

AGENDAS
LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY

SPECIAL COMMISSION MEETING

Monday, September 26, 2022

4:00 p.m.

Immediately Followed by the
REGULAR COMMISSION MEETING
Monday, September 26, 2022

Board of Supervisors Chambers
Monterey County Government Center
168 West Alisal Street, First Floor
Salinas, California

IMPORTANT COVID-19 NOTICE ON PAGE 2

IMPORTANT NOTICE REGARDING COVID-19

In order to minimize the spread of the COVID-19 virus, please do the following:

1. While the meeting room is open, you are strongly encouraged to observe the live stream of the Commission meetings at the following link:

<https://www.youtube.com/channel/UCIF6pPx2hn3Ek94Wg0UI7QA>

If you attend the Commission meeting in person, you will be required to maintain appropriate social distancing, i.e., maintain a 6-foot distance between yourself and other individuals.

2. If you choose not to attend the Commission meeting but wish to make general public comments, or comment on a specific agenda item, you may do so in two ways:
 - a. Submit your comment via email by 5:00 p.m. on the Friday before the meeting. Please submit your comment to the Clerk of the Commission at: malukis@monterey.lafco.ca.gov. Please include the following Subject Line: "Public Comment – Agenda Item # ____". All submitted comments will be provided to the Commission for consideration, compiled as part of the record, and may be read into the record.

- b. You may participate through Zoom. For Zoom participation, please join by computer audio at:

<https://montereycty.zoom.us/j/92621036980>

The meeting ID is: [926 2103 6980](https://montereycty.zoom.us/j/92621036980). There is no password. To make a public comment, please "Raise your Hand."

***Please note that you shall only sign in once to attend both meetings.**

To Participate by Phone: Please call: +1 669 900 6833

Enter the meeting ID: [926 2103 6980](https://montereycty.zoom.us/j/92621036980) when prompted. There is no participant code – just enter the pound sign # after the recording prompts you. To make a public comment by phone, please push *9 on your phone keypad.

2022

Commissioners

Chair

Mary Ann Leffel
Special District Member

Vice Chair

Matt Gourley
Public Member

Luis Alejo

County Member

Wendy Root Askew

County Member, Alternate

Kimbley Craig

City Member

David Kong

*Special District Member,
Alternate*

Christopher Lopez

County Member

Ian Oglesby

City Member

Warren Poitras

Special District Member

Steve Snodgrass

Public Member, Alternate

Anna Velazquez

City Member, Alternate

Counsel

Kelly L. Donlon

General Counsel

Executive Officer

Kate McKenna, AICP

**132 W. Gabilan Street, #102
Salinas, CA 93901**

*P. O. Box 1369
Salinas, CA 93902*

Voice: 831-754-5838

www.monterey.lafco.ca.gov

AGENDA

Special Commission Meeting

This meeting will be conducted in person at the Board of Supervisors Chambers located in the Monterey County Government Center, 168 W. Alisal Street – Salinas. This meeting will also be conducted remotely by Zoom app and Livestreamed on the LAFCO of Monterey County YouTube channel.

Monday, September 26, 2022

4:00 P.M.

AGENDA
SPECIAL COMMISSION MEETING
Monday, September 26, 2022

Call to Order

Roll Call

Pledge of Allegiance

General Public Comments

Anyone may address the Commission briefly about items not already on the Agenda.

Special Business

- 0.1 [Approve finding, pursuant to AB 361 and in order for the Commission to continue to meet remotely, that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies.](#)

Recommended Action: Pursuant to AB 361 and in order for the Commission to continue to meet remotely, the Commission finds: that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies of local agencies.

Adjournment to the Next Meeting

The next regular hybrid (in person and remote) LAFCO Meeting on September 26, immediately follows this special meeting.

Alternative Formats and Facility Accommodations: If requested, the agenda packet will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the federal rules and regulations adopted in implementation thereof. Also, if requested, facility or other accommodations will be made for persons with disabilities. Please contact (831) 754-5838 for assistance.

2022

Commissioners

Chair

Mary Ann Leffel
Special District Member

Vice Chair

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AGENDA

Regular LAFCO Meeting

This meeting will be conducted in person at the Board of Supervisors Chambers located in the Monterey County Government Center, 168 W. Alisal Street – Salinas. This meeting will also be conducted remotely by Zoom app and Livestreamed on the LAFCO of Monterey County YouTube channel.

Monday, September 26, 2022

AGENDA
REGULAR COMMISSION MEETING
Monday, September 26, 2022

Call to Order

Roll Call

Pledge of Allegiance

General Public Comments

Anyone may address the Commission briefly about items not already on the Agenda.

Consent Agenda

All items on the Consent Agenda will be approved in one motion and there will be no discussion on individual items, unless a Commissioner or member of the public requests a specific item to be pulled from the Consent Agenda for separate discussion.

1. [Approve Draft Minutes from the August 22, 2022 Special and Regular LAFCO Commission Meeting.](#)
Recommended Action: Approve minutes.
2. [Approve Draft Notes from the September 9, 2022 Budget & Finance Committee Meeting.](#)
Recommended Actions: Approve notes.
3. [Approve Draft Balance Sheet as of April 30, 2022 and Draft Profit/Loss Statement for April 30, 2022.](#)
Recommended Action (By Budget & Finance Committee): Receive for information only.
4. [Approve Draft Balance Sheet as of May 31, 2022 and Draft Profit/Loss Statement for May 31, 2022.](#)
Recommended Action (By Budget & Finance Committee): Receive for information only.
5. [Approve Draft Balance Sheet as of June 30, 2022 and Draft Profit/Loss Statement through June 30, 2022.](#)
Recommended Action (By Budget & Finance Committee): Receive for information only.
6. [Approve Draft Balance Sheet as of July 31, 2022 and Draft Profit/Loss Statement for July 31, 2022.](#)
Recommended Action (By Budget & Finance Committee): Receive for information only.
7. [Approve Draft Balance Sheet as of August 31, 2022 and Draft Profit/Loss Statements through August 31, 2022.](#)
Recommended Action (By Budget & Finance Committee): Receive for information only.
8. [Approve the Update to the Procedure for Review of the Monthly LAFCO Bank Warrant Registers by the Commission.](#)
Recommended Action (By Budget & Finance Committee): Approve the Update to discontinue the monthly review of LAFCO Bank Warrant Registers.

9. [Adopt Resolution Updating the LAFCO Rules and Regulations \(“Bylaws”\) for the Orderly and Fair Conduct of Hearings.](#)
Recommended Action (By Budget & Finance Committee): Adopt Resolution updating the LAFCO Rules and Regulation (“Bylaws”).
10. [Approve Office Lease Agreement – Amendment No. 7.](#)
Recommended Action (By Budget & Finance Committee): Approve Amendment No. 7 to the LAFCO office lease agreement for 132 W. Gabilan Street, Salinas.
11. [Approve Draft Schedule of Regular LAFCO Meetings for 2023.](#)
Recommended Action: Approve 2023 Meeting Schedule.
12. [Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies.](#)
Recommended Action: Accept report.

Public Hearings- Continued from August 22, 2022 Regular Meeting

13. [Consider a Draft Resolution to amend LAFCO’s Schedule of Fees and Deposits – Continued Public Hearing from August 22, 2022.](#)

Recommended Actions:

- 1.) Receive the Executive Officer’s Report;
- 2.) Open the public hearing and receive any public comments;
- 3.) Provide for questions or follow-up discussion by the Commission;
- 4.) Close the public hearing; and
- 5.) Consider and adopt a resolution (Attachment 1) to amend LAFCO’s Schedule of Fees and Deposits.

Executive Officer’s Communications

The Executive Officer may make brief announcements about LAFCO activities, for information only.

14. [Executive Officer’s Communications:](#)
 - a. City of Gonzales – Out-of-Agency Service Extension to Alpine Camp Farmworker Housing (LAFCO File 22-03).

Closed Session

15. Pursuant to Government Code Section 54956.9(d)(1), the Commission will confer with legal counsel regarding existing litigation: *Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20, (Monterey County Superior Court Case No. 22CV000925).*

The Commission Recesses for Closed Session Agenda Items

Closed Session may be held at the conclusion of the Commission’s Regular Agenda, or at any other time during the course of the meeting, before or after the scheduled time, announced by the Chairperson of the Commission. The public may comment on Closed Session items prior to the Board’s recess to Closed Session.

Public Comments on Closed Session Items

Reconvene on Public Agenda Items

Roll Call

Read Out from Closed Session by LAFCO General Counsel

Read out by General Counsel will only occur if there is reportable action (s).

Commissioner Comments

Individual Commissioners may comment briefly on matters within the jurisdiction of LAFCO. No discussion or action is appropriate, other than referral to staff or setting a matter as a future agenda item.

Adjournment to the Next Meeting

The next regular hybrid (in person & remote) LAFCO Meeting is scheduled for Monday, October 24, 2022 at 4:00 pm.

Alternative Formats and Facility Accommodations: If requested, the agenda packet will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the federal rules and regulations adopted in implementation thereof. Also, if requested, facility or other accommodations will be made for persons with disabilities. Please contact (831) 754-5838 for assistance.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: September 26, 2022

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

BY: Kelly Donlon, General Counsel

SUBJECT: Approve finding, pursuant to AB 361 and in order for the Commission to continue to meet remotely, that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies.

SUMMARY OF RECOMMENDATION:

Pursuant to AB 361 and in order for the Commission to continue to meet remotely, the Commission finds: that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies of local agencies.

EXECUTIVE OFFICER'S REPORT:

On September 16, 2021, Governor Newsom signed AB 361. This legislation amends the Brown Act to allow meeting bodies subject to the Brown Act to meet via teleconference during a proclaimed state of emergency in accordance with teleconference procedures established by AB 361 rather than under the Brown Act's more narrow standard rules for participation in a meeting by teleconference. AB 361 provides that if a state or local health official recommends social distancing, a "legislative body" – which is defined to include the Commission – may meet remote remotely after September 30, 2021, provided that within 30 days of the first meeting after September 30, and every 30 days thereafter, the legislative body finds 1) the Governor's proclaimed state of emergency is still in effect; 2) the legislative body has reconsidered the circumstances of the state of emergency, and 3) the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies and/or the state of emergency continues to directly impact the ability of the members to meet safely in person.

The Monterey County Health Officer has recommended and continues to recommend social distancing measures for meetings of legislative bodies, so the Commission was able to meet remotely under AB 361

from October 2021 through September 2022.

The Commission must make the findings at least every 30 days in order to keep meeting remotely. If the Commission makes the findings on September 26, the Commission may continue to meet remotely for the next thirty days. Due to the greater than 30-day separation between the August 22 and September 26 regular meetings of the Commission, the Commission Chair scheduled a special meeting on September 26 – immediately before the September 26 regular meeting – in order to have the opportunity to renew the AB 361 findings again.

Please note that the LAFCO meetings on September 26 will be a hybrid format of in person and remote. The recommended action will allow for this hybrid format.

LAFCO Counsel Kelly Donlon was consulted in the preparation of this report.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

2022

Commissioners

Chair

Mary Ann Leffel
Special District Member

Vice Chair

Matt Gourley
Public Member

Luis Alejo

County Member

Wendy Root Askew

County Member, Alternate

Kimbley Craig

City Member

David Kong

Special District Member, Alternate

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Counsel

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Special Meeting DRAFT MINUTES LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Scheduled for Adoption September 26, 2022

Monday, August 22, 2022

All Commissioners and public participated in the meeting on Monday, August 22, 2022 by Zoom video conference or telephone, in order to avoid public gatherings and until further notice.

Call to Order

The Local Agency Formation Commission was called to order by Chair Leffel at 4:01 p.m.

Roll Call

Commissioner Alejo
Commissioner Root Askew
Commissioner Craig
Commissioner Kong (Joined at 4:09 pm)
Commissioner Lopez
Commissioner Oglesby (Joined at 4:07 pm)
Commissioner Poitras
Commissioner Snodgrass
Commissioner Velazquez
Vice Chair Gourley
Chair Leffel

Members Absent (Excused Absence)

None

Staff Present

Kate McKenna, Executive Officer
Darren McBain, Principal Analyst
Jonathan Brinkmann, Senior Analyst
Safarina Maluki, Clerk to the Commission/Office Administrator

Also Present

Kelly L. Donlon, General Counsel

Pledge of Allegiance

Commissioner Alejo led the Pledge of Allegiance.

General Public Comments

Anyone may address the Commission briefly about items not already on the Agenda.

Paul Rodriguez addressed the Commission.

Special Business

- 0.1 Approve finding, pursuant to AB 361 and in order for the Commission to continue to meet remotely, that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies.

Recommended Action: Pursuant to AB 361 and in order for the Commission to continue to meet remotely, the Commission finds: that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies of local agencies.

Chair Leffel discussed returning to in-person/hybrid Commission meetings.

They were comments from Commissioners Snodgrass, Lopez and Poitras.

Commissioner Action:

Upon motion by Commissioner Alejo, seconded by Commissioner Craig, the Commission approved returning to in-person and hybrid meetings the next regular meeting.

Motion Carried:

AYES: Commissioners: Alejo, Craig, Lopez, Oglesby, Poitras, Vice Chair Gourley, Chair Leffel

NOES: Commissioners: None

ALTERNATES: Commissioners: Root Askew, Kong, Snodgrass, Velazquez (Non-Voting)

ABSENT: Commissioners: None

ABSTAIN: Commissioners: None

Adjournment to the Next Meeting

The special meeting was adjourned at 4:11 p.m. The next (remote) Regular LAFCO Meeting scheduled for Monday, August 22, 2022, commenced immediately following the special meeting at 4:11 p.m.

Alternative Formats and Facility Accommodations: If requested, the agenda packet will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the federal rules and regulations adopted in implementation thereof. Also, if requested, facility or other accommodations will be made for persons with disabilities. Please contact (831) 754-5838 for assistance.

2022

Commissioners

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Mary Ann Leffel
Special District Member

Vice Chair

Matt Gourley
Public Member

Luis Alejo

County Member

Wendy Root Askew

County Member, Alternate

Kimbley Craig

City Member

David Kong

Special District Member, Alternate

Christopher Lopez

County Member

Ian Oglesby

City Member

Warren Poitras

Special District Member

Steve Snodgrass

Public Member, Alternate

Anna Velazquez

City Member, Alternate

Counsel

Kelly L. Donlon

General Counsel

Executive Officer

Kate McKenna, AICP

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Regular Meeting DRAFT MINUTES
**LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY**

Scheduled for Adoption September 26, 2022

Monday, August 22, 2022

All Commissioners and public participated in the meeting on Monday, August 22, 2022 by Zoom video conference or telephone, in order to avoid public gatherings and until further notice.

Call to Order

The Local Agency Formation Commission was called to order by Chair Leffel at 4:11 p.m.

Roll Call

Commissioner Alejo
Commissioner Root Askew
Commissioner Craig
Commissioner Kong
Commissioner Lopez
Commissioner Oglesby
Commissioner Poitras
Commissioner Snodgrass
Commissioner Velazquez
Vice Chair Gourley
Chair Leffel

Members Absent (Excused Absence)

None

Staff Present

Kate McKenna, Executive Officer
Darren McBain, Principal Analyst
Jonathan Brinkmann, Senior Analyst
Safarina Maluki, Clerk to the Commission/Office Administrator

Also Present

Kelly L. Donlon, General Counsel

Pledge of Allegiance

Chair Leffel dispensed with the Pledge of Allegiance, following the Pledge of Allegiance at the Special Meeting held prior to the Regular Meeting.

General Public Comments

Anyone may address the Commission briefly about items not already on the Agenda.

There were public comments from Michael Bloom and Paul Rodriguez.

Consent Agenda

All items on the Consent Agenda will be approved in one motion and there will be no discussion on individual items, unless a Commissioner or member of the public requests a specific item to be pulled from the Consent Agenda for separate discussion.

1. Approve Draft Minutes from the May 23, 2022 LAFCO Regular Meeting.
Recommended Action: Approve minutes.
2. Approve Bank Warrant Registers for May, June and July 2022.
Recommended Action: Approve warrant registers.
3. Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies.
Recommended Action: Accept report.
4. Adopt Update to the LAFCO Rules and Regulations (“Bylaws”) for the Orderly and Fair Conduct of Hearings.
Recommended Action: Adopt Resolution finding that the proposed revisions are not a “project” for purposes of the California Environmental Quality Act, and adopting a proposed update to the LAFCO Rules and Regulations (“Bylaws”) for the Orderly and Fair Conduct of Hearings.

Chair Leffel pulled Item #4 from the consent agenda.

5. Accept FORA Dissolution Status Report.
Recommended Action: Accept status report.

Commissioner Action:

Upon motion by Commissioner Lopez, seconded by Commissioner Oglesby, the Commission approved Consent Agenda Items #1, #2, #3 & #5 by a Roll Call Vote.

