

**2023
Committee**

Chair

Mary Ann Leffel
Special District Member

Glenn Church
County Member

Ian Oglesby
City Member

Counsel

Kelly Donlon
General Counsel

Executive Officer

Kate McKenna, AICP

132 W. Gabilan Street, #102
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AGENDA
LAFCO Budget & Finance Committee
Meeting

Monday, February 27, 2023
3:30 p.m. – 5:00 p.m.

LAFCO OFFICE
132 W. Gabilan Street, Suite #102
Salinas, California

IMPORTANT NOTICE REGARDING COVID-19

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

1. If you attend the Committee meeting in person, you will be required to maintain appropriate social distancing between yourself and other individuals.
2. If you choose not to attend the Committee 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 Committee 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/99615947716>

The meeting ID is: [996 1594 7716](https://montereycty.zoom.us/j/99615947716). There is no password. To make a public comment, please “Raise

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

Enter the meeting ID: [996 1594 7716](https://montereycty.zoom.us/j/99615947716) 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.

Call to Order

Roll Call

Public Comments

Anyone may address the Committee briefly concerning items not already on the agenda.

Special Business

1. [Consider Selection of Budget and Finance Committee Chair.](#)
Recommended Action: Select a Committee Chair for calendar year 2023.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Public Comments on Closed Session Item

The Committee Recesses for Closed Session Agenda Item

Closed Session may be held at the conclusion of the Committee'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 Committee. The public may comment on Closed Session items prior to the Committee's recess to Closed Session.

Closed Session

2. [Pursuant to Government Code Section 554957.6, the Committee will confer regarding labor negotiations for the position of Executive Officer of LAFCO of Monterey County.](#)
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

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).

New Business

3. [Consider Preliminary Draft Annual Work Program for Fiscal Year 2023-2024.](#)
Recommended Action: Discuss report and recommend the Commission conduct a public hearing and adopt the proposed annual work program for Fiscal Year 2023-2024, at the March 27, 2023 regular LAFCO meeting.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
4. [Discuss the Professional Services Agreement for Accounting and Related Services.](#)
Recommended Action: Discuss report and authorize Executive Officer to proceed with a Request for Proposals for professional accounting and related services.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
5. [Discuss the Professional Services Agreement for Audit Services.](#)
Recommended Action: Discuss report and authorize Executive Officer to proceed with a Request for Proposals for professional audit services.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

6. [Discuss the LAFCO Cost Allocation Formula for Special Districts in Monterey County.](#)
Recommended Action: Discuss report for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
7. [Consider Draft Financial Statements for Period Ending December 31, 2022.](#)
Recommended Action: Discuss report and recommend that the quarterly financial statements for the period ending December 31, 2022 be approved by the full Commission at the March 27, 2023 regular LAFCO meeting.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
8. [Consider the January 31, 2023 Draft Balance Sheet and Income Statement.](#)
Recommended Action: Accept the statements for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
9. [Consider Profit/Loss Budget vs. Actual Report dated February 15, 2023.](#)
Recommended Action: Accept report for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
10. [Consider Budget Amendment No.1 for Fiscal Year 2022-2023.](#)
Recommended Action: Discuss report and recommend that the Commission approve a resolution to adopt Amendment No. 1 to the current (Fiscal Year 2022-23) budget, transferring a total of \$22,500 with net change to the overall budget, at the next regular LAFCO meeting on March 27, 2023.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
11. [Consider Preliminary Draft Annual Budget for Fiscal Year 2023-2024.](#)
Recommended Action: Discuss report and recommend that the Commission:
 1. Conduct a public hearing on March 27 to consider adoption of a proposed budget for Fiscal Year 2023-2024, and
 2. Distribute the proposed budget to local agencies for review and comment prior to final adoption at a second hearing on April 24.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
12. [Consider Three -Year Financial Forecast \(FY 2023-2024 through FY 2025-2026\).](#)
Recommended Action: Discuss report for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer Announcements

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

Adjournment

The Political Reform Act requires that a participant in a LAFCO of Monterey County proceeding who has a financial interest in a change of organization or reorganization proposal and who has made a campaign contribution of more than \$250 to any commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission's staff before the hearing.

Budget & Finance Committee Meeting Agenda
February 27, 2023

Pursuant to Government Code Section 54957.5, public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be made available to the public on the LAFCO of Monterey County website at www.monterey.lafco.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA): All regular and special meeting agendas and associated reports are available at www.monterey.lafco.ca.gov. Any person with a disability under the ADA may receive a copy of the agenda or associated reports upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, to participate in a public meeting. Requests for copies of meeting documents and accommodations shall be made with LAFCO of Monterey County staff at (831) 754-5838 at least three business days prior to the respective meeting.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION

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DATE: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Selection of Committee Chair
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Select the Budget and Finance Committee Chair for calendar year 2023.

EXECUTIVE OFFICER'S REPORT:

The Budget and Finance Committee is a standing committee of the Local Agency Formation Commission. The Committee selects a Chair on an annual basis and is requested to do so at this time.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

CLOSED SESSION

1. Pursuant to Government Code Section 54957.6, the Committee will confer regarding labor negotiations for the position of Executive Officer of LAFCO of Monterey County.

Position: LAFCO Executive Officer.

(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)

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DATE: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Preliminary Draft Annual Work Program for FY 2023-2024
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Recommend that the Commission conduct a public hearing and adopt the proposed annual work program for Fiscal Year 2023-2024, at the March 27, 2023 regular LAFCO meeting.

EXECUTIVE OFFICER'S REPORT:

Attached is a preliminary draft work program for FY 2023-2024. The work program identifies essential services to accomplish the Commission's legislative purposes, mandates and local priorities. It is organized by six functions: (1) application processing; (2) municipal service reviews and sphere of influence studies; (3) government and community relations; (4) Commission and Committee functions; (5) administrative and human resources management, and (6) financial management.

Our emphasis remains on the cost-efficient delivery of core services in a responsive, professional and legally defensible manner. As reflected in monthly Executive Officer's reports to the Commission, about 20 boundary projects are anticipated and underway or in discussion to take place in coming years. While the volume of application processing activities is moderate at the moment, this can quickly change by the month, and the ongoing need for special studies in support of our mandates is high. The overall workload will continue to place a high level of demand on staff resources. Staff also remain prepared to adjust timelines and priorities to help local agencies with specific needs that arise during the fiscal year.

Fiscal Impact

The proposed work program can reasonably be accomplished in-house with the current staffing level (4.0 FTE), supplemented as may be needed with outside professional and administrative services. A draft budget has been prepared for Fiscal Year 2023-2024 (Agenda Item No. 11). It anticipates a continuity of resources to support the Commission's work program.

Alternative Actions

The Budget and Finance Committee may modify the proposed work program or provide other direction.

Respectfully Submitted,



Kate McKenna, AICP,
Executive Officer

Attachment: Preliminary Draft Annual Work Program, Fiscal Year 2023-2024, dated Feb. 17, 2023

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

DRAFT WORK PROGRAM

FISCAL YEAR 2023-2024

Proposal as of February 17, 2023

1. APPLICATION PROCESSING FUNCTIONS		
TASK	STATUS	COMMENTS
Process applications for boundary changes in a responsive, professional and efficient manner. For a current list, please see the monthly Executive Officer's Reports on Anticipated Agenda Items and Special Studies. Approximately 20 items are under active discussion or action.	ONGOING	Priority fast-tracking is given to applications for economic development, affordable housing, public health and safety, or other urgent needs.
Provide Commission with legally defensible recommendations and alternatives, and alert to litigation risks, liabilities and alternatives associated with potential actions.	ONGOING	Current litigation is with MPWMD related to Jan. 2022 Commission action.

2. MUNICIPAL SERVICE REVIEWS AND SPHERE OF INFLUENCE STUDIES		
TASK	STATUS	COMMENTS
Prepare Municipal Service Reviews and Sphere of Influence Studies for: <ul style="list-style-type: none"> • City of Gonzales <ul style="list-style-type: none"> ○ Major annexation proposals anticipated in 2023. • Monterey Peninsula Cities (seven cities) <ul style="list-style-type: none"> ○ Discussion of various issues 	Current status varies by agency. See monthly Executive Officer's Reports on Anticipated Agenda Items and Special Studies (approx. 20 items).	State law requires periodic LAFCO review of all local agencies. Priorities and schedule are flexible to accommodate unanticipated needs and other work program tasks, including the priority processing of City, County or District applications.
As needed, update and publish LAFCO local agency and resource maps on the LAFCO web site. Also, respond to frequent agency requests for custom mapping of boundary/service information.	ONGOING	
As needed, develop and update local policies, procedures, applications, and flowcharts for Spheres of Influence, annexations, reorganizations, and other boundary changes for cities and districts.	ONGOING	

3. GOVERNMENT AND COMMUNITY RELATIONS

TASK	STATUS	COMMENTS
Plan and co-host the 2023 CALAFCO Annual Conference (October 18-20, 2023 at the Hyatt Regency in Monterey)	IN PROGRESS	The Executive Officer, in coordination with the Commission Chair and our CALAFCO Board Member, is participating in planning the conference program, mobile workshop, and other conference elements.
Continue to coordinate and engage with Santa Cruz and Monterey County stakeholders on issues related to the start-up in 2022 of the new Pajaro Valley Health Care District.	ONGOING	Continued coordination will be needed in coming years to address issues of boundaries, services and operations, particularly as they affect No. Mo. Co residents and the Salinas Valley Memorial Healthcare System.
Post public information on the LAFCO website. Review website layout, graphics, and content for an improved public experience and ADA compliance. Also review and update brochures and fact sheets.	ONGOING	Website redesign is a priority for 2023
Initiate informal meetings to discuss budget and policy issues with Cities, Special Districts and County, as appropriate.	ONGOING	
Attend meetings as requested by individual Special Districts. Attend quarterly Special Districts Association meetings. Attend quarterly Special Districts General Managers' Group meetings. Provide support for the nomination and election of Special District LAFCO Members.	ONGOING	
Attend meetings as requested by Cities, the City Managers Group and City Mayors Association. Provide support for the appointment of City Members to LAFCO.	ONGOING	
Provide support for appointment of Public Members to LAFCO.	ONGOING	
Attend meetings as requested by the County of Monterey. Provide support for appointment of County Members to LAFCO.	ONGOING	
Provide early notice to County, Cities, and Special Districts of issues that may affect them, and opportunities to participate in the LAFCO process.	ONGOING	
Encourage and provide early LAFCO participation in Sphere of Influence updates, General Plan updates, City-County-District dialogues, and environmental review activities that affect government boundaries & services.	ONGOING	For example, LAFCO staff is participating in community meetings about the City of Salinas General Plan update process. Another current example is LAFCO staff's participation (by invitation) in County Ag Adv Committee meetings about a countywide ag preservation and mitigation program.

Participate in regional activities for which LAFCO has indirect or direct responsibilities, as required by State law.	ONGOING	For example, LAFCO staff engages in AMBAG processes for regional housing, growth forecasts and transportation planning issues.
Participate in community educational opportunities to promote understanding and dialogue with various sectors of the Monterey County economy.	ONGOING	For example, the Monterey County Civil Grand Jury requests an annual LAFCO presentation.
Facilitate constructive discussions with small cities & districts that request assistance to identify options for governance and the efficient, effective delivery of services. This supports LAFCO's mission to efficiently provide local government services. LAFCO provides facilitation services and is a clearinghouse for technical, financial and legal resources.	ONGOING	This task is evolving in importance. In recent years, we have assisted local agencies in Greenfield area, Soledad area, Spreckels and north Monterey County with their interests in reviewing options. Current focus is the Greenfield area. We remain ready to help advance any options of interest.

4. COMMISSION AND COMMITTEE FUNCTIONS		
TASK	STATUS	COMMENTS
Provide support to ten regularly scheduled Commission meetings, special meetings to conduct the work of the Commission as needed, and Committee meetings, including the provision of public notices, agenda packets, web meeting broadcasts, and minutes.	ONGOING	Commission meetings are held as hybrid meetings, meaning in-person at the Board of Supervisors Chambers, virtually through Zoom, and livestreamed on the LAFCO YouTube Channel.
Hold monthly agenda review sessions with Chair.	ONGOING	
Conduct new Commissioner election, appointment, and orientation processes, as needed.	ONGOING	
Continue to participate in CALAFCO conferences, workshops, and courses. Continue to support Monterey LAFCO's representative on the CALAFCO Board of Directors (successfully appointed in Feb. 2023). Continue to participate in the CALAFCO legislative process to ensure that local interests are coordinated with policies and activities of the statewide organization. Continue to monitor state legislation. Continue to provide feedback to legislators and CALAFCO as needed. Continue to update local policies and procedures for consistency with approved legislation.	ONGOING	The Commission receives a monthly CALAFCO activities report, and participates in policy, legislative and other issues.
Provide Commission with regular updates of laws, policies, and procedures.	ONGOING	
Support all required Commissioner needs for bi-annual ethics/harassment training and annual economic interests reporting.	ONGOING	Primary responsibility is for Public Members.

5. ADMINISTRATIVE AND HUMAN RESOURCES MANAGEMENT

TASK	STATUS	COMMENTS
Maintain the LAFCO project tracking system.	ONGOING	
Maintain the staff time keeping, cost tracking, and invoicing systems for applications.	ONGOING	
Conduct annual review of Policies and Procedures for all LAFCO administrative and human resources functions.	ONGOING	
Identify and support staff training needs and opportunities, including professional certification, technical training, and ethics/harassment compliance.	ONGOING	
Conduct a periodic review of job classifications and salary ranges.	ONGOING	Updated in 2022
Conduct a periodic review and continue implementation of LAFCO's Records Management Policy, including conversion of paper records to searchable electronic format. This multi-year task is carried out by in-house staff.	ONGOING	A policy update is underway. All project files (60 years) have been converted to electronic format.

