Application (City/Town or District)
2. Does the application possess 100% written consent of each property owner in the subject territory? Yes  No

3. A. This application is being submitted for the following boundary change:  
(BE SPECIFIC: For example, "annexation," "reorganization")

Annexation

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- B. The reason for the proposed action(s) being requested:

(BE SPECIFIC: For example, "Annexation to sewer district for construction of three homes")

Annexation to the sewer district to facilitate the construction of Valley Oaks North comprising 81 homes

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4. State general location of proposal:

Interesection of Redwood Boulevard and Pinkston Road, Novato

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

5. Is the proposal within a city's boundaries?

Yes  Which city? City of Novato

No  If the proposal is adjacent to a city, provide city name: \_\_\_\_\_

6. Is the subject territory located within an island of unincorporated territory?

Yes  No  If applicable, indicate city \_\_\_\_\_

7. Would this proposal create an island of unincorporated territory? Yes  No

If yes, please justify proposed boundary change: \_\_\_\_\_

8. Provide the following information regarding the area proposed for annexation:

(Attach additional if needed)

A. Assessor's Parcel Number(s)

125-580-34

No APN

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Site Address(es)

No street address

No street address- former Pinkston Rd right of way

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

B. Total number of parcels included in this application: 2

9. Total land area in acres: 2.5 acres





**LAND USE AND DEVELOPMENT POTENTIAL**

1. Describe any special land use concerns:

0.5 acres is the remnant of Pinkston Road

2 acres is a portion of the former Wright property, 100 Pinkston Road

2. Indicate current land use: (such as: number of dwellings, permits currently held, etc.)

Undeveloped

3. Indicate the current zoning (either city/town or county) title and densities permitted:

125-580-34 - PD

Pinkston Road: right of way - PD

New PD - Valley Oaks proposed - 81 homes on approx 36 acres

4. Has the area been rezoned? No \_\_\_\_\_ N/A  Yes \_\_\_\_\_

What is the rezoning classification, title and densities permitted?

5. Describe the specific development potential of the property: (Number of units allowed in zoning)

Exhibit A and Exhibit B will be combined with the adjoining 38 acres for the construction of 81 single family, duet and condominium

town homes.



# Marin Local Agency Formation Commission

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## ENVIRONMENT

1. Is the site presently zoned, or designated for, or engaged in agricultural use?

Yes \_\_\_\_\_ No X

If yes, explain: \_\_\_\_\_  
\_\_\_\_\_

2. Will the proposal result in a reduction of public or private open space?

Yes \_\_\_\_\_ No X

If yes, explain: \_\_\_\_\_  
\_\_\_\_\_

3. Will service extension accomplished by this proposal induce growth in:

- A. This site? Yes X No \_\_\_\_\_ N/A \_\_\_\_\_
- B. Adjacent sites? Yes X No \_\_\_\_\_ N/A \_\_\_\_\_
- C. Unincorporated? Yes \_\_\_\_\_ No X
- D. Incorporated? Yes X No \_\_\_\_\_

4. State general description of site topography: Partly generally flat, partly sloping.

\_\_\_\_\_  
\_\_\_\_\_

5. Indicated Lead Agency for this project: City of Novato

\_\_\_\_\_

6. Indicate Environmental Determination by Lead Agency: Mitigated Negative Declaration  
with respect to (indicate project) Valley Oaks

Dated: August 2023

**(COPY OF ENVIRONMENTAL DOCUMENTS MUST BE SUBMITTED WITH APPLICATION.)**



**IV. INDEMNIFICATION AGREEMENT**

As part of this Application, Applicant and its successors and assigns, shall indemnify, defend and hold harmless, LAFCo, its officials, officers, employees, agents, representatives, contractors and assigns from and against any and all claims, demands, liability, judgments, damages (including consequential damages), awards, interests, attorneys’ fees, costs and expenses of whatsoever kind or nature, at any time arising out of, or in any way connected with any legal challenges to or appeals associated with LAFCo’s review and/or approval of the Application (collectively, “Indemnification Costs”). Applicant’s obligation to indemnify, defend and hold harmless LAFCo, its officials, officers, employees, agents, representatives, contractors and assigns under this Agreement shall apply regardless of fault, to any acts or omissions, or negligent conduct, whether active or passive, on the part of the Applicant, LAFCo, its officials, officers, employees, agents, representatives, contractor or assigns. Applicant’s obligation to defend LAFCo, its officials, officers, employees, agents, representatives, contractor or assigns under this Agreement shall be at Applicant’s sole expense and using counsel selected or approved by LAFCo in LAFCo’s sole discretion.

In the event of a lawsuit, Applicant will be notified by LAFCo within three (3) business days of being served. An invoice will be submitted to the Applicant by LAFCo for an amount between \$10,000 and \$25,000 to cover a portion of the Indemnification Costs (“Reserve”), which shall depend upon the estimated cost to resolve the matter and shall be determined in LAFCo’s sole discretion. Applicant shall pay the Reserve to LAFCo within seven (7) calendar days of LAFCo’s request. The Reserve shall be applied against LAFCo’s final bill for the Indemnification Costs, with any unused portion to be returned to Applicant. LAFCo shall bill Applicant month for the Indemnification Costs, which shall be paid to LAFCo no later than 15 calendar days after receipt of LAFCo’s bill. LAFCo may stop defending the matter, if at any time LAFCo has not received timely payment of the Reserve and/or the Indemnification Costs. This will not relieve Applicant of any of its obligations pursuant to this Agreement.

As the Applicant I hereby attest with signature,

Applicant Signature

**Catherine E, Juchau**

Print Name

**6/12/23**

Date

**Partner**

Title



# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## V. PLAN FOR PROVIDING SERVICES (For City/Town or District Only)

This section to be completed by a city/town or district representative for all **applications initiated by resolution or as required by Executive Officer.**

1. Enumerate and describe services to be extended to the affected territory:

Police: \_\_\_\_\_

Fire: \_\_\_\_\_

Sewer: Sanitary Sewer Service with Novato Sanitary District

Water: \_\_\_\_\_

Other: \_\_\_\_\_

2. Advise whether any of the affected agencies serving or expected to serve this site are current operating at or near capacity: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Describe the level and range of services: Collection and treatment of sanitary waste through current and future infrastructure, collections systems, and treatment facility.  
\_\_\_\_\_  
\_\_\_\_\_

4. Indicate when services can/will be extended to the affected territory:

Service will begin after the completion, inspection, and acceptance of the sewer system  
\_\_\_\_\_  
\_\_\_\_\_

5. Note any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions required within the affected territory: The proposed sewer structures and service will be connected to an existing manhole within the ROW of Redwood Blvd. This will require connection permits from NSD and an encroachment permit from the City of Novato.  
\_\_\_\_\_



**Marin Local Agency Formation Commission**  
**Regional Service Planning | Subdivision of the State of California**

6. Describe financial arrangements for construction and operation of services extended to the affected territory. Will the territory be subject to any special taxes, charges or fees? (If so, please specify.)  
The applicant will be responsible for all costs of the proposed sewer main and dedication of any  
sanitary sewer easements.

This section completed by:

  
\_\_\_\_\_  
Signature

Michael Brewer  
\_\_\_\_\_  
Print Name

MichaelB@NovatoSan.com  
\_\_\_\_\_  
Contact Email

Staff Engineer  
\_\_\_\_\_  
Title

Novato Sanitary District  
\_\_\_\_\_  
Agency

(415) 892-1694  
\_\_\_\_\_  
Contact Number

	Section 56668	Response
a	Population and population density; land area and land use; *** assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.	will have an impact addressed in the Novato CEQA review
b	The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.	will have no significant impact
c	The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.	will have no significant impact
d	The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.	conforms with local policy and 56377
e	The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.	This parcel is not in an ag designated area
f	The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.	all boundaries conform properly
g	A regional transportation plan adopted pursuant to Section 65080	This has no impact on regional transportation plan because of the small scale of item
h	The proposal's consistency with city or county general and specific plans.	Is consistent with all plans
i	The sphere of influence of any local agency which may be applicable to the proposal being reviewed.	Is within SOI of jurisdiction being annexed into
j	The comments of any affected local agency or other public agency.	All comments reviewed and no objections were presented
k	The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.	Agency has capacity to serve
l	Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	our previous NMWD MSR states there is enough water.

m	The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.	this project ensures RHNA goals are met
n	Any information or comments from the landowner or ***landowners, voters, or residents of the affected territory.	They have signed consent form
o	Any information relating to existing land use designations.	No changes to land use needed
p	The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.	This application will have no impact on EJ
q	Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.	Not relevant to this proposal.
	Section 56668.3 parts a and b	
a	If the proposed change of organization or reorganization includes a city detachment or district annexation, except a special reorganization, and the proceeding has not been terminated based upon receipt of a resolution requesting termination pursuant to either Section 56751 or Section 56857, factors to be considered by the commission shall include all of the following:	see comments below
a1	In the case of a district annexation, whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.	Is in the interest of landowner and inhabitants
a2	In the case of a city detachment, whether the proposed detachment will be for the interest of the landowners or present or future inhabitants within the city and within the territory proposed to be detached from the city.	n/a
a3	Any factors which may be considered by the commission as provided in Section 56668.	see comments above
a4	Any resolution raising objections to the action that may be filed by an affected agency.	no resolution received
a5	Any other matters which the commission deems material.	staff addressed any issues in staff report
b	The commission shall give great weight to any resolution raising objections to the action that is filed by a city or a district. The commission's consideration shall be based only on financial or service related concerns expressed in the protest. Except for findings regarding the value of written protests, the commission is not required to make any express findings concerning any of the other factors considered by the commission	no resolution received



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
February 8, 2024  
Item No. 6 (Business)

**TO:** Local Agency Formation Commission

**FROM:** Jason Fried, Executive Officer

**SUBJECT:** Approval of Update to Staff Salary Classifications

---

### Background

All public agencies in California that participate in a public retirement system must comply with the Public Employee's Pension Reform Act of 2013 ("PEPRA"). In order to substantiate "pensionable compensation" for "new members" as defined in Government Code Section 7522.04(f), the compensation must be pursuant to a "publicly available pay schedule" as delineated in Government Code Section 7522.34(a). While the statute itself is silent about what constitutes a Publicly Available Pay Schedule, an Administrative Judge and other relevant decision-making parties would likely look to the California Public Employees' Retirement System's established definition in Title 2 California Code of Regulations ("CCR") Section 571.1(a)(4). As such, it is recommended that the Commission approve a publicly available pay schedule that meets the requirements of CCR Section 571.1(a)(4).