Motion Carried (Roll Call Vote):

AYES: Commissioners: Alejo, Craig, Lopez, Oglesby, Poitras, Vice Chair Gourley, Chair Leffel

NOES: Commissioners: None

ALTERNATES: Commissioners: Root Askew, Kong, Snodgrass, Velazquez (Non-Voting)

ABSENT: Commissioners: None

ABSTAIN: Commissioners: None

Chair Leffel raised questions about the LAFCO Rules and Regulations (“Bylaws”) for the Orderly and Fair Conduct of Hearings and requested the item be referred to the Budget & Finance Committee at a meeting to be scheduled within the next three (3) weeks and before the next Regular Commission Meeting on Monday, September 26.

Commissioner Action:

Upon motion by Commissioner Poitras, seconded by Commissioner Lopez, the Commission approved the referral of Item #4 to the Budget & Finance Committee for review and to be brought back to the Regular Commission Meeting in September.

Motion Carried (Roll Call Vote):

AYES: Commissioners: Alejo, Craig, Lopez, Oglesby, Poitras, Vice Chair Gourley, Chair Leffel
NOES: Commissioners: None
ALTERNATES: Commissioners: Root Askew, Kong, Snodgrass, Velazquez (Non-Voting)
ABSENT: Commissioners: None
ABSTAIN: Commissioners: None

New Business

6. Consider Business Items for the 2022 Annual Conference of the California Association of Local Agency Formation Commissions.

Recommended Actions:

- 1.) Authorize attendance of up to two (2) staff, one (1) general counsel and seven (7) Commissioners who expressed interest in attending the Annual CALAFCO Conference in Newport Beach on October 19 through October 21 (action item);
- 2.) Designate Regular and Alternate Delegates to represent LAFCO of Monterey County at the Conference (action item);
- 3.) Nominate Supervisor/Commissioner Chris Lopez for the CALAFCO Board County Representative seat (action item);
- 4.) Receive information on the 2022 CALAFCO Achievement Awards (information item); and
- 5.) Receive information on CALAFCO activities (information item).

Commission Actions:

- 1.) Upon motion by Commissioner Lopez, seconded by Commissioner Poitras, the Commission authorized the attendance of the LAFCO Staff, General Counsel and the interested Commissioners to attend the Annual CALAFCO Conference in Newport Beach on October 19 through October 21.
- 2.) Commissioner Poitras made a motion with a second by Commissioner Oglesby to designate Chair Leffel as the Voting Delegate with Commissioner Lopez as the Alternate Delegate, and Executive Officer McKenna as the backup Alternate Delegate.
- 3.) Commissioner Poitras made a motion with a second by Commissioner Oglesby to nominate Supervisor/Commissioner Chris Lopez for a second term to the CALAFCO Board County Representative seat.

Motions Carried (Roll Call Vote):

AYES: Commissioners: Alejo, Craig, Lopez, Oglesby, Poitras, Vice Chair Gourley, Chair Leffel
NOES: Commissioners: None
ALTERNATES: Commissioners: Root Askew, Kong, Snodgrass, Velazquez (Non-Voting)
ABSENT: Commissioners: None
ABSTAIN: Commissioners: None

Public Hearings

7. Conduct a Public Hearing to Consider a Proposal from the Marina Coast Water District for a SOI Amendment and District Annexation totaling approximately 96 acres, in the City of Seaside's portion of the Ord Community.

Recommended Actions:

- 1.) Receive the Executive Officer's Report;
- 2.) Open the public hearing and receive any public comments;
- 3.) Provide for questions or follow-up discussion by the Commission;
- 4.) Close the public hearing; and
- 5.) Move to adopt a resolution (Attachment 1) to:
 - a. Consider the Final Environmental Impact Report (EIR) for the Campus Town Project and the categorical exemption for Parker Flats Apartments Project for which the City of Seaside certified and made findings in March 2020 and May 2022, respectively, pursuant to CEQA, to address the potential environmental effects of the proposed sphere amendment and annexation;
 - b. Approve the District's proposed sphere of influence amendment and annexation (see maps – Attachment 1, Exhibit A); and
 - c. Waive Conducting Authority (“protest”) proceedings for this proposal.

Executive Officer McKenna and Senior Analyst Brinkmann presented the report.

There were public comments from Marina Coast Water District General Manager Scherzinger.

Mayor/Commissioner Oglesby made comments.

There were no comments from the public.

There were no other Commissioner comments.

Commission Actions:

Upon motion by Commissioner Oglesby, seconded by Commissioner Alejo, the Commission adopted a resolution approving the District's proposed sphere of influence amendment and annexation and waived conducting authority (“protest”) proceedings for the proposal.

Motion Carried (Roll Call Vote):

AYES: Commissioners: Alejo, Craig, Lopez, Oglesby, Poitras, Vice Chair Gourley, Chair Leffel
NOES: Commissioners: None
ALTERNATES: Commissioners: Root Askew, Kong, Snodgrass, Velazquez (Non-Voting)
ABSENT: Commissioners: None
ABSTAIN: Commissioners: None

8. Consider an Amendment to LAFCO's Schedule of Fees and Deposits.

Recommended Actions:

- 1.) Receive the Executive Officer's Report;
- 2.) Open the public hearing and receive any public comments;
- 3.) Provide for questions or follow-up discussion by the Commission;
- 4.) Close the public hearing; and
- 5.) Consider and adopt a resolution (Attachment 1) to amend LAFCO's Schedule of Fees and Deposits.

Chair Leffel requested that this report be referred to the Budget & Finance for discussion.

Commissioner Velazquez asked procedural questions of the staff.

Chair Leffel recommended this item be continued to the regular September 26 meeting, following review by the Budget & Finance Committee meeting to be held within the next three (3) weeks.

Commission Actions:

Upon motion by Commissioner Poitras, seconded by Commissioner Lopez, the Commission continued the amendment to LAFCO's Schedule of Fees and Deposits to the regular Meeting on Monday, September 26, 2022 after review by the Budget & Finance Committee.

Motion Carried (Roll Call Vote):

AYES: Commissioners: Alejo, Craig, Lopez, Oglesby, Poitras, Vice Chair Gourley, Chair Leffel
NOES: Commissioners: None
ALTERNATES: Commissioners: Root Askew, Kong, Snodgrass, Velazquez (Non-Voting)
ABSENT: Commissioners: None
ABSTAIN: Commissioners: None

Executive Officer's Communications

The Executive Officer may make brief announcements about LAFCO activities, for information only.

9. Executive Officer's Communications

- (a) LAFCO Response Letter regarding a Monterey County Civil Grand Jury Report – "Consolidation of Two North Monterey County Fire Districts"
- (b) Pajaro Valley Health Care District Update
- (c) Contract for Economic Analysis Services
- (d) City of Soledad "Miramonte" 647-acre Sphere Amendment and Annexation Proposal: 30-Day Application Completeness Review Letter
- (e) County Agriculture conservation Mitigation Program – Participation
- (f) Emergency Action Plan Training

Executive Officer Kate McKenna provided a report for information only.

Commissioner Lopez made comments about Item (d). Commissioner Velazquez and Commissioner Alejo also made comments on this topic.

Closed Session

10. Pursuant to Government Code Section 54956.9(d)(1), the Commission will confer with legal counsel regarding existing litigation: *Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20, (Monterey County Superior Court Case No. 22CV000925).*

The Commission Recesses for Closed Session Agenda Items

Closed Session may be held at the conclusion of the Commission's Regular Agenda, or at any other time during the course of the meeting, before or after the scheduled time, announced by the Chairperson of the Commission. The public may comment on Closed Session items prior to the Board's recess to Closed Session.

Public Comments on Closed Session Items

There were no public comments.

The Commission ADJOURNED to Closed Session at 5:06 p.m.

Reconvene on Public Agenda Items

The Commission RECONVENED to Open Session at 5:18 p.m.

Roll Call

Commissioner Alejo
Commissioner Root Askew
Commissioner Craig
Commissioner Kong
Commissioner Lopez
Commissioner Oglesby
Commissioner Poitras
Commissioner Snodgrass
Commissioner Velazquez
Vice Chair Gourley
Chair Leffel

Read Out from Closed Session by LAFCO General Counsel

Read out by General Counsel will only occur if there is reportable action (s).

General Counsel, Kelly Donlon advised that there were no reportable items.

Commissioner Comments

Individual Commissioners may comment briefly on matters within the jurisdiction of LAFCO. No discussion or action is appropriate, other than referral to staff or setting a matter as a future agenda item.

The Commissioners wished Mayor/Commissioner Craig a Happy Birthday and expressed Congratulatory Wishes to Commissioner Gourley on his recent wedding.

Adjournment to the Next Meeting

The meeting was adjourned at 5:20 p.m. The next regular hybrid (in person & remote) LAFCO Meeting is scheduled for Monday, September 26, 2022 at 4:00 pm. This meeting will be preceded by a special hybrid (in person & remote) LAFCO Meeting on Monday, September 26, 2022 at 4:00 p.m. to consider AB 361 findings.

Alternative Formats and Facility Accommodations: If requested, the agenda packet will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the federal rules and regulations adopted in implementation thereof. Also, if requested, facility or other accommodations will be made for persons with disabilities. Please contact (831) 754-5838 for assistance.

DRAFT

DRAFT MEETING NOTES
BUDGET AND FINANCE COMMITTEE MEETING
Scheduled for Adoption 9/26/2022

Friday, September 9, 2022
3:00 p.m. – 4:00 p.m.

All attendees participated in the meeting on Thursday, May 5, 2022 by Zoom video conference or telephone, in order to avoid public gatherings and until further notice.

Call to Order

The Budget and Finance Committee of the Local Agency Formation Commission of Monterey County was called to order by Chair Leffel at 3:01 p.m.

Roll Call

Members Present

Commissioner Chris Lopez
Commissioner Mary Ann Leffel, Chair

Members Absent (Excused Absence)

Commissioner Ian Oglesby

Staff and Contractors Present

Kate McKenna, AICP, Executive Officer
Mike Briley, CPA, CGMA Managing Partner, Hayashi Wayland *(Left meeting at 3:30 PM)
Jonathan Brinkmann, Senior Analyst
Safarina Maluki, Clerk to the Commission/Office Administrator

Public Comments

There were no public comments.

New Business

1. Consider Draft Balance Sheet as of June 30, 2022 and Draft Profit/Loss Statement through June 30, 2022.
Recommended Action: Discuss and receive report for information only.

2. Consider Draft Balance Sheet as of July 31, 2022 and Draft Profit/Loss Statement for July 31, 2022.
Recommended Action: Discuss and receive report for information only.

3. Consider Draft Balance Sheet as of August 31, 2022 and Draft Profit/Loss Statement for August 31, 2022.
Recommended Action: Discuss and receive report for information only.

Executive Officer, Kate McKenna presented the three reports and supplemental information for April and May 2022. She also provided an update on income and the Litigation Reserve. Mike Briley, Managing Partner, Hayashi Wayland added comments.

There were no public comments.

The Budget and Finance Committee reviewed and discussed the Draft Balance Sheets and Draft Profit/Loss Statements for April through August 31, 2022.

The Committee provided informal direction to amend and supplement the original contract with Best Best & Krieger, LLP by \$75,000.00.

The Commission received the reports for information only.

4. Consider Draft Profit/Loss vs Actual Report through September 2, 2022.
Recommended Action: Discuss and receive report for information only.

Executive Officer Kate McKenna presented the report and advised the Budget and Finance Committee of the need for a mid-year budget amendment for the Training, Travel and Vehicle Mileage budget line items.

Executive Officer McKenna answered questions from the Committee.

There were no public comments.

The Commission received the report for information only.

5. Consider an Update to the Procedure for Review of the Monthly LAFCO Bank Warrant Registers by the Commission.
Recommended Action: Discuss and recommend that the Commission discontinue its review of the monthly bank warrant registers.

Executive Officer Kate McKenna presented the report.

The Budget and Finance discussed the recommendation with the Executive Officer and Mr. Briley.

There were no public comments.

Committee Action:

Upon motion by Commissioner Leffel and seconded by Commissioner Lopez, the Committee recommended the Commission discontinue its review of the monthly bank warrant registers.

Motion Carried.

AYES: Commissioners Lopez, Leffel

NOES: None.

ALTERNATES: None.

ABSENT: Commissioner Oglesby

ABSTAIN: None.

6. Consider an Amendment to LAFCO's Schedule of Fees and Deposits – Referred from August 22 Regular Commission Meeting.

Recommended Action: Discuss and recommend Commission approval of an amendment to LAFCO's Schedule of Fees and Deposits.

Executive Officer Kate McKenna and Senior Analyst Jonathan Brinkmann presented the report.

Senior Analyst Brinkmann answered questions from the Committee.

There were no comments from the public.

Committee Action:

Upon motion by Commissioner Leffel and seconded by Commissioner Lopez, the Committee unanimously recommended the Commission approve an amendment to LAFCO's Schedule of Fees and Deposits.

Motion Carried.

AYES: Commissioners Lopez, Leffel

NOES: None.

ALTERNATES: None.

ABSENT: Commissioner Oglesby

ABSTAIN: None.

7. Consider Updates to the LAFCO Rules and Regulations ("Bylaws") for the Orderly and Fair Conduct of Hearings – Referred from August 22 Regular Commission Meeting.

Recommended Action: Discuss and recommend Commission approval of an amendment to LAFCO's Bylaws.

Executive Officer Kate McKenna and Senior Analyst Jonathan Brinkmann presented the report.

There were no questions or comments from the Commissioners.

There were no public comments.

Committee Action:

Upon motion by Commissioner Leffel and seconded by Commissioner Lopez, the Committee recommended the Commission approve an amendment to LAFCO's Bylaws.

Motion Carried.

AYES: Commissioners Lopez, Leffel

NOES: None.

ALTERNATES: None.

ABSENT: Commissioner Oglesby

ABSTAIN: None.

8. Consider Office Lease Agreement – Amendment No. 7.

Recommended Action: Discuss and recommend Commission approval of LAFCO Office Building Lease Amendment No, 7 with an effective date of July 1, 2023.

Executive Officer Kate McKenna presented the report.

There were comments from the Commissioners.

There were no public comments.

Committee Action:

Upon motion by Commissioner Leffel and seconded by Commissioner Lopez, the Committee recommended the Commission approve an amendment to LAFCO's Bylaws.

AYES: Commissioners Lopez, Leffel

NOES: None.

ALTERNATES: None.

ABSENT: Commissioner Oglesby

ABSTAIN: None.

Executive Officer Announcements

The Executive Officer may provide oral or written announcements about current LAFCO activities, for information only.

None.

Adjournment

Chair Leffel adjourned the meeting at 3:52 p.m. The next Budget and Finance Committee Meeting will be announced at a later date.

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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KATE MCKENNA, AICP
Executive Officer

DATE: September 26, 2022

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: Draft Balance Sheet as of April 30, 2022 and Draft Profit & Loss Statement for April 30, 2022

SUMMARY OF RECOMMENDATION:

The Budget and Finance Committee recommends that the Commission receive this report for information only.

EXECUTIVE OFFICER'S REPORT:

Attached are the draft financials for April 2022. On September 9, this information was reviewed by the Budget and Finance Committee and discussed with the LAFCO Executive Officer and Mr. Mike Briley, CPA, Managing Partner of Hayashi Wayland.