6. FINANCIAL MANAGEMENT

TASK	STATUS	COMMENTS
Review and update the project fee schedule and hourly staffing rates, as needed.	ONGOING	Updated in 2022.
Compile existing financial policies into a chapter of the LAFCO administrative policies and procedures.	A review and update is underway.	
Continue to coordinate with the County Auditor, to obtain annual local agency contributions to LAFCO.	ONGOING	
Complete annual audit for Fiscal Year 2022-2023.	Start Aug. 2023, complete by Dec. 2023	Have received highest possible audit rating each year since 2005.
Conduct annual review of Benefits, Services and Supplies with the goal of continuing to control costs.	ONGOING	
Continue use of a three-year financial forecast to project upcoming needs and to provide the resources to meet these needs.	ONGOING	This tool is for informal use by the Budget & Finance Committee.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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KATE McKENNA, AICP
Executive Officer

DATE: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Professional Services Agreement for Accounting and Related Services
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Authorize the Executive Officer to proceed with a Request for Proposals for professional accounting and related services.

EXECUTIVE OFFICER'S REPORT:

This report considers options for professional accounting and related services.

Background

On July 1, 2005, LAFCO separated from the County of Monterey and established itself as an independent employer and public agency. Salinas-based CPA firm Hayashi & Wayland (now merged with a national firm, CliftonLarsonAllen, LLP (CLA)), was retained through a competitive process that year to establish and administer an accounting, payroll and financial reporting system for LAFCO. The original agreement has been amended several times with Commission approval and the support of LAFCO's General Counsel.

Discussion

Under the consistent leadership of Mike Briley, CPA, Managing Principal, CLA continues today to work closely with LAFCO to deliver excellent professional services at a reasonable cost. Current services include accounting, payroll, financial reports, budget support, audit coordination, human resources/benefits administration, and attendance at Committee/Commission meetings. Our financial systems and procedures are a model for other independent local agency formation commissions.

The current professional services agreement with CLA will expire on June 30, 2023. Going forward, LAFCO has three basic options.

The first option is to exercise a one-year extension clause in the current agreement (to June 2024) if mutually agreeable to both parties. A second option is to reaffirm LAFCO's valued business relationship

with CLA and enter into a new three-year agreement with the firm. A third option is to solicit proposals from qualified local CPA firms, including CLA, for professional services beginning July 1, 2023.

After reviewing the options and considerations with Chair Leffel, I am recommending that the Committee authorize the third (RFP) option as a responsible business practice, with my sincere appreciation for the important contributions of Mr. Briley and his team to LAFCO.

Respectfully Submitted,

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

Kate McKenna, AICP
Executive Officer

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KATE McKENNA, AICP
Executive Officer

DATE: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Professional Services Agreement for Audit Services
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Authorize the Executive Officer to proceed with a Request for Proposals for professional audit services.

EXECUTIVE OFFICER'S REPORT:

This report considers options for professional audit services.

Background

In 2006, our newly independent LAFCO entered into an agreement with Salinas-based Bianchi, Kasavan and Pope, LLP (BKP) to prepare annual financial audits. In 2010, BKP was selected to continue this work after another Request for Proposals process. The 2010 agreement has been amended several times with the approval of the Commission and support of LAFCO General Counsel.

Discussion

LAFCO continues to receive excellent audit services at a reasonable cost under the longtime leadership of Karen Campbell, Senior Audit Manager, BKP.

The current agreement with BKP will expire in December 2023, after an audit is completed for the fiscal year ending on June 30, 2023. Going forward, options available to LAFCO are to: (1) affirm LAFCO's valued business relationship with BKP and negotiate a new agreement with the firm, or (2) issue a Request for Proposals to local qualified firms, including BKP, to provide audit services beginning with the fiscal year that will end on June 30, 2024.

After considering the options and considerations with Chair Leffel, I am recommending the RFP option as a responsible business practice. I appreciate the important contributions of Ms. Campbell and her team to LAFCO's model financial management functions and practices.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

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KATE McKENNA, AICP
Executive Officer

DATE: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: LAFCO Cost Allocation Formula for Special Districts in Monterey County
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Discuss report for information only.

EXECUTIVE OFFICER'S REPORT:

In response to a request from Committee Chair Leffel, attached is information about the LAFCO cost allocation formula for Monterey County's 42 independent special districts, and the current year cost allocation worksheet for the districts.

District Cost Share Formula

Local special districts voted in 2002 to initiate proceedings for direct representation on this LAFCO and adopted a cost share allocation formula. In 2014, the districts amended the formula to exclude health care districts that operate at a financial loss from contributing to LAFCO's annual budget. Cost allocation worksheets and revenue collection are administered by the Monterey County Auditor-Controller's Office on behalf of LAFCO.

There are two health care districts in Monterey County. Salinas Valley Healthcare System is a consistent (and the largest district) contributor to LAFCO's annual budget. The Soledad Community Health Care District has contributed in two of the fiscal years since 2014.

LAFCO's Role

LAFCO has no role in setting or amending the cost share formula, except to manage any election processes requested by the special districts. Our office does prepare informative studies about the fiscal health, operations, boundaries and governance of our local agencies. These are done roughly every five to ten years or as needed based on workload priorities.

Respectfully Submitted,



Kate McKenna, AICP,
Executive Officer

Attachments:

1. LAFCO cost allocation formula and worksheet for special districts, as amended in 2014
2. Current (Fiscal Year 2022-23) cost allocation worksheet for independent special districts

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2014

Commissioners

Chair

Louis R. Calcagno
County Member

Vice Chair

Steve Snodgrass
Special District Member

Fernando Armenta
County Member, Alternate

Sherwood Darington
Public Member

Matt Gourley
Public Member, Alternate

Joe Gunter
Alternate, City Member

Maria Orozco
City Member

Warren E. Poitras
*Special District Member,
Alternate*

Ralph Rubio
City Member

Simón Salinas
County Member

Graig R. Stephens
Special District Member

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MEMORANDUM

DATE: June 13, 2014

TO: Independent Special Districts in Monterey County

FROM: Kate McKenna, AICP, Executive Officer 

SUBJECT: LAFCO Cost Allocation Formula and Worksheet

A proposed amendment to the LAFCO cost allocation formula for independent special districts in Monterey County has been approved by a majority vote of the districts representing a majority of the combined total population of the districts. The final tally of returned mail-in ballots was 27-6. The amended formula is enclosed for reference. Detailed election records are available upon request.

The amended formula is effective beginning with the cost apportionment process for LAFCO's adopted FY 2014-2015 budget. Please see the enclosed cost allocation worksheet prepared by the Monterey County Auditor-Controller's Office. The Auditor-Controller's Office is in the process of preparing and distributing invoices that request payment from individual districts.

Thank you for your support of the work of the Commission. Please call me if you have questions or if I can be of other assistance.

Enclosures:

Amended Cost Share Formula, May 30, 2014
Cost Allocation Worksheet for FY 2014-2015

cc: Monterey County Auditor-Controller's Office
Mary Ann Leffel, President, Special Districts Association of Monterey County

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Amended LAFCO Cost Allocation Formula for Independent Special Districts in Monterey County

Approved by Independent Special Districts on May 30, 2014

The independent special district (district) share of the Monterey County Local Agency Formation Commission (LAFCO) cost will be allocated according to the following provisions:

1. In accordance with the intent of AB 2838, the costs will be allocated in proportion to each district's total revenues, as reported in the most recent edition of the "Special Districts Annual Report" published by the State Controller. The total revenues for each district will be determined annually as follows:
 - o For Non-Enterprise Activities, Total Revenues as reported in the table titled "General Purpose Transactions" less intergovernmental revenue (Table 10 in the Fiscal Year 2011-12 Report).
 - o For Enterprise Activities, Total Operating and Non-Operating Revenue less intergovernmental revenue (Tables 2-8 for Various Districts in Fiscal Year 2011-12 Report).
 - o For Districts not included in the most recent State Controller's report, 90% of the total revenues as published in the most recent annual audited financial statements. The 90% amount is specified to provide an inflation adjustment due to late publishing schedule of State Controller's reports.
2. If the above specified allocation methodology results in an allocation of more than 25% of the total special district share of LAFCO costs to a single district, then the district's allocation shall be reduced to 25% of the total. The 25% limit is established to avoid any single district bearing a disproportionate amount of the costs. In such case, the remaining portion of the total cost will be re-allocated to all other districts based on the methodology specified in item 1 above.
3. In order to account for Health Care District revenue being reported in the Special Districts Annual Report as Enterprise Activities, and the inability to back out intergovernmental revenue as allowed for Non-Enterprise Activities, Health Care Districts that do not receive the benefit of the 25% limitation on contributions specified in paragraph 2 shall not be apportioned any share of LAFCO's cost where Operating Income is reported as a Loss in the Special Districts Annual Report for the prior fiscal year.

Monterey County Independent Special Districts
 LAFCO Cost Allocation Formula: Proportionate Percentages for Fiscal Year 2014-15
 (Adopted Final Budget - April 28, 2014)

Data Source: for FY14/15 State Controller's Special Districts Annual Report Using Fiscal Year 2011-12 Revenue.

Note: Revenue data was updated for this spreadsheet and will be updated on an annual basis in future years.

	Excluded Revenue	Non-Enterprise	Percent	Cost	Enterprise	Percent	Cost	Total LAFCO Cost	Percent
AIRPORTS									
Monterey Peninsula Airport District	2,856,613	\$0			\$7,434,745	5.48%	\$13,667	\$13,667	5.48%
CEMETERIES									
Castroville Cemetery	508	164,289	0.12%	302				302	0.12%
Cholame Cemetery District	0	2	0.00%	0				0	0.00%
Gonzales Cemetery District	1,763	110,225	0.08%	203				203	0.08%
Greenfield Cemetery District	1,154	90,520	0.07%	166				166	0.07%
King City Cemetery District	812	220,558	0.16%	405				405	0.16%
San Ardo Cemetery District	81	17,178	0.01%	32				32	0.01%
San Lucas Cemetery District	86	14,860	0.01%	27				27	0.01%
Soledad Cemetery District	325	128,460	0.09%	236				236	0.09%
COMMUNITY SERVICES DISTRICTS									
Castroville CSD	589,307	14,959	0.01%	27	1,459,252	1.08%	2,682	2,710	1.09%
Pajaro/Sunny Mesa CSD	5,522	155,971	0.11%	287	1,792,031	1.32%	3,294	3,581	1.44%
Pebble Beach CSD	66,194	8,511,889	6.27%	15,647	3,899,241	2.87%	7,168	22,814	9.15%
Santa Lucia CSD	0	2,901,420	2.14%	5,333	2,254,967	1.66%	4,145	9,479	3.80%
Spreckels CSD	139	23,401	0.02%	43				43	0.02%
FIRE DISTRICTS									
Aromas Tri-County FPD	8,619	1,134,670	0.84%	2,086				2,086	0.84%
Cachagua FPD	43,713	90,492	0.07%	166				166	0.07%
Carmel Highlands FPD	12,987	2,235,610	1.65%	4,110				4,110	1.65%
Carmel Valley FPD	0	0	0.00%	0				0	0.00%
Cypress FPD	23,529	4,015,904	2.96%	7,382				7,382	2.96%
Gonzales Rural FPD	32,609	154,259	0.11%	284				284	0.11%
Greenfield FPD	46,041	533,829	0.39%	981				981	0.39%
Mission-Soledad FPD	31,709	157,781	0.12%	290				290	0.12%
North County FPD	422,219	5,305,171	3.91%	9,752				9,752	3.91%
Monterey County Regional FPD	2,959,553	8,214,200	6.06%	15,099				15,099	6.06%
South Monterey County FPD	1,705	491,851	0.36%	904				904	0.36%
HARBOR DISTRICTS									
Moss Landing Harbor District	371,284	0			2,884,975	2.13%	5,303	5,303	2.13%
HEALTH CARE DISTRICTS									
Salinas Valley Memorial Healthcare System									See end of worksheet for adjustment of disproportionate impact above 25%
Soledad Community Health Care	0				0	0.00%	0	0	0.00%
MEMORIAL DISTRICTS									
Greenfield Memorial District	3,012	149,595	0.11%	275				275	0.11%
Spreckels Memorial District	1,430	182,941	0.13%	336				336	0.13%
MOSQUITO ABATEMENT DISTRICTS									
No. Salinas Valley Mosquito Abatemt.	74,354	1,390,359	1.02%	2,556				2,556	1.02%
RECREATION & PARK DISTRICTS									
Carmel Valley Recreation & Park	3,506	67,070	0.05%	123				123	0.05%
North County Park & Recreation District	124,130	703,678	0.52%	1,294				1,294	0.52%
Greenfield Public Recreation District	3,757	158,800	0.12%	292				292	0.12%
Monterey Peninsula Regional Park	1,564,434	4,094,641	3.02%	7,527				7,527	3.02%
Soledad-Mission Recreation District	1,376	397,254	0.29%	730				730	0.29%
RESOURCE CONSERVATION									
Resource Conservation Dist of Monterey C	392,175	4,969	0.00%	9				9	0.00%
SOLID WASTE DISPOSAL									
Monterey Regional Waste Mgt. District	0				19,829,862	14.62%	36,452	36,452	14.62%
WASTEWATER/SANITARY									
Carmel Area Wastewater District	8,964				7,089,208	5.23%	13,031	13,031	5.23%
WATER DISTRICTS									
Marina Coast Water District (County WD)	0				13,013,847	9.59%	23,922	23,922	9.59%
San Ardo Water District (Calif. WD)	0				108,541	0.08%	200	200	0.08%
San Lucas County Water District	0				139,327	0.10%	256	256	0.10%
TOTALS:	9,653,610	\$41,836,806	30.84%	\$76,905	\$59,905,996	44.16%	\$110,120	\$187,025	75.00%
	Subtotal Operating Revenue:				\$101,742,802	75.00%			
DISPROPORTIONATE IMPACT MITIGATION									
Salinas Valley Memorial Hospital - Allocation Based on Total Revenue					312,252,472	75.42%	188,083	188,083	75.42%
Salinas Valley Memorial Hospital - Adjusted at a fixed percentage of total special districts LAFCO cost:								62,342	25.00%
	Total Cost							\$249,367	100.00%

EXPLANATION FOR SOLEDAD COMMUNITY HEALTH CARE DISTRICT:

1112_special_districts.pdf Table 5 from SCO Website equals total Operating Revenues + Non-Operating Revenues. However, due to the local cost share formula amendment approved by the Special Districts on May 30, 2014, Health Care Districts – Item 3 was added which states:

3. In order to account for Health Care District revenue being reported in the Special Districts Annual Report as Enterprise Activities, and the inability to back out intergovernmental revenue as allowed for Non-Enterprise Activities, Health Care Districts that do not receive the benefit of the 25% limitation on contributions specified in paragraph 2 shall not be apportioned any share of LAFCO's cost where Operating Income is reported as a Loss in the Special Districts Annual Report for the prior fiscal year.