While the requirement is only applicable to new members, as defined by PEPRA, it's recommended that legacy members also be included in a pay schedule adopted by the Commission for the purposes of transparency, consistency, and ease of administration.

LAFCo was originally covered by the County when we used their payroll system and job classifications. In June 2021 the Commission approved its own job classification system. The Executive Officer is treated differently based on CKH in that the E.O. position is at-will and by contract. While the other positions have a set salary range, legal counsel at the time suggested this position not have a range but simply be as agreed to by contract.

The following are the current LAFCo job classifications and salary ranges approved by the Commission in June 2021:

Clerk/Jr. Analyst – Class Code 1 – \$56,014.40 - \$85,716.80  
Analyst – Class Code 2 - \$63,169.60 - \$80,017.60  
Senior Analyst – Class Code 3 - \$77,667.20 - \$108,388.80  
Deputy Executive Officer – Class Code 4 - \$98,612.80 - \$119,163.20  
Executive Officer – Class Code 5 – As agreed to by contract

In the past three years, inflation means that we should periodically update these amounts. Staff would recommend that we increase the top amount for each class code enough to cover inflation or the potential future need to hire new staff with more years of experience than the staff they are replacing so we have room for them in each class. Staff would recommend that we do a 5% increase each year and

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Jason Fried, Executive Officer  
1401 Los Gamos Drive, Suite 220  
San Rafael, California 94903  
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www.marinlafco.org

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Town of San Anselmo

**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kiou, Regular**  
Almonte Valley Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District

**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member



---

calculate that out for 3 years. This would give us room to grow and allow us another 3-4 years before we should need to revisit this matter. In doing so the classification would change to:

Clerk/Jr. Analyst – Class Code 1 – \$56,014.40 - \$99,227.91

Analyst – Class Code 2 - \$63,169.60 - \$92,630.37

Senior Analyst – Class Code 3 - \$77,667.20 - \$125,472.66

Deputy Executive Officer – Class Code 4 - \$98,612.80 - \$137,945.85

Executive Officer – Class Code 5 – As agreed to by contract

### **Staff Recommendation for Action**

1. Staff Recommendation – Approve the attached resolution with the above job classifications and salary ranges.
2. Alternate Option – Take no action today and have a follow-up meeting on this item giving staff any needed instruction for the next meeting.

### Attachments:

1. Resolution 24-2
2. Publicly Available Pay Schedule

**MARIN LOCAL AGENCY FORMATION COMMISSION**

RESOLUTION 24-2

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF MARIN LAFCO ADOPTING THE PUBLICLY AVAILABLE PAY SCHEDULE**

**WHEREAS**, Government Code Section 7522.34 requires that the pensionable compensation of employees classified as “new members” under the Public Employees’ Pension Reform Act (“PEPRA”) be included on a publicly available pay schedule; and

**WHEREAS**, although PEPRA does not provide a definition of the term “publicly available pay schedule,” that term is well defined by the California Public Employees’ Retirement System as it applies to “new members” under PEPRA as set forth in Section 571.1 of Title 2 of the California Code of Regulations (“Section 571.1”); and

**WHEREAS**, although Section 571.1 does not apply to the Commission, the Board of Commissioners has determined that it’s in the best interest of the Commission to adopt a publicly available pay schedule that is consistent with the elements set forth in Section 571.1 and to include all positions eligible for membership in MCERA on said schedule; and

**Whereas**, the Commission has heard and fully considered the salary classification update to the previous publicly available pay schedule which was adopted on June 10, 2021.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of Marin LAFCO hereby adopts the salary schedule for Commission employees attached hereto as Exhibit 1 and incorporated herein by this reference, with an effective date of February 8<sup>th</sup>, 2024.

**PASSED AND ADOPTED** by the Marin Local Agency Formation Commission on this 8<sup>th</sup> day of February, 2024, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Barbara Coler, Chair Marin LAFCo

**Attest:**

**Approved As To Form:**

\_\_\_\_\_  
Jason Fried, Executive Director

\_\_\_\_\_  
Mala Subramanian, Marin LAFCo Legal Counsel



# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## Exhibit 1

### Marin Local Agency Formation Commission *Publicly Available Pay Schedule*

As Adopted On \_\_\_\_\_

#### Staff Salary Classifications

Marin LAFCo's approved job classifications and annual salary ranges are as follows:

**Clerk/Jr. Analyst** – Class Code 1 – \$56,014.40 - \$85,716.80

**Analyst** – Class Code 2 - \$63,169.60 - \$80,017.60

**Senior Analyst** – Class Code 3 - \$77,667.20 - \$108,388.80

**Deputy Executive Officer** – Class Code 4 - \$98,612.80 - \$137,945.85

**Executive Officer** – Class Code 5 – As agreed to by contract\*

*\*Note: The Executive Officer of Marin LAFCo's current contract for the 2023-2024 Fiscal Year approves an annual salary of \$177,625.76*

All staff classifications listed above are for full-time, exempt with paychecks issued on a bi-weekly basis.



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
February 8, 2024  
Item No. 7 (Business)

**TO:** Local Agency Formation Commission

**FROM:** Claire Devereux, Clerk/Jr. Policy Analyst

**SUBJECT:** Review The Outline for the Fire Study

---

### Background

At the January Workshop, the commission gave direction to staff to create an outline for the fire study that reflected the Commission's comments. The attached outline reflects what will be a compilation of past MSR's information on each of the local fire agencies for a uniform and accessible document for the public. The Fire study will be updated and added to which will include but is not limited to information on district training and certification requirements, increased backgrounds, updated administrative information, and an update on where SMFD stands today after its absorption of Mill Valley Fire.

### Staff Recommendation for Action

1. Staff recommendation – Approve the outline prepared after the January 12<sup>th</sup> workshop with any desired corrections or clarifications.
2. Alternative option – Continue consideration of the item at the next regular meeting and provide direction to staff, as needed.

#### Attachment:

- 1) [Fire Study Outline](#)

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gamos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: [staff@marinlafco.org](mailto:staff@marinlafco.org)  
[www.marinlafco.org](http://www.marinlafco.org)

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**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member

# Marin LAFCo Fire MSR Report and Compilation

## **1. Introduction**

- 1.1. Role and Responsibility of LAFCo
- 1.2. Municipal Service Review – Special Edition Compilation Report
- 1.3. Marin LAFCo Composition

## **2. Executive Summary**

- 2.1. Affected Agencies
- 2.2. Plans, Policies, Studies
- 2.3. Agency and Public Participation

## **3. History of Fire Services in Marin**

## **4. Written Recommendations**

## **5. Agency Profiles**

- 5.1. Bolinas Fire Protection District**
- 5.2. Central Marin Fire Department**
- 5.3. County Fire CSA 13**
- 5.4. County Fire CSA 19**
- 5.5. County Fire CSA 31**
- 5.6. Inverness Public Utility District**
- 5.7. Kentfield Fire Protection District**
- 5.8. Marinwood Community Service District**
- 5.9. Novato Fire Protection District**
- 5.10. Ross Valley Fire Department**
- 5.11. San Rafael Fire Department**
- 5.12. Sleepy Hollow Fire Protection District**
- 5.13. Southern Marin Fire Protection District/Mill Valley Fire**
- 5.14. Stinson Beach Fire Protection District**
- 5.15. Tiburon Fire Protection District**

Each of the Districts/departments will have the following sections included.

- Overview
- Formation and Development
- Information on Training and Certifications
- District Boundary and SOI
- Growth and Population (Snapshot from completed MSR)
- Municipal and Shared Services
- Organization Structure
- Accountability and Transparency
- Financial Overview (Snapshot from completed MSR)
- Wildland Fire Preparedness



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
February 8, 2024  
Item No. 8 (Business)

**TO:** Local Agency Formation Commission

**FROM:** Jason Fried, Executive Officer

**SUBJECT:** Review of the Marin LAFCo Work Plan

---

### Background

At the January Workshop, the Commission expressed the desire to review the work plan at every meeting and suggested using a different format in presenting the work plan. Since we discussed the work plan at the workshop it is not staff's goal to discuss the work plan itself at the February meeting but more to see if the new format is what the Commission was looking for. In the future, this item will appear in the EO report in a similar fashion to how the current and pending proposals report is given.

The work plan has been broken into three parts: items currently being worked on, items waiting for something else to occur so they will happen at some point in the future, and items that no longer are being worked on. Items that are highlighted in a shade of orange are something that has been updated since the last time you looked at the report. In this case, you will see it only for one part, an update to the Fire study.

One item that was not clear to staff was if the addition of all the old items staff is no longer working on should remain on the chart. Some Commissioners wanted this but it was not clear if this was the general consensus. Staff feels that since we are not working on them those items should be removed from the chart since no work is being done on those items. This way only items being worked on currently or in the future are listed. If staff thinks items should be removed from the list in the future then the item being suggested to be removed would be discussed by the Commission and only with Commission approval would they actually get removed.

As a side note staff does pay attention to these items and in the future if something changes we can always bring them back and add them to the active list of things being worked on.

No formal action is needed at this meeting but any suggestions on changes to the format would be appreciated.