Our intention is to begin providing monthly financial information to the full Commission. If the Commission does not meet during a particular month, the financials will be compiled for the following regular meeting packet.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

- 3.1 Draft Balance Sheet as of April 30, 2022, prepared on September 8, 2022, Hayashi & Wayland Accounting & Consulting, LLP
- 3.2 Draft Profit & Loss Statement for April 2022, prepared on September 8, 2022, Hayashi & Wayland Accounting & Consulting, LLP

LAFCO of Monterey County

Balance Sheet

As of April 30, 2022

Accrual Basis

	Apr 30, 22
ASSETS	
Current Assets	
Checking/Savings	
1100 · Petty Cash	300.00
1007 · Wells Fargo Checking	197,338.54
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	299,925.81
1013 · Designated Cash - Accrued Leave	62,416.96
1014 · Designated Cash-Post Retirement	90,300.00
1015 · Designated Cash-Contingency	258,357.00
1020 · Resticted Cash-FORA Litigation	344,918.63
1010 · Cash Co. Treasury - Other	448,277.63
Total 1010 · Cash Co. Treasury	1,504,196.03
Total Checking/Savings	1,701,834.57
Accounts Receivable	
1234 · A/R Fiscal Year Ending 6/2022	314.00
Total Accounts Receivable	314.00
Other Current Assets	
1400 · Prepaid Insurance	3,103.39
1405 · Prepaid Expenses	4,132.14
Total Other Current Assets	7,235.53
Total Current Assets	1,709,384.10
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-48,596.74
Total Fixed Assets	9,205.25
Other Assets	
1800 · Deferred Outflows-PERS Contrib.	69,874.49
1805 · Deferred Outflows-Actuarial	38,893.32
1810 · Deferred Outflows-OPEB Contrib	4,080.00
1815 · Deferred Outflow-OPEB Actuarial	2,609.00
Total Other Assets	115,456.81
TOTAL ASSETS	1,834,046.16
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	2,419.32
Total Accounts Payable	2,419.32
Credit Cards	
WFB Visa X2064 (Kate)	58.91
Total Credit Cards	58.91
Other Current Liabilities	
2220 · Accrued Leave	62,416.96
2410 · Post Retirement (GASB 75)	90,300.00
2200 · Payroll Liabilities	294.00
2380 · Dissolution of FORA Legal Liab.	344,918.63
2381 · Dissolution of FORA Admin Liab.	57,425.00
Total Other Current Liabilities	555,354.59
Total Current Liabilities	557,832.82
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	-10,976.20
2500 · Deferred Inflow-GAB68 Actuarial	10,172.41
2505 · Deferred Inflows-OPEB Actuarial	46,684.00
Total Long Term Liabilities	45,880.21
Total Liabilities	603,713.03
Equity	
3700 · Invested in Capital Assets	9,205.25
3710 · Encumbered Funds	70,749.02
3800 · Reserve for Litigation	299,925.81
3810 · Reserve for Contingency	258,357.00
3850 · Unreserved Fund	405,061.96
Net Income	187,034.09
Total Equity	1,230,333.13
TOTAL LIABILITIES & EQUITY	1,834,046.16

LAFCO of Monterey County
Profit & Loss

April 2022

Accrual Basis

	Apr 22	Jul '21 - Apr 22
Ordinary Income/Expense		
Income		
4000 · Fees		
4005 · Project	0.00	158,954.23
Total 4000 · Fees	0.00	158,954.23
4205 · County Contributions	0.00	298,814.00
4210 · City Contributions	0.00	298,813.00
4220 · District Contributions	0.00	298,814.00
4249 · FORA Admin Revenue	330.00	3,960.00
4300 · Interest	1,011.02	3,552.76
Total Income	1,341.02	1,082,907.99
Expense		
7300 · Depreciation	376.00	3,806.37
6000 · Employee Salaries		
6002 · Regular Earnings	50,605.17	367,567.71
6004 · FORA Admin Earnings	175.25	1,251.77
Total 6000 · Employee Salaries	50,780.42	368,819.48
6100 · Employee Benefits		
6013 · Post Retirement Healthcare	149.00	1,454.00
6010 · Accrued Leave	1,524.18	-21,052.24
6007 · Management Expense Allowance		
6011 · Management Car Allowance	400.00	4,000.00
6007 · Management Expense Allowance - Other	50.00	500.00
Total 6007 · Management Expense Allowance	450.00	4,500.00
6102 · Worker's Compensation Insurance	253.43	2,306.33
6101 · Payroll Expenses	930.84	6,795.84
6103 · Employee Memberships	0.00	848.00
6104 · Deferred Comp Plan Contribution	3,148.38	22,316.94
6105 · PERS Retirement	5,229.06	38,702.53
6110 · PERS Health		
6111 · Med ER Non-Ele	447.00	5,077.00
6112 · Med ER Pre Tax	5,306.47	54,423.53
6110 · PERS Health - Other	18.29	186.23
Total 6110 · PERS Health	5,771.76	59,686.76
6130 · Insurance		
6139 · STD	92.06	820.11
6131 · LIFE	125.20	1,104.50
6132 · ADD	8.21	72.43
6133 · Dental	762.90	7,290.31
6134 · Vision	113.60	1,007.38
6135 · LTD	316.26	2,849.67
6136 · EAP	0.00	80.40
Total 6130 · Insurance	1,418.23	13,224.80
7294 · Accrued Leave Reserve	0.00	20,480.40
6100 · Employee Benefits - Other	0.00	4,525.00
Total 6100 · Employee Benefits	18,874.88	153,788.36
7000 · Postage and Shipping	910.54	4,807.09
7010 · Books and Periodical	0.00	1,323.36
7030 · Copy Machine	451.99	5,194.42
7040 · Outside Printers	0.00	667.88
7060 · Office Supplies	0.00	1,876.81
7070 · Office Equipment and Furnishing	0.00	273.11
7080 · Computer Hardware/Peripherals	43.69	2,074.54
7085 · Computer Support Svc Fixed Cost	897.24	7,058.55
7090 · Computer Support Svc Variable	273.00	819.00
7100 · Computer Software	0.00	579.84
7110 · Property and Gen Liability Ins	594.11	5,941.10
7120 · Office Maintenance Services	0.00	160.00
7170 · Rental of Buildings	2,397.69	23,976.90
7200 · Telephone Communications	328.36	3,512.82
7230 · Temp Help Services (Clerical)	0.00	37,440.38
7240 · Outside Prof. Services	0.00	75,180.00
7242 · Outside Prof Svc-Accounting	4,800.00	50,800.00
7242 A · Gen Admin Svcs & HR Assistance	400.00	5,840.00
7248 · Outside Prof Svc-Annual Audit	0.00	14,500.00
7245 · General Legal Services		
7245A · MPWMD-Latent Power	0.00	82,570.40
7245 · General Legal Services - Other	1,367.40	7,170.70
Total 7245 · General Legal Services	1,367.40	89,741.10
7250 · Miscellaneous Office Expense	28.16	383.38
7260 · Legal Notices	0.00	4,028.97
7270 · Recruitment Advertising	0.00	675.00
7280 · LAFCO Memberships	0.00	8,839.01
7290 · Litigation Reserve	110.70	110.70
Total Expense	82,634.18	872,218.15
Net Ordinary Income	-81,293.16	190,689.84
Other Income/Expense		
Other Expense		
8100 · Prior Year Encumbered Funds		
8115 · E/F - Temp Professional Svcs	0.00	3,437.50
Total 8100 · Prior Year Encumbered Funds	0.00	3,437.50
8106 · Prior Yr Project Fees Returned	0.00	218.25
Total Other Expense	0.00	3,655.75
Net Other Income	0.00	-3,655.75
Net Income	-81,293.16	187,034.09

LAFCO of Monterey County
Balance Sheet
As of May 31, 2022

Accrual Basis

	May 31, 22
ASSETS	
Current Assets	
Checking/Savings	
1100 · Petty Cash	300.00
1007 · Wells Fargo Checking	137,531.96
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	287,676.64
1013 · Designated Cash - Accrued Leave	65,713.08
1014 · Designated Cash-Post Retirement	90,300.00
1015 · Designated Cash-Contingency	258,357.00
1020 · Resticted Cash-FORA Litigation	344,918.63
1010 · Cash Co. Treasury - Other	457,544.68
Total 1010 · Cash Co. Treasury	1,504,510.03
Total Checking/Savings	1,642,341.99
Other Current Assets	
1400 · Prepaid Insurance	4,418.32
1405 · Prepaid Expenses	4,114.72
Total Other Current Assets	8,533.04
Total Current Assets	1,650,875.03
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-48,969.74
Total Fixed Assets	8,832.25
Other Assets	
1800 · Deferred Outflows-PERS Contrib.	69,874.49
1805 · Deferred Outflows-Actuarial	38,893.32
1810 · Deferred Outflows-OPEB Contrib	4,080.00
1815 · Deferred Outflow-OPEB Actuarial	2,609.00
Total Other Assets	115,456.81
TOTAL ASSETS	1,775,164.09
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	13,476.30
Total Accounts Payable	13,476.30
Credit Cards	
WFB Visa X2064 (Kate)	299.57
Total Credit Cards	299.57
Other Current Liabilities	
2220 · Accrued Leave	65,713.08
2410 · Post Retirement (GASB 75)	90,300.00
2200 · Payroll Liabilities	294.00
2380 · Dissolution of FORA Legal Liab.	344,918.63
2381 · Dissolution of FORA Admin Liab.	57,095.00
Total Other Current Liabilities	558,320.71
Total Current Liabilities	572,096.58
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	-10,976.20
2500 · Deferred Inflow-GAB68 Actuarial	10,172.41
2505 · Deferred Inflows-OPEB Actuarial	46,684.00
Total Long Term Liabilities	45,880.21
Total Liabilities	617,976.79
Equity	
3700 · Invested in Capital Assets	8,832.25
3710 · Encumbered Funds	70,749.02
3800 · Reserve for Litigation	287,676.64
3810 · Reserve for Contingency	258,357.00
3850 · Unreserved Fund	417,684.13
Net Income	113,888.26
Total Equity	1,157,187.30
TOTAL LIABILITIES & EQUITY	1,775,164.09

LAFCO of Monterey County
Profit & Loss

May 2022

Accrual Basis

	May 22	Jul '21 - May 22
Ordinary Income/Expense		
Income		
4000 · Fees		
4005 · Project	12,467.39	171,421.62
Total 4000 · Fees	12,467.39	171,421.62
4205 · County Contributions	0.00	298,814.00
4210 · City Contributions	0.00	298,813.00
4220 · District Contributions	0.00	298,814.00
4249 · FORA Admin Revenue	330.00	4,290.00
4300 · Interest	1.54	3,554.30
Total Income	12,798.93	1,075,706.92
Expense		
7300 · Depreciation	373.00	4,179.37
6000 · Employee Salaries		
6002 · Regular Earnings	35,538.67	403,106.38
6004 · FORA Admin Earnings	100.14	1,351.91
Total 6000 · Employee Salaries	35,638.81	404,458.29
6100 · Employee Benefits		
6013 · Post Retirement Healthcare	149.00	1,603.00
6010 · Accrued Leave	3,296.12	-17,756.12
6007 · Management Expense Allowance		
6011 · Management Car Allowance	400.00	4,400.00
6007 · Management Expense Allowance - Other	50.00	550.00
Total 6007 · Management Expense Allowance	450.00	4,950.00
6102 · Worker's Compensation Insurance	253.43	2,559.76
6101 · Payroll Expenses	543.29	7,339.13
6103 · Employee Memberships	0.00	848.00
6104 · Deferred Comp Plan Contribution	2,209.61	24,526.55
6105 · PERS Retirement	3,680.27	42,382.80
6110 · PERS Health		
8111 · Med ER Non-Ele	745.00	5,822.00
6112 · Med ER Pre Tax	7,040.09	61,463.62
6110 · PERS Health - Other	23.37	209.60
Total 6110 · PERS Health	7,808.46	67,495.22
6130 · Insurance		
6139 · STD	92.06	912.17
6131 · LIFE	125.20	1,229.70
6132 · ADD	8.21	80.64
6133 · Dental	762.90	8,053.21
6134 · Vision	103.60	1,110.98
6135 · LTD	316.26	3,165.93
6136 · EAP	-80.40	0.00
Total 6130 · Insurance	1,327.83	14,552.63
7294 · Accrued Leave Reserve	0.00	20,480.40
6100 · Employee Benefits - Other	0.00	4,525.00
Total 6100 · Employee Benefits	19,718.01	173,506.37
7000 · Postage and Shipping	643.69	5,450.78
7010 · Books and Periodical	0.00	1,323.36
7030 · Copy Machine	846.43	6,040.85
7040 · Outside Printers	0.00	667.88
7060 · Office Supplies	213.99	2,090.80
7070 · Office Equipment and Furnishing	0.00	273.11
7080 · Computer Hardware/Peripherals	1,461.92	3,536.46
7085 · Computer Support Svc Fixed Cost	2,731.36	9,789.91
7090 · Computer Support Svc Variable	0.00	819.00
7100 · Computer Software	0.00	579.84
7110 · Property and Gen Liability Ins	594.11	6,535.21
7120 · Office Maintenance Services	168.00	328.00
7150 · Training, Conferences & Wrkshps	180.00	180.00
7170 · Rental of Buildings	2,397.69	26,374.59
7200 · Telephone Communications	123.75	3,636.57
7230 · Temp Help Services (Clerical)	0.00	37,440.38
7240 · Outside Prof. Services	0.00	75,180.00
7242 · Outside Prof Svc-Accounting	4,800.00	55,600.00
7242 A · Gen Admin Svcs & HR Assistance	400.00	6,240.00
7248 · Outside Prof Svc-Annual Audit	0.00	14,500.00
7245 · General Legal Services		
7245A · MPWMD-Latent Power	0.00	82,570.40
7245 · General Legal Services - Other	3,306.00	10,476.70
Total 7245 · General Legal Services	3,306.00	93,047.10
7250 · Miscellaneous Office Expense	98.83	482.19
7260 · Legal Notices	0.00	4,028.97
7270 · Recruitment Advertising	0.00	675.00
7280 · LAFCO Memberships	0.00	8,839.01
7290 · Litigation Reserve	12,249.17	12,359.87
Total Expense	85,944.76	958,162.91
Net Ordinary Income	-73,145.83	117,544.01
Other Income/Expense		
Other Expense		
8100 · Prior Year Encumbered Funds		
8115 · E/F - Temp Professional Svcs	0.00	3,437.50
Total 8100 · Prior Year Encumbered Funds	0.00	3,437.50
8106 · Prior Yr Project Fees Returned	0.00	218.25
Total Other Expense	0.00	3,655.75
Net Other Income	0.00	-3,655.75
Net Income	-73,145.83	113,888.26

LAFCO *of Monterey County*

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KATE McKENNA, AICP
Executive Officer

DATE: September 26, 2022

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: Draft Balance Sheet as of June 30, 2022 and Draft Profit & Loss Statement through June 30, 2022

SUMMARY OF RECOMMENDATION:

The Budget and Finance Committee recommends that the Commission receive this report as information only.

EXECUTIVE OFFICER'S REPORT:

Attached are the draft financials for June 2022. On September 9, this information was reviewed by the Budget and Finance Committee and discussed with the LAFCO Executive Officer and Mr. Mike Briley, CPA, Managing Partner of Hayashi Wayland.

These draft year-end reports will be reconciled with the annual audit and presented for approval in November (Committee) and December (Commission).

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

5.1 Draft Balance Sheet as of June 30, 2022, prepared on August 31, 2022, Hayashi & Wayland Accounting & Consulting, LLP

5.2 Draft Profit & Loss Statement for July 2021 through June 30, 2022, prepared on August 31, 2022, Hayashi & Wayland Accounting & Consulting, LLP

LAFCO of Monterey County
Balance Sheet
As of June 30, 2022

Attachment 5.1

Accrual Basis

	Jun 30, 22
ASSETS	
Current Assets	
Checking/Savings	
1100 · Petty Cash	300.00
1007 · Wells Fargo Checking	189,424.79
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	264,588.01
1013 · Designated Cash - Accrued Leave	68,104.13
1014 · Designated Cash-Post Retirement	85,475.00
1015 · Designated Cash-Contingency	258,357.00
1020 · Resticted Cash-FORA Litigation	344,254.43
1010 · Cash Co. Treasury - Other	333,067.26
Total 1010 · Cash Co. Treasury	1,353,845.83
Total Checking/Savings	1,543,570.62
Other Current Assets	
1400 · Prepaid Insurance	11,273.41
1405 · Prepaid Expenses	11,249.11
Total Other Current Assets	22,522.52
Total Current Assets	1,566,093.14
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-49,333.74
Total Fixed Assets	8,468.25
Other Assets	
1800 · Deferred Outflows-PERS Contrib.	46,559.54
1805 · Deferred Outflows-Actuarial	262,201.83
1810 · Deferred Outflows-OPEB Contrib	1,752.00
1815 · Deferred Outflow-OPEB Actuarial	7,238.00
Total Other Assets	317,751.37
TOTAL ASSETS	1,892,312.76
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	15,782.36
Total Accounts Payable	15,782.36
Credit Cards	
WFB Visa X2064 (Kate)	43.74
Total Credit Cards	43.74
Other Current Liabilities	
2220 · Accrued Leave	68,104.13
2410 · Post Retirement (GASB 75)	85,475.00
2200 · Payroll Liabilities	294.00
2380 · Dissolution of FORA Legal Liab.	344,254.43
2381 · Dissolution of FORA Admin Liab.	56,022.50
Total Other Current Liabilities	554,150.06
Total Current Liabilities	569,976.16
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	-262,199.19
2500 · Deferred Inflow-GAB68 Actuarial	9,278.43
2505 · Deferred Inflows-OPEB Actuarial	52,790.00
Total Long Term Liabilities	-200,130.76
Total Liabilities	369,845.40
Equity	
3700 · Invested in Capital Assets	8,468.25
3710 · Encumbered Funds	70,749.02
3800 · Reserve for Litigation	264,588.01
3810 · Reserve for Contingency	258,357.00
3850 · Unreserved Fund	441,136.76
Net Income	479,168.32
Total Equity	1,522,467.36
TOTAL LIABILITIES & EQUITY	1,892,312.76