In FY 2011/2012, SCHD reported an operating income loss of (\$260,480) and so therefore will not share in the LAFCO costs for FY 2014/2015.

Monterey County Independent Special Districts
 FY 2022-2023 LAFCO Cost Allocation Formula: Proportionate Percentages
 (Based on final LAFCO Budget for FY 2022-2023). Adopted April 25, 2022

Data Source: for FY22/23 State Controller's Special Districts Annual Report Using Fiscal Year 2019-20 Revenue. (www.bythenumbers.sco.ca.gov)													
				Excluded Revenue	Non-Enterprise	Percent	Cost	Enterprise	Percent	Cost	Total LAFCO Cost	Percent	
FY	2020												
AIRPORTS													
Monterey Peninsula Airport District				2,119,281	\$0			\$8,954,518	4.13%	\$14,668	\$14,668	4.13%	
CEMETERIES													
Castroville Cemetery District				0	\$149,477	0.07%	245				245	0.07%	
Cholame Valley Cemetery District				0	\$0	0.00%	0				0	0.00%	
Gonzales Cemetery District				0	\$159,590	0.07%	261				261	0.07%	
Greenfield Cemetery District				0	\$228,680	0.11%	375				375	0.11%	
King City Cemetery District				0	\$319,532	0.15%	523				523	0.15%	
San Ardo Cemetery District				0	\$28,329	0.01%	46				46	0.01%	
San Lucas Cemetery District				0	\$17,292	0.01%	28				28	0.01%	
Soledad Cemetery District				0	\$183,288	0.08%	300				300	0.08%	
COMMUNITY SERVICES DISTRICTS													
Castroville Community Services District				0	\$73,100	0.03%	120	\$2,633,740	1.22%	4,314	4,434	1.25%	
Pajaro/Sunny Mesa Community Services District				1,639,033	\$0	0.00%	0	\$2,349,825	1.08%	3,849	3,849	1.08%	
Pebble Beach Community Services District				224,109	\$13,809,176	6.37%	22,619	\$4,778,699	2.21%	7,828	30,447	8.58%	
Santa Lucia Community Services District				0	\$0	0.00%	0	\$6,639,973	3.06%	10,876	10,876	3.06%	
Spreckels Community Services District				0	\$74,214	0.03%	122				122	0.03%	
FIRE DISTRICTS													
Aromas Tri-County Fire Protection District				0	\$1,720,529	0.79%	2,818				2,818	0.79%	
Cachagua Fire Protection District				2,500	\$108,889	0.05%	178				178	0.05%	
Carmel Highlands Fire Protection District				0	\$3,688,059	1.70%	6,041				6,041	1.70%	
Carmel Valley Fire Protection District				0	\$0	0.00%	0				0	0.00%	
Cypress Fire Protection District				0	\$6,356,662	2.93%	10,412				10,412	2.93%	
Gonzales Fire Protection District				0	\$230,686	0.11%	378				378	0.11%	
Greenfield Fire Protection District				52,338	\$286,869	0.13%	470				470	0.13%	
Mission-Soledad Fire Protection District				39,712	\$213,352	0.10%	349				349	0.10%	
North County Fire Protection District (monter)				868,899	\$6,174,002	2.85%	10,113				10,113	2.85%	
Monterey County Regional Fire Protection District				4,837,599	\$13,241,709	6.11%	21,690				21,690	6.11%	
South Monterey County Fire Protection District				0	\$2,341,422	1.08%	3,835				3,835	1.08%	
HARBOR DISTRICTS													
Moss Landing Harbor District				662,710	\$0			\$3,582,673	1.65%	5,868	5,868	1.65%	
HEALTH CARE DISTRICTS													
Salinas Valley Memorial Healthcare District					\$0								25%
Soledad Community Health Care District				0	\$0			\$0	0.00%	0	0	0.00%	
MEMORIAL DISTRICTS													
Greenfield Memorial District				0	\$245,667	0.11%	402				402	0.11%	
Spreckels Memorial District				0	\$308,783	0.14%	506				506	0.14%	
MOSQUITO ABATEMENT DISTRICTS													
Northern Salinas Valley Mosquito Abatement District				0	\$2,213,419	1.02%	3,626				3,626	1.02%	
RECREATION & PARK DISTRICTS													
Carmel Valley Recreation and Park District				0	\$120,498	0.06%	197				197	0.06%	
North County Public Recreation District				227,331	\$578,682	0.27%	948				948	0.27%	
Greenfield Recreation and Park District				0	\$265,495	0.12%	435				435	0.12%	
Monterey Peninsula Regional Park District				950,000	\$6,468,510	2.99%	10,595				10,595	2.99%	
Soledad-Mission Recreation and Park District				0	\$519,547	0.24%	851				851	0.24%	
RESOURCE CONSERVATION													
Monterey County Resource Conservation District				2,306,248	\$180,822	0.08%	296				296	0.08%	
SOLID WASTE DISPOSAL													
Monterey Regional Waste Management District				0	\$0			\$40,756,299	18.81%	66,759	66,759	18.81%	
WASTEWATER/SANITARY													
Carmel Area Wastewater Agency (Monterey)				254,606	\$0			\$14,377,183	6.64%	23,550	23,550	6.64%	
WATER DISTRICTS													
Marina Coast Water District				0	\$0			\$17,816,683	8.22%	29,184	29,184	8.22%	
San Ardo Water District				0	\$0			\$169,914	0.08%	278	278	0.08%	
San Lucas County Water District				0	\$0			\$147,973	0.07%	242	242	0.07%	
TOTALS:				14,184,366	\$60,306,280	27.83%	\$98,782	\$102,207,480	47.17%	\$167,416	\$266,198	75.00%	
	42			Subtotal Operating Revenue:					\$162,513,760	75.00%			
DISPROPORTIONATE IMPACT MITIGATION													
Salinas Valley Memorial Hospital - Allocation Based on Total Revenue								\$562,419,540	77.58%	275,363	275,363	77.58%	
Salinas Valley Memorial Hospital - Adjusted at a fixed percentage of total special districts LAFCO cost:											88,733	25.00%	
Total Cost:											\$354,931	100.00%	
2020*													
Soledad Community Health Care District													
				Total Operating Revenues	12,282,146								
				Total Operating Expenses	13,525,521								
				Operating Income (Loss)	\$(1,243,375)								
*Note for SCHD: In FY 19-20, SCHD reported an operating loss of (\$1,243,375) so therefore will not share in the LAFCO costs for 2022/23. Please see Paragraph 3 of LAFCO Cost Allocation Formula for Special Districts as amended on May 30, 2014.													

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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

KATE McKENNA, AICP
Executive Officer

DATE: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Draft Financial Statements for Period Ending December 31, 2022
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Recommend that the quarterly financial statements for the period ending December 31, 2022 be approved by the full Commission at the March 27, 2023 regular LAFCO meeting.

EXECUTIVE OFFICER'S REPORT:

Attached are draft financial statements for the second quarter of the fiscal year. Prepared by CliftonLarsonAllen, LLP, the statements show that overall revenue and expenditures are generally as anticipated for this mid-year period. Some comments are as follows:

1. Litigation reserve and expenses shown on Pages 2 and 3 of the statements will be addressed at the Committee's next meeting to be scheduled in May 2023. At that time, we may propose a fiscal year-end replenishment of the litigation reserve from the Unreserved Fund Balance.
2. Line items shown on Page 2 include some over-expensed categories. A proposed minor budget amendment to move funds between line items is addressed separately as Agenda Item No. 10.
3. All income has been received for the year from our local agencies (Page 6).

Mr. Mike Briley, CPA, Managing Principal, CliftonLarsonAllen, LLP, will join me in presenting this report.

Respectfully Submitted,



Kate McKenna, AICP,
Executive Officer

Attachment: Financial Statements for Period Ending December 31, 2022, CliftonLarsonAllen, LLP

**Local Agency Formation Commission
of Monterey County
Financial Statements
December 31, 2022**

Draft

**LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY**

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Accountant's Compilation Report

To the Chair and Commissioners
Local Agency Formation Commission
LAFCO of Monterey County
Salinas, California

Management is responsible for the financial statements of the Local Agency Formation Commission of Monterey County (LAFCO), as of and for the six months ended December 31, 2022, included in the accompanying prescribed form in accordance with the requirements of LAFCO. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion or a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of LAFCO and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of LAFCO and is not intended to be, and should not be, used by anyone other than these specified parties.

We are not independent with respect to LAFCO.

CliftonLarsonAllen LLP

February 9, 2023
Salinas, CA

LAFCO of Monterey County
Balance Sheets
December 31, 2022 and 2021

ASSETS			
	ACCT #	2022	2021
CURRENT ASSETS:			
Cash Held in Bank:			
Wells Fargo Operating	1007	\$ 86,305.10	\$ 157,804.25
Total Cash Held in Bank		<u>86,305.10</u>	<u>157,804.25</u>
Cash Held in County Treasury:			
Cash Held for Operating Expenses	1010	987,597.00	616,216.56
Designated Cash for Reserve for Litigation	1012	202,469.03	300,036.51
Designated Cash for Accrued Leave	1013	84,624.31	71,014.80
Designated Cash for Post Retirement (GASB 75)	1014	85,475.00	90,300.00
Designated Cash for Reserve for Contingency	1015	269,914.00	258,357.00
Restricted Cash for FORA Litigation	1020	345,627.78	345,779.47
Total Cash Held in County Treasury		<u>1,975,707.12</u>	<u>1,681,704.34</u>
Petty Cash	1100	300.00	300.00
Total Cash		<u>2,062,312.22</u>	<u>1,839,808.59</u>
Other Current Assets:			
Accounts Receivable - For Fiscal Yr Ending 6/22	1234	-	121,389.44
Accounts Receivable - For Fiscal Yr Ending 6/23	1235	-	-
Prepaid Insurance	1400	6,353.95	5,860.72
Prepaid Expenses	1405	5,111.33	5,256.26
Total Other Current Assets		<u>11,465.28</u>	<u>132,506.42</u>
Total Current Assets		<u>2,073,777.50</u>	<u>1,972,315.01</u>
NON-CURRENT ASSETS:			
Equipment	1500	57,801.99	57,801.99
Accumulated Depreciation	1550	(51,343.69)	(47,088.74)
Total Non-Current Assets		<u>6,458.30</u>	<u>10,713.25</u>
DEFERRED OUTFLOWS OF RESOURCES (GASB 68):			
Deferred Outflows of Resources - PERS Contributions	1800	46,559.54	69,874.49
Deferred Outflows of Resources - Actuarial	1805	262,201.83	38,893.32
Total Deferred Outflows of Resources (GASB 68)		<u>308,761.37</u>	<u>108,767.81</u>
DEFERRED OUTFLOWS OF RESOURCES (GASB 75):			
Deferred Outflows of Resources - OPEB Contributions	1810	1,752.00	4,080.00
Deferred Outflows of Resources - OPEB Actuarial	1815	7,238.00	2,609.00
		<u>8,990.00</u>	<u>6,689.00</u>
		<u>\$ 2,397,987.17</u>	<u>\$ 2,098,485.07</u>
LIABILITIES AND EQUITY			
	ACCT #	2022	2021
CURRENT LIABILITIES:			
Accounts Payable	2000	\$ 22,560.88	\$ 11,879.71
Payroll Liabilities	2200	168.00	210.00
Accrued Leave	2220	84,624.31	71,014.80
Dissolution of FORA Legal Liability	2380	345,074.28	345,779.47
Dissolution of FORA Admin Liability	2381	54,947.00	58,910.00
Total Current Liabilities		<u>507,374.47</u>	<u>487,793.98</u>
NON-CURRENT LIABILITIES:			
Net Pension Liability/(Asset) (GASB 68)	2400	(262,199.19)	(10,976.20)
Net OPEB Liability/(Asset) (GASB 75)	2410	85,475.00	90,300.00
Total Non-Current Liabilities		<u>(176,724.19)</u>	<u>79,323.80</u>
DEFERRED INFLOWS OF RESOURCES (GASB 68):	2500	9,278.43	10,172.41
DEFERRED INFLOWS OF RESOURCES (GASB 75):	2505	52,790.00	46,684.00
EQUITY:			
Invested in Capital Assets	3700	6,458.30	10,713.25
Encumbered Funds	3710	70,749.02	70,749.02
Reserve for Litigation	3800	202,469.03	300,036.51
Reserve for Contingency	3810	269,914.00	258,357.00
Restricted for Pension	3825	262,199.19	10,976.20
Unreserved Fund*	3850	1,193,478.92	823,678.90
Total Equity		<u>2,005,268.46</u>	<u>1,474,510.88</u>
		<u>\$ 2,397,987.17</u>	<u>\$ 2,098,485.07</u>