#### Attachment:

- 1) [2023-2024 Workplan](#)

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Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member

Project	Staff Assigned	Summary	Status
Staff currently working on			
Multi-Regional Services Study	Jerem	MSR for agencies that cover multiple regions	Research and analysis of agencies encompassed is under way.
Countywide Fire Study	Jerem/Claire	Perform a phased review of fire services in Marin County.	Outline being presented at Feb. Meeting
Property Tax Review For Special Districts	Jason/Claire	This is a low level item for staff to work on. Currently when parcels are annexed into a district they get zero of the current ad valorem so staff will research if there are options, without changing the Master Tax Exchange Agreement, for district to get additional revenue to cover the cost of service that they get from current parcels from the 1% ad valorem.	Staff has started some early research on this, based on other items this may get completed in 2024.
Dillon Beach Sewer	Jason	Staff has been invited by both the County and NMWD to advise on the possible creation of a new sewer system for the residents of Dillon Beach Village which would require annexation of the area into NMWD	Early planning meetings are occurring and staff is attending as needed. Receiving additional analysis during multi-regional MSR.
Marin RCD and Stinson Beach Fire boundaries	Jason	As noted in West Marin MSR both agencies want to look at their current boundaries and make some adjustments.	Staff will work with both agencies in helping them with any changes they look to do.
Digital Library	Claire	Staff has learned how to make current documents ADA compliant and is looking to add more information to the website for applications and resolutions to make it easier for the public to access documents from us.	Working on as time permits
OSA Confirmation	Jerem/Jason	Work with Tam CSD to retrieve necessary documentation on parcels within its district receiving service from HVSD and Almonte showing the needed criteria for exemption from an outside service agreement.	Waiting for documentation from Tam CSD
Future SASM Shared Staffing	Jason	Facilitate shared services discussions amongst the 4 single-service SASM special districts in preparation for possible future opportunities when current management level staff members depart.	Will reach out to each district after the February meeting to discuss
Items being monitored by LAFCo staff but not currently working on or Items waiting for something else to occur first			
Central Marin Wastewater Study	Jerem	MSR for agencies of CMSA	Will be started once multi-regional MSR draft is released
Strawberry Recreation District Reorganization of Dredging Services	Jason	Staff identified in Tiburon Peninsula MSR that SRD has dredging services that are an activity that State Government Code does not explicitly give to a recreation district. SRD and the County, with LAFCo help, are working to see if a CSA can be created to cover those services.	SRD is finishing up the dredging process. Work should start on this in first quarter of 2024.
Next Round of MSR	Jerem	The review of what the next round of MSR will look like was started in July 2022 and staff will present a more formal workplan once we get closer to the end of the current round.	Will be presented once CMSA MSR is started
Ross Valley Fire	Jason	As identified in the Upper Ross Valley MSR currently fire services are provided by a JPA in the region. There is a desire to see if there is a different model that would work for the area.	Staff is ready and able to assist if requested by them.
City of Sausalito/Sausalito-Marín City SD Consolidation	Jason	Currently, the City of Sausalito collects wastewater and then transmits that wastewater into SMCSD pipes within the city limits. The city is looking to see if SMCSD can take over this process from them. In areas outside of the City limits SMCSD does what the City is looking to do within the City limits.	Staff will monitor this issue as it moves through review process and will assist as requested.

Flood Zone 10	Jason	When doing the West Marin MSR it was noted that FZ10 was created to deal with an event that occurred in the area. It was given a pot of funds that are mostly spent. As noted in the MSR the zone does not have a funding source so the Flood District, with help from its CAB, should determine if there is work that the local community is willing to fund.	Staff has been asked to attend meeting and help advise on best practices for changing boundaries.
Flood Zone 3	Jason	As noted in Golden Gate MSR there are some issues within the FZ. While not directly LAFCo related staff may be needed to help be a neutral advisor on dealing with these issues.	Staff will monitor this issue as it moves through review process and will assist as requested.
Countywide Police Study	TBD	TBD	Once fire study is complete this will be revisited
Boundary Fixes	Jason/Claire	Staff has been working with SD2 around fixing issues with its boundary where parcels that are receiving services from them but not currently in the district. We should be getting a formal application about this in early 2024. As that process wraps up staff will be reaching out to other agencies to work with them on seeing if they have boundary issues as well.	Will be started mid 2024.
Items that had been worked on where staff has stopped work because they are not likely to happen at this time.			
Paradise Drive	n/a	As identified in the Tiburon Peninsula MSR, Paradise Drive goes through areas that are both incorporated and unincorporated as multiple unincorporated islands exist along it. The road itself does not reflect the parcels around it as far as which jurisdiction it is in.	Not currently working on
SQVSMD consolidation with RVSD	n/a	Based on the Central Marin Wastewater MSR, work with district staff on the possibility of consolidating services with RVSD.	Not currently working on
San Rafael Area Fire Working group	n/a	Based on San Rafael Area MSR the concept of merging fire services was mentioned. This working group will determine if it is possible and in the best interest of the public and all agencies providing services.	Not currently working on
Angel Island Fire Service	n/a	There are two different, but similar, issues around fire services. One is, while Angel Island falls into CSA 31 service area, Tiburon FPD actually provides those services but does not get reimbursed for those services. Second is the Town of Tiburon pays to the State Parks an annual fee to cover fire protection cost but the Town offers no fire protection services.	Not currently working on
Tiburon Fire Protection District OSA with Belvedere	n/a	As identified in the Tiburon Peninsula MSR, the City of Belvedere currently has an OSA with the TFPD to cover services. In the MSR staff suggests that TFPD boundaries should be extended to cover Belvedere.	Not currently working on
Unincorporated Islands	n/a	Work to remove unincorporated islands throughout Marin County	Not currently working on





# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### AGENDA REPORT

February 8, 2024

Executive Officer Report – Section A

**TO:** Local Agency Formation Commission

**FROM:** Jason Fried, Executive Officer

**SUBJECT:** Budget Update for FY 2023-2024

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### Background

LAFCo adopted a budget for FY 2023-2024 totaling \$631,311.00. From July 1, 2023, through January 31, 2024, LAFCo has spent \$308,324.26. This report covers 7 months, which is about 58% of the year. We have already spent 48.7% of our budget this year. As mentioned at the previous meeting three line items are higher than the expected amount for where we are for being seven months into the FY. Two line items, Membership and Dues (30) and General Insurance (15) consist of bills that have large sums that get paid at the start of the Fiscal year in the case of line item 15 and are mostly paid for in the case of line item 30. The third item is Conferences (10) which covers costs for the CALAFCO Conference in October. There is still the staff workshop in April and we should ultimately be under budget by year's end.

Attachment:

- 1) FY 2023-2024 Budget Report

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San Rafael, California 94903  
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Public Member

**Roger Smith, Alternate**  
Public Member

Marin Local Agency Formation Commission

FY24 BUDGET REPORT

July 2023 through June 2024

01/26/24

Accrual Basis

	Jul '23 - Jun 24	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
410 · Prior Year Carryover	0.00	97,065.94	-97,065.94	0.0%
400 · Agency Contributions	535,680.28	536,245.06	-564.78	99.9%
<b>Total Income</b>	<b>535,680.28</b>	<b>633,311.00</b>	<b>-97,630.72</b>	<b>84.6%</b>
<b>Expense</b>				
<b>Services and Supplies</b>				
05 · Commissioner Per Diems	3,875.00	10,000.00	-6,125.00	38.8%
10 · Conferences	6,219.67	10,000.00	-3,780.33	62.2%
15 · General Insurance	5,745.71	6,500.00	-754.29	88.4%
20 · IT & Communications Services	8,875.51	23,000.00	-14,124.49	38.6%
25 · Legal Services	10,377.35	37,500.00	-27,122.65	27.7%
30 · Memberships & Dues	6,952.00	8,000.00	-1,048.00	86.9%
35 · Misc Services	1,404.40	3,000.00	-1,595.60	46.8%
40 · Office Equipment Purchases	1,354.15	4,139.00	-2,784.85	32.7%
45 · Office Lease/Rent	20,692.00	35,472.00	-14,780.00	58.3%
50 · Office Supplies & Postage	2,028.99	4,000.00	-1,971.01	50.7%
55 · Professional Services	14,622.45	27,000.00	-12,377.55	54.2%
60 · Publications/Notices	375.77	2,000.00	-1,624.23	18.8%
70 · Training	959.92	1,700.00	-740.08	56.5%
75 · Travel - Mileage	832.04	1,500.00	-667.96	55.5%
<b>Total Services and Supplies</b>	<b>84,314.96</b>	<b>173,811.00</b>	<b>-89,496.04</b>	<b>48.5%</b>
<b>Salary and Benefit Costs</b>				
100 · Salaries	184,748.12	373,000.00	-188,251.88	49.5%
120 · County of Marin - Group Health	17,913.27	36,500.00	-18,586.73	49.1%
130 · MCERA / Pension	21,347.91	44,000.00	-22,652.09	48.5%
140 · Retiree Health	0.00	6,000.00	-6,000.00	0.0%
<b>Total Salary and Benefit Costs</b>	<b>224,009.30</b>	<b>459,500.00</b>	<b>-235,490.70</b>	<b>48.8%</b>
<b>Total Expense</b>	<b>308,324.26</b>	<b>633,311.00</b>	<b>-324,986.74</b>	<b>48.7%</b>
<b>Net Ordinary Income</b>	<b>227,356.02</b>	<b>0.00</b>	<b>227,356.02</b>	<b>100.0%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
900 · Interest Earnings	3,334.55			
910 · Fees for Services	9,615.99			
<b>Total Other Income</b>	<b>12,950.54</b>			
<b>Net Other Income</b>	<b>12,950.54</b>			
<b>Net Income</b>	<b>240,306.56</b>	<b>0.00</b>	<b>240,306.56</b>	<b>100.0%</b>



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
February 8<sup>th</sup>, 2024  
Executive Officer Report- Section B

**TO:** Local Agency Formation Commission

**FROM:** Claire Devereux, Clerk/Jr. Policy Analyst

**SUBJECT:** **Current and Pending Proposals**

---

### Background

The Commission is invited to discuss the item and provide direction to staff on any related matter as needed for future discussion and/or action.

We had one application that included two parcels located in the Valley Oaks development project on today's agenda. Please see Item 4 for more information on that application.

There are no other applications at this time.