LAFCO of Monterey County
Profit & Loss

Attachment 5.2

Accrual Basis

July 2021 through June 2022

	Jul '21 - Jun 22
Ordinary Income/Expense	
Income	
4000 - Fees	
4005 - Project	179,371.62
Total 4000 - Fees	179,371.62
4205 - County Contributions	298,814.00
4210 - City Contributions	298,813.00
4220 - District Contributions	298,814.00
4249 - FORA Admin Revenue	5,362.50
4300 - Interest	3,555.50
Total Income	1,084,730.62
Expense	
7300 - Depreciation	4,543.37
6000 - Employee Salaries	
6002 - Regular Earnings	441,164.03
6004 - FORA Admin Earnings	1,552.19
Total 6000 - Employee Salaries	442,716.22
6100 - Employee Benefits	
6013 - Post Retirement Healthcare	732.00
6010 - Accrued Leave	(15,365.07)
6007 - Management Expense Allowance	
6011 - Management Car Allowance	4,800.00
6007 - Management Expense Allowance - Other	600.00
Total 6007 - Management Expense Allowance	5,400.00
6102 - Worker's Compensation Insurance	2,813.22
6101 - Payroll Expenses	7,920.40
6103 - Employee Memberships	848.00
6104 - Deferred Comp Plan Contribution	26,898.55
6105 - PERS Retirement	
6106 - PERS Retirement - GASB 68	(405,550.99)
6110 - PERS Health	
6111 - Med ER Non-Ele	6,418.00
6112 - Med ER Pre Tax	67,636.90
6110 - PERS Health - Other	230.43
Total 6110 - PERS Health	74,285.33
6130 - Insurance	
6139 - STD	1,004.23
6131 - LIFE	1,354.90
6132 - ADD	88.85
6133 - Dental	8,821.11
6134 - Vision	1,219.58
6135 - LTD	3,482.19
6136 - EAP	
Total 6130 - Insurance	15,970.86
7294 - Accrued Leave Reserve	20,480.40
6100 - Employee Benefits - Other	4,525.00
Total 6100 - Employee Benefits	(261,042.30)
7000 - Postage and Shipping	5,929.84
7010 - Books and Periodical	1,323.36
7030 - Copy Machine	6,506.94
7040 - Outside Printers	667.88
7060 - Office Supplies	2,880.79
7070 - Office Equipment and Furnishing	273.11
7080 - Computer Hardware/Peripherals	3,709.08
7085 - Computer Support Svc Fixed Cost	10,726.79
7090 - Computer Support Svc Variable	4,555.00
7100 - Computer Software	579.84
7110 - Property and Gen Liability Ins	7,129.37
7120 - Office Maintenance Services	328.00
7150 - Training, Conferences & Wrkshps	540.00
7170 - Rental of Buildings	28,772.28
7200 - Telephone Communications	4,045.79
7230 - Temp Help Services (Clerical)	37,440.38
7240 - Outside Prof. Services	75,180.00
7242 - Outside Prof Svc-Accounting	60,400.00
7242 A - Gen Admin Svcs & HR Assistance	6,840.00
7248 - Outside Prof Svc-Annual Audit	14,500.00
7245 - General Legal Services	
7245A - MPWMD-Latent Power	82,570.40
7245 - General Legal Services - Other	11,473.00
Total 7245 - General Legal Services	94,043.40
7250 - Miscellaneous Office Expense	525.93
7260 - Legal Notices	4,028.97
7270 - Recruitment Advertising	675.00
7280 - LAFCO Memberships	8,839.01
7290 - Litigation Reserve	35,446.50
Total Expense	601,906.55
Net Ordinary Income	482,824.07
Other Income/Expense	
Other Expense	
8100 - Prior Year Encumbered Funds	
8115 - E/F - Temp Professional Svcs	3,437.50
Total 8100 - Prior Year Encumbered Funds	3,437.50
8106 - Prior Yr Project Fees Returned	218.25
Total Other Expense	3,655.75
Net Other Income	(3,655.75)
Net Income	479,168.32

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

DATE: September 26, 2022

TO: Chair and Members of the Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: Draft Balance Sheet as of July 31, 2022 and Draft Profit & Loss Statement for July 2022

SUMMARY OF RECOMMENDATION:

The Budget and Finance Committee recommends that the Commission receive this report as information only.

EXECUTIVE OFFICER'S REPORT:

Attached are the draft financials for July 2022. On September 9, this information was reviewed by the Budget and Finance Committee and discussed with the LAFCO Executive Officer and Mr. Mike Briley, CPA, Managing Partner of Hayashi Wayland.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

- 6.1 Draft Balance Sheet as of July 31, 2022, prepared on August 31, 2022, Hayashi & Wayland Accounting & Consulting, LLP
- 6.2 Draft Profit & Loss Statement for July 2022, prepared on August 31, 2022, Hayashi & Wayland Accounting & Consulting, LLP

LAFCO of Monterey County
Balance Sheet
As of July 31, 2022

Attachment 6.1

Accrual Basis

	Jul 31, 22
ASSETS	
Current Assets	
Checking/Savings	
1100 · Petty Cash	300.00
1007 · Wells Fargo Checking	110,839.62
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	264,588.01
1013 · Designated Cash - Accrued Leave	70,582.86
1014 · Designated Cash-Post Retirement	85,475.00
1015 · Designated Cash-Contingency	258,357.00
1020 · Resticted Cash-FORA Litigation	344,254.43
1010 · Cash Co. Treasury - Other	777,735.92
Total 1010 · Cash Co. Treasury	1,800,993.22
Total Checking/Savings	1,912,132.84
Accounts Receivable	
1235 · A/R Fiscal Year Ending 6/2023	617,642.60
Total Accounts Receivable	617,642.60
Other Current Assets	
1400 · Prepaid Insurance	9,895.63
1405 · Prepaid Expenses	7,631.14
Total Other Current Assets	17,526.77
Total Current Assets	2,547,302.21
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-49,671.74
Total Fixed Assets	8,130.25
Other Assets	
1800 · Deferred Outflows-PERS Contrib.	46,559.54
1805 · Deferred Outflows-Actuarial	262,201.83
1810 · Deferred Outflows-OPEB Contrib	1,752.00
1815 · Deferred Outflow-OPEB Actuarial	7,238.00
Total Other Assets	317,751.37
TOTAL ASSETS	2,873,183.83
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	5,916.53
Total Accounts Payable	5,916.53
Credit Cards	
WFB Visa X2064 (Kate)	6,959.15
Total Credit Cards	6,959.15
Other Current Liabilities	
2220 · Accrued Leave	70,582.86
2410 · Post Retirement (GASB 75)	85,475.00
2200 · Payroll Liabilities	168.00
2380 · Dissolution of FORA Legal Liab.	344,254.43
2381 · Dissolution of FORA Admin Liab.	56,022.50
Total Other Current Liabilities	556,502.79
Total Current Liabilities	569,378.47
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	-262,199.19
2500 · Deferred Inflow-GAB68 Actuarial	9,278.43
2505 · Deferred Inflows-OPEB Actuarial	52,790.00
Total Long Term Liabilities	-200,130.76
Total Liabilities	369,247.71
Equity	
3700 · Invested in Capital Assets	8,130.25
3710 · Encumbered Funds	70,749.02
3800 · Reserve for Litigation	264,588.01
3810 · Reserve for Contingency	258,357.00
3850 · Unreserved Fund	441,474.76
3900 · Retained Earnings	479,168.32
Net Income	981,468.76
Total Equity	2,503,936.12
TOTAL LIABILITIES & EQUITY	2,873,183.83

LAFCO of Monterey County

Profit & Loss

Attachment 6.2

Accrual Basis

July 2022

	Jul 22
Ordinary Income/Expense	
Income	
4205 · County Contributions	354,931.00
4210 · City Contributions	354,930.99
4220 · District Contributions	354,928.00
4300 · Interest	1.30
Total Income	1,064,791.29
Expense	
7300 · Depreciation	338.00
6000 · Employee Salaries	
6002 · Regular Earnings	40,655.10
6004 · FORA Admin Earnings	125.18
Total 6000 · Employee Salaries	40,780.28
6100 · Employee Benefits	
6013 · Post Retirement Healthcare	149.00
6010 · Accrued Leave	2,478.73
6007 · Management Expense Allowance	
6011 · Management Car Allowance	400.00
6007 · Management Expense Allowance - Other	50.00
Total 6007 · Management Expense Allowance	450.00
6102 · Worker's Compensation Insurance	179.37
6101 · Payroll Expenses	617.83
6103 · Employee Memberships	96.75
6104 · Deferred Comp Plan Contribution	2,528.38
6105 · PERS Retirement	6,717.97
6110 · PERS Health	
6111 · Med ER Non-Ele	596.00
6112 · Med ER Pre Tax	6,173.28
6110 · PERS Health - Other	20.83
Total 6110 · PERS Health	6,790.11
6130 · Insurance	
6139 · STD	92.06
6131 · LIFE	125.20
6132 · ADD	8.21
6133 · Dental	767.90
6134 · Vision	108.60
6135 · LTD	332.40
Total 6130 · Insurance	1,434.37
7294 · Accrued Leave Reserve	
Total 6100 · Employee Benefits	21,442.51
7000 · Postage and Shipping	79.62
7010 · Books and Periodical	238.00
7030 · Copy Machine	231.12
7100 · Computer Software	214.98
7110 · Property and Gen Liability Ins	640.54
7170 · Rental of Buildings	2,397.69
7200 · Telephone Communications	452.38
7240 · Outside Prof. Services	3,225.00
7242 · Outside Prof Svc-Accounting	4,800.00
7242 A · Gen Admin Svcs & HR Assistance	400.00
7250 · Miscellaneous Office Expense	28.16
7260 · Legal Notices	551.25
7280 · LAFCO Memberships	7,503.00
Total Expense	83,322.53
Net Ordinary Income	981,468.76
Net Income	981,468.76

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
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132 W. Gabilan Street, Suite 102
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www.monterey.lafco.ca.gov

DATE: September 26, 2022

TO: Chair and Members of the Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: Draft Balance Sheet as of August 31, 2022 and Draft Profit & Loss Statements through August 2022

SUMMARY OF RECOMMENDATION:

The Budget and Finance Committee recommends that the Commission receive this report for information only.

EXECUTIVE OFFICER'S REPORT:

Attached are the draft financials for August 2022. On September 9, the Budget and Finance Committee reviewed this information and discussed it with the LAFCO Executive Officer and Mr. Mike Briley, CPA, Managing Partner of Hayashi Wayland.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

- 7.1 Draft Balance Sheet as of August 31, 2022, prepared on August 31, 2022, Hayashi & Wayland Accounting & Consulting, LLP
- 7.2 Draft Profit & Loss Statement for July 2022 through August 2022, prepared on August 31, 2022, Hayashi & Wayland Accounting & Consulting, LLP
- 7.3 Draft Profit & Loss Statement by month for July through August 2022, prepared on August 31, 2022, Hayashi & Wayland Accounting & Consulting, LLP

**LAFCO of Monterey County
Balance Sheet**

Attachment 7.1

Accrual Basis

As of August 31, 2022

	Aug 31, 22
ASSETS	
Current Assets	
Checking/Savings	
1100 · Petty Cash	300.00
1007 · Wells Fargo Checking	171,601.90
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	255,166.11
1013 · Designated Cash - Accrued Leave	72,147.28
1014 · Designated Cash-Post Retirement	85,475.00
1015 · Designated Cash-Contingency	258,357.00
1020 · Resticted Cash-FORA Litigation	344,254.43
1010 · Cash Co. Treasury - Other	635,593.40
Total 1010 · Cash Co. Treasury	1,650,993.22
Total Checking/Savings	1,822,895.12
Accounts Receivable	
1235 · A/R Fiscal Year Ending 6/2023	617,642.60
Total Accounts Receivable	617,642.60
Other Current Assets	
1400 · Prepaid Insurance	9,075.72
1405 · Prepaid Expenses	7,675.39
Total Other Current Assets	16,751.11
Total Current Assets	2,457,288.83
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-50,006.74
Total Fixed Assets	7,795.25
Other Assets	
1800 · Deferred Outflows-PERS Contrib.	46,559.54
1805 · Deferred Outflows-Actuarial	262,201.83
1810 · Deferred Outflows-OPEB Contrib	1,752.00
1815 · Deferred Outflow-OPEB Actuarial	7,238.00
Total Other Assets	317,751.37
TOTAL ASSETS	2,782,835.45
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	1,447.27
Total Accounts Payable	1,447.27
Other Current Liabilities	
2220 · Accrued Leave	72,147.28
2410 · Post Retirement (GASB 75)	85,475.00
2200 · Payroll Liabilities	168.00
2380 · Dissolution of FORA Legal Liab.	344,254.43
2381 · Dissolution of FORA Admin Liab.	56,022.50
Total Other Current Liabilities	558,067.21
Total Current Liabilities	559,514.48
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	-262,199.19
2500 · Deferred inflow-GAB66 Actuarial	9,278.43
2505 · Deferred inflows-OPEB Actuarial	52,790.00
Total Long Term Liabilities	-200,130.76
Total Liabilities	359,383.72
Equity	
3700 · Invested in Capital Assets	7,795.25
3710 · Encumbered Funds	70,749.02
3800 · Reserve for Litigation	255,166.11
3810 · Reserve for Contingency	258,357.00
3850 · Unreserved Fund	451,231.66
3900 · Retained Earnings	479,168.32
Net Income	900,984.37
Total Equity	2,423,451.73
TOTAL LIABILITIES & EQUITY	2,782,835.45

**LAFCO of Monterey County
Profit & Loss**

Attachment 7.2

Accrual Basis

July through August 2022

	Jul - Aug 22
Ordinary Income/Expense	
Income	
4205 · County Contributions	354,931.00
4210 · City Contributions	354,930.99
4220 · District Contributions	354,928.00
4300 · Interest	1.30
Total Income	1,064,791.29
Expense	
7300 · Depreciation	673.00
6000 · Employee Salaries	
6002 · Regular Earnings	82,365.91
6004 · FORA Admin Earnings	351.98
Total 6000 · Employee Salaries	82,717.89
6100 · Employee Benefits	
6013 · Post Retirement Healthcare	298.00
6010 · Accrued Leave	4,043.15
6007 · Management Expense Allowance	
6011 · Management Car Allowance	800.00
6007 · Management Expense Allowance - Other	100.00
Total 6007 · Management Expense Allowance	900.00
6102 · Worker's Compensation Insurance	358.74
6101 · Payroll Expenses	1,252.45
6103 · Employee Memberships	96.75
6104 · Deferred Comp Plan Contribution	5,128.50
6105 · PERS Retirement	11,072.75
6110 · PERS Health	
6111 · Med ER Non-Ele	1,192.00
6112 · Med ER Pre Tax	12,346.56
6110 · PERS Health - Other	48.33
Total 6110 · PERS Health	13,586.89
6130 · Insurance	
6139 · STD	184.12
6131 · LIFE	250.40
6132 · ADD	16.42
6133 · Dental	1,535.80
6134 · Vision	217.20
6135 · LTD	664.80
Total 6130 · Insurance	2,868.74
7294 · Accrued Leave Reserve	
6100 · Employee Benefits - Other	700.00
Total 6100 · Employee Benefits	40,305.97
7000 · Postage and Shipping	159.24
7010 · Books and Periodical	238.00
7030 · Copy Machine	725.90
7060 · Office Supplies	166.71
7100 · Computer Software	214.98
7110 · Property and Gen Liability Ins	1,281.08
7170 · Rental of Buildings	4,795.38
7200 · Telephone Communications	781.06
7240 · Outside Prof. Services	3,225.00
7242 · Outside Prof Svc-Accounting	9,800.00
7242 A · Gen Admin Svcs & HR Assistance	800.00
7245 · General Legal Services	405.90
7250 · Miscellaneous Office Expense	28.16
7260 · Legal Notices	551.25
7280 · LAFCO Memberships	7,503.00
7290 · Litigation Reserve	9,421.90
Total Expense	163,794.42
Net Ordinary Income	900,996.87
Other Income/Expense	
Other Expense	
8106 · Prior Yr Project Fees Returned	12.50
Total Other Expense	12.50
Net Other Income	(12.50)
Net Income	900,984.37