*Includes revenue received in the current year to be used for operating expenses through 6/30/23

LAFCO of Monterey County
Income and Expense Budget Performance - Summary
December 31, 2022

ACCT #	Income:	Dec 22	Dec 21	% of Budget		Adopted	Remaining	% of	
				Received/ Spent	July 22-Dec 22				July 21-Dec 21
4000	Fees: Project	\$ 5,000.00	\$ 14,802.74	50.00%	\$ 15,330.00	\$ 89,802.74	\$ 10,000.00	\$ 5,330.00	53.30%
4205	County Contributions	-	-	0.00%	354,931.00	298,814.00	354,931.00	-	0.00%
4210	City Contributions	-	-	0.00%	354,930.99	298,813.00	354,931.00	(0.01)	0.00%
4220	District Contributions	-	-	0.00%	354,928.00	298,814.00	354,931.00	(3.00)	0.00%
4249	FORA Administrative Revenue	85.50	495.00	0.00%	1,075.50	2,475.00	-	1,075.50	0.00%
4300	Interest	11.09	1.24	0.23%	3,826.92	1,270.09	4,862.00	(1,035.08)	-21.29%
	Total Income	5,096.59	15,298.98	0.47%	1,085,022.41	989,988.83	1,079,655.00	5,367.41	0.50%
	Expense:								
VAR	Employee Salaries	42,331.07	31,889.81	7.64%	271,886.82	224,385.35	554,169.00	282,282.18	50.94%
VAR	Employee Benefits	20,461.82	16,410.59	8.64%	122,542.33	81,084.31	236,928.00	114,385.67	48.28%
7000	Postage and Shipping	286.87	404.36	7.54%	1,958.18	2,230.56	3,804.00	1,845.82	48.52%
7010	Books and Periodical	799.70	-	49.33%	1,087.40	637.28	1,621.00	533.60	32.92%
7030	Copy Machine	343.75	444.26	2.97%	2,357.51	3,013.23	11,576.00	9,218.49	79.63%
7040	Outside Printers	-	57.95	0.00%	-	667.88	6,300.00	6,300.00	100.00%
7060	Office Supplies	225.18	-	3.24%	2,105.99	509.99	6,946.00	4,840.01	69.68%
7070	Office Equipment & Furnishings	-	-	0.00%	-	273.11	6,946.00	6,946.00	100.00%
7080	Computer Hardware/Peripherals	-	43.69	0.00%	698.05	1,899.78	5,789.00	5,090.95	87.94%
7085	Computer Support Svcs Fixed Costs	1,361.34	-	11.20%	8,168.04	3,304.48	12,155.00	3,986.96	32.80%
7090	Computer Support Svcs Variable Costs	626.00	-	3.22%	1,095.50	273.00	19,448.00	18,352.50	94.37%
7100	Computer Software	239.88	179.88	0.00%	554.85	494.85	1,216.00	661.15	54.37%
7105	Meeting Broadcast Services	668.75	-	13.75%	668.75	-	4,863.00	4,194.25	86.25%
7110	Property and Gen Liability Insurance	640.54	594.11	7.36%	3,843.24	3,564.66	8,700.00	4,856.76	55.82%
7120	Office Maintenance Services	-	-	0.00%	168.00	160.00	463.00	295.00	63.71%
7140	Travel	47.07	-	1.06%	9,447.74	-	4,450.00	(4,997.74)	-112.31%
7150	Training, Conferences & Workshops	(273.79)	-	-5.23%	7,071.93	-	5,238.00	(1,833.93)	-35.01%
7160	Vehicle Mileage	78.38	-	4.98%	190.94	-	1,575.00	1,384.06	87.88%
7170	Rental of Buildings	2,397.69	2,397.69	8.33%	14,386.14	14,386.14	28,772.00	14,385.86	50.00%
7200	Telephone Communications	329.54	77.34	4.07%	2,098.36	1,872.95	8,104.00	6,005.64	74.11%
7230	Temp Help Services (Clerical)	-	7,898.63	0.00%	-	15,497.63	-	-	0.00%
7240	Outside Prof. Services: Other	2,625.00	2,820.00	0.00%	8,825.00	75,180.00	25,000.00	16,175.00	64.70%
7242	Outside Prof. Services: Accounting	5,000.00	4,800.00	8.33%	34,800.00	36,400.00	60,000.00	25,200.00	42.00%
7242A	Outside Prof. Services: General Admin and HR	400.00	400.00	2.70%	2,800.00	4,640.00	14,800.00	12,000.00	81.08%
7245	General and Special Legal Services	6,494.60	35.00	74.81%	11,328.50	57,048.00	8,682.00	(2,646.50)	-30.48%
7247	Outside Prof. Services: Human Resources	-	-	0.00%	-	-	5,789.00	5,789.00	100.00%
7248	Outside Prof. Services: Annual Audit	6,000.00	-	30.00%	20,000.00	14,500.00	20,000.00	-	0.00%
7250	Miscellaneous Office Expense	74.08	19.21	6.40%	325.86	221.93	1,158.00	832.14	71.86%
7260	Legal Notices	-	684.99	0.00%	1,374.75	2,619.73	4,863.00	3,488.25	71.73%
7270	Recruitment Advertising	-	-	0.00%	-	675.00	1,000.00	1,000.00	100.00%
7280	LAFCO Memberships	-	-	0.00%	7,503.00	7,283.01	9,300.00	1,797.00	19.32%
7290	Litigation Reserve	5,224.28	-	0.00%	62,118.98	-	-	(62,118.98)	0.00%
7300	Depreciation	331.00	372.37	0.00%	2,009.95	2,298.37	-	(2,009.95)	0.00%
	Total Expense	96,712.75	69,529.88	8.96%	601,415.81	555,121.24	1,079,655.00	478,239.19	44.30%
	Net Ordinary Income (Loss)	(91,616.16)	(54,230.90)		483,606.60	434,867.59	-		
	Other Income/(Expense):								
8106	Prior Year Project Fees Returned	-	-		(2,697.50)	(218.25)	-		
8115	Encumbered Funds: Temp Professional Services	-	(687.50)		-	(3,437.50)	-		
	Total Other Income/(Expense)	-	(687.50)		(2,697.50)	(3,655.75)	-		
	Net Income (Loss)	\$ (91,616.16)	\$ (54,918.40)		\$ 480,909.10	\$ 431,211.84	\$ -		

LAFCO of Monterey County
Income and Expense Budget Performance - Detail
December 31, 2022

ACCT #	Income:			% of Budget		Adopted 22/23 Budget	Remaining Budget Balance	% of Remaining Budget Balance	
		Dec 22	Dec 21	Received/ Spent Dec 22	July 22-Dec 22				July 21-Dec 21
4000	Fees: Project	\$ 5,000.00	\$ 14,802.74	50.00%	\$ 15,330.00	\$ 89,802.74	\$ 10,000.00	\$ 5,330.00	53.30%
4205	County Contributions	-	-	0.00%	354,931.00	298,814.00	354,931.00	-	0.00%
4210	City Contributions	-	-	0.00%	354,930.99	298,813.00	354,931.00	(0.01)	0.00%
4220	District Contributions	-	-	0.00%	354,928.00	298,814.00	354,931.00	(3.00)	0.00%
4249	FORA Administrative Revenue	85.50	495.00	0.00%	1,075.50	2,475.00	-	1,075.50	0.00%
4300	Interest	11.09	1.24	0.23%	3,826.92	1,270.09	4,862.00	(1,035.08)	-21.29%
	Total Income	5,096.59	15,298.98	0.47%	1,085,022.41	989,988.83	1,079,655.00	5,367.41	0.50%
	Expense:								
6002	Regular Earnings	42,331.07	31,714.56		271,426.52	223,584.22			
6004	FORA Administrative Wages	-	175.25		460.30	801.13			
	Employee Salaries	42,331.07	31,889.81	7.64%	271,886.82	224,385.35	554,169.00	282,282.18	50.94%
6007	Management Expense Allowance	50.00	50.00		300.00	300.00			
6010	Accrued Leave	3,851.48	82.82		16,520.18	(12,454.40)			
6011	Car Allowance	400.00	400.00		2,400.00	2,400.00			
6013	Post Retirement Healthcare Reserve	149.00	143.00		894.00	858.00			
6100	Employee Benefits - Other	-	-		700.00	700.00			
6101	Payroll Expenses	640.32	516.22		4,111.50	3,652.52			
6102	Worker's Compensation Insurance	179.37	253.43		632.28	1,292.61			
6103	Employee Memberships	-	-		96.75	848.00			
6104	Deferred Comp Plan Contribution	2,624.52	1,977.16		16,856.93	13,362.05			
6105	PERS Retirement	4,335.98	3,469.62		30,650.46	23,283.92			
6110	PERS Health - Other	27.50	19.49		158.33	113.07			
6111	PERS Health - Med ER Non-Elective	596.00	572.00		3,576.00	3,289.00			
6112	PERS Health - Med ER Pre Tax	6,173.28	5,724.89		37,039.68	33,197.65			
6131	LIFE	125.20	90.90		751.20	706.60			
6132	ADD	8.21	5.96		49.26	46.34			
6133	Dental	767.90	693.70		4,607.40	4,461.31			
6134	Vision	108.60	101.70		651.60	603.68			
6135	LTD	332.40	231.82		1,994.40	1,837.95			
6136	EAP	-	-		-	80.40			
6139	STD	92.06	75.08		552.36	502.81			
7294	Accrued Leave Reserve	-	2,002.80		-	2,002.80			
	Employee Benefits	20,461.82	16,410.59	8.64%	122,542.33	81,084.31	236,928.00	114,385.67	48.28%
7000	Postage and Shipping	286.87	404.36	7.54%	1,958.18	2,230.56	3,804.00	1,845.82	48.52%
7010	Books and Periodical	799.70	-	49.33%	1,087.40	637.28	1,621.00	533.60	32.92%
7030	Copy Machine	343.75	444.26	2.97%	2,357.51	3,013.23	11,576.00	9,218.49	79.63%
7040	Outside Printers	-	57.95	0.00%	-	667.88	6,300.00	6,300.00	100.00%
7060	Office Supplies	225.18	-	3.24%	2,105.99	509.99	6,946.00	4,840.01	69.68%
7070	Office Equipment & Furnishings	-	-	0.00%	-	273.11	6,946.00	6,946.00	100.00%
7080	Computer Hardware/Peripherals	-	43.69	0.00%	698.05	1,899.78	5,789.00	5,090.95	87.94%
7085	Computer Support Svcs Fixed Costs	1,361.34	-	11.20%	8,168.04	3,304.48	12,155.00	3,986.96	32.80%
7090	Computer Support Svcs Variable Costs	626.00	-	3.22%	1,095.50	273.00	19,448.00	18,352.50	94.37%
7100	Computer Software	239.88	179.88	19.73%	554.85	494.85	1,216.00	661.15	54.37%
7105	Meeting Broadcast Services	668.75	-	13.75%	668.75	-	4,863.00	4,194.25	86.25%
7110	Property and Gen Liability Insurance	640.54	594.11	7.36%	3,843.24	3,564.66	8,700.00	4,856.76	55.82%
7120	Office Maintenance Services	-	-	0.00%	168.00	160.00	463.00	295.00	63.71%
7140	Travel	47.07	-	1.06%	9,447.74	-	4,450.00	(4,997.74)	-112.31%
7150	Training, Conferences & Workshops	(273.79)	-	-5.23%	7,071.93	-	5,238.00	(1,833.93)	-35.01%
7160	Vehicle Mileage	78.38	-	4.98%	190.94	-	1,575.00	1,384.06	87.88%
7170	Rental of Buildings	2,397.69	2,397.69	8.33%	14,386.14	14,386.14	28,772.00	14,385.86	50.00%
7200	Telephone Communications	329.54	77.34	4.07%	2,098.36	1,872.95	8,104.00	6,005.64	74.11%
7230	Temp Help Services (Clerical)	-	7,898.63	0.00%	-	15,497.63	-	-	0.00%
7240	Outside Prof. Services: Other	2,625.00	2,820.00	0.00%	8,825.00	75,180.00	25,000.00	16,175.00	64.70%
7242	Outside Prof. Services: Accounting	5,000.00	4,800.00	8.33%	34,800.00	36,400.00	60,000.00	25,200.00	42.00%
7242A	Outside Prof. Services: General Admin and HR	400.00	400.00	2.70%	2,800.00	4,640.00	14,800.00	12,000.00	81.08%
7245	General and Special Legal Services	6,494.60	35.00	74.81%	11,328.50	57,048.00	8,682.00	(2,646.50)	-30.48%
7247	Outside Prof. Services: Human Resources	-	-	0.00%	-	-	5,789.00	5,789.00	100.00%
7248	Outside Prof. Services: Annual Audit	6,000.00	-	30.00%	20,000.00	14,500.00	20,000.00	-	0.00%
7250	Miscellaneous Office Expense	74.08	19.21	6.40%	325.86	221.93	1,158.00	832.14	71.86%
7260	Legal Notices	-	684.99	0.00%	1,374.75	2,619.73	4,863.00	3,488.25	71.73%
7270	Recruitment Advertising	-	-	0.00%	-	675.00	1,000.00	1,000.00	100.00%
7280	LAFCO Memberships	-	-	0.00%	7,503.00	7,283.01	9,300.00	1,797.00	19.32%
7290	Litigation Reserve	5,224.28	-	0.00%	62,118.98	-	-	(62,118.98)	0.00%
7300	Depreciation	331.00	372.37	0.00%	2,009.95	2,298.37	-	(2,009.95)	0.00%
	Total Expense	96,712.75	69,529.88	8.96%	601,415.81	555,121.24	1,079,655.00	478,239.19	44.30%
	Net Ordinary Income (Loss)	(91,616.16)	(54,230.90)		483,606.60	434,867.59	-	-	-
	Other Income/(Expense):								
8106	Prior Year Project Fees Returned	-	-		(2,697.50)	(218.25)	-	-	-
8115	Encumbered Funds: Temp Professional Services	-	(687.50)		-	(3,437.50)	-	-	-
	Total Other Income/(Expense)	-	(687.50)		(2,697.50)	(3,655.75)	-	-	-
	Net Income (Loss)	\$ (91,616.16)	\$ (54,918.40)		\$ 480,909.10	\$ 431,211.84	\$ -	\$ -	\$ -