### Attachment

1. Chart of Current and Pending Proposals

**Administrative Office**  
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Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1376	Pending	Annexation of APN: 125-580-34, and the former Pinkston Rd. right-of-way adjacent to APN:125-580-34 into the Novato Sanitary District.	Landowner (Catherine E. Juchau) requesting approval to annex two lots, approximately 2.5 acres, so they can abandon a septic system and connect to the Novato Sanitary District in order to develop the land. Neither Property hold a situs adress however one parcel has the APN: 125-580-34 and the second parcel is the former Pinkston Rd. right-of-way.	Novato Sanitary District	On Today's Agenda
1375	Approved	Annexation of 19 Tanfield Rd., Tiburon into Richardson Bay Sanitary District	Landowners (Kimberly and Stephen Koza) requesting approval to annex a lot, approximately 1.02 acres, so they can abandon a septic system and connect to Richardson Bay Sanitary District. The parcel has a situs adress of 19 Tanfield Rd., Tiburon (APN: 039-081-14).	Richardson Bay Sanitary District	Approved at Last Meeting
1374	Approved	Annexation of 45 Stirrup Ln., Novato into Novtao Sanitary District	Landowners (Kevin and Mary Needham) requesting approval to annex a lot, approximately .57 acres, so they can abandon a septic system and connect to Novato SD. The parcel has a situs address of 45 Stirrup Ln., Novato (APN 146-020-11).	Novato Sanitary District	Approved at Last Meeting



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### AGENDA REPORT

February 8, 2024

Executive Officer Report - Section C

**TO:** Local Agency Formation Commission

**FROM:** Jason Fried, Executive Officer  
(On Behalf of Chair Coler)

**SUBJECT:** 2024 Committee Assignments

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### Background

The Marin Local Agency Formation Commission (LAFCo) Policy Handbook section 3.5 (A)(iii) (Selection and Duties of the Chair) gives the LAFCo Chair the ability to, “Make appointments to committees as needed.”

In addition, LAFCo Policy Handbook section 3.9 (A) states “Marin LAFCo shall maintain the following three standing committees on an annual basis with appointments and/or reappointments made at the beginning of each calendar year.”

Chair Coler has made the following 2024 committee assignments:

#### **Budget and Work Plan Committee:**

Commissioner Steve Burdo  
Commissioner Lew Kious  
Commissioner Dennis Rodoni

#### **Legislative Committee:**

Commissioner Cathryn Hilliard  
Commissioner Craig Murray  
Commissioner Roger Smith

#### **Policy and Personnel Committee:**

Commissioner Larry Chu  
Commissioner Barbara Coler  
Commissioner Eric Lucan

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# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### AGENDA REPORT

February 8<sup>th</sup>, 2024

Executive Officer Report - Section D

**TO:** Local Agency Formation Commission

**FROM:** Claire Devereux, Clerk/Jr. Policy Analyst

**SUBJECT:** 2024 Strategic Workshop

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### Background

On January 12th, 2024, the commission and staff attended a strategic planning workshop that discussed internal operations, Marin LAFCo policy, and work plan. The workshop was facilitated by Santa Cruz LAFCo's Executive Officer, Joe Serrano, as part of a shared services agreement with Marin LAFCo.

During the workshop, the commission received a detailed presentation on GASB 75, the Brown and Levine Act, and LAFCo 101/201. In addition to this, they also participated in facilitated discussions on various topics such as policies that may need editing, determining if certain items need further analysis, and providing direction to staff and committees. In this packet, you will find EO Serrano's slides with his notes taken during the meeting. In addition to this, we have included the BBK presentation on the Brown and Levine Act.

Overall, the workshop was productive, and it met the goals set by the staff. After the workshop, Chair Coler wrote a letter to Yvette Brooks, Santa Cruz LAFCo Chair, expressing gratitude on behalf of the Marin LAFCo Commission for EO Serrano's work.

Attached are both the slide deck along with the high-level decisions made for each section embedded in them along with a copy of the presentation that Mala gave. All of these items have been added to our website as well.

### Attachment:

1. [Presentation from the 2024 Strategic Workshop with Notes](#)
2. [Brown and Levine Act Presentation](#)
3. [Letter to Santa Cruz LAFCo](#)

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# **Marin LAFCo**

**Commission Workshop  
(January 12, 2024)**

# DISCLAIMER

## **We will not...**

- \*Edit policies
- \*Identify solutions to certain problems
- \*Dwell on one specific topic/issue

## **We will...**

- \*Discuss if policies need edits
- \*Determine if something needs further analysis
- \*Provide direction to staff and committees regarding multiple areas





## Special Presentations

Overview of the following:

- 1) GASB 75
- 2) Brown Act
- 3) LAFCo 101/201

## 1 Policy Review

## 3 Internal Operations

## 2 Work Plan

**Marin LAFCo**

Commission Workshop  
(January 12, 2024)



# Special Presentations

---

Overview of the following:

- 1) GASB 75
- 2) Brown Act
- 3) LAFCo 101/201

GASB 75

---

Brown Act

---

A B C D



Below the flow diagram are four white rectangular boxes, one under each letter A, B, C, and D.

LAFCo 101 / 201

---

1 2 3 4 5





# GASB 75

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*Presentation by Cathy MacLeod (MacLeod Watts, Inc.)*

**\*What Trust Asset Allocation Strategy would the Commission like to use?** -More Aggressive? -More Balanced? -More Conservative?

**\*Are we comfortable (overall) with the current funded ratios in the plan and in the average remaining years to fund the difference?**

**\*Do those funded ratios (percentages) suggest a change or hold in the current strategy?**





**\*What Trust Asset Allocation Strategy would the Commission like to use?**

**Commission Response: Continue Balanced Strategy**

**\*Are we comfortable (overall) with the current funded ratios in the plan and in the average remaining years to fund the difference?**

**Commission Response: Yes; Keep Status Quo**

**\*Do those funded ratios (percentages) suggest a change or hold in the current strategy?**

**Commission Response: N/A; Keep Status Quo**

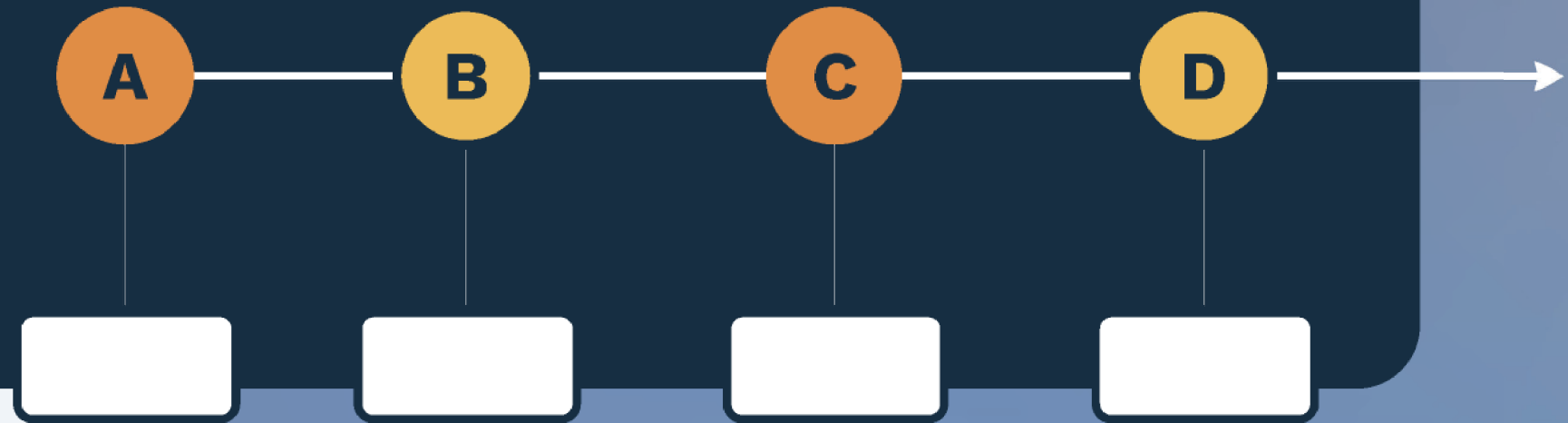


**GASB 75**  
Commission Direction

# Brown Act

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*Presentation by Mala Subramanian (BBK)*



# LAFCo 101 / 201

---

Common  
Misconceptions

1

2

3

4

5

What are  
Others Doing?

What is  
LAFCo really?

What about  
Marin LAFCo?

# 1) Common Misconceptions (By Outsiders)

## **LAFCo is a...**

- \***Watchdog** - here to point out what you are doing wrong
- \***Deatheater** - here to get rid of local governments
- \***Useless Agency** - here to process applications only

## **2) Common Misconceptions** **(By Insiders)**

### **We (LAFCos) are...**

- \*One Size Fits All** - what works for them should work for us
- \*On Our Own** - unique issues that can only be solved by us
- \*Enemies to Certain Agencies** - some agencies are lost causes
- \*Bound to Our Peers** - Commissioners vote based on their home agency or similar bodies (i.e. district reps)



# 3) What is LAFCo? (At Its Core)



Use the following link to see video clip:  
[https://www.youtube.com/watch?v=iUdhJ\\_S\\_z3w](https://www.youtube.com/watch?v=iUdhJ_S_z3w)

# Meaning of ~~Life~~

LAFCO

- 1) **Helping Others** (Public Servant)
- 2) **Making Things Better** (Improve Service Delivery)
- 3) **Finding Out How Things Work** (Service Reviews)
- 4) **Connecting with Others** (Agencies, Public, LAFCOs)

## **4) What are other LAFCos doing?**

### **Other LAFCos are...**

- \*Fully maximizing the importance of MSR's**
- \*Building / Repairing relationships with local agencies**
- \*Maintaining regular communication with staff/commission**
- \*Utilizing Commissioner expertise in certain projects**
- \*"Exploiting" other LAFCo experts**

## Mission Statement

The Marin Local Agency Formation Commission promotes and coordinates the efficient delivery of local government services and encourages the preservation of open space and agricultural lands.

## Vision Statement

Marin LAFCo will provide oversight of local government agencies and their municipal service areas consistent with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and in a manner responsive to community needs and in partnership with affected jurisdictions. The Commission will achieve this vision by emphasizing the following core values:

- a) **Independent:** The Commission will exercise independent judgment in fulfilling its regulatory and planning responsibilities consistent with the agency's adopted policies and state law.
- b) **Principled:** The Commission will maintain a high standard of quality, integrity, and consistency while facilitating accountable and efficient municipal growth.
- c) **Reasonable:** The Commission will be objective in its decision-making and will consider the reasonableness of all potential actions before the agency.
- d) **Value-Added:** The Commission will add value for the public by collaborating with agencies to improve the efficiency and effectiveness of municipal services.