LAFCO of Monterey County
Profit & Loss by Month

Attachment 7.3

Accrual Basis

July through August 2022

	Jul 22	Aug 22	TOTAL
Ordinary Income/Expense			
Income			
4205 · County Contributions	354,931.00	0.00	354,931.00
4210 · City Contributions	354,930.99	0.00	354,930.99
4220 · District Contributions	354,928.00	0.00	354,928.00
4300 · Interest	1.30	0.00	1.30
Total Income	1,064,791.29	0.00	1,064,791.29
Expense			
7300 · Depreciation	338.00	335.00	673.00
6000 · Employee Salaries			
6002 · Regular Earnings	40,655.10	41,710.81	82,365.91
6004 · FORA Admin Earnings	125.18	226.80	351.98
Total 6000 · Employee Salaries	40,780.28	41,937.61	82,717.89
6100 · Employee Benefits			
6013 · Post Retirement Healthcare	149.00	149.00	298.00
6010 · Accrued Leave	2,478.73	1,564.42	4,043.15
6007 · Management Expense Allowance			
6011 · Management Car Allowance	400.00	400.00	800.00
6007 · Management Expense Allowance - Other	50.00	50.00	100.00
Total 6007 · Management Expense Allowance	450.00	450.00	900.00
6102 · Worker's Compensation Insurance	179.37	179.37	358.74
6101 · Payroll Expenses	617.83	634.62	1,252.45
6103 · Employee Memberships	96.75	0.00	96.75
6104 · Deferred Comp Plan Contribution	2,528.38	2,600.12	5,128.50
6105 · PERS Retirement	6,717.97	4,354.78	11,072.75
6110 · PERS Health			
6111 · Med ER Non-Ele	596.00	596.00	1,192.00
6112 · Med ER Pre Tax	6,173.28	6,173.28	12,346.56
6110 · PERS Health - Other	20.83	27.50	48.33
Total 6110 · PERS Health	6,790.11	6,796.78	13,586.89
6130 · Insurance			
6139 · STD	92.06	92.06	184.12
6131 · LIFE	125.20	125.20	250.40
6132 · ADD	8.21	8.21	16.42
6133 · Dental	767.90	767.90	1,535.80
6134 · Vision	108.60	108.60	217.20
6135 · LTD	332.40	332.40	664.80
Total 6130 · Insurance	1,434.37	1,434.37	2,868.74
7294 · Accrued Leave Reserve	0.00	0.00	0.00
6100 · Employee Benefits - Other	0.00	700.00	700.00
Total 6100 · Employee Benefits	21,442.51	18,863.46	40,305.97
7000 · Postage and Shipping	79.62	79.62	159.24
7010 · Books and Periodical	238.00	0.00	238.00
7030 · Copy Machine	231.12	494.78	725.90
7060 · Office Supplies	0.00	166.71	166.71
7100 · Computer Software	214.98	0.00	214.98
7110 · Property and Gen Liability Ins	640.54	640.54	1,281.08
7170 · Rental of Buildings	2,397.69	2,397.69	4,795.38
7200 · Telephone Communications	452.38	328.68	781.06
7240 · Outside Prof. Services	3,225.00	0.00	3,225.00
7242 · Outside Prof Svc-Accounting	4,800.00	5,000.00	9,800.00
7242 A · Gen Admin Svcs & HR Assistance	400.00	400.00	800.00
7245 · General Legal Services	0.00	405.90	405.90
7250 · Miscellaneous Office Expense	28.16	0.00	28.16
7260 · Legal Notices	551.25	0.00	551.25
7280 · LAFCO Memberships	7,503.00	0.00	7,503.00
7290 · Litigation Reserve	0.00	9,421.90	9,421.90
Total Expense	83,322.53	80,471.89	163,794.42
Net Ordinary Income	981,468.76	(80,471.89)	900,996.87
Other Income/Expense			
Other Expense			
8106 · Prior Yr Project Fees Returned	0.00	12.50	12.50
Total Other Expense	0.00	12.50	12.50
Net Other Income	0.00	(12.50)	(12.50)
Net Income	981,468.76	(80,484.39)	900,984.37

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

DATE: September 26, 2022

TO: Chair and Members of the Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: Update to the Procedure for Review of the Monthly LAFCO Bank Warrant Registers by the Commission

SUMMARY OF RECOMMENDATION:

The Budget and Finance Committee recommends that the Commission discontinue the monthly review of LAFCO Bank Warrant Registers.

EXECUTIVE OFFICER'S REPORT:

This item was reviewed by the Budget and Finance Committee on September 9 and discussed with the LAFCO Executive Officer and Mr. Mike Briley, CPA, Managing Partner of Hayashi Wayland.

Following a discussion of financial reporting procedures, the Committee recommends that the Commission discontinue its monthly review of bank warrant registers and, instead, begin receiving monthly balance sheets and profit and loss statements. For example, please see Agenda Items No. 3 – 7 for financials for the past several months.

The intention is to provide the Commission with the most useful financial summaries on a monthly basis. Warrant registers will continue to be prepared and will be available for review upon request to the LAFCO office.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

DATE: September 26, 2022
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Jonathan Brinkmann, Senior Analyst
SUBJECT: Updates to the LAFCO Rules and Regulations (“Bylaws”) for the Orderly and Fair Conduct of Hearings

SUMMARY OF RECOMMENDATION:

The Budget and Finance Committee recommends that the Commission adopt a resolution (Attachment 1) finding that the proposed revisions are not a “project” for purposes of the California Environmental Quality Act and adopting proposed updates to the LAFCO hearing rules and regulations (“Bylaws”).

EXECUTIVE OFFICER’S REPORT:

Summary

In July, staff and General Counsel conducted a routine review of the LAFCO Bylaws and Conflict of Interest Code. While no changes are needed to the Conflict of Interest Code, minor changes were drafted for the Bylaws for conducting hearings. The Bylaws item was pulled from the Commission’s consent agenda on August 22 and referred to the Budget and Finance Committee for review. On September 9, the Committee discussed and recommended approval of an updated set of changes to the LAFCO Bylaws. The proposed updates will clarify current rules and procedures of the Commission for consistency with LAFCO practices, and do not alter the conduct of LAFCO hearings.

Discussion

Attachment 1 is the draft resolution with a clean version of the proposed Bylaws. Attachment 2 shows the proposed changes in tracked changes format. Highlights by section are as follows:

1. Section 9. Location of Meetings: clarification that LAFCO’s meetings will be held in the Board of Supervisors Chambers or as permitted by State Law, which currently allows for legislative bodies to meet virtually during a proclaimed state of emergency.
2. Section 11. Selection/Appointment of Members: identification of the Monterey County Mayors’ Association as the body serving as the City Selection Committee to appoint LAFCO City Members and explanation of the Independent Special Districts Selection Committee process of holding an election to appoint LAFCO Special District Members.
3. Section 12. Chair and Chair Pro Tempore: explanation that, if the Commission does not hold a meeting in May, it will meet in June to select one of its members to serve as Chair.

4. Section 15. Alternate Members: clarification of roles and participation of Alternate Members during closed session meetings of the Commission.
5. Section 17. Compensation: clarification that LAFCO's procedure is that Commissioners shall not receive a LAFCO stipend for attending CALAFCO functions.
6. Section 25. Public Participation at Meetings and Section 26. Hearings: clarifying when the Commission will receive public comments.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kate McKenna". The signature is written in a cursive style with a large, stylized "K" and "M".

Kate McKenna, AICP
Executive Officer

Attachments:

1. Draft Resolution Adopting an Update to the Bylaws for the Orderly and Fair Conduct of Hearings of LAFCO of Monterey County, including Exhibit A: Proposed Bylaws Update. (Clean Version)
2. Proposed Bylaws Update for the Orderly and Fair Conduct of Hearings of LAFCO of Monterey County. (Tracked Changes Version)

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RESOLUTION NO. 22-xx

ADOPTING AN UPDATE TO THE RULES AND REGULATIONS (“BYLAWS”)
FOR THE ORDERLY AND FAIR CONDUCT OF HEARINGS
OF THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

WHEREAS, each Local Agency Formation Commission is empowered pursuant to Government Code Section 56375 to adopt and to enforce its own rules and regulations for the orderly and fair conduct of hearings; and

WHEREAS, the Local Agency Formation Commission adopted Resolutions 02-09, 08-02, 11-15, 11-17 and 20-15 establishing Rules and Regulations for the Orderly and Fair Conduct of Hearings; and

WHEREAS, the Local Agency Formation Commission wishes to further update the Rules and Regulations for the Orderly and Fair Conduct of Hearings to clarify current rules and procedures; and

WHEREAS, the Local Agency Formation Commission has considered the proposed update at a public meeting on September 26, 2022.

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of Monterey County finds that the proposed updates (Exhibit A) are not subject to environmental analysis because they constitute organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment and are therefore not a “project” for purposes of CEQA.

BE IT FURTHER RESOLVED that the Local Agency Formation Commission of Monterey County adopts the attached update to the Rules and Regulations (“Bylaws”) for the Orderly and Fair Conduct of Hearings of the Local Agency Formation Commission of Monterey County (Exhibit A), and the update is effective immediately.

UPON MOTION of Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 26th day of September 2022 by the following vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ALTERNATES: Commissioners:
ABSTAIN: Commissioners:

Mary Ann Leffel, Chair
Local Agency Formation Commission of Monterey County

ATTEST: I certify that this resolution is a true and complete record of said Commission’s actions.

Witness my hand this 26th day of September 2022

By: _____
Kate McKenna, AICP, Executive Officer

Exhibit A

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RULES AND REGULATIONS (“BYLAWS”)

FOR THE ORDERLY AND FAIR CONDUCT OF HEARINGS

OF THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

September 26, 2022 Proposed Update – Clean Version

Amended: 2002, 2008, 2011 and 2020

Section 1. GENERAL APPLICATION

The Local Agency Formation Commission of Monterey County hereby declares that its procedures, and the procedures of its standing committees, shall be governed by the California Open Meeting Law, also known as the “Ralph M. Brown Act” or “Brown Act” (California Government Code section 54950 *et seq.*), and the regulations hereinafter set forth together with such other administrative regulations as may from time to time be prescribed by the Commission or its Executive Officer. Should these regulations conflict with the requirements of the Brown Act, the provisions of the Brown Act shall control. For purposes of these rules and, unless otherwise specified, the term “Commissioner” shall refer to regular members of the Commission, and the term “Alternate” shall refer to alternate members.

Section 2. AUTHORITY

The conduct of the Local Agency Formation Commission of Monterey County is governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code sections 56000 *et seq.*, as amended and hereinafter referred to as the “CKH Act.” The provisions of these bylaws are not intended to preempt state law. In the event of a conflict between the provisions set forth in these bylaws and those set forth in the CKH Act, the provisions of the CKH Act shall prevail.

Section 3. REGULAR MEETINGS

Regular meetings of the Commission shall be held on the fourth Monday of each month commencing at the hour of 4:00 p.m., or as may be otherwise determined as part of the adoption of the annual calendar. If such a meeting falls upon a legal holiday, the regular meeting shall be held on the preceding or succeeding Monday that does not fall on a holiday as set forth in the annual calendar. If no matters have been filed, no other matters remain from previous meetings, or there is otherwise no business to transact, the Chair may cancel the regular meeting, directing the Executive Officer to so notify the members of the Commission.

Section 4. AGENDAS OF REGULAR MEETINGS

At least 72 hours before a regular meeting, an agenda shall be posted at the Commission’s regular place of posting that contains a brief description of each item of business to be transacted or discussed at the

meeting. The agenda will include a period of time on the agenda to receive public comment on items within the jurisdiction of the Commission. The Commission will not make a final determination on any issue raised during the public comment period that is not included on the agenda. The Commission may refer the item to staff or schedule action for a future agenda.

Section 5. ITEMS NOT ON THE POSTED AGENDA

No action is to be taken on items not set forth on the posted agenda unless:

- a. By a majority vote the Commission determines that an emergency situation exists (emergency situation means work stoppage or other activity which severely impairs health, safety, or both, or a crippling disaster which severely impairs public health, safety, or both);
- b. By a determination of two-thirds of the Commissioners, or if less than two-thirds of the Commissioners are present then by unanimous vote of the Commissioners present, that the need to take action arose subsequent to the agenda being posted; or
- c. By the item being continued from a prior meeting held less than five days previously at which time the item was posted.

Section 6. SPECIAL MEETINGS

Special meetings may be ordered at any time by the Chair, or by a majority of Commissioners calling for such a meeting in writing. Notice of a special meeting must be delivered to each Commissioner personally, or by mail, and to each local newspaper of general circulation, and any radio or television stations requesting notice in writing. Such notice must be received at least 24 hours before the time of such special meeting as specified in the notice. The order shall specify the time, date, and place of the special meeting and the business to be transacted. No other business shall be considered at such meeting by the Commission. The call and notice shall be posted at least 24 hours prior to the special meeting at the Commission's regular place of posting. The written notice may be dispensed with as to any Commissioner who at or prior to the time the meeting convenes files with the Executive Officer a written waiver of notice. The waiver may be given by email. The written notice may also be dispensed with as to any Commissioner who is actually present at the meeting at the time it convenes.

Section 7. EMERGENCY MEETINGS

An emergency meeting may be held without compliance with the 24 hour notice or posting requirement as provided in Section 6 when an emergency situation exists, as defined in Section 5(a). The Executive Officer shall notify by phone at least one hour prior to such meeting any media which has requested notice of special meetings. Any action taken at the meeting shall be posted for a minimum of ten days in a public place as soon after the meeting as possible.

Section 8. ADJOURNED MEETINGS

The Commissioners may continue any item to another meeting specified in the order of continuance, may adjourn any meeting without specifying a new meeting date, and may adjourn any meeting to a time and place specified in the order of adjournment. Less than a quorum may so continue an item or adjourn a meeting. If all members are absent from any meeting, the clerk or secretary may so adjourn the meeting, and shall provide notice of any new meeting date and time as required by law.

Section 9. LOCATION OF MEETINGS

Unless otherwise particularly ordered by the Commission, all meetings shall be held in the Board of Supervisors Chambers, Monterey County Government Center, 168 West Alisal Street, First Floor, Salinas, California. Additionally, if consistent with state law, the Commission may by majority vote decide to

conduct its meetings virtually, or in a hybrid manner where certain Commissioners attend a meeting from a physical location while others attend virtually.

Section 10. COMPOSITION

The Commission shall consist of seven regular members and four alternate members (Government Code sections 56325 and 56332). All Commissioners must be residents of Monterey County.

Section II. SELECTION/APPOINTMENT OF MEMBERS

- A. County: The County Board of Supervisors shall appoint two regular Commissioners and one alternate Commissioner from the Board’s membership to serve on the Commission (Government Code section 56325).
- B. City: The City Selection Committee shall appoint two regular Commissioners and one alternate Commissioner to serve on the Commission, each of whom shall be a mayor or city council member from one of the County’s incorporated communities (Government Code section 56325). Such appointments shall be made in accordance with the procedure established by the City Selection Committee and described in the rules and regulations of that body. The Monterey County Mayors’ Association serves as the City Selection Committee and is comprised of one representative from each incorporated city in Monterey County. The Monterey County Mayors’ Association makes City Member appointments to LAFCO.
- C. Special Districts: The Special Districts Selection Committee shall appoint two regular Commissioners and one alternate Commissioner from the special districts within the County (Government Code section 56332). Such appointments shall be made in accordance with the procedure established by the Special Districts Selection Committee and described in the rules and regulations of that body. The Independent Special Districts Selection Committee serves as the Special Districts Selection Committee and is comprised of one representative from each independent special district in Monterey County. The Independent Special Districts Selection Committee makes Special District Member appointments to LAFCO through elections in accordance with its Commissioner Selection Process and Criteria.
- D. Public Member: The public member and one alternate public member are appointed by a majority vote of the Commission in accordance with Government Code section 56325(d) and in the manner detailed in Section 14 of these bylaws.

Section 12. CHAIR AND CHAIR PRO TEMPORE

At its first meeting in the month of May, or in June if its May meeting is canceled, the Commission shall by majority vote, select from its regular members one to serve as Chair and one to serve as Chair Pro Tempore of the Commission until the following May. Any Chair or Chair Pro Tempore selected under the provisions of this section shall continue to act as Chair or Chair Pro Tempore until the selection of their successors.

Beginning in May 2020, the positions of Chair and Chair Pro Tempore will be rotated among Commissioners according to the following schedule, and then repeated:

	<u>Chair</u>	<u>Chair Pro Tempore</u>
Year 1	City Member	County Member
Year 2	County Member	Special District Member
Year 3	Special District Member	Public Member
Year 4	Public Member	City Member

Section 13. TEMPORARY CHAIR PRO TEMPORE

In the absence of the Chair or Chair Pro Tempore at any meeting, the Commissioners present and constituting a quorum may, by majority vote, select a Commissioner to serve as temporary Chair Pro Tempore to serve in the absence of the Chair or Chair Pro Tempore.

Section 14. APPOINTMENT OF REGULAR AND ALTERNATE PUBLIC MEMBERS

Immediately upon the vacancy or tendered resignation of the Commission's regular or alternate public member, the Executive Officer shall prepare a press release and distribute it to the various newspapers circulated within the county and shall mail to each person on the LAFCO agenda distribution list, or other such interested persons requesting a copy, a notice of such vacancy. Said notice shall request that interested persons submit to the Executive Officer by a specified date a letter of interest and resume. Said letters of interest and resumes shall be provided to each regular and alternate city, district and county LAFCO Commissioner. The Commission shall review the qualifications of all interested persons by reviewing the submitted letters of interest and resumes and may determine to hold interview sessions with the most qualified applicants. The Commission may appoint an ad hoc committee to review applications, interview candidates, and present recommendations to the full Commission. Selection of the regular and alternate public member shall be subject to the affirmative vote of at least one of the Commissioners selected by each of the appointing authorities of the cities, the districts and the county. The Commission shall make such appointments by the confirmation of at least four votes of those Commissioners qualified to vote on the matter.