LAFCO of Monterey County
Income and Expense by Month
December 31, 2022

Ordinary Income/Expense	July 22	Aug 22	Sept 22	Oct 22	Nov 22	Dec 22	Total
Income:							
4000 · Fees: Project	\$ -	\$ -	\$ 10,330.00	\$ -	\$ -	\$ 5,000.00	\$ 15,330.00
4205 · County Contributions	354,931.00	-	-	-	-	-	354,931.00
4210 · City Contributions	354,930.99	-	-	-	-	-	354,930.99
4220 · District Contributions	354,928.00	-	-	-	-	-	354,928.00
4249 · FORA Administrative Revenue	660.00	-	165.00	82.50	82.50	85.50	1,075.50
4300 · Interest	1.30	1.68	1.03	3,807.56	4.26	11.09	3,826.92
Total Income	1,065,451.29	1.68	10,496.03	3,890.06	86.76	5,096.59	1,085,022.41
Expense:							
6000 · Employee Salaries	40,780.28	41,937.61	62,962.63	41,937.62	41,937.61	42,331.07	271,886.82
6100 · Employee Benefits	21,442.51	18,863.46	25,307.53	17,839.82	18,627.19	20,461.82	122,542.33
7000 · Postage and Shipping	79.62	101.40	306.83	773.00	410.46	286.87	1,958.18
7010 · Books and Periodical	238.00	-	-	49.70	-	799.70	1,087.40
7030 · Copy Machine	231.12	494.78	400.68	343.75	543.43	343.75	2,357.51
7060 · Office Supplies	-	289.25	3.74	495.43	1,087.39	225.18	2,105.99
7080 · Computer Hardware/Peripherals	-	311.26	-	-	386.79	-	698.05
7085 · Computer Support Svcs Fixed Costs	-	-	-	1,361.34	5,445.36	1,361.34	8,168.04
7090 · Computer Support Svcs Variable Costs	-	-	-	-	469.50	626.00	1,095.50
7100 · Computer Software	214.98	-	-	99.99	-	239.88	554.85
7105 · Meeting Broadcast Services	-	-	-	-	-	668.75	668.75
7110 · Property and Gen Liability Insurance	640.54	640.54	640.54	640.54	640.54	640.54	3,843.24
7120 · Office Maintenance Services	-	-	-	-	168.00	-	168.00
7140 · Travel	-	-	-	-	-	47.07	9,447.74
7150 · Training, Conferences & Workshops	-	-	-	8,182.86	1,217.81	550.00	7,071.93
7160 · Vehicle Mileage	-	-	112.56	-	-	-	190.94
7170 · Rental of Buildings	2,397.69	2,397.69	2,397.69	4,795.38	-	2,397.69	14,386.14
7200 · Telephone Communications	452.38	328.68	328.68	329.54	329.54	-	2,098.36
7240 · Outside Prof. Services: Other	3,225.00	2,475.00	500.00	-	-	2,625.00	8,825.00
7242 · Outside Prof. Services: Accounting	4,800.00	5,000.00	5,000.00	5,000.00	10,000.00	5,000.00	34,800.00
7242A · Outside Prof. Services: Gen Admin & HR Assistance	400.00	400.00	400.00	400.00	800.00	400.00	2,800.00
7245 · General and Special Legal Services	-	405.90	3,136.50	-	1,291.50	6,494.60	11,328.50
7248 · Outside Prof. Services: Annual Audit	-	2,000.00	-	12,000.00	-	6,000.00	20,000.00
7250 · Miscellaneous Office Expense	28.16	96.24	53.90	36.74	36.74	74.08	325.86
7260 · Legal Notices	551.25	-	-	-	823.50	-	1,374.75
7280 · LAFCO Memberships	7,503.00	-	-	-	-	-	7,503.00
7290 · Litigation Reserve	-	9,421.90	28,926.50	-	18,546.30	5,224.28	62,118.98
7300 · Depreciation	338.00	335.00	331.95	336.00	338.00	331.00	2,009.95
8106 · Prior Year Project Fees Returned	-	12.50	-	-	2,685.00	-	2,697.50
Total Expense	83,322.53	85,511.21	130,814.73	101,417.42	106,334.66	96,712.75	604,113.31
Net Income/(Loss)	\$ 982,128.76	\$ (85,509.53)	\$ (120,318.70)	\$ (97,527.37)	\$ (106,247.90)	\$ (91,616.16)	\$ 480,909.10

LAFCO of Monterey County
Accounts Receivable Summary
As of December 31, 2022

Accounts Receivable-For Fiscal Year Ending 6/2023:

Description	Date	Amount
All 2022-2023 City, Special District and County fees have been received.		\$ -
	ACCT # 1235	\$ -

Draft

**LAFCO of Monterey County
Equipment Summary
As of December 31, 2022**

Equipment and Accumulated Depreciation:

Description	Fiscal Year In Service (6/30)	Cost	Amount Depreciated
Furniture & Fixtures	2010	\$ 502.51	\$ 502.51
Furniture & Fixtures	2017	29,396.72	25,869.00
Furniture & Fixtures	2018	10,618.39	8,573.00
Office Equipment	2011	2,185.00	2,185.00
Office Equipment	2013	1,990.68	1,990.68
Office Equipment	2014	5,214.29	5,214.29
Office Equipment	2016	1,168.89	1,168.89
Office Equipment	2017	2,527.32	2,527.32
Office Equipment	2019	2,143.66	1,821.00
Office Equipment	2020	2,054.53	1,492.00
	ACCT # 1500	<u>\$ 57,801.99</u>	
		ACCT # 1550	<u>\$ 51,343.69</u>

**LAFCO of Monterey County
Accounts Payable Summary
As of December 31, 2022**

Accounts Payable:

Vendor	Description	Date	Inv#/Acct#	Amount
AT&T	Credit	12/10/2021		\$ (42.77)
AT&T	Telephone Services	12/17/2022	317277339	205.79
Bianchi, Kasavan & Pope. LLP	Audit Progress Billing #3 for FY 2022-2023	12/31/2022	01109436	6,000.00
CliftonLarsonAllen, LLP	Accounting Services for December 2022	12/31/2022	3542407	5,400.00
Comcast	Telephone Services from 12/27/22-1/26/23	12/22/2022	8155100301512806	123.75
County of Monterey, Information Technology	Computer Support Services through 10/31/22	10/31/2022	Dept 812 P/E 10/2022	1,361.34
County of Monterey, Information Technology	Computer Support Services through 11/30/22	11/30/2022	Dept 812 P/E 11/2022	1,361.34
County of Monterey, Information Technology	Computer Support Services through 12/31/22	12/31/2022	Dept 812 P/E 12/2022	1,987.34
Darren McBain	Vehicle Mileage Reimbursement (89 Miles @ 0.625/Mile)	12/29/2022	7/5/22-7/14/22	55.63
Monterey Herald	52 Week Subscription	12/16/2022	49013	799.70
Office of County Counsel-Co of Monterey	General Legal Services for December 2022	12/31/2022	23-00006	3,763.80
Office of County Counsel-Co of Monterey	LAFCO-MPWMD Latent Power Legal Services for December 2022	12/31/2022	23-000018	479.70
Principal Life	January 2023 Insurance: Life, ADD, STD, LTD	12/17/2022	1095234-10001	557.87
Safarina Maluki	Vehicle Mileage Reimbursement (36.4 Miles @ 0.625/Mile)	12/29/2022	Oct-Dec 2022	22.75
Wells Fargo Bank Credit Card	Culligan Water Service \$19.58; Adobe \$239.88; Misc. Office Supplies \$225.18	9/30/2022		484.64
			ACCT # 2000	<u>\$ 22,560.88</u>

**LAFCO of Monterey County
Accrued Leave Summary
As of December 31, 2022**

Executive Officer and Analyst Positions:

Employee	Title	Total Hours of Accrued Annual Leave *	Hourly Rate	Annual Leave Book Value
Kate McKenna	Executive Officer	633.23	97.82	\$ 61,942.56
Darren McBain	Principal Analyst	89.84	72.67	6,528.67
Jonathan Brinkmann	Senior Analyst	250.28	54.15	13,552.66
				\$ 82,023.89

Clerk / Administrative Secretary Position:

Employee	Accrued Sick Leave	Accrued Vacation **	Hourly Rate	Sick Leave Book Value	Vacation Book Value
Safarina Maluki	25.60	43.80	37.47	\$ 959.23	\$ 1,641.19
				\$ 959.23	\$ 1,641.19

Annual Leave \$ 82,023.89
Sick Leave 959.23
Vacation 1,641.19

ACCT # 2220 \$ 84,624.31

Executive Officer and Senior Analyst Positions:

* Maximum of 250 or 850 hours of Annual Leave may be accrued. This is a general description of benefits only. Actual benefits are defined in individual employment agreements.

Clerk/Admin Secretary Position:

** Maximum of 260 hours of Accrued Vacation may be accrued. This is a general description of benefits only. Actual benefits are defined in employment agreement.

***Compensatory time: Overtime eligible employees can accrue compensatory time-off in lieu of overtime payments. A maximum of 80 hours of compensatory time may be accrued. The compensatory time off balances are considered current year liabilities. These benefits are a general description only.

LAFCO of Monterey County
Detail of Encumbrances
As of December 31, 2022

Encumbered Funds:

Subject	Invoice Date/ Inv. No.	Funds Received/(Paid)
Recruitment Advertising Encumbered Funds:		
13-14 Budget Carryover		\$ 3,179.40
ID Concepts, LLC	7/15/14 Inv. No. LAFCO-01	(115.00)
Hardee Investigations	9/11/14 Inv. No. LAFCO-01	(460.00)
Hardee Investigations	10/3/2014 LAFCO-02	(180.00)
ID Concepts, LLC	10/10/15 Inv. No. 303013	(107.50)
The Post Box	6/15/2016	(50.00)
Hardee Investigations	6/22/16 Inv. No. LAFCO-03	(180.00)
Hardee Investigations	6/3/17 Inv No. LAFCO 17-01	(360.00)
Hardee Investigations	6/6/19 Inv No. LAFCO 19-01	(225.00)
Montereybayjobs.com	7/20/19 Inv No. mbj	(299.00)
Indeed	7/30/19 Inv. No. 24779848	(25.19)
Indeed	7/31/19 Inv. No. 24993586	(6.47)
Hardee Investigations	8/16/19 Inv No. LAFCO 19-02	(275.00)
		<u>896.24</u>
Human Resources Encumbered Funds:		
	Balance Forward	8,973.00
19-20 Budget Carryover		10,500.00
Hayashi Wayland-HR Services Monthly Fee	8/3/20 Inv. No. 293672	(400.00)
Hayashi Wayland-HR Services Monthly Fee	9/1/20 Inv. No. 294080	(400.00)
Hayashi Wayland-HR Services Monthly Fee	10/1/20 Inv No. 294599	(400.00)
Hayashi Wayland-HR Services Monthly Fee	11/1/20 Inv. No. 295271	(400.00)
Hayashi Wayland-HR Services Monthly Fee	12/7/20 Inv. No. 295739	(400.00)
Liebert Cassidy Whitmore, A Professional Law Corp	12/31/20 Inv. No. 1512526	(38.00)
Hayashi Wayland-HR Services Monthly Fee	1/14/21 Inv. No. 296368	(400.00)
Liebert Cassidy Whitmore, A Professional Law Corp	1/31/21 Inv. No. 1514248	(929.00)
Hayashi Wayland-HR Services Monthly Fee	2/8/21 Inv No. 296802	(400.00)
Liebert Cassidy Whitmore, A Professional Law Corp	2/28/21 Inv. No. 1515993	(3,699.50)
Hayashi Wayland-HR Services Monthly Fee	3/1/21 Inv No. 297416	(400.00)
Liebert Cassidy Whitmore, A Professional Law Corp	3/31/21 Inv. No. 1517887	(152.00)
Hayashi Wayland-HR Services Monthly Fee	4/15/21 Inv No. 298589	(400.00)
Hayashi Wayland-HR Services Monthly Fee	5/20/21 Inv No. 299239	(400.00)
Hayashi Wayland-HR Services Monthly Fee	6/8/21 Inv No. 300212	(400.00)
		<u>10,254.50</u>
Temp Professional Services Encumbered Funds:		
2018-2019 Resolution No. 19-01	Fire and Medical Emergency Study	75,000.00
Michael P. McMurry	9/3/19 Inv No. MON 1	(812.50)
Michael P. McMurry	9/30/19 Inv No. MON 2	(1,062.50)
Michael P. McMurry	11/1/19 Inv No. MON 3	(812.50)
Michael P. McMurry	12/1/19 Inv No. MON 4	(2,031.25)
Michael P. McMurry	1/3/20 Inv No. MON 5	(1,312.50)
Michael P. McMurry	2/1/20 Inv No. MON 6	(1,000.00)
Michael P. McMurry	4/1/20 Inv No. MON 7	(3,350.00)
Michael P. McMurry	5/1/20 Inv No. MON 8	(4,437.50)
Michael P. McMurry	5/29/20 Inv No. MON 9	(1,656.25)
Michael P. McMurry	6/23/20 Inv No. MON 10	(1,187.50)
Michael P. McMurry	11/1/20 Inv No. MON 11	(1,937.50)
Michael P. McMurry	12/1/20 Inv No. MON 12	(781.25)
Michael P. McMurry	3/2/21 Inv No. MON 13	(531.25)
Michael P. McMurry	5/3/21 Inv No. MON 14	(2,975.00)
Michael P. McMurry	6/30/21 Inv No. MON 15	(700.00)
Michael P. McMurry	7/31/21 Inv No. MON 15A	(687.50)
Michael P. McMurry	8/31/21 Inv No. MON 16	(1,312.50)
Michael P. McMurry	10/31/21 Inv No. MON 17	(750.00)
Michael P. McMurry	12/31/21 Inv No. MON 18	(687.50)
		<u>46,975.00</u>
Computer Support Services-Variable Encumbered Funds:		
18-19 Budget Carryover		12,623.28
		<u>12,623.28</u>
	ACCT # 3710	\$ 70,749.02