January	February	March	April	May	June	July	August	Sept.	October	Nov.	December
MSR and SOI - Draft report presented at meeting with SOI Reaffirms or updates the final report presented at the following meeting (will not occur at every meeting)											
Applications - Process and present to commission as received (may not have one at every meeting)											
Workshop . (Does not happen every year)	Commission Meeting (if needed)		Commission Meeting - Approval of Proposed Budget, Review of EO (and staff), Approval of any contract extensions for Independent contractor		Commission Meeting - Approval of Final budget, EO contract renewal or salary updated (if needed), election of chair and vice chair. In odd years fee schedule update approval.		Commission Meeting (if needed) - Giving approvals for Annual CALAFCO Conference		Commission Meeting (if needed)		Commission Meeting (if needed) - Approve next year's meeting calendar
Chair appoints Committee Members	Leg Committee Meets to discuss that year's bills, normally just 1 meeting							CALAFCO Conference			
Staff starts next FY budget draft	Budget Committee Meets - Review proposed budget and workplan. Odd years review of Fee schedule		After Commission Meeting the Budget Committee may meet if needed to update budget for final approval		<p>Green - Staff Events  Orange - Committee Events  Yellow - Full Commission  Blue - Member Agencies</p>						
Annual Audit Is Started		EO does self evaluation and presents to Chair who shares with Commission prior to April	EO meets with Labor Negotiating Committee after April Meeting								
			EO Review of staff (done after EO meets with Labor Negotiating Committee)								
			CALAFCO Staff Workshop								
			Send approved proposed budget for review to member agency to get comment								

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- c) **Reasonable:** The Commission will be objective in its decision-making and will consider the reasonableness of all potential actions before the agency.
- d) **Value-Added:** The Commission will add value for the public by collaborating with agencies to improve the efficiency and effectiveness of municipal services.

# Any changes to the Mission and/or Vision Statements?

## Any comments to the current work flow?

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			CALAFCO Staff Workshop								
			Send approved proposed budget for review to member agency to get comment								

# 1 Policy Review

## Commission Notes:

### Chair & Vice-Chair

Appointment process should be reviewed by the Policy Committee; bring back for Commission consideration

### Standing Committees

Keep existing standing committees (budget, policy, and legislation); Policy Committee should discuss whether the Chair and/or Vice-Chair should be on the committees

### Dual Annexation Policy

Keep existing language found in Policy 4.8

### Juneteenth Holiday

Policy Committee should compare holiday time off between LAFCO and the County; bring back for Commission consideration

### Public Seat Process

Policy Committee should consider updating policy to require in-person candidate interviews; bring back for Commission consideration

### Remote Work

Policy Committee should consider creating a new policy to reflect current practices; bring back for Commission consideration

## Assignments

- Review Chair / Vice-Chair Selection Process
- Review Current Standing Committees
- Discuss Dual Annexation Policy
- Consider Other Minor Topics

### Main Topics

A. Chair & Vice-Chair

B. Standing Committees

C. Dual Annexations

### Secondary Topics

A. Juneteenth Holiday

B. Public Seat Process

C. Remote Work

# 2

## Work Plan

### **Commission Notes:**

#### **Paused Studies**

*Keep both studies (fire and police); these reports may provide useful and additional information beyond the standard service reviews*

#### **Work Plan Review Timeline**

*Revamp the current format of the work plan;  
Prioritize each project based on activity (more active at the top);  
Attach the work plan as an informational item in agenda packets*

#### **Work Plan Tasks**

*Consider adding "One Acre Flats" to the work plan*

### **Assignments**

- Review Current Work Plan
- Status of Special Studies
- Tracking Projects / Goals
- Consider Possible Modifications



#### **Current Work Plan**

A. Two Paused Studies

B. Status Updates

C. 19 Projects in Total

#### **Potential Changes**

Remove Studies?

Level of Detail

Add/Remove Tasks?



Project	Responsible for work	Basic Description	Status
Multi-Regional Services Study	Staff	MSR for agencies that cover multiple regions	Research and analysis of agencies encompassed is under way.
Central Marin Wastewater Study	Staff	MSR for agencies of CMSA	Will be started once multi-regional MSR is completed
Next Round of MSR	Staff	The review of what the next round of MSR will look like was started in July 2022 and staff will present a more formal workplan once we get closer to the end of the current round.	Will be started once CMSA MSR is completed
Countywide Fire Study	Staff	To do a phased review of fire services in Marin County.	For discussion at workshop
Countywide Police Study	TBD	TBD	Once fire study is complete this will be revisited
SQVSMCD consolidation with RVSD	Staff	Based on the Central Marin Wastewater MSR, work with district staff on the possibility of consolidating services with RVSD.	Staff recommends we move to not likely to be resolved list
Property Tax Review For Special Districts	Staff	This is a low level item for staff to work on. Currently when parcels are annexed into a district they get zero of the current ad valorem so staff will research if there are options, without changing the Master Tax Exchange Agreement, for district to get additional revenue to cover the cost of service that they get from current parcels from the 1% ad valorem.	Staff has started some early research on this, based on other items this may get completed in 2024.
Dillon Beach Sewer	Staff	Staff has been invited by both the County and NMWD to advise on the possible creation of a new sewer system for the residents of Dillon Beach Village which would require annexation of the area into NMWD	Early planning meetings are occurring and staff is attending as needed. Receiving additional analysis during multi-regional MSR.
Strawberry Recreation District Reorganization of Dredging Services	Staff	Staff identified in Tiburon Peninsula MSR that SRD has dredging services that are an activity that State Government Code does not explicitly give to a recreation district. SRD and the County, with LAFCo help, are working to see if a CSA can be created to cover those services	SRD is finishing up the dredging process. Work should start on this in first quarter of 2024.
Paradise Drive	Staff	As identified in the Tiburon Peninsula MSR, Paradise Drive goes through areas that are both incorporated and unincorporated as multiple unincorporated islands exist along it. The road itself does not reflect the parcels around it as far as which jurisdiction it is in.	Staff recommends we move to not likely to be resolved list
Ross Valley Fire	Staff	As identified in the Upper Ross Valley MSR currently fire services are provided by a JPA in the region. There is a desire to see if there is a different model that would work for the area.	Ross Valley fire has been working through some organizational issues. Staff is ready and able to assist if requested by them.

City of Sausalito/Sausalito-Marin City SD Consolidation	Staff	Currently, the City of Sausalito collects wastewater and then transmits that wastewater into SMCSD pipes within the city limits. The city is looking to see if SMCSD can take over this process from them. In areas outside of the City limits SMCSD does what the City is looking to do within the City limits.	Staff will monitor this issue as it moves through review process and will assist as requested.
Flood Zone 10	Staff	When doing the West Marin MSR it was noted that FZ10 was created to deal with an event that occurred in the area. It was given a pot of funds that are mostly spent. As noted in the MSR the zone does not have a funding source so either the Flood District, with help from its CAB, should determine if there is work that the local community is willing to fund.	Staff has been asked to attend meeting and help advise on best practices for changing boundaries.
Flood Zone 3	Staff	As noted in Golden Gate MSR there are some issues within the FZ. While not directly LAFCo related staff may be needed to help be a neutral advisor on dealing with these issues	Staff will monitor this issue as it moves through review process and will assist as requested.
Marin RCD and Stinson Beach Fire boundaries	Staff	As noted in West Marin MSR both agencies want to look at their current boundaries and make some adjustments.	Staff will work with both agencies in helping them with any changes they look to do.
Digital Library	Staff	Staff has learned how to make current documents ADA compliant and is looking to add more information to the website for applications and resolutions to make it easier for the public to access documents from us.	Work on as time permits
Boundary Fixes	Staff	Staff has been working with SD2 around fixing issues with it boundary where parcels that are receiving services from them but not currently in the district. We should be getting a formal applications about this in early 2024. As that process wraps up staff will be reaching to other agencies to work with them on seeing if they have boundary issues as well.	Will be started mid 2024.
OSA Confirmation	Staff	Work with Tam CSD to retrieve necessary documentation on parcels within its district receiving service from HVSD and Almonte showing the needed criteria for exemption from an outside service agreement.	Waiting for documentation from Tam CSD
Future SASM Shared Staffing	Staff	Facilitate shared services discussions amongst the 4 single-service SASM special districts in preparation for possible future opportunities when current management level staff members depart.	Will reach out to each district in 2024

## Current Work Plan

A. Two Paused Studies

B. Status Updates

C. 19 Projects in Total

## Potential Changes

Remove Studies?

Level of Detail

Add/Remove Tasks?

# 3 Internal Operations

## Commission Notes:

### Housing Element

Add RNHA analysis in future MSRs

### MSR Recommendations

Consider requiring more deliverables/action from the affected agency(ies) as part of LAFCO's proposed recommendations

### Office Hours

Policy Committee should consider updating existing policy to reflect current practices; bring back for Commission consideration

### Temporary Aid

Staff should consider analyzing the potential cost for additional assistance towards one-time projects without the need to increase allocations from the funding agencies

## Assignments

- Housing Element & Its Impact to LAFCo Workload
- Current & Future MSR Recommendations
- Current & Future Office Hours
- Temporary Assistance / One-Time Projects

### Internal Operations

A. Housing Element

B. MSR Recommendations

C. Office Hours

D. Temporary Aid

### Potential Changes

Add RHNA Analysis?

Change Approach?

Change/Keep Status Quo?

More Assistance?

### Current Workload

A. Two P

B. Status

C. 19 Proj

# Assignments

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- Housing Element & Its Impact to LAFCo Workload
- Current & Future MSR Recommendations
- Current & Future Office Hours
- Temporary Assistance / One-Time Projects

## Internal Operations

A. Housing Element

B. MSR Recommendations

C. Office Hours

D. Temporary Aid

## Potential Changes

Add RHNA Analysis?

Change Approach?

Change/Keep Status Quo?

More Assistance?

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# Final Thoughts??