The Commission may appoint a person to any vacant public member position who is currently an officer or an employee of the County, or of any city or district with territory in the County, conditional upon receiving written verification that the person has resigned from the local agency position that causes the conflict of interest.

If the position of regular public member becomes vacant prior to the expiration of a term, the Commission may appoint the alternate public member to fill the unexpired term. If either position becomes vacant prior to the expiration of a term, the Commission may appoint a qualified candidate who has applied in the previous 12 months in response to a notice of vacancy for either position. These alternate application procedures can be implemented following a 21-day public notice of the vacancy.

Section 15. ALTERNATE MEMBERS

In each member category, the alternate member shall serve and vote in place of a regular member who is absent or who disqualifies herself or himself from participating on a specific matter before the Commission at a regular/special Commission meeting or in closed session. Alternate members shall be entitled and encouraged to attend all meetings of the Commission, even if the regular member(s) is (are) present. Alternate members may attend and participate in closed session meetings of the Commission.

Section 16. TERMS OF OFFICE

The terms of office of Commissioners and Alternates shall be four years unless otherwise prescribed by law. If a Commissioner leaves the Commission prior to the completion of his/her term, the appointment of his/her successor shall be for the remainder of the unexpired term of his/her predecessor.

Section 17. COMPENSATION

Commissioners attending CALAFCO functions (e.g., conferences, workshops, executive board meetings) shall be compensated for the expenses associated with conference registration, accommodations, parking, mileage, and car rental. Commissioners shall not receive a LAFCO stipend for attending such functions.

Section 18. COMMITTEES OF THE COMMISSION

The Commission may establish committees from time to time. The composition of committees should be at least two Commissioners, but no more than three Commissioners, and may include Alternates. The Commission may establish standing committees which have broad and continuing subject matter, such as the Budget & Finance Committee, or ad hoc committees which are formed for a specific purpose and a limited time, such as the Executive Officer Evaluation and Compensation Review Committee.

Committees may be appointed by any of the following methods:

- a. Nominations from the floor (open nominations) with viva voce election;
- b. Nominations by the chair (with confirmation by voice vote);
- c. Appointment by the chair; and
- d. Appointment by adoption of a motion naming members of a committee.

Section 19. QUORUM

Four Commissioners, including any Alternate in attendance in the place and stead of any absent or disqualified Commissioner, shall constitute a quorum for the transaction of any business of the Commission. Any resolution or minute order shall be adopted by the affirmative votes of at least four Commissioners, including any such Alternate(s). In the absence of a quorum, the Executive Officer may adjourn the meeting to a stated time and place in accordance with Section 54955 of the Government Code.

Section 20. MAJORITY

Actions of the Commission shall be by a majority vote of Commissioners present and voting on the issue. If a Commissioner is recused or prohibited from voting due to an actual or perceived conflict of interest under the California Political Reform Act (Government Code section 8700 *et seq.*) or Government Code section 1090 *et seq.*, the Commissioner shall leave the dais and the chambers, and his or her presence shall not be counted towards a quorum. If the recusal of a Commissioner on a certain item will upset the quorum, such item shall be trailed to the end of the meeting and continued to a future meeting when a quorum can be obtained. The presence of any Commissioner who otherwise abstains from voting shall be counted for purposes of determining a quorum, but the vote of such abstaining Commissioners shall not be counted either for or against a measure in determining whether a majority vote has been obtained.

Section 21. MEETING PROCEDURE

All meetings of the Commission shall be open to the public. If a Commissioner appears after any public testimony or presentations have been given during a public hearing, such Commissioner shall abstain from voting unless the matter is continued to another meeting. If the public hearing is continued, the Commissioner may participate after reviewing all recordings and materials of the proceedings missed. Unless otherwise ordered by the Chair, the business shall be taken up for consideration and disposition in the following order:

- a. Roll Call
- b. Pledge of Allegiance
- c. Public Comment
- d. Closed Session
- e. Consent Agenda
- f. Continued Matters
- g. New Matters
- h. Other Matters
- i. Executive Officer's Report

- j. Commissioner Comments
- k. Adjournment

Section 22. SUSPENSION OF REGULAR ORDER OF BUSINESS

The regular order of business may be suspended at the discretion of the Chair, unless a majority of the Commission is opposed thereto.

Section 23. ROBERT'S RULES OF ORDER

Except as may otherwise specifically be provided in these regulations, all meetings of the Commission shall be conducted pursuant to Robert's Rules of Order, revised. The Chair shall be the parliamentarian of the Commission, upon consultation with the General Counsel.

Section 24. VOTING

Except upon demand of a Commissioner or voting Alternate, roll need not be called upon voting on a motion, order, or resolution. All members shall vote audibly either "aye" or "nay" as the case may be.

Section 25. PUBLIC PARTICIPATION AT MEETINGS

a. Each agenda of the Commission shall provide an opportunity for members of the public to address the Commissioners on any agenda item of interest to the public, before the Commissioners' consideration of the item. The Chair may limit the time allowed for each person to speak.

b. Each agenda for regular meetings will include a regular time near the beginning of the agenda to receive public comment on items that are within the jurisdiction of the Commission but are not on the agenda. Directors are not required to respond to any issues raised during the public comment period and may not take any action on such issues other than to refer the item to Staff or schedule action for a future agenda.

Section 26. HEARINGS

All hearings shall be conducted by the Chair in the manner provided by law. All hearings of the Commission will be considered open for public participation. When a proposal is being considered by the Commission, the public hearing will be considered open when the item is referred to on the agenda by the Chair. The sequence of events relating to a proposal shall be as follows:

- a. By reference to agenda, the Chair announces the proposal to be heard or considered.
- b. The Executive Officer will present the "Executive Officer's Report" to the Commission.
- c. The Executive Officer will present or summarize any additional messages or communications regarding the proposal.
- d. The Chair inquires if Commissioners have any questions of staff.
- e. The Chair asks if there are any proponents in the audience who wish to be heard.
- f. Following the proponents' remarks, the Chair asks for opponents to be heard.
- g. The Chair may permit a brief period for rebuttal from proponents following all opponents being heard.
- h. The Chair shall receive public comments.
- i. After the public has been heard, the Chair may entertain a motion to close the public hearing.
- j. Following the successful passage of the motion to close the public hearing, the discussion would be limited to the Commission level and culminates in an action to approve or deny the proposal by resolution adopted by a vote of the Commission.
- k. The Chair may alter the order specified above, if the Chair believes such change in the order would facilitate the hearing process.

Section 27. RECORDS OF PROCEEDINGS

All proceedings of every meeting of the Commission shall be reported in writing and shall be permanently maintained in an appropriate Minute File. Minutes of the Commission meetings shall be presented to the Commission at its next regularly scheduled meeting and shall be approved by a majority of Commissioners present, but in no instance shall the affirmative vote be less than four. All orders of the Commission with reference to its final action upon any application or proposal resolutions will be maintained in full in the Minute File. The Executive Officer of the Commission shall keep a Resolution File in which all resolutions shall be entered in full. References in the Minute File to resolutions shall be made by number and name.

Section 28. PROPONENT

As used herein the term “proponent” shall refer to any person, firm, private corporation, or any local agency making application to or filing any proposal with the Commission.

Section 29. FORMS

In any proceeding with reference to which the Commission provides an established printed form, the application or proposal or other filing shall be made upon the particular form so provided. When any such printed form is so provided, all information and exhibits required by regularly adopted regulation of the Commission, except that upon finding good cause the Executive Officer may waive submission of certain of the information. In no instance shall waiver be given for submission of any information required by law. The Executive Officer may decline to receive any document or paper not complying with these regulations or the Commission may decline to proceed in the matter until such time as compliance is had with these regulations.

Section 30. FILINGS REQUESTED

A proponent shall file an original and 15 copies of any application/petition form, map and legal description. When an application consists of a petition, only two copies of the signature pages need be submitted. All filing shall be made with the Executive Officer or such designated person.

Section 31. ADDITIONAL STATEMENTS

Any application or proposal shall contain such data and information or maps or plats as may be required by any rule or regulation of the Commission, including Standards for the Evaluation of Proposals, and such additional data as may be required by the Executive Officer and which pertains to any of the matters or factors which may be considered by the Commission. Such additional statements, maps, plats and rezoning may be required and shall be furnished upon demand of the Executive Officer at any time either at the time of or subsequent to the initial filing of any application or proposal. The Executive Officer may decline to receive for filing any document or paper that does not comply with the requirements of this section. In the event any such additional data is required after an initial filing is made, further proceedings may be held in suspense pending the presentation of additional data.

Section 32. IDENTIFICATION OF PROPOSAL

The Executive Officer shall establish a file for each application or proposal and shall establish a LAFCO file number and distinctive name or title for each proposal.

Section 33. SUPERSESSION

These Rules and Regulations shall supersede any and all rules of procedure previously adopted by the Commission.

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RULES AND REGULATIONS (“BYLAWS”)

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Section 18. COMMITTEES OF THE COMMISSION

The Commission may establish committees from time to time. The composition of committees should be at least two Commissioners, but no more than three Commissioners, and may include Alternates. The Commission may establish standing committees which have broad and continuing subject matter, such as the Budget & Finance Committee, or ad hoc committees which are formed for a specific purpose and a limited time, such as the Executive Officer Evaluation and Compensation Review Committee.

Committees may be appointed by any of the following methods:

- a. Nominations from the floor (open nominations) with viva voce election;
- b. Nominations by the chair (with confirmation by voice vote);
- c. Appointment by the chair; and
- d. Appointment by adoption of a motion naming members of a committee.

Section 19. QUORUM

Four Commissioners, including any Alternate in attendance in the place and stead of any absent or disqualified Commissioner, shall constitute a quorum for the transaction of any business of the Commission. Any resolution or minute order shall be adopted by the affirmative votes of at least four Commissioners, including any such Alternate(s). In the absence of a quorum, the Executive Officer may adjourn the meeting to a stated time and place in accordance with Section 54955 of the Government Code.

Section 20. MAJORITY

Actions of the Commission shall be by a majority vote of Commissioners present and voting on the issue. If a Commissioner is recused or prohibited from voting due to an actual or perceived conflict of interest under the California Political Reform Act (Government Code section 8700 *et seq.*) or Government Code section 1090 *et seq.*, the Commissioner shall leave the dais and the chambers, and his or her presence shall not be counted towards a quorum. If the recusal of a Commissioner on a certain item will upset the quorum, such item shall be trailed to the end of the meeting and continued to a future meeting when a quorum can be obtained. The presence of any Commissioner who otherwise abstains from voting shall

be counted for purposes of determining a quorum, but the vote of such abstaining Commissioners shall not be counted either for or against a measure in determining whether a majority vote has been obtained.

Section 21. MEETING PROCEDURE

All meetings of the Commission shall be open to the public. ~~At the opening of each meeting, the Commissioners shall take their regular seats in the Board of Supervisors Chambers. If a Commissioner is absent, the Chair will designate the appropriate Alternate present as a replacement.~~ If a Commissioner appears after any public testimony or presentations have been given during a public hearing, such Commissioner shall abstain from voting unless the matter is continued to another meeting. If the public hearing is continued, the Commissioner may participate after reviewing all recordings and materials of the proceedings missed.

Unless otherwise ordered by the Chair, the business shall be taken up for consideration and disposition in the following order:

- a. Roll Call
- b. Pledge of Allegiance
- c. Public Comment
- d. Closed Session
- e. Consent Agenda
- f. Continued Matters
- g. New Matters
- h. Other Matters
- i. Executive Officer's Report
- j. Commissioner Comments
- k. Adjournment

Section 22. SUSPENSION OF REGULAR ORDER OF BUSINESS

The regular order of business may be suspended at the discretion of the Chair, unless a majority of the Commission is opposed thereto.

Section 23. ROBERT'S RULES OF ORDER

Except as may otherwise specifically be provided in these regulations, all meetings of the Commission shall be conducted pursuant to Robert's Rules of Order, revised. The Chair shall be the parliamentarian of the Commission, upon consultation with the General Counsel.

Section 24. VOTING

Except upon demand of a Commissioner or voting Alternate, roll need not be called upon voting on a motion, order, or resolution. All members shall vote audibly either "aye" or "nay" as the case may be.

Section 25. PUBLIC PARTICIPATION AT MEETINGS

a. Each agenda of the Commission shall provide an opportunity for members of the public to address the Commissioners on any agenda item of interest to the public, before ~~or during~~ the Commissioners' consideration of the item. The Chair may limit the time allowed for each person to speak.

b. Each agenda for regular meetings will include a regular time near the beginning of the agenda to receive public comment on items that are within the jurisdiction of the Commission but are not on the

agenda. Directors are not required to respond to any issues raised during the public comment period and may not take any action on such issues other than to refer the item to Staff or schedule action for a future agenda.

Section 26. HEARINGS

All hearings shall be conducted by the Chair in the manner provided by law. All hearings of the Commission will be considered open for public participation. When a proposal is being considered by the Commission, the public hearing will be considered open when the item is referred to on the agenda by the Chair. The sequence of events relating to a proposal shall be as follows:

- a. By reference to agenda, the Chair announces the proposal to be heard or considered.
- b. The Executive Officer will present the “Executive Officer’s Report” to the Commission.
- c. The Executive Officer will present or summarize any additional messages or communications regarding the proposal.
- d. The Chair inquires if Commissioners have any questions of staff.
- e. The Chair asks if there are any proponents in the audience who wish to be heard.
- f. Following the proponents’ remarks, the Chair asks for opponents to be heard.
- g. The Chair may permit a brief period for rebuttal from proponents following all opponents being heard.
- ~~g.~~ h. The Chair shall receive public comments.
- i. After the public has been heard, the Chair may entertain a motion to close the public hearing.
- j. Following the successful passage of the motion to close the public hearing, the discussion would be limited to the Commission level and culminates in an action to approve or deny the proposal by resolution adopted by a vote of the Commission.
- ~~h.~~ k. The Chair may alter the order specified above, if the Chair believes such change in the order would facilitate the hearing process.

Section 27. RECORDS OF PROCEEDINGS

All proceedings of every meeting of the Commission shall be reported in writing and shall be permanently maintained in an appropriate Minute File. Minutes of the Commission meetings shall be presented to the Commission at its next regularly scheduled meeting and shall be approved by a majority of Commissioners present, but in no instance shall the affirmative vote be less than four. All orders of the Commission with reference to its final action upon any application or proposal resolutions will be maintained in full in the Minute File. The Executive Officer of the Commission shall keep a Resolution File in which all resolutions shall be entered in full. References in the Minute File to resolutions shall be made by number and name.

Section 28. PROPONENT

As used herein the term “proponent” shall refer to any person, firm, private corporation, or any local agency making application to or filing any proposal with the Commission.

Section 29. FORMS

In any proceeding with reference to which the Commission provides an established printed form, the application or proposal or other filing shall be made upon the particular form so provided. When any such printed form is so provided, all information and exhibits required by regularly adopted regulation of the Commission, except that upon finding good cause the Executive Officer may waive submission of certain of the information. In no instance shall waiver be given for submission of any information

required by law. The Executive Officer may decline to receive any document or paper not complying with these regulations or the Commission may decline to proceed in the matter until such time as compliance is had with these regulations.

Section 30. FILINGS REQUESTED

A proponent shall file an original and 15 copies of any application/petition form, map and legal description. When an application consists of a petition, only two copies of the signature pages need be submitted. All filing shall be made with the Executive Officer or such designated person.

Section 31. ADDITIONAL STATEMENTS

Any application or proposal shall contain such data and information or maps or plats as may be required by any rule or regulation of the Commission, including Standards for the Evaluation of Proposals, and such additional data as may be required by the Executive Officer and which pertains to any of the matters or factors which may be considered by the Commission. Such additional statements, maps, plats and rezoning may be required and shall be furnished upon demand of the Executive Officer at any time either at the time of or subsequent to the initial filing of any application or proposal. The Executive Officer may decline to receive for filing any document or paper that does not comply with the requirements of this section. In the event any such additional data is required after an initial filing is made, further proceedings may be held in suspense pending the presentation of additional data.

Section 32. IDENTIFICATION OF PROPOSAL

The Executive Officer shall establish a file for each application or proposal and shall establish a LAFCO file number and distinctive name or title for each proposal.

Section 33. SUPERSESSSION

These Rules and Regulations shall supersede any and all rules of procedure previously adopted by the Commission.

**AMENDMENT 7 OF
LEASE AGREEMENT
DATED JUNE 25, 2001**

LESSOR: Bruce Lindsey

LESSEE: Local Agency Formation Commission of Monterey County (LAFCO)

PREMISES: 132 West Gabilan Street, Suites 102 & 204, Salinas, CA 93901

It is agreed that: Said lease agreement is extended for an additional five (5) years, through June 30, 2028.