LAFCO of Monterey County
Detail of Reserve for Litigation
As of December 31, 2022

Reserve for Litigation:

Date	Vendor/Description	Invoice #	Amount
	Beginning Balance as of 7/1/08		\$ 18,330.28
7/1/2008	08/09 Budget Amount		25,000.00
8/22/2008	Office of County Counsel-Co. of Monterey	08-000147	(564.69)
8/27/2008	Best, Best & Krieger	582486	(2,713.66)
10/14/2008	Best, Best & Krieger	586916	(390.00) *
2/19/2009	Best, Best & Krieger	596717	(2,106.00) *
3/13/2009	Best, Best & Krieger	598793	(19.50)
3/13/2009	Best, Best & Krieger	599174	(6,907.12) *
4/22/2009	Best, Best & Krieger	601472	(156.00)
5/26/2009	Best, Best & Krieger	603629	(175.50)
7/1/2009	09/10 Budget Amount		10,000.00
10/15/2009	Best, Best & Krieger	614071	(312.00)
7/1/2010	10/11 Budget Amount		30,000.00
6/30/2011	Transfer from Unreserved Fund		174,950.70
7/1/2011	11/12 Budget Amount		30,000.00
7/1/2012	12/13 Budget Amount		25,000.00
7/1/2013	13/14 Budget Amount		100.00
4/12/2022	Office of County Counsel-Co. of Monterey	22-0003000	(110.70)
5/12/2022	Best, Best & Krieger	934608	(8,005.67)
5/24/2022	Office of County Counsel-Co. of Monterey	22-000420	(4,243.50)
6/10/2022	Best, Best & Krieger	937410	(16,393.23)
6/16/2022	Office of County Counsel-Co. of Monterey	22-000478	(996.30)
6/30/2022	Best, Best & Krieger	939818	(4,739.70)
6/30/2022	Office of County Counsel-Co. of Monterey	22-000557	(959.40)
8/11/2022	Best, Best & Krieger	942253	(8,905.30)
8/23/2022	Office of County Counsel-Co. of Monterey	22-000686	(516.60)
9/8/2022	Best, Best & Krieger	94461	(15,907.50)
9/12/2022	Office of County Counsel-Co. of Monterey	22-000787	(959.40)
9/30/2022	Best, Best & Krieger	947478	(11,506.10)
9/30/2022	Office of County Counsel-Co. of Monterey	22-000870	(553.50)
11/15/2022	Best, Best & Krieger	950787	(18,435.60)
11/15/2022	Office of County Counsel-Co. of Monterey	22-000892	(110.70)
12/9/2022	Best, Best & Krieger	952842	(4,523.18)
12/14/2022	Office of County Counsel-Co. of Monterey	22-000975	(221.40)
12/31/2022	Office of County Counsel-Co. of Monterey	23-000018	(479.70)
		ACCT # 3800	\$ <u>202,469.03</u>

*The original invoice is greater than the amount stated above. This is the amount allocated to the litigation reserve. The remaining balance is allocated to general and special legal services.

**LAFCO of Monterey County
Detail of Reserve for Contingency
As of December 31, 2022**

Reserve for Contingency:

Date	Vendor/Description	Invoice #	Amount
	Reserve for Contingency Balance at 6/30/22		\$ 258,357.00
7/1/2022	Authorized Transfer (To)/From Unreserved Funds for FY 2022-2023**		<u>11,557.00</u>
		ACCT # 3810	<u><u>\$ 269,914.00</u></u>

**Per Resolution 19-01, the Contingency Reserve is adjusted at the beginning of each year to account for 25% of the current year budget. See note below.

	2022-2023 Budget	\$ 1,079,655
	% of Budget	<u>0.25</u>
	Expected Reserve for Contingency Balance at 7/1/22	<u>269,914</u>
	Reserve for Contingency Balance at 6/30/22	<u>258,357</u>
	Authorized Transfer (To)/From Unreserved Funds for FY 2022-2023**	<u><u>\$ 11,557</u></u>

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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

KATE McKENNA, AICP
Executive Officer

DATE: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: January 31, 2023 Draft Balance Sheet and Income Statement
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Accept the statements for information only.

EXECUTIVE OFFICER'S REPORT:

Attached are the draft balance sheet and income statements for January 31, 2023. Prepared by CliftonLarsonAllen, LLP, the statements are generally as anticipated for the third quarter.

Mr. Mike Briley, CPA, Managing Principal, CliftonLarsonAllen, LLP, will join me in presenting this item.

Respectfully Submitted,



Kate McKenna, AICP,
Executive Officer

Attachments: Draft Balance Sheet and Income Statement for January 31, 2023, by CliftonLarsonAllen, LLP

LAFCO of Monterey County

Balance Sheet

As of January 31, 2023

02/15/23

Accrual Basis

	Jan 31, 23
ASSETS	
Current Assets	
Checking/Savings	
1100 · Petty Cash	300.00
1007 · Wells Fargo Checking	149,215.80
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	202,469.03
1013 · Designated Cash - Accrued Leave	72,391.41
1014 · Designated Cash-Post Retirement	85,475.00
1015 · Designated Cash-Contingency	269,914.00
1020 · Restricted Cash-FORA Litigation	346,475.44
1010 · Cash Co. Treasury - Other	856,800.09
Total 1010 · Cash Co. Treasury	1,833,524.97
Total Checking/Savings	1,983,040.77
Other Current Assets	
1400 · Prepaid Insurance	5,534.04
1405 · Prepaid Expenses	3,217.24
Total Other Current Assets	8,751.28
Total Current Assets	1,991,792.05
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-51,672.69
Total Fixed Assets	6,129.30
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	2,315,672.72
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	12,655.63
Total Accounts Payable	12,655.63
Credit Cards	
WFB Visa X2064 (Kate)	3,148.74
Total Credit Cards	3,148.74
Other Current Liabilities	
2220 · Accrued Leave	72,391.41
2410 · Post Retirement (GASB 75)	85,475.00
2200 · Payroll Liabilities	593.90
2380 · Dissolution of FORA Legal Liab.	346,475.44
2381 · Dissolution of FORA Admin Liab.	54,947.00
Total Other Current Liabilities	559,882.75
Total Current Liabilities	575,687.12

LAFCO of Monterey County

Balance Sheet

As of January 31, 2023

02/15/23

Accrual Basis

	<u>Jan 31, 23</u>
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
	<hr/>
Total Long Term Liabilities	-200,130.76
	<hr/>
Total Liabilities	375,556.36
Equity	
3700 · Invested in Capital Assets	6,129.30
3710 · Encumbered Funds	70,749.02
3800 · Reserve for Litigation	202,469.03
3810 · Reserve for Contingency	269,914.00
3825 · Restricted for Pension	262,199.19
3850 · Unreserved Fund	712,898.82
Net Income	415,757.00
	<hr/>
Total Equity	1,940,116.36
	<hr/>
TOTAL LIABILITIES & EQUITY	2,315,672.72
	<hr/> <hr/>

Draft

02/15/23
Accrual Basis

LAFCO of Monterey County
Profit & Loss
July 2022 through January 2023

	Jul '22 - Jan 23
Ordinary Income/Expense	
Income	
4000 · Fees	
4005 · Project	15,330.00
Total 4000 · Fees	15,330.00
4205 · County Contributions	354,931.00
4210 · City Contributions	354,930.99
4220 · District Contributions	354,928.00
4249 · FORA Admin Revenue	1,075.50
4300 · Interest	10,804.58
Total Income	1,092,000.07
Expense	
7300 · Depreciation	2,338.95
6000 · Employee Salaries	
6002 · Regular Earnings	313,309.98
6004 · FORA Admin Earnings	514.46
Total 6000 · Employee Salaries	313,824.44
6100 · Employee Benefits	
6013 · Post Retirement Healthcare	1,045.00
6010 · Accrued Leave	4,287.28
6007 · Management Expense Allowance	
6011 · Management Car Allowance	2,800.00
6007 · Management Expense Allowance - Other	350.00
Total 6007 · Management Expense Allowance	3,150.00
6102 · Worker's Compensation Insurance	811.65
6101 · Payroll Expenses	5,652.71
6103 · Employee Memberships	96.75
6104 · Deferred Comp Plan Contribution	19,457.05
6105 · PERS Retirement	35,005.24
6110 · PERS Health	
6111 · Med ER Non-Ele	4,180.00
6112 · Med ER Pre Tax	45,405.37
6110 · PERS Health - Other	193.34
Total 6110 · PERS Health	49,778.71
6130 · Insurance	
6139 · STD	644.42
6131 · LIFE	876.40
6132 · ADD	57.47
6133 · Dental	5,375.30
6134 · Vision	760.20
6135 · LTD	2,326.80
Total 6130 · Insurance	10,040.59
7294 · Accrued Leave Reserve	15,651.20
6100 · Employee Benefits - Other	700.00
Total 6100 · Employee Benefits	145,676.18

02/15/23
Accrual Basis

LAFCO of Monterey County
Profit & Loss
July 2022 through January 2023

	- Jul '22 - Jan 23
7000 · Postage and Shipping	2,558.79
7010 · Books and Periodical	1,087.40
7030 · Copy Machine	2,701.25
7060 · Office Supplies	2,121.23
7080 · Computer Hardware/Peripherals	698.05
7085 · Computer Support Svc Fixed Cost	8,168.04
7090 · Computer Support Svc Variable	1,095.50
7100 · Computer Software	554.85
7105 · Meeting Broadcast Services	848.75
7110 · Property and Gen Liability Ins	4,483.78
7120 · Office Maintenance Services	168.00
7140 · Travel	9,447.74
7150 · Training, Conferences & Wrkshps	7,496.93
7160 · Vehicle Mileage	190.94
7170 · Rental of Buildings	16,783.83
7200 · Telephone Communications	2,428.05
7240 · Outside Prof. Services	8,825.00
7242 · Outside Prof Svc-Accounting	34,800.00
7242 A · Gen Admin Svcs & HR Assistance	2,800.00
7248 · Outside Prof Svc-Annual Audit	20,000.00
7245 · General Legal Services	11,328.50
7250 · Miscellaneous Office Expense	488.64
7260 · Legal Notices	1,374.75
7280 · LAFCO Memberships	9,137.00
7290 · Litigation Reserve	62,118.98
Total Expense	673,545.57
Net Ordinary Income	418,454.50
Other Income/Expense	
Other Expense	
8106 · Prior Yr Project Fees Returned	2,697.50
Total Other Expense	2,697.50
Net Other Income	-2,697.50
Net Income	415,757.00

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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KATE McKENNA, AICP
Executive Officer

DATE: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Profit/Loss Budget vs. Actual Report, February 17, 2023
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Accept report for information only.

EXECUTIVE OFFICER'S REPORT:

Attached is the Profit and Loss Budget vs. Actual report dated February 17, 2023. These bi-weekly reports are prepared by CliftonLarsonAllen, LLP for the purpose of monitoring budget activities. Overall third quarter revenue and expenses to date are on target.

Mr. Mike Briley, CPA, Managing Principal, CliftonLarsonAllen, LLP, will join me in presenting this item.

Respectfully Submitted,



Kate McKenna, AICP,
Executive Officer

Attachment: Profit and Loss Budget vs. Actual Report, February 17, 2023, CliftonLarsonAllen, LLP



Accountant's Compilation Report

To the Chair and Commissioners
Local Agency Formation Commission
LAFCO of Monterey County
Salinas, California

Management is responsible for the Profit and Loss Actual vs. Budget of the Local Agency Formation Commission of Monterey County (LAFCO), as of fiscal year to date February 17, 2023, included in the accompanying prescribed form in accordance with the requirements of LAFCO. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion or a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of LAFCO and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of LAFCO and is not intended to be, and should not be, used by anyone other than these specified parties.

We are not independent with respect to LAFCO.