**Marin LAFCo**

Commission Workshop  
(January 12, 2024)

## Special Presentations

Overview of the following:

- 1) GASB 75
- 2) Brown Act
- 3) LAFCo 101/201



## 1 Policy Review

### Commission Notes:

**Chair & Vice-Chair**  
Appointment process should be reviewed by the Policy Committee; bring back for Commission consideration

**Standing Committees**  
Keep existing standing committees (budget, policy, and legislation); Policy Committee should discuss whether the Chair and/or Vice-Chair should be on the committees

**Dual Annexation Policy**  
Keep existing language found in Policy 4.8

**Juneteenth Holiday**  
Policy Committee should compare holiday time off between LAFCo and the County; bring back for Commission consideration

**Public Seat Process**  
Policy Committee should consider updating policy to require in-person candidate interviews; bring back for Commission consideration

**Remote Work**  
Policy Committee should consider creating a new policy to reflect current practices; bring back for Commission consideration

### Assignments

- Review Chair / Vice-Chair Selection Process
- Review Current Standing Committees
- Discuss Dual Annexation Policy
- Consider Other Minor Topics

#### Main Topics

- A. Chair & Vice-Chair
- B. Standing Committees
- C. Dual Annexations

#### Secondary Topics

- A. Juneteenth Holiday
- B. Public Seat Process
- C. Remote Work

## 3 Internal Operations

### Commission Notes:

**Housing Element**  
Add RNMA analysis in future MSRs

**MSR Recommendations**  
Consider requiring more disclosures/updates from the affected agencies as part of LAFCo's proposed recommendations

**Office Hours**  
Policy Committee should consider updating existing policy to reflect current practices; bring back for Commission consideration

**Temporary Aid**  
Staff should consider analyzing the potential cost for additional assistance towards one-time projects without the need to increase allocations from the funding agencies

### Assignments

- Housing Element & Its Impact to LAFCo Workload
- Current & Future MSR Recommendations
- Current & Future Office Hours
- Temporary Assistance / One-Time Projects



## 2 Work Plan

### Commission Notes:

**Paused Studies**  
Keep both studies (file and policy); these reports may provide useful and additional information beyond the standard service reviews

**Work Plan Review Timeline**  
Reshape the current format of the work plan; Prioritize each project based on activity (more active at the top); Attach the work plan as an informational item in agenda packets

**Work Plan Tasks**  
Consider adding "One-Acre Flats" to the work plan

### Assignments

- Review Current Work Plan
- Status of Special Studies
- Tracking Projects / Goals
- Consider Possible Modifications

#### Current Work Plan

- A. Two Paused Studies
- B. Status Updates
- C. 19 Projects in Total

#### Potential Changes

- Remove Studies?
- Level of Detail
- Add/Remove Tasks?



**BBK**  
BEST BEST & KRIEGER LLP  
ATTORNEYS AT LAW

# Marin LAFCO Brown Act and Levine Act

January 12, 2024

# Intent of the Brown Act

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- The Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business.
- It is the intent of the law that their actions be taken openly and that their deliberation be conducted openly.



# Brown Act

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- The Brown Act applies to:
  - Local agencies
  - Legislative bodies
  - Persons elected to legislative bodies, prior to assuming office

# Legislative Body Includes:

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- LAFCO Commission
- Committee or Other Body (Permanent, Temporary, Decision-Making or Advisory, Created by Formal Action of the Legislative Body)
- Private Board, LLC, or other entity that:
  - Is created by the governing body; or
  - Receives funds and a designated member from the legislative body

# Ad Hoc Committees vs. Standing Committees



- Ad Hoc Committee – temporary advisory committees that are **solely** less than a quorum of the legislative body and serve a limited purpose and will dissolve when the task is completed
- Standing Committee – continuing subject matter jurisdiction or a meeting schedule fixed by charter, ordinance, resolution or formal action of a legislative body

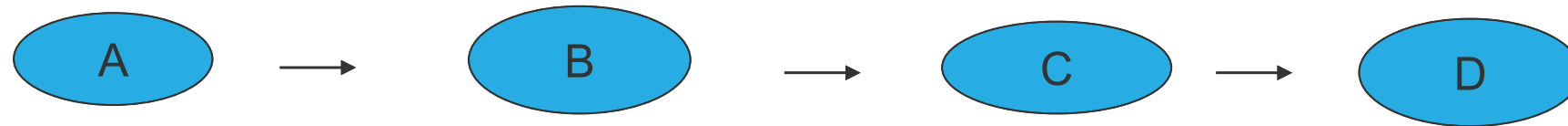
# Meeting



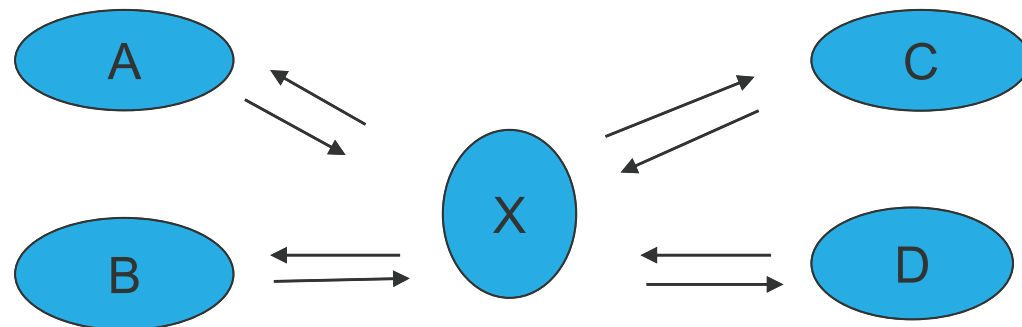
- Gathering of Majority – to hear, discuss, deliberate or take action on any item that is within the subject matter jurisdiction of the legislative body
- Serial Meeting – series of communications to discuss, deliberate, or take action on an item of business that is within the subject matter jurisdiction of the legislative body

# Brown Act – Serial Meetings

- Chain



- Hub and Spoke



# The Brown Act does not apply:

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- Contacts with public
- Conferences open to the public on issues of general interest to the public
- Open and publicized meeting on local topic originated by person or organization other than the agency

# The Brown Act does not apply:

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- Open and noticed meeting of another government agency
- Purely social or ceremonial occasions
- Committee of solely less than a quorum of the legislative body, without continuing jurisdiction (ad hoc committees)

# No Action Allowed



- No action or discussion allowed for any item not listed on agenda except for:
  - Adding items by 2/3 vote because of need for immediate action that came to the attention after the agenda is posted
  - Adding items by majority vote for emergency situation
  - Item continued from another meeting within 5 calendar days



# No Action Allowed (cont'd)



- No action or discussion allowed for any item not listed on agenda except for:
  - Brief response to statement or question from public
  - Questions to staff for clarification of a matter based upon public comment
  - Brief announcement or report on member's or staff's own activities

# No Action Allowed (cont'd)

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- No action or discussion allowed for any item not listed on agenda except for:
  - Provide reference or information to staff
  - Ask staff to report back at a future meeting on any matter

# Brown Act and Social Media AB 992

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- You can post on social media about the Commission
- You can answer questions, provide information to the public, or solicit information from the public regarding the Commission

# Brown Act and Social Media AB 992



- Requirements to Avoid Serial Meetings
  - Must be open and accessible to the public – cannot block or deny access to post
  - You cannot discuss amongst yourselves Commission business on social media
  - No direct responses to other Commissioners – such as emojis or likes that express a reaction

# Teleconferencing and the Brown Act



- Traditional Teleconference Rules – identify location on agenda, post at the location, location is available to the public, quorum participates within the jurisdiction of the agency, roll call votes
- AB 361– Response to COVID-19 pandemic, no longer in effect
- AB 2449 – State of emergency provisions of AB 361 recodified and new hybrid meeting option for just cause and emergency circumstances

# AB 2449 – Just Cause



- Allows for hybrid video meetings (less than a quorum participating remotely) for just cause for no more than 2 meetings per calendar year
- Just Cause
  - Childcare or caregiving need for a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner
  - Contagious illness that prevents in-person attendance
  - Physical or mental disability need
  - Travel while on official Commission business or another state or local agency

# AB 2449 – Just Cause

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- Official must notify the legislative body at the earliest opportunity possible, including at the start of the meeting, of their need to participate remotely for just cause and give a general description of the circumstances of why they need to participate remotely.

# AB 2449 – Emergency Circumstances



- Allows for hybrid video meetings (less than a quorum participating remotely) under emergency circumstances.
- Emergency circumstances is a physical or family medical emergency that prevents in-person attendance.
- The official must request to participate remotely and provide a general description of the circumstances relating to the need to participate remotely. No requirement to disclose medical diagnosis, disability or confidential medical information.



# AB 2449 – Emergency Circumstances

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- The Commission must vote on the member's request.
- The official should make the request to participate as soon as possible, if the request occurs after the posting deadlines, the Commission can still take action on it at the beginning of the meeting.

# AB 2449 Requirements

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- Camera must be on the official at all times
- If an individual 18 years or older is in the room at the remote location, the relationship with that individual must be disclosed publically
- All votes must be by roll call
- If a disruption to the Commission's online meeting occurs, the Commission cannot take any further action until the online meeting is restored
- Only less than a quorum can participate remotely using AB 2449

# AB 2449 Requirements

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- Cannot be used more than 20% of regular meetings in a calendar year, or more than 2 meetings if meeting less than 10 times per year. It cannot be used more than 3 consecutive months.