The monthly rent for this extended term shall be as follows:

July 1, 2023 through June 30, 2024: \$2,685.00

July 1, 2024 through June 30, 2025: \$2,765.55.

July 1, 2025 through June 30, 2026: \$2,848.52.

July 1, 2026 through June 30, 2027: \$2,933.97.

July 1, 2027 through June 30, 2028: \$3,021.99.

All other terms and conditions of the Lease Agreement shall remain the same, with the addition of Exhibit B, Building Rules, attached.

Effective Date: July 1, 2023

LESSOR:



BRUCE LINDSEY

**LESSEE: (LAFCO OF MONTEREY
COUNTY)**

BY: _____
KATE MCKENNA, AICP
Executive Officer


**Approved as to form, LAFCO
Counsel**

BY: _____

✓

EXHIBIT B

BUILDING RULES

- No cooking or food preparation shall be permitted.
- No food storage shall be permitted.
- No trash discarded except within containers.
- No vehicle storage or parking, except incidental to building use
- No animals shall be allowed on premises, except as allowed by law.
- Lessor shall have limited access to leased premises for purposes of security, repairs and maintenance, and emergencies.
- Doors and windows to Rooms 206 and 212 shall remain closed during periods that HVAC system is in operation.
- No duplication of building keys is permitted.
- Alarm codes may not be shared.
- 2nd floor decking is for decorative purposes only, and not to be used or traversed by tenants or visitors.
- Protective mats shall be placed over carpeting in all areas affected by chairs, and as designated by LESSOR, for the protection of carpeting, and over bare wood floors.
- Lighting and electrical-using equipment shall be turned off after daily close of business.
- ~~Building thermostat settings are for exclusive use of Lessor.~~ 
- Normal business hours for the building are 8:00AM to 5:00 PM, Monday through Friday, except legal holidays. All tenants shall cooperate in ensuring the building is secured outside of normal hours.

October 15, 2019

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

DATE: September 26, 2022

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

PREPARED BY: Safarina Maluki, Clerk to the Commission/Office Administrator

SUBJECT: Draft Schedule of Regular Meetings for 2023

RECOMMENDED ACTION:

It is recommended that the Commission approve the draft schedule of regular LAFCO Meetings for 2023.

EXECUTIVE OFFICER'S REPORT:

The attached draft schedule provides for regular LAFCO meetings on the fourth Monday of each month, with the following exceptions:

- **July** – No meeting to allow a summer recess.
- **November** – No Meeting due to Thanksgiving Holiday, combined with early December meeting.
- **December** – Meeting scheduled Monday, December 4, 2023.

If the need arises, the Commission may set special meetings in accordance with the Bylaws.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment: Draft Schedule of Regular LAFCO Meetings for 2023

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

DRAFT

2023 SCHEDULE OF REGULAR LAFCO MEETINGS

Scheduled for Adoption: September 26, 2022

January 23

February 27

March 27

April 24

May 22

June 26

July – No Meeting

August 28

September 25

October 23

November – No Meeting

December 4

*All regular meetings begin at 4:00 p.m. and are hybrid (in-person and virtual).
Meetings are also livestreamed on the LAFCO of Monterey County YouTube channel.*

As of September 6, 2022

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838
132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

DATE: September 26, 2022
TO: Chair and Members of the Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Darren McBain, Principal Analyst
SUBJECT: Anticipated Future Agenda Items and Progress Report on Special Studies

SUMMARY OF RECOMMENDATION:

This report is for information only.

EXECUTIVE OFFICER’S REPORT:

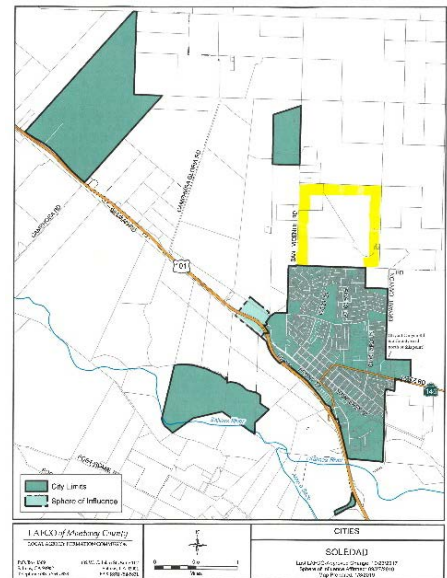
Following are current work priorities and a partial list of items that the Commission may consider in coming months or years. It is organized by applications on file, potential applications under discussion, and LAFCO-initiated studies.

Part I: Items Currently on File and In Progress, but Not Set for Hearing

1. **City of Soledad:** Approximately 647-acre Miramonte (formerly Miravale III) sphere of influence (SOI) amendment and annexation.

The City of Soledad submitted a LAFCO application in March 2020 that proposes an approximately 40% expansion to Soledad’s existing 1,525 acres of developed area (excluding non-contiguous areas such as the wastewater treatment plant). Staff determined the original application to be incomplete in early April 2020. In June 2021, the Commission held a study session to receive information on the status of Soledad’s proposed SOI/annexation.

Application status is currently incomplete. The City amended its application in July 2021 and again in July 2022. In early August, staff provided a letter listing the remaining items needed in order for the application to be determined complete. The letter was discussed at the August 22 Commission meeting. On September 8, the City submitted supplemental application materials. As of this writing, the new updates are under review. When able to be determined complete, the application will be scheduled for a public hearing.



2. **Fort Ord Reuse Authority Dissolution:** Per State law, the Fort Ord Reuse Authority (FORA) ceased operations after June 30, 2020. LAFCO’s statutory FORA dissolution oversight authority expired after

December 31, 2020 with the repeal of the FORA Act, but litigation and monitoring of final administrative tasks continue. Staff presented a status report on FORA dissolution at the August 22 meeting.

3. **Mission Soledad Rural Fire Protection District:** Sphere amendment and annexation of Paraiso Springs Resort (portion). Application status is incomplete.

The County approved the Paraiso Springs project in November 2019. The project proponents are now moving forward with development of the site. The previously/historically developed portion of the resort is already within the fire district.

Pursuant to conditions of approval in the County's development permitting, the developer is required to work with the fire district to annex the remainder of the new development site. LAFCO staff has been monitoring and engaged with this project since 2013. LAFCO received the District's application in January 2022. In February, staff issued a completeness review letter listing items needed before the application can be deemed complete. Importantly, the District and developer have signed an agreement to financially mitigate the project's impacts on fire and emergency medical services. Staff continues to coordinate with the District to resolve other items in the completeness letter.

Part 2: Potential Agenda Items under Discussion

1. **City of Gonzales:** Annexation of some or all of an approximately 1,350-acre area placed in the City's sphere in 2014, plus potentially an adjacent 50-acre parcel. Status is pre-application.

The City of Gonzales is currently completing an administrative draft Specific Plan and EIR for the Vista Lucia project (Fanoe-owned lands of approximately 770 acres). The City similarly is working on a specific plan and an EIR for the Puente del Monte project (Jackson and Rianda-owned lands comprising approximately 547 acres). In total, the two projects together would represent a large expansion of the City, approximately doubling the existing City size. The scope of such an expansion raises issues relevant to LAFCO's review. On June 28, 2021, the Commission held a study session to receive information on the status of the City's proposed annexations.

The City issued a Notice of Preparation for the Vista Lucia project in September 2021, and LAFCO staff provided a comment letter in October 2021. LAFCO will comment on the project's draft environmental impact report when it becomes available, possibly in late 2022. The City anticipates submitting a LAFCO annexation application for the Vista Lucia project in 2022 or 2023. In 2023, we anticipate commenting on a draft environmental impact report for the Puente del Monte project, and receiving an application for annexation of that project. Staff continues to coordinate with Gonzales staff, and with the County, as the City refines and develops these future expansion proposals.

In March and May 2022, City staff discussed other potential annexation/SOI proposals with LAFCO staff. Still in concept status, those proposals may be further refined in coming months or years.

2. **City of Salinas:** Target Area "K" (Ferrasci Ranch) sphere amendment and annexation of approximately 100 acres at the northeast corner of Harrison Road and Russell Road. Status is pre-application.

The site, just north of Salinas and designated as Target Area K in the City's recently approved Economic Development General Plan Element, is planned for industrial and commercial development. In 2019, the County and City approved a site-specific amendment of the Greater Salinas Area Memorandum of Understanding to facilitate the City's annexation and development of this site. Informal pre-application discussions have been underway with County staff, City staff and property owners since January 2020, most recently in February 2022.

3. **City of Marina:**

- a. **Former Fort Ord Landfill and Landfill Border Parcels** – Annexation of an approximately 341-acre former Army landfill and landfill border parcels area (south of Imjin Parkway, north of Intergarrison Road, east of 8th Street, and west of Abrams Drive), and detachment of this area from Monterey County Regional Fire District. Current status is pre-application. In November 2020, Monterey County and City of Marina entered into an agreement to convey its landfill border parcels (approximately 177 acres) to the City of Marina and designate the City of Marina as recipient of the former landfill parcels (approximately 164 acres) from the U.S. Army. The City of Marina and County of Monterey also agreed to seek prompt annexation of these properties to the City of Marina. The area is currently uninhabited and includes a five-acre commercial area known as the Ord Market. The area is within the City of Marina’s existing sphere of influence.
- b. **East Campus Housing Areas** – Annexation of California State University Monterey Bay (CSUMB) East Campus housing areas (Schoonover and Frederick Park neighborhoods between Reservation Road and Imjin Road), and detachment of this area from Monterey County Regional Fire District. Current status is pre-application. Both housing areas are in Marina’s sphere of influence and have a combined population of about 3,000.

Among other considerations, LAFCO’s review will include each proposal’s potential effect on fire and emergency medical service delivery models and related revenues to the affected agencies. Initial discussions with the parties occurred in 2019. There is currently no specific schedule for the City to submit an application or applications.

4. **City of Greenfield** – Annexation proposal with two separately owned parcels (vacant Thorp parcel and an existing elementary school site) on Apple Avenue west of the existing city limits. The original application is incomplete, and a revised project is in pre-application status.

In 2017, the City submitted an annexation application for a proposed residential project on the Thorp parcel, but that application remains incomplete. The City is now pursuing development of a community center – rather than housing – on the Thorp parcel. Staff met with the City in March 2022 to discuss annexation of the proposed community center parcel and existing school parcel.

5. **Technical Assistance to Local Agencies in Greenfield:** LAFCO serves as an informal facilitator and information clearinghouse for small cities and special districts challenged by financial, governance and service delivery issues. Recent staff efforts have focused on special districts in Greenfield, Spreckels, Soledad and North Monterey County.

Greenfield Memorial District Board members, employees and community members have contacted LAFCO staff expressing concerns about the District’s governance, transparency, accountability and operations. These concerns include challenges in retaining board members and obtaining a quorum of Board members to conduct District business, possible lapses in financial reporting, human resources issues, and substantial repair and maintenance issues. As a first step, LAFCO staff provided an educational Board orientation training to the Memorial District on April 26.

Based on the serious challenges the Greenfield Memorial District is experiencing, LAFCO staff is preparing an updated Municipal Service Review and Sphere of Influence (MSR/SOI) study for the District. The study will explore the District’s challenges, provide recommendations for immediate improvement, and identify potential options going forward. We will include a review of the City of Greenfield and the Greenfield Fire, Recreation and Cemetery Districts, consistent with timely, periodic review of these agencies. The LAFCO study will provide a comprehensive approach to

identify potential partnerships, explore opportunities for increased integration, and/or review other efficiencies among Greenfield-area local public agencies.

6. **County Service Area (CSA) 25 – Quail Lodge Golf and Country Club:** Potential expansion of the CSA's boundaries. Status is pre-application.

This CSA was formed in 1963 to provide street and sidewalk, storm drain, and road shoulder maintenance for the Valley Greens subdivision and golf course. The area consists of a golf course, 165 single-family residential lots, and 21 condominium lots, serving about 400 people. Services are provided by the County Public Works Department. Several CSA residents contacted the County and LAFCO to potentially add several adjacent parcels to the CSA. LAFCO staff participated in a CSA advisory committee meeting in April 2021 to provide an overview of the annexation process. LAFCO and County met in August 2021 to coordinate on the project.

In addition, our staff met with the County and Carmel Area Wastewater District in March 2022 to discuss and coordinate sewer and road improvements in this area.

7. **Drinking Water Project North of Moss Landing**

LAFCO staff met with representatives from the Community Water Center (CWC), a non-profit for community-driven water solutions, in August 2021. Due to water quality issues in the unincorporated County area north of Moss Landing, the CWC prepared a report to identify potential solutions to provide safe potable water to approximately 90 households in this area. CWC is working with PSMCSD, the closest public water provider in the area. LAFCO staff provided relevant information to CWC representatives regarding potential LAFCO actions that could facilitate the extension of PSMCSD's potable water services to this area. Current status is pre-application.

8. **Castroville Community Services District (CSD) – Potential sphere amendment and annexation of the Moss Landing Commercial Park**

This commercial and industrial site, designated as a future study area for the Castroville CSD in 2014, has ongoing problems with its septic system and will eventually need to connect to the Monterey One Water regional wastewater treatment plant by annexing to the CSD (a Monterey One Water member agency). Preliminary coordination with the CSD, the County, and property owner representatives is underway. LAFCO staff participated in a County development review meeting in October 2021. Current status is pre-application.

9. **Salinas Valley Healthcare System (SVMHS) – Potential annexation in North Monterey County to align with boundaries of the newly formed Pajaro Valley Health Care District.**

Part 3: Other LAFCO-Initiated Studies

In 2021, LAFCO completed Municipal Service Review/Sphere of Influence studies for Carmel Area Wastewater District and the Monterey Peninsula Water Management District.

Currently, staff is preparing a Municipal Service Review/Sphere of Influence study for the City of Soledad to coincide with consideration of that City's SOI amendment/annexation application, which is on file and under review (see page 1 of this report).

Also this year, staff is preparing a Municipal Service Review/Sphere of Influence study for four Greenfield-area agencies to help address local challenges (see page 2 of this report). The agencies are the City of Greenfield, Greenfield Memorial District, Greenfield Fire District, Greenfield Cemetery District, and Greenfield Public Recreation District.

In 2023, staff will begin a Municipal Service Review/Sphere of Influence study for the City of Gonzales to coincide with that City's anticipated annexation application (see page 2 of this report).

Also in 2023, we intend to begin a Municipal Service Review/Sphere of Influence study for the City of Marina. The study will focus on issues such as future growth and provision of services.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kate McKenna". The signature is written in a cursive style with a large, looping initial "K".

Kate McKenna, AICP
Executive Officer

function, the formal processing of applications, is funded by direct user fees and is subject to the fee schedule. The other five functions are funded through the annual work program and budget process and are considered important public policy functions of general benefit.

The total processing fee for any given proposal is the actual time-and-materials cost of processing an application. An initial deposit is required when an application is submitted for processing. If LAFCO's hourly costs – and other costs such as public noticing – eventually exceed the initial deposit amount, staff requests additional funds as needed. At the conclusion of processing an application, staff provides a final fee statement and issues a refund for any remaining unused balance.

Legal Authority

Government Code Section 56383 allows LAFCO to establish a schedule of reasonable fees to process applications, conduct proceedings of the Commission, amend spheres of influence, and hold reconsideration hearings. Government Code Section 56383 requires that LAFCO's fees not exceed the estimated reasonable cost of providing the service for which the fee is charged. The current LAFCO fee schedule was adopted in 2020. Total costs are based on actual time and materials charges. In accordance with the lead times in California Government Code Section 66017, if the Commission adopts an updated fee schedule, the increase will take effect on December 1, 2022. The increase is recommended to apply to all applications, including those currently on file and in progress.

Review of Hourly Costs and Initial Deposit Amounts

Since the billing rate was set in 2020, LAFCO's hourly Analyst staffing costs (Salaries and Benefits) have risen by about 14 percent. The increase in the Consumer Price Index (CPI) for the same time period was ten percent. The 14 percent increase is composed of a ten percent increase in the calculation of average analyst salaries (two five percent step increases for purposes of the calculation – one step takes into account the analyst salary range amendments for the analyst classifications approved by the Commission on May 23, 2022 and one step factors in LAFCO's reasonable costs of both LAFCO analysts positions at step 5 or higher – and a three percent Cost of Living Adjustment approved by the Commission on April 25, 2022 with approval of the current year budget) and a 15 percent increase in average annual benefits.