CliftonLarsonAllen LLP

February 15, 2023
Salinas, CA

LAFCO of Monterey County
Profit & Loss Budget vs. Actual (DRAFT)
July 1, 2022 through February 17, 2023

Ordinary Income/Expense	Jul 1, '22 - Feb 17, 23	Budget	\$ Over Budget	% of Budget
Income				
4000 · Fees	\$ 15,330.00	\$ 10,000.00	\$ 5,330.00	153.3%
4205 · County Contributions	354,931.00	354,931.00	-	100.0%
4210 · City Contributions	354,930.99	354,931.00	(0.01)	100.0%
4220 · District Contributions	354,928.00	354,931.00	(3.00)	100.0%
4249 · FORA Admin Revenue	1,075.50	-	1,075.50	100.0%
4300 · Interest	10,804.58	4,862.00	5,942.58	222.23%
Total Income	<u>1,092,000.07</u>	<u>1,079,655.00</u>	<u>12,345.07</u>	<u>101.14%</u>
Expense				
7300 · Depreciation	2,338.95	-	2,338.95	100.0%
6000 · Employee Salaries	355,986.88	554,169.00	(198,182.12)	64.24%
6100 · Employee Benefits	168,921.01	236,928.00	(68,006.99)	71.3%
7000 · Postage and Shipping	2,858.87	3,804.00	(945.13)	75.15%
7010 · Books and Periodical	1,151.40	1,621.00	(469.60)	71.03%
7030 · Copy Machine	3,439.24	11,576.00	(8,136.76)	29.71%
7040 · Outside Printers	-	6,300.00	(6,300.00)	0.0%
7060 · Office Supplies	2,121.23	6,946.00	(4,824.77)	30.54%
7070 · Office Equipment and Furnishing	-	6,946.00	(6,946.00)	0.0%
7080 · Computer Hardware/Peripherals	698.05	5,789.00	(5,090.95)	12.06%
7085 · Computer Support Svc Fixed Cost	8,168.04	12,155.00	(3,986.96)	67.2%
7090 · Computer Support Svc Variable	1,095.50	19,448.00	(18,352.50)	5.63%
7100 · Computer Software	554.85	1,216.00	(661.15)	45.63%
7105 · Meeting Broadcast Services	848.75	4,863.00	(4,014.25)	17.45%
7110 · Property and Gen Liability Ins	5,124.32	8,700.00	(3,575.68)	58.9%
7120 · Office Maintenance Services	168.00	463.00	(295.00)	36.29%
7140 · Travel	9,447.74	4,450.00	4,997.74	212.31%
7150 · Training, Conferences & Wrkshps	7,496.93	5,238.00	2,258.93	143.13%
7160 · Vehicle Mileage	190.94	1,575.00	(1,384.06)	12.12%
7170 · Rental of Buildings	19,181.52	28,772.00	(9,590.48)	66.67%
7200 · Telephone Communications	2,428.05	8,104.00	(5,675.95)	29.96%
7240 · Outside Prof. Services	8,825.00	25,000.00	(16,175.00)	35.3%
7242 · Outside Prof Svc-Accounting	34,800.00	60,000.00	(25,200.00)	58.0%
7242 A · Gen Admin Svcs & HR Assistance	2,800.00	14,800.00	(12,000.00)	18.92%
7247 · Outside Prof Svc-Human Resource	-	5,789.00	(5,789.00)	0.0%
7248 · Outside Prof Svc-Annual Audit	20,000.00	20,000.00	-	100.0%
7245 · General Legal Services	11,328.50	8,682.00	2,646.50	130.48%
7250 · Miscellaneous Office Expense	488.64	1,158.00	(669.36)	42.2%
7260 · Legal Notices	1,374.75	4,863.00	(3,488.25)	28.27%
7270 · Recruitment Advertising	-	1,000.00	(1,000.00)	0.0%
7280 · LAFCO Memberships	9,137.00	9,300.00	(163.00)	98.25%
7290 · Litigation Reserve	62,118.98	-	62,118.98	100.0%
Total Expense	<u>743,093.14</u>	<u>1,079,655.00</u>	<u>(336,561.86)</u>	<u>68.83%</u>
Net Ordinary Income	<u>348,906.93</u>	<u>-</u>	<u>348,906.93</u>	<u>100.0%</u>
Other Income/(Expense)				
8106 · Prior Yr Project Fees Returned	(2,697.50)	-	(2,697.50)	100.0%
Total Other Income/(Expense)	<u>(2,697.50)</u>	<u>-</u>	<u>(2,697.50)</u>	<u>-6.81%</u>
Net Income	<u>\$ 346,209.43</u>	<u>\$ -</u>	<u>\$ 346,209.43</u>	<u>100.0%</u>

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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

KATE McKENNA, AICP
Executive Officer

DATE: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Budget Amendment No. 1 for FY 2022-2023
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Recommend that the Commission approve a resolution to adopt Amendment No. 1 to the current (Fiscal Year 2022-23) budget, transferring a total of \$22,500 with no net change to the overall budget, at the next regular LAFCO meeting on March 27, 2023.

EXECUTIVE OFFICER'S REPORT:

Mid-Year Budget Review

Actual expenses to date for line items 7140 (Travel) and 7150 (Training, Conferences, and Workshops) are higher than budgeted for the current fiscal year. This is mainly because of high attendance at last Fall's CALAFCO annual conference. Line item 7245 (General Legal Services) actual expenses are also higher than anticipated, largely due to General Counsel time preparing for and participating in regular and special LAFCO meetings in December 2022. Current expenses are shown in the Profit and Loss statements (Agenda Item No. 9).

Proposed Amendment to FY 2022-2023 Budget

The proposed amendment will shift funding for current and anticipated expenditures through June 30, 2023 for 7140, 7150, and 7245 (Travel, Training, and General Legal Services). To accomplish this adjustment, a total of \$22,500 will be transferred **from** line items 7040 (Outside Printers), 7070 (Office Equipment and Furnishings), and 7090 (Computer Services Support – Variable Costs) **to** the above-referenced line items, with no net change to the overall budget. Please see the attached worksheet for details. Actual expenditures to date for 7040, 7070, and 7090 are lower than budgeted, and are anticipated to stay well under budget through the remainder of the fiscal year (June 30, 2023).

Fiscal Impact

None. The recommended action will transfer \$22,500 as outlined above, with no overall net change to the adopted budget. Note: Staff has invoiced the City of Soledad for approximately \$5,900 to reimburse LAFCO for general counsel hours spent on Miramonte annexation-related matters in late 2022.

Respectfully Submitted,



Kate McKenna, AICP,
Executive Officer

Attachment: Draft Budget Amendment No. 1, FY 2022-2023

Local Agency Formation Commission of Monterey
Draft Budget Worksheet - Amendment No. 1
Fiscal Year 2022-2023

DATE

		Adopted Budget FY 2022-2023	Proposed Budget Amendment No. 1	Proposed Amended Budget FY 2022-23
CODE	EXPENSE LINE ITEM			
6000	Employee Salaries	\$ 554,169.00		\$ 554,169.00
6100	Employee Benefits	\$ 236,928.00		\$ 236,928.00
7000	Postage and Shipping	\$ 3,804.00		\$ 3,804.00
7010	Books and Periodicals	\$ 1,621.00		\$ 1,621.00
730	Copy Machine Charges	\$ 11,576.00		\$ 11,576.00
7040	Outside Printers	\$ 6,300.00	\$ (5,000.00)	\$ 1,300.00
7060	Office Supplies	\$ 6,946.00		\$ 6,946.00
7070	Office Equipment and Furnishings	\$ 6,946.00	\$ (5,000.00)	\$ 1,946.00
7080	Computer/Hardware/Peripherals	\$ 5,789.00		\$ 5,789.00
7085	Computer Support Services (Fixed Costs)	\$ 12,155.00		\$ 12,155.00
7090	Computer Support Services (Variable Costs)	\$ 19,448.00	\$ (12,500.00)	\$ 6,948.00
7100	Computer Software	\$ 1,216.00		\$ 1,216.00
7105	Meeting Broadcast Services	\$ 4,863.00		\$ 4,863.00
7110	Property and General Liability Insurance	\$ 8,700.00		\$ 8,700.00
7120	Office Maintenance Services	\$ 463.00		\$ 463.00
7140	Travel	\$ 4,450.00	\$ 6,000.00	\$ 10,450.00
7150	Training, Conferences, and Workshops	\$ 5,238.00	\$ 9,000.00	\$ 14,238.00
7160	Vehicle Mileage	\$ 1,575.00		\$ 1,575.00
7170	Rental of Buildings	\$ 28,772.00		\$ 28,772.00
7200	Telephone Communications	\$ 8,104.00		\$ 8,104.00
7230	Temporary Help Services (Clerical)	\$ -		\$ -
7240	Outside Professional Services - Total for Line Items 7242-7249	\$ 134,271.00		\$ 134,271.00
7242	Accounting and Financial Services	\$ 60,000.00		\$ 60,000.00
7245	General Counsel and Special Counsel	\$ 8,682.00	\$ 7,500.00	\$ 16,182.00
7247	Human Resources	\$ 5,789.00		\$ 5,789.00
7248	Annual Audit	\$ 20,000.00		\$ 20,000.00
7249	Temporary Professional Services-FORA Admin	\$ -		\$ -
7250	Miscellaneous Office Expenses	\$ 1,158.00		\$ 1,158.00
7260	Legal Notices	\$ 4,863.00		\$ 4,863.00
7270	Recruitment Expenses	\$ 1,000.00		\$ 1,000.00
7280	LAFCO Memberships	\$ 9,300.00		\$ 9,300.00
7290	Litigation Reserve	\$ -		\$ -
7285	Records Storage and Security	\$ -		\$ -
7295	Contingency Reserve	\$ -		\$ -
Total Expenditure		\$ 1,079,655.00		\$ 1,079,655.00

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: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Preliminary Draft Annual Budget FY 2023-2024
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Recommend that the Commission:

- (1) Conduct a public hearing on March 27 to consider adoption of a proposed budget for Fiscal Year 2023-2024, and
- (2) Distribute the proposed budget to local agencies for review and comment prior to final adoption at a second hearing on April 24.

EXECUTIVE OFFICER'S REPORT:

Introduction and Accomplishing the Commission's Work Program

LAFCO works responsibly to control its costs. The Budget and Finance Committee provides oversight and recommendations, resulting in lean and timely budgets and prudent financial policies and practices. These practices consistently receive the highest ratings from an independent auditor, while maintaining the essential services provided by LAFCO. The emphasis remains on the cost-efficient delivery of core services in a responsive, professional and legally defensible manner. Core services, and the anticipated workload for FY 2023-2024, are described in the proposed work program (Agenda Item No. 3). The work program reflects a high demand for LAFCO services now and into the future.

State law requires that the LAFCO budget be reasonable to accomplish the work program. By carefully managing service demands and available resources, the proposed budget (Attachment) will accomplish the Commission's work program for the new fiscal year.

Proposed Expenditures

Recommended total budget expenditures (\$1,106,457) are an overall two percent increase as compared to the current-year budget (\$1,079,655).

Total expenditures for employee salaries and benefits (\$848,719) will increase by seven percent as compared to the current year (\$791,097); this overall increase is partly because of benefit premium increases. Funded staffing levels will be maintained at 4.0 FTE positions, with assumptions for three percent COLA for all staff and merit steps, based on performance, for the two eligible staff members. Limited outside professional services will be used as necessary to support the work of the Commission. No benefit changes or new benefits are proposed, and some benefits will continue to not be offered.

Total expenditures for services and supplies (\$257,738) will decrease by eight percent as compared to the current year (\$288,558). These savings will mainly result from a downward adjustment in expected costs in some areas (computer support services, outside professional services, office equipment and furnishings, and outside print services). Travel/training expenses are proposed to return to pre-pandemic levels for realistic budgeting purposes.

Proposed Revenue

Proposed total revenues (\$1,106,457) are a five percent increase from the current year. Primary funding is from the County, cities and independent special districts. The proposed cost share is \$363,784 for each group; again, a two percent increase from the current contributions. Minor income is anticipated from fees for boundary changes and related proposals (\$10,000) and interest (\$5,104).

Process and Schedule

State law requires two public hearings for a LAFCO budget. Commission hearings will be noticed for March 27 (to adopt a draft budget and distribute it to local agencies for review and comment), and on April 24 (to adopt a final budget).

Cost share estimates for individual cities and special districts will be calculated by formula by the County Auditor-Controller's Office, based on the LAFCO's adopted budget for FY 2023-2024. The Monterey County Auditor-Controller will prepare and distribute invoices in June.