# The Levine Act (Gov. Code § 84308)



- **Previous Rule:**

- Political Reform Act – A campaign contribution is not a source of income and therefore does not give rise to a conflict
- Levine Act (Part of PRA) – If the board is *appointed*, not *elected*, then there is a conflict of interest in those who made a campaign contribution of more than \$250
- Applies to proceedings for licenses, permits, entitlements and most contracts
  - ❖ Contract exceptions: competitively bid, labor and personal employment

- **New Rule (SB 1439):**

- The Levine Act applies to ***both*** elected and appointed boards

# The Levine Act - SB 1439



- While a proceeding is pending, and for 12 months following the final decision, an officer **must not accept, solicit, or direct a contribution of more than \$250** from a party, party's agent, or participant or participant's agent (if the officer knows the participant has a financial interest)
  - Applies to contributions to the officer and to contributions to others directed by the officer
  - For contributions following the final decision, the official can cure the violation if contribution is returned within 14 days if certain conditions are met

# The Levine Act - SB 1439



- Officer must **disclose** on the record any contributions of more than \$250 received within the prior 12 months from a party or participant in the proceeding, or their agents
- Officer must **not participate** in any proceeding if the officer has willfully or knowingly received a contribution of more than \$250 from a party, party's agent, or participant or participant's agent (if the officer knows the participant has a financial interest) within past 12 months
  - Does not apply if the contribution is returned within 30 days

# The Levine Act – SB 1439



- “Party” means any person who files an **application for, or is the subject of**, a proceeding involving a license, permit, or other entitlement for use.
- “Participant” means any person who is not a party but who **actively supports or opposes** a particular decision in a proceeding involving a license, permit, or other entitlement for use **and who has a financial interest in the decision**
- “License, permit, or other entitlement for use” means all business, professional, trade, and **land use licenses and permits** and all other entitlements for use, including all entitlements for land use, **all contracts** (other than competitively bid, labor, or personal employment contracts), and **all franchises**.

(Gov. Code § 84308)

# The Levine Act – SB 1439



- A person is the “agent” of a party to, or a participant in, a pending proceeding involving a license, permit or other entitlement for use **only if**:
  - the person represents that party or participant **for compensation** and
  - **appears before or otherwise communicates** with the governmental agency for the purpose of influencing the pending proceeding.
- If an individual acting as an agent is also acting as an employee or member of a law, architectural, engineering or consulting firm, or a similar entity or corporation, both the entity or corporation and the individual are “agents.”

(2 Cal. Code Regs. § 18438.3)



# The Levine Act - SB 1439

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- Party to a proceeding must disclose a contribution of more than \$250 made within the past 12 months by the party or party's agent
- Party and participant (and their agents) must not make a contribution of more than \$250 to any officer of the agency while the proceeding is pending and for 12 months following the proceeding



**BBK**  
BEST BEST & KRIEGER LLP  
ATTORNEYS AT LAW

Questions?

Mala Subramanian, General Counsel

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

Transmitted via email: [ybrooks@ci.capitola.ca.us](mailto:ybrooks@ci.capitola.ca.us)

January 18, 2024  
Chair Brooks  
Santa Cruz LAFCO  
Santa Cruz LAFCO  
701 Ocean St. #318D,  
Santa Cruz, CA 95060

Dear Chair Brooks,

On behalf of Marin LAFCo, I would like to take this opportunity to extend our sincere thanks to Santa Cruz LAFCO for allowing your Executive Officer, Joe Serrano, to facilitate our January 12 workshop. EO Serrano did an excellent job, not only facilitating the workshop (keeping us focused and on time), but also sharing his significant LAFCo experience and perspectives on the items discussed. He worked closely with our EO Jason Fried to develop the workshop format, timing, and objectives. Having two experienced Executive Officers at the workshop was invaluable as we have several new Commissioners who have joined Marin LAFCo in the last year. Joe's presentation was both entertaining (which facilitated engagement) and on point. The workshop was extremely successful – Joe's skill in facilitation clearly was key. He has also committed to sending us follow-up notes with action items.

Additionally, this was the first opportunity to utilize our shared services agreement (SSA) we entered into last year. Both Joe and Jason are extremely knowledgeable, understand both routine and complex LAFCO matters and work well together. They make a great team. This collaborative effort was clearly beneficial to Marin LAFCo; I hope this is just the first example of how we can continue to work together through our SSA. Joe also mentioned that he may be able to utilize some of the deliverables that are developed pursuant to our workshop action items for consideration by Santa Cruz LAFCO.

Marin LAFCo looks forward to continuing to build on our successful partnership. Should Santa Cruz LAFCO need our assistance, feel free to contact us at any time.

Sincerely,

Barbara Coler, Chair  
Marin LAFCo  
Mayor, Town of Fairfax

cc: Santa Cruz LAFCO Commission  
Santa Cruz LAFCO Executive Officer Joe Serrano

Administrative Office  
Jason Fried, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: [staff@marinlafco.org](mailto:staff@marinlafco.org)  
[www.marinlafco.org](http://www.marinlafco.org)

Dennis Rodoni, Vice-Chair  
County of Marin  
Eric Lucan, Regular  
County of Marin  
Stephanie Moulton-Peters, Alternate  
County of Marin

Barbara Coler, Chair  
Town of Fairfax  
Steve Burdo, Regular  
Town of San Anselmo  
Stephen Burke, Alternate  
City of Mill Valley

Lew Kiouss, Regular  
Almonte Valley Sanitary District  
Craig Murray, Regular  
Las Gallinas Valley Sanitary District  
Cathryn Hilliard, Alternate  
Southern Marin Fire Protection District

Larry Chu, Regular  
Public Member  
Roger Smith, Alternate  
Public Member



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
February 8<sup>th</sup>, 2024  
Executive Officer Report - Section E

**TO:** Local Agency Formation Commission  
**FROM:** Jason Fried, Executive Officer  
**SUBJECT:** CALAFCO Update

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### Background

Attached is the CALAFCO Quarterly Newsletter for your review. Staff will give additional verbal update during the meeting.

Attachment:

1. CALAFCO Quarterly Newsletter

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: [staff@marinlafco.org](mailto:staff@marinlafco.org)  
[www.marinlafco.org](http://www.marinlafco.org)

**Dennis Rodoni, Vice-Chair**  
County of Marin  
**Eric Lucan, Regular**  
County of Marin  
Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax  
**Steve Burdo, Regular**  
Town of San Anselmo  
**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Regular**  
Almonte Valley Sanitary District  
**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District  
**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member  
**Roger Smith, Alternate**  
Public Member

## FROM THE BOARD CHAIR

**Dear Board of Directors and esteemed  
LAFCO members,**

I am honored by your invitation to serve as the Chair of the CALAFCO Board for 2024. I sincerely appreciate your trust and confidence in me, and I look forward to working with you to advance our organization's mission and vision.

As the Chair of the Board, I will strive to uphold the highest standards of leadership, integrity, and accountability. I will also seek to foster a culture of collaboration, innovation, and excellence among our board members, staff, and stakeholders. I believe that together, we can overcome any challenges and seize any opportunities that may arise in our dynamic environment.

I am excited about the prospects of our organization and the potential impact we can have on our communities and beyond. I am eager to hear your ideas, insights, and feedback on improving our performance and achieving our goals. I invite you to



contact me anytime with your suggestions, concerns, or questions.

Thank you once again for this incredible opportunity. I am grateful to Bill Connelly and would like to thank him for his leadership in 2023. I wish you all a productive and prosperous year ahead.

Sincerely,

**Margie Mohler, Chair**

Watch for our New Look

[www.calafco.org](http://www.calafco.org)

## BOARD BRIEF

Retirements and other circumstances saw five members cycle off the Board after the October elections. Our profoundest thanks go to Southern region reps Jo MacKenzie (San Diego) and Mike Kelley (Imperial), Coastal Region rep Shane Stark (Santa Barbara), Northern region rep Debra Lake (Humboldt), and Central Region rep Daniel Parra (Fresno) for the time and expertise that they devoted to CALAFCO—some of them for many years. We are confident that we will see many of you in future endeavors.

In their place, we were also honored to install the five new members. Southern Region: Kimberly Cox (San Bernardino) and Yxstian Gutierrez (Riverside); Coastal Region: Kenneth Leary (Napa); Northern Region: Gordon Mangel (Nevada); and Central Region: Tamara Wallace (El Dorado). We look forward to the many contributions that we know our new Board members will make to CALAFCO. Welcome aboard, everyone!

While the end and beginning of a year are typically full of holiday happenings, the CALAFCO Board was still hard at work. Actions taken during the December and January meetings included approval of the following items:

- CALAFCO 2024 Legislative Policies and Priorities. (Those were unchanged from 2023.)
- 2024 Board meeting schedule (see the Schedule of Events on page 9 for more information.)
- FY 2024-2025 Member dues (approved with a 3.1% CPI

*(Continued on page 4)*

## BOARD MEMBERS

Margie Mohler, Chair  
Acquanetta Warren, Vice Chair  
Gay Jones, Treasurer  
Black Inscore, Secretary  
Bill Connelly  
Kimberly Cox  
Rodrigo Espinosa  
Yxstian Gutierrez  
Kenneth Leary  
Gordon Mangel  
Michael McGill  
Derek McGregor  
Anita Paque  
Wendy Root Askew  
Josh Susman  
Tamara Wallace

## CALAFCO Staff

René LaRoche, Exec. Director  
Clark Alsop, Legal Counsel  
Stephen Lucas, Exec. Officer  
José Henriquez, Dep. Exec. Ofc.  
Dawn Longoria, Dep. Exec. Ofc.  
Gary Thompson, Dep. Exec. Ofc.  
Jeni Tickler, Administrator



## FROM THE EXECUTIVE DIRECTOR



### Happy 2024!

It absolutely boggles my mind to be saying that because it seems like we just launched into 2023. Where *did* the year go?

As we bid farewell to 2023 and welcome the new year, I am filled with gratitude for the incredible community that is CALAFCO. Your enthusiasm, volunteerism, commitment, and support have made the past year truly remarkable.

We've developed a new brand and have some exciting plans in the pipeline – from our engaging events and enriching workshops, to a new website and staff photo contest – and all are designed to make the CALAFCO experience even more fantastic for our members. Stay tuned for updates and get ready to make this year the best one yet!

Of course, it wouldn't be a new year without a toast! So, here's to new beginnings, shared laughter (and lots of it), and the continued growth of our wonderful association. My wish for each of you is that the year ahead is filled with



accomplishments, health, happiness, and countless reasons to celebrate.

May we all embark on 2024 with boundless energy, fresh perspectives, and a shared spirit of collaboration, and may this year bring you nothing but joy, success, and memorable moments!

Here's to making the new year all that we want it to be!

Happy New Year!!