The 2022 LAFCO overhead costs calculation has decreased from 2020. LAFCO's budgeted expenses for services and supplies is an important factor in calculating overhead costs for the Analyst hourly billing rate. While most budget expenses for services and supplies have risen by ten percent since 2020, line items that have decreased overhead costs include: 1) LAFCO staffing changes – eliminating a half-time administrative support position (4.5 to 4.0 FTE), 2) a reduction in property and liability insurance costs, 3) a reduction in accounting and financial services costs, and 4) a reduction in temporary professional services costs related to FORA dissolution. Additionally, the 2020 overhead calculation included a contingency for unknown costs associated with COVID-19 and FORA dissolution. A calculation of hourly costs is provided in Attachment 2.

To address the rise in LAFCO's costs, an increase in the Analyst hourly billing rate for application processing, from \$165 per hour to \$171 per hour (a 3.6 percent increase) is recommended. The proposed \$171 hourly rate is within the range of comparable LAFCOs, which charge between \$85 to \$213 per hour for staff time, as shown in Attachment 3.

In reviewing proposals from recent years, the initial deposits received have generally, but not always, covered the total application processing cost. The last approved increase to LAFCO's application deposits occurred in 2008. Increases of approximately ten percent to the initial deposit amounts are currently recommended (Exhibit 1 to Attachment 1).

Pre-Application Coordination and Other Services

LAFCO has a longstanding practice of providing pre-application review and coordination at no direct cost to applicants. Additionally, the Executive Officer's time is not a direct cost to applicants. A significant portion of the Executive Officer's time is related to carrying out governmental relations in support of the Commission's directives to build and maintain informal, effective working relationships that promote the public purposes of LAFCO. These services promote open communication and resolution of issues prior to Commission decisions, and no changes are proposed.

Public Notice and Local Agency Outreach

Notice of the August 22 public hearing was posted in the Monterey County Weekly, on the LAFCO website, at the County Government Center, and at the LAFCO office. A draft of this report was distributed to individual managers of special districts, Cities, and the County on September 16, requesting feedback. Any comments received will be considered at the September 26 continued public hearing.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kate McKenna". The signature is written in a cursive style with a large initial "K" and "M".

Kate McKenna, AICP
Executive Officer

CC: Cities, Independent Special Districts, County of Monterey

Attachments:

1. Draft Resolution
2. Calculation of Hourly Costs
3. Comparison of Hourly Rates with Other LAFCOs

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RESOLUTION NO. 22-xx

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
ADOPTING AN AMENDMENT TO THE LAFCO FEE SCHEDULE

WHEREAS, these proceedings are taken in conformance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended, commencing with Section 56000 et seq. of the Government Code, and specifically Section 56383, which authorizes LAFCO to establish a schedule of reasonable fees, and

WHEREAS, the Local Agency Formation Commission of Monterey County considered a proposed amendment to the Fee Schedule (**Exhibit 1**) at a duly noticed public hearing on September 26, 2022; and

WHEREAS, the proposed Fee Schedule was prepared and distributed to the County, Cities, Independent Special Districts, and other interested parties for purposes of soliciting comments.

NOW, THEREFORE, the Local Agency Formation Commission of Monterey County does HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. That the proposed Fee Schedule is hereby adopted, shall apply to all applications, and shall have an effective date of December 1, 2022;
2. That the Executive Officer shall transmit the amended Fee Schedule to the County, Cities, independent special districts, and other interested parties; and
3. That the Executive Officer shall post the amended Fee Schedule on the LAFCO web site and otherwise make the Fee Schedule easily available to the public.

UPON MOTION of Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 26th day of September 2022 by the following vote:

AYES:	Commissioners:
NOES:	Commissioners:
ABSENT:	Commissioners:
ALTERNATES:	Commissioners:
ABSTAIN:	Commissioners:

 Mary Ann Leffel, Chair
 Local Agency Formation Commission of Monterey County

ATTEST: I certify that this resolution is a true and complete record of said Commission's actions.

Witness my hand this 26th day of September 2022

By: _____
 Kate McKenna, AICP, Executive Officer

- K. Activation Latent Powers..... ~~\$3,000~~ \$3,300
- L. Special Studies or Municipal Service Reviews initiated by a City or District ~~\$3,000~~ \$3,300
- M. Extension..... ~~\$ 500~~ \$550
- N. If LAFCO acts as the Lead Agency, the Environmental Impact Report (EIR) Preparation will be charged at the actual consultant cost of the EIR plus a 15% administrative fee.
- O. Negative Declaration Preparation Fee will be charged at the actual consultant cost of Negative Declaration plus a 15% administrative fee, or the actual cost of staff preparation, as applicable.
- P. Petition Certification Fees, State Board of Equalization Filing Fees, Fish & Game Environmental Review Fees, and State Controller's Fees for Review of Fiscal Analysis will be charged in accordance with the fee schedules of the respective agencies.
- Q. Duplication Fees: \$0.12 per page for photocopies of documents; \$5.00 per diskette, CD, or tape, extraordinary copy requests will be charges on a time and materials basis.

Procedures for Cost Tracking, Monthly Invoices and Replenishment of Deposits:

LAFCO will track staff time spent on each application and send monthly invoices for the actual cost of all staff, legal, consultant and other expenses incurred in processing the application from the time of formally receiving the application and initial deposit through to completion. LAFCO’s current hourly rate is ~~\$165~~\$171 per hour, based on salaries, benefits and overhead. The hourly rate includes Analyst time, routine Executive Officer and secretarial support, routine legal review and GIS support services, and routine copy services. Consultant costs, legal notices published in newspapers, any legal time in excess of one hour, any GIS time in excess of one hour, and any extraordinary copying or other miscellaneous processing charges will be billed directly to the applicant in addition to staff time. LAFCO will also collect pass-through fees for other agencies, including the County Recorder, State Board of Equalization, and State Department of Fish and Game.

Requests will be made for additional payments if necessary to replenish the application’s account and keep payments current with the remaining work required for an application. Work will stop if payments stop. If an application has been deemed complete and set for a public hearing, and payments have stopped, a denial recommendation will be prepared for the application. Any balances due must be current before LAFCO issues a Certificate of Filing or a Certificate of Completion.

The Executive Officer may exercise discretion in adjusting monthly or final invoices to reflect administrative credits for staff training and similar circumstances that warrant a reduction in billable costs. Any excess funds not needed to cover the actual cost of preparation will be refunded to applicant at the end of the process.

Waiver:

The Commission may waive or reduce LAFCO fees upon a finding that the proposed action would be in the public's best interest and/or is necessary for public health and safety reasons. A request for waiver must be submitted in writing to the Commission. Fees may also be waived for applications filed in response to a condition imposed by the Commission or in response to a recommendation made by the Commission.

State Board of Equalization Filing Fees:

The fees for single area boundary changes, as of June 2011, are listed below. If a boundary change includes multiple, separate or non-contiguous areas, the fee shall be calculated for each area separately.

Acreage:	Fee:
Less than 1 acre	\$ 300
1.00 - 5.99	\$ 350
6.00 - 10.99	\$ 500
11.00 - 20.99	\$ 800
21.00 - 50.99	\$1,200
51.00 - 100.99	\$1,500
101.00 - 500.99	\$2,000
501.00 - 1,000.99	\$2,500
1,001.00 - 2,000.99	\$3,000
2001.00 and above	\$3,500

Additional County, per transaction	\$300
Consolidation per resolution or ordinance	\$300
Entire district transaction	\$300
Coterminous transaction	\$300
District dissolution or name change	\$ 0

The application of the State Board of Equalization Filing Fees is more fully described in the State Board’s *“Change of Jurisdictional Boundary: Requirements for Statements, Geographic Descriptions, Maps and Fees.”*

Definitions:

Actual Cost of Preparation – All costs of staff, legal, consultant, and other expenses incurred in filing, processing, analyzing, reviewing, and hearing a proposal, as allowed through Government Code Section 56383, beginning when LAFCO receives the deposit and the application through the issuance of the Certificate of Completion and the receipt of acknowledgement from the State Board of Equalization, or through the completion of the process for applications that do not involve a change in organization or reorganization.

Certificate of Completion – the document prepared by the Executive Officer and recorded with the County Recorder that confirms the final successful resolution of a change of organization or reorganization. (Government Code Section 56020.5)

Certificate of Filing – a document issued by the Executive Officer when it has been determined that the application contains all materials needed to complete the analysis for the Commission’s action, in accord with Government Code Section 56658.

Extension – an application for additional time beyond the one year limitation to meet all conditions of approval of a change of organization or reorganization so that LAFCO may file a Certificate of Completion, as allowed for by Government Code Section 57001.

Calculation of Proposed Hourly Rate
September 2022

	<u>Analyst</u>
Average Salary and Benefits for 1 Analyst	\$177,863
Overhead *	<u>\$113,958</u>
Total	\$291,821
 <u>Annual Billable Hours:</u>	
Hours/year	2,080
Holidays	-96
Annual and Professional Leave	<u>-280</u>
	1,704 billable hours/year
	291,821 / 1,704 = 171.26
<u>Hourly rate</u>	\$171

*Overhead calculation assumes 30% of Budgeted Expenses for Supplies and Services less reserve allocations plus 5% Executive Officer time plus 20% Clerical time.

Attachment 13.3

Comparison of Analyst Hourly Rate with Other LAFCOs, as of July 18, 2022

	<u>Monterey</u>	<u>Monterey</u>	<u>Alameda</u>	<u>Contra Costa</u>	<u>Santa Clara</u>	<u>Santa Cruz</u>	<u>San Luis Obispo</u>	<u>Ventura</u>
	Current	Proposed	03/11/2019	10/15/2015	06/08/2018	12/11/2017	09/12/2017	07/01/2022
Hourly rate	\$165	\$171	\$164	Flat fees	\$213	\$138.27	\$85	\$165

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
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Salinas, CA 93902
Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

DATE: September 26, 2022
TO: Chair and Members of the Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Executive Officer Communications – City of Gonzales Service Extension to Alpine Camp

SUMMARY OF RECOMMENDATION:

This report is for information only.

EXECUTIVE OFFICER'S REPORT:

This report informs the Commission of a recent (August) administrative action approving an out-of-agency water and sewer service extension by the City of Gonzales to Alpine Camp, an existing farmworker housing facility located adjacent to the city limits. The approval action, with location map, is attached.

The Cortese-Knox-Hertzberg Act requires LAFCO approval of services provided outside of a city's boundaries. By local LAFCO policy, the Commission has authorized the Executive Officer to approve out-of-district extensions of services when there is a public health or safety issue. The policy also directs the Executive Officer to inform the Commission at the next available meeting of any administratively approved service actions.

Recent similar administrative approval actions were in April 2019 (City of Greenfield – six single-family houses), January 2019 (Carmel Area Wastewater District – a single-family house) and April and June 2017 (City of Greenfield – new elementary school site and a single-family house, respectively).

Alpine Camp's domestic water has historically been provided by private wells. In an April 2022 letter, the County of Monterey Health Department documented that the wells are contaminated with nitrate and do not meet safe drinking water standards. Residents of the houses currently rely on bottled water. Connection to the city's water system will alleviate the need for bottled water. The approved service extension also includes city sewer service. The County's letter indicated that the on-site septic system has failed and represents a significant public health concern.

This approved out-of-agency service extension complies with the requirement for LAFCO approval to extend services outside of city boundaries, and will address an existing public health and safety problem. The approved action is also compatible with the 2014 Greater Gonzales Memorandum of Agreement between the City and County, in that the site is in the city's approved sphere of influence and is contiguous with the city. City staff has expressed interest in a potential future annexation. The service extension process is an interim step toward annexation, and will get the needed services in place quickly and efficiently.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment: August 9, 2022 administrative approval document

CC: Patrick Dobbins, City of Gonzales

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KATE MCKENNA, AICP
Executive Officer

**ADMINISTRATIVE APPROVAL: Extension of Services Outside of Agency Boundaries
(City Water and Sewer Service) to Alpine Camp farmworker housing**

Agency: City of Gonzales

Location: 52 Gonzales River Rd, adjacent to the City of Gonzales (APN: 020-031-002)

LAFCO File No. 22-03

Government Code Section 56133 provides that a City or special district may extend services by contract or agreement to areas outside its jurisdictional boundaries only if it first receives written approval from the Local Agency Formation Commission (LAFCO). The City of Gonzales operates municipal water and wastewater collection/treatment systems.

LAFCO of Monterey County's adopted Policies and Procedures provide that "The Executive Officer may administratively approve requests for service extension outside an agency's jurisdictional boundary if the applicant has satisfactorily demonstrated the existence of a public health or safety issue as identified in writing from the local public health officer. The Executive Officer is required to inform LAFCO at the next available meeting of any administratively approved service agreements." (*Section XV.1.e*)

The LAFCO Executive Officer hereby approves extension of water and sanitary sewer services by the City to the Alpine Camp employee housing facility. The site is located in unincorporated Monterey County, outside of the City limits and within the City's sphere of influence, and is approximately 2.3 acres in area (see figure below).

The Executive Officer's administrative approval is based on the following considerations:

1. On 8/24/2022 the City submitted a written request for extension of its water and wastewater services to the subject site with the LAFCO Executive Officer; and
2. The County of Monterey Health Department has documented that the wells on the site are contaminated by nitrate and that the on-site septic system is failing; and
3. LAFCO staff has reviewed the record and considered the applicant City's determination that the proposal is exempt from the California Environmental Quality Act; and
4. The LAFCO Executive Officer has considered the parameters set forth in the Cortese-Knox-Hertzberg Act, Section 56133, for LAFCO approval of out-of-agency provision of services and found them to be consistent with the current proposal, as discussed below.
 - *Govt. Code 56133(c): The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:*

- (1) *The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.*

In a letter dated April 19, 2022, the County of Monterey Health Department has documented that the site's well water is contaminated by nitrate and is considered unsafe to drink and that the on-site septic system is considered to be in failure; and

- (2) *The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.*

LAFCO has no records of alternative service providers having filed such maps or statements.

5. Section XV.1.e of LAFCO of Monterey County's Policies and Procedures delegate to the Executive officer the authority to administratively approve requests for service extension outside an agency's jurisdictional boundary pursuant to Section 56133(c) cited above.

For the reasons cited above, the proposal is consistent with State law and with Commission policy regarding service extension agreements.

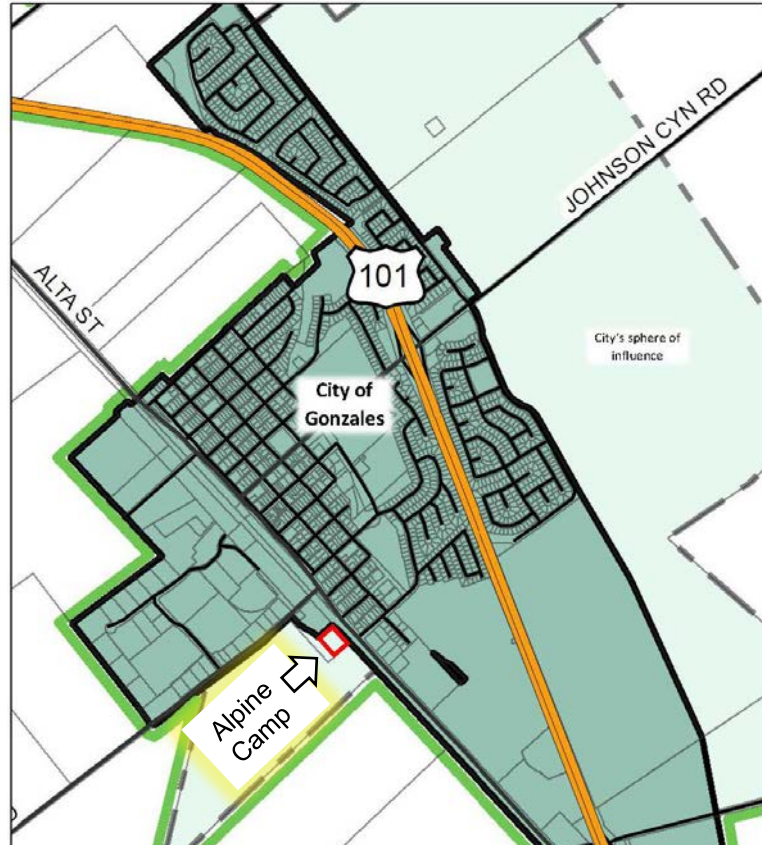
Indemnification Clause: As a condition of the approval of this application, the applicant City shall agree to defend at their sole expense any action brought against LAFCO, the Commission and its staff, because of the approval of this application. The applicant will reimburse LAFCO for any court costs and attorneys' fees which may be required by a court to pay as a result of such action. LAFCO may, at its sole discretion, participate in the defense of any such action; but such participation shall not relieve applicant of his obligations under this condition. The obligation on the part of the applicant to indemnify LAFCO is effective upon the signing of this document and does not require any further action.



Kate McKenna, AICP
Executive Officer

August 29, 2022

Date



LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

CLOSED SESSION

1. Pursuant to Government Code Section 54956.9(d)(1), the Commission will confer with legal counsel regarding existing litigation: *Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20*, (Monterey County Superior Court Case No. 22CV000925).