**René LaRoche, Executive Director**



# BOARD COMMITTEE ASSIGNMENTS

The following Board member committee assignments were made on January 5, 2024:

**AWARDS COMMITTEE:**

Rodrigo Espinosa (Central), Blake Inscore (Northern), Kenneth Leary (Coastal), and Derek McGregor (Southern)

**CONFERENCE COMMITTEE:**

Kenneth Leary (Coastal), Gordon Mangel (Northern), Anita Paque (Central), and Acquanetta Warren (Southern)

**ELECTIONS COMMITTEE:**

Bill Connelly (Northern), Kimberly Cox (Southern), Kenneth Leary (Coastal), and Anita Paque (Central)

**LEGISLATIVE COMMITTEE:**

Bill Connelly (Northern), Yxstian Gutierrez (Southern), Gay Jones (Central), Mike McGill (Coastal), Derek McGregor (Southern), Margie Mohler, Anita Paque, Wendy Root Askew (Coastal), Josh Susman (Northern), and Tamara Wallace (Central)

**AD HOC MODERNIZATION COMMITTEE:**

Gordon Mangel (Northern), Margie Mohler (Coastal), Tamara Wallace (Central), Acquanetta Warren (Southern)

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***BOARD BRIEF, Continued from page 2***

adjustment.)

- Amended CALAFCO Policy 4.5, pertaining to the Legislative Committee (Now defines a quorum as 7 of the Board and Staff voting members, requires the committee to disband within 15 minutes of the start time when no quorum exists, and has been reformatted for easier reading.)
- A new CALAFCO brand.
- Authorization to move association funds into higher yielding accounts.
- Appointment of members to committees.

Additional information for any Board item can be found in the agenda packets posted on the website, or by contacting the Executive Director.



## NEW BRAND UNVEILED

### NEW LOOK

It's here! It's here! After a process that started with our Strategic Planning in February, 2023, we are thrilled to share our revitalized CALAFCO brand! As our first ever professionally designed logo, this brand represents a significant milestone in our journey towards modernization and innovation under Phase I of our Strategic Plan.

Our new brand provides us with a **Refreshed Visual Identity** in a simple, modern design to better represent our professionalism, as well as **Enhanced Messaging** that builds on CALAFCO's new Mission Statement. We've also added a new tag line to better communicate the supportive position that CALAFCO plays for its members.

While operational enhancements have been happening, and continue to happen, behind the scenes, the new logo is our first public-facing change. As such, it also symbolizes our transition into a streamlined, more efficient, and modernized association.

The rebranding will soon be accompanied by a new website, which is currently under development. The new website is expected to complement our new brand with a similar modern aesthetic, while also providing us with the technological platform to take event



registrations, and administer dues and payments.

As the hub for all CALAFCO information and resources, we look forward to enhanced website features that will serve up information with an intuitive and friendly user experience. Watch for that unveiling soon!

Of course, work of this magnitude does not occur in a vacuum. Thank you to the Board of Directors for their effort to develop the 2023-2026 Strategic Plan which outlined rebranding as an action item, as well as for the input they provided to develop the logo Design Brief that guided our consultant, Tara Bravo Mulally with CV Strategies.

Also, our sincere thanks to the EOs who took the polls which provided us with needed feedback.

Finally, special thanks to our Ad Hoc Rebranding Committee members who guided the development of this new brand through multiple meetings, discussions, and polls. Those members were Mike Kelley (Southern), Steve Lucas (Northern), Margie Mohler (Coastal), and Anita Paque (Central).



## YEAR 1 END

2023 marked the end of the first-year of this two year legislative cycle. During the year, a total of 3,030 bills were introduced – 1,974 in the Assembly and 1,056 in the Senate. Of those, CALAFCO reviewed nearly all at least once, tracked 21 bills, and took formal positions on 7 bills.

Support positions were taken by CALAFCO on AB 1753 (Assembly Local Government Committee) which was CALAFCO’s Omnibus bill, SB 360 (Blakespear) regarding the California Coastal Commission membership, and SB 878, 879, and 880, the Senate Governance and Finance Committee annual validations.

Positions in Opposition were taken on AB 399 (Boerner) County Water Authority Act, AB 530 (Boerner) the first iteration of the County Water Authority Act bill that missed deadlines, and AB 918 (Garcia) the Imperial County Healthcare District.

The call for legislative proposals went out in July and culminated in the receipt of five new Omnibus proposals. To be Omnibus material, the proposal must seek to institute minor or technical changes that are not of concern to other stakeholders.

The collection of Omnibus proposals was

submitted to the Assembly Local Government Committee Consultant for the 2024 session. However, after review and stakeholder outreach, the Committee Consultant approved only one proposal to move forward.

Consequently, CALAFCO starts 2024 with 10 active bills in tracking (all currently marked as watch, neutral or no position), and an Omnibus bill. Thank you to Joe Serrano (Santa Cruz) for spearheading the Omnibus effort.

## NEW LAWS

**AB 1753 (ALGC) CALAFCO’s Omnibus bill** adds two new provisions. The first addition is to Government Code Section 56658(d) where a cross reference to existing Revenue and Taxation Code Section 99 was added. The second change is to GC Sec. 56882, changes “mail” to “transmit” and adds subsection (b), which requires a confirmation of receipt for resolutions transmitted by email or electronic means.

**SB 360 (Blakespear) California Coastal Commission** - Allows members of JPAs, LAFCOs, and the San Diego Association of

*(Continued on page 7)*



The End of the year brought with it the retirement of long-time Imperial EO, Jurg Heuberger - a life change to which Jurg was looking forward! Displaying their characteristic solidarity, Southern Region EOs and staffers traveled to El Centro on December 13th where they wined and dined Jurg, and then hailed him the next day at his last LAFCO meeting. Respect takes many forms, and this display was certainly one of the sweetest! **Congratulations to Jurg on this new journey!**

## Associate Member SPOTLIGHT

### NEW GOLD ASSOCIATE!

Thank you to Planwest Partners for upgrading to a **Gold Membership!**

Planwest Partners provides contract LAFCO staffing services to multiple LAFCOs - and Collette is a regular presenter at workshops and conferences! Many thanks!

Also, **WELCOME** to our new Associate member, **David Scheurich!** David is Staff Chief of Cooperative Fire Protection for CAL FIRE. His primary activities include review and assistance in coordination of Cooperative Fire Protection agreements.



## TRACKS AROUND THE STATE

Only one month into the year and we have two new EOs!

**Congratulations to Paula Graf,** who traded in the "Assistant" mantle to become the new Imperial LAFCO EO on January 1st.

And in Shasta, Krystle Heaney replaces George Williamson who happily stepped aside as EO. **Congratulations, Krystle!**

## NEW LAWS

*(Continued from page 6)*

Governments to serve on the Coastal Commission.

**AB 557 (Hart) Brown Act teleconferencing** - Revises the rules for teleconferencing during a proclaimed emergency by removing the sunset date, removing references to social distancing, and extending the time between legislative findings of a continued emergency from the previous 30-day period to 45 days. Does not affect regular teleconferencing rules.



## 2023 CONFERENCE – MONTEREY

### “The best conference, yet!”

We heard that refrain repeatedly from attendees during the October, 2023, Annual Conference. But, it’s hard NOT to get it right when you’ve got the location, weather, and volunteers that we had to help put it all together! Thank you to the 40 or so volunteers who had our backs to make everything happen from planning to execution! It definitely takes a village to provide for 270 attendees (nearly 23% higher than our previous high) but you all nailed it!

And, a special thank you to Director Wendy Root Askew, EO Kate McKenna, and the fabulous crew from Monterey LAFCO for providing SOOOO much assistance! You guys rock!

### Award Winners

Of course, the much anticipated highlight of the event was the Achievement Awards that were presented at the Association Dinner on Thursday night. Congratulations to all of our winners!

**OUTSTANDING VOLUNTEER:** *Anita Paque (Calaveras)*

**OUTSTANDING ASSOCIATE MEMBER:** *Colantuono, Highsmith & Whatley*

**OUTSTANDING COMMISSIONER:** *Richard Bettencourt (San Benito)*

**OUTSTANDING LAFCO PROFESSIONAL:** (two-way tie)

*Andrea Ozdy (Ventura), and José Henriquez (Sacramento)*

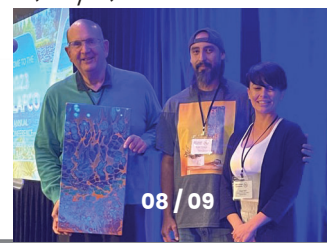
**MIKE GOTCH EXCELLENCE IN PUBLIC SERVICE AWARDS,**

- **AGRICULTURE CATEGORY:** *Napa LAFCO*

- **INNOVATION CATEGORY:** *Tom Cooley (Plumas)*

**LIFETIME ACHIEVEMENT AWARD:** *Dawn Mittleman Longoria (Napa)*

And, a special congratulations to *Commissioner Fred Sheriff* from *Tulare LAFCO* who won the evening’s door prize - a spectacular painting donated by Anwar Fonseca. Congrats, Fred!



## SCHEDULE OF UPCOMING EVENTS

*Tenaya Lodge, Fish Camp, CA  
2024 Annual Conference Site*

JANUARY	5	CALAFCO Board of Directors Meeting (Virtual)*
	12	CALAFCO Legislative Committee (Virtual)†
FEBRUARY	16	CALAFCO Legislative Committee (Virtual)†
MARCH	5	CALAFCO U -
	22	CALAFCO Legislative Committee (Virtual)†
APRIL	12	CALAFCO Board of Directors Meeting (Virtual)*
	24-26	CALAFCO Staff Workshop (Pleasanton)
MAY	10	CALAFCO Legislative Committee (Virtual)†
JUNE	14	CALAFCO Legislative Committee (Virtual)†
JULY	12	CALAFCO Legislative Committee (Virtual)†
	19	CALAFCO Board of Directors Meeting (Virtual)*
AUGUST	23	CALAFCO Legislative Committee (Virtual), if needed†
SEPTEMBER		Let's get ready for the Conference!
OCTOBER	16-18	CALAFCO Annual Conference (Yosemite)
	17	CALAFCO Annual Business Meeting (Yosemite)
	18	CALAFCO Board of Directors Meeting (Yosemite)
NOVEMBER	1	CALAFCO Legislative Committee (Virtual)†
DECEMBER	6	CALAFCO Legislative Committee (Virtual), if needed†



\* 10:00 AM Start time  
† 9:00 AM Start time