Alternative Actions

The Budget and Finance Committee may change the preliminary budget or provide other direction.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment: Preliminary Draft Annual Budget, Fiscal Year 2023-2024

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

**PRELIMINARY DRAFT BUDGET
FOR FISCAL YEAR 2023-2024**

Local Agency Formation Commission of Monterey County			
Proposed Budget for Fiscal Year 2023-2024			
(First Hearing) Adopted on xx-xx-xx			
(Second Hearing) Final Adoption on XX-XX-XX			
	Adopted Budget FY 2022-23	Proposed Budget for FY 2023-24	Change (%)
REVENUE			
4000 - Project Fees - <i>See Note 1</i>	\$ 10,000	\$ 10,000	0%
4001 - Pass-through Fees	\$ -	\$ -	
4205 - County Contribution	\$ 354,931	\$ 363,784	2%
4210 - City Contributions	\$ 354,931	\$ 363,784	2%
4220 - Independent Special District Contributions	\$ 354,931	\$ 363,784	2%
4249 - Fort Ord Reuse Authority (FORA)- <i>See Note 3</i>	\$ -	\$ -	0%
3850 - Unreserved Fund Balance Supplement (as needed) - <i>See Note 2</i>	\$ -	\$ -	0%
4300 - Interest	\$ 4,862	\$ 5,105	5%
TOTAL REVENUES	\$ 1,079,655	\$ 1,106,457	2%
EXPENDITURES			
6000 - Employee Salaries	\$ 554,169	\$ 586,475	6%
6100 - Employee Benefits	\$ 236,928	\$ 262,244	11%
Total Salaries & Benefits	\$ 791,097	\$ 848,719	7%
7000 - Postage and Shipping	\$ 3,804	\$ 3,994	5%
7010 - Books and Periodicals	\$ 1,621	\$ 1,000	-38%
7030 - Copy Machine Charges	\$ 11,576	\$ 7,000	-40%
7040 - Outside Printers	\$ 6,300	\$ 500	-92%
7060 - Office Supplies	\$ 6,946	\$ 5,000	-28%
7070 - Office Equipment and Furnishings	\$ 6,946	\$ 1,000	-86%
7080 - Computer/Hardware/Peripherals	\$ 5,789	\$ 4,000	-31%
7085 - Computer Support Services (Fixed Costs)	\$ 12,155	\$ 12,763	5%
7090 - Computer Support Services (Variable Costs)	\$ 19,448	\$ 5,000	-74%
7100 - Computer Software	\$ 1,216	\$ 1,277	5%
7105 - Meeting Broadcast Services	\$ 4,863	\$ 5,106	5%
7110 - Property and General Liability Insurance	\$ 8,700	\$ 9,032	4%
7120 - Office Maintenance Services	\$ 463	\$ 486	5%
7140 - Travel	\$ 4,450	\$ 10,000	125%
7150 - Training, Conferences and Workshops	\$ 5,238	\$ 10,000	91%
7160 - Vehicle Mileage	\$ 1,575	\$ 1,000	-37%
7170 - Rental of Buildings	\$ 28,772	\$ 32,220	12%
7200 - Telephone Communications	\$ 8,104	\$ 8,509	5%
7230 - Temporary Help Services (Clerical)	\$ -	\$ -	
7240 - Outside Professional Services	\$ 134,271	\$ 123,905	-8%
Total for Line Items 7240-7249			
7240 - Outside Professional Services	\$ 25,000	\$ 15,000	-40%
7242 - Accounting and Financial Services	\$ 60,000	\$ 66,000	10%
7242A -General Admin Services and HR Assistance	\$ 14,800	\$ 6,000	-59%
7245 - General Counsel and Special Counsel	\$ 8,682	\$ 9,116	5%
7247 - Human Resources-Other	\$ 5,789	\$ 5,789	0%
7248 - Annual Audit	\$ 20,000	\$ 22,000	10%
7249 - Temporary Professional Services-FORA Admin- <i>See Note 3</i>	\$ -	\$ -	0%
7250 - Miscellaneous Office Expenses	\$ 1,158	\$ 1,216	5%
7260 - Legal Notices	\$ 4,863	\$ 4,000	-18%
7270 - Recruitment Expenses	\$ 1,000	\$ 900	-10%
7280 - LAFCO Memberships	\$ 9,300	\$ 9,830	6%
Sub-total Services & Supplies	\$ 288,558	\$ 257,738	-11%
TOTAL EXPENDITURES	\$ 1,079,655	\$ 1,106,457	2%

Please See Attachment 1 for Description of Budget Line Items.

Note 1: Commission policy is to show anticipated project fees as revenue in the year in which the fees are collected.

Note 2 : Per adopted local LAFCO policy, the proposed revenue for FY 2023-2024 is projected to be fully funded by the Cities, Districts, and County.

Note 3: These FORA income and expense items are for temporary professional assistance to perform FORA-related administrative tasks on an as-needed basis after FORA ceased operations on June 30, 2020. Lafco anticipates insignificant activity for FORA related items in 2023-2024.

DESCRIPTION OF FY2023-2024 BUDGET LINE ITEMS

SALARIES & BENEFITS

Page 1 of 3

6000 EMPLOYEE SALARIES

This line item supports all work program activities of the Commission by 4 FTE positions. The part-time administrative position will remain vacant in 2023-2024. Lafco has budgeted the Clerk to the Commission Salary at Step 3. Assume merit and COLA increases in 2023-2024 as salaries have been frozen for the last 2 years due to the effects of the Covid-19 pandemic on our cities, districts and county. Includes overtime allowances for non-exempt employees (per law).

6100 EMPLOYEE BENEFITS

This line item assumes no new benefits and no benefit changes for 4 full time employees, and no change in benefit reductions that are already in place. Assumes minor increase in some benefit costs. Employee pays 100% of the employee share of retirement plan contributions. LAFCO is responsible for 100% of the employer share of retirement plan contributions as well as the employer's share of payroll taxes.

SERVICES & SUPPLIES

7000 Postage and Shipping

Includes postage for general correspondence and agenda packet delivery, express mail, courier service and certified mail. Also includes LAFCO election mailings to independent special districts, and distribution of budget and studies. Includes lease for mailing machine.

7010 Books & Periodicals

Includes newspaper subscriptions, publications and codes on LAFCO law, CEQA, employment law and other publications necessary to keep current on laws and trends.

7030 Copy Machine Charges

Includes copier machine leases, copies and maintenance. Assumes in-house production of studies for LAFCO's Municipal Service Reviews/Sphere of Influence studies, for cost and quality control purposes. Includes support of activities associated with pre-application and application processing functions. Includes production of resource maps, district election mailing materials, educational outreach materials, and other work program needs.

7040 Outside Printers

Includes copying of Commission/Committee agenda packets, some large volume publications, maps and other occasional needs.

7060 Office Supplies

Includes annual consumable goods for office operations and work production.

7070 Office Equipment & Furnishings

Includes office furniture replacement, small tables and other miscellaneous items.

7080 Computer Hardware and Peripherals

Includes annual lease of work station computers and occasional purchase of laptops, audiovisual equipment and accessories.

7085 Computer Support Services (Fixed Costs)

Under contract with the County of Monterey or other vendor, this line item provides device support (e.g. computers and network printers). Services also include website housing, email, internet and network access, and high volume cloud storage. County IT is the primary vendor and fixes costs based on unit counts. Occasional device support service by other vendors is not fixed.

7090 Computer Support Services (Variable Costs)

Under contract with the County of Monterey, this line item provides micro systems (software) support, mapping and GIS support for LAFCO data layers that are stored in the County's centralized GIS system. Includes mapping/data analysis for LAFCO's busy Municipal Service Review/Sphere of Influence Update program. Includes County support for LAFCO website maintenance. Charges are variable.

7100 Computer Software

Includes software updates and licenses to extend the security, compatibility and functions of computers.

7105 Meeting Broadcast Services	This account funds the live cable TV coverage of LAFCO meetings, and weekly TV re-broadcasts, under contract with the County of Monterey and its vendors. Costs are variable depending on number and length of meetings. Increase anticipates rise in rates for meeting broadcasts.
7110 Property and General Liability Insurance	Property and Errors & Omissions Insurance is obtained by contract with the Special Districts Risk Management Authority. Premiums reflect discounts for no claim history. Cost is fixed annually. The 2023-2024 budget reflects the current year gross package cost plus a 5% increase due to anticipated rising insurance costs. (\$8,601 plus a 5% increase of \$431)
7120 Office Maintenance Services	Includes general office cleaning, including blinds, cabinets and underneath furniture. (Basic janitorial service to empty trash and sweep floors is included in office lease.)
7140 Travel	Provides partial funding for employee, counsel and Commissioner travel for annual CALAFCO conference (October 2023), annual CALAFCO staff workshop (April 2024), and training classes. Includes some transportation, hotel and meal costs. For 2023-2024, the budget has been adjusted to reflect Covid restrictions lifted and more Commissioners attending conferences.
7150 Training, Conferences and Workshops	Provides partial funding for employee, counsel and Commissioner registrations at annual CALAFCO conference (October 2023), annual staff workshop (April 2024), and classes. For 2023-2024, the budget has been adjusted to reflect Covid restrictions lifted and more Commissioners attending conferences.
7160 Vehicle Mileage	Reimbursement for use of personal vehicles, at the government rate.
7170 Rental of Building	Includes minor increase in office rent, and includes utilities. The monthly building rent for 2023-2024 is set at \$2,685.
7200 Telephone Communications	Includes telephone, cell and fax charges, office wi-fi for laptop/visitor use, and system maintenance and repairs.
7230 Temporary Help Services (Clerical)	Not funded. All clerical work is generally done by in-house staff.
7240 Outside Professional Services	This line item includes:
	7240: Outside Professional Services. Variable rate services on an as needed basis from Berkson and Associates who specializes in fiscal, financial and economic review. This line item may also include other minor contracts for professional services.
	7242: Accounting and Financial Services. In November 2022, Hayashi Wayland merged with CliftonLarsonAllen, LLP (CLA). The original contract which ends June 30, 2023, with Hayashi Wayland reflects a fixed rate contract for payroll, accounting, financial reporting services, GASB 68 Compliance and assistance to auditor (The agreed monthly fee is \$5,400. Of this amount, \$400/month is allocated to Account 7242A for Human Resources Assistance). As the existing contract is expiring, staff will issue an RFP in March 2023 and will negotiate a new contract with a service provider. A 10% increase has been included in FY 23-24.
	7242A: General Admin Services and HR Assistance. The existing contract with CLA includes a \$400/month retainer (\$4,800/annually) for human resource services provided by CLA. The proposed budget includes and increase to \$500/month in case additional funds are needed as the existing contract expires and staff proceeds with an RFP for a new contract with a service provider.
	7245: General Counsel and Special Legal Counsel Services (Not Litigation). General Counsel costs are variable, with an annual cap of \$15,000 (per contract with County Counsel's Office). This line item fund is also intended for variable Special Legal Counsel costs, depending on need (per contract with Michael Colantuono).
	7247: Human Resources Services-Other. Variable rate services from Liebert Cassidy Whitmore or other firm, on an as needed basis.
	7248: Annual Audit. The current fixed-rate contract with Bianchi, Kasavan & Pope ends with the audit ending June 30, 2023. A 10% increase has been included as staff negotiates a new contract with a service provider following an RFP process (to begin in March 2023).

7249: **Temporary Professional Services-FORA Admin.** These FORA income and expense items are for temporary professional assistance to perform FORA-related administrative tasks on an as-needed basis after FORA ceased operations on June 30, 2020. Lafco anticipates insignificant activity for FORA related items in 2023-2024.

7250 Miscellaneous Office Expenses

Minor expenses for office operations, Commission meetings and recording fees for LAFCO-initiated activities.

7260 Legal Notices

Expenses for actions requiring public notices, such as annexations, Sphere of Influence updates, municipal service reviews and budgets. Some of these costs are reimbursable.

7270 Recruitment Expenses

To fill any vacant position.

7280 LAFCO Memberships

This line item includes the CALAFCO Membership and California Special Districts Association. The CALAFCO membership provides access to legislative and educational activities. CSDA membership is required in order to get the Special District Authority's Workers Compensation Insurance and Property & Liability Insurance (Acct.# 7110).

7290 Litigation Reserve

Per Commission policy, the target funding for the litigation defense reserve is \$300,000. This target would be sufficient for one-year's estimated expenses. The balance sheet reserve is currently funded to target level for FY 2022-2023. LAFCO is indemnified in current litigation (PSMCSO) and will be indemnified for potential FORA-related litigation. Accordingly, no fund supplement is proposed for FY 2023-2024.

7285 Records Management

Not funded for outside help. Records management is by in-house clerical staff.

7295 Contingency Reserve

Per Commission policy, the target funding for the general contingency reserve is 25 percent of the annual budget. This balance sheet reserve is currently funded at \$269,914, which is about 100% of the target level for FY 2022-2023. No fund supplement is proposed for FY 2023-2024.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

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

DATE: February 27, 2023
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Three-Year Financial Forecast (FY 2023-2024 through FY 2025 -2026)
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Discuss report for information only.

EXECUTIVE OFFICER'S REPORT:

Attached is a three-year financial forecast for reference. This is to provide an informal assessment of LAFCO's financial health in the current and next three fiscal years. It was done as part of preparing the annual budget for FY 2023-2024. The forecast and assumptions provide a longer-term projection of available financing sources and anticipated expenditures.

Total budget expenditures for salaries and benefits, and for services and supplies, are assumed to modestly increase for each of the next few years. No change is assumed in current staffing levels of 4.0 FTE (note that this is a reduction from 4.5 FTE in 2020). A stable workforce will enable LAFCO to continue to provide valued services that are critical for enhancing the local economy and meeting other needs. Funds are available for outside professional assistance as may be necessary.

From 2020 to 2022, the adopted budget relied on supplements from the Unreserved Fund Balance to offset reduced contributions from local agencies. In FY 2022-2023, LAFCO resumed its pre-pandemic practice (by policy) of assuming that the cities, districts, and County will fully fund the budget. The budget forecast will continue this sustainable budgeting practice.

Mr. Mike Briley, CPA, Managing Principal, CliftonLarsonAllen, LLP, will assist me in presenting this information.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment: Three-Year Forecast with Assumptions, dated February 10, 2023

Local Agency Formation Commission of Monterey County

3 Year Forecast with Assumptions - Preliminary Budget - Updated 2/10/23

	Adopted Budget for FY 2022-23	Proposed FY 2023-24	Projected FY 2024-25 (5% increase)	Projected FY 2025-26 (5% increase)	Assumptions for Projected Years (FY 24-25 & FY 25-26)
REVENUE					
4000 - Project Fees	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	Assume no change in project fees
4001 - Pass-through Fees	\$ -				
4205 - County Contribution	\$ 354,931	\$ 363,784	\$ 381,714	\$ 398,360	For FY 2023-24 through 2024-2026, assume that the budget is fully funded by the cities, districts, and county.
4210 - City Contributions	\$ 354,931	\$ 363,784	\$ 381,714	\$ 398,360	
4220 - Independent Special District Contributions	\$ 354,931	\$ 363,784	\$ 381,714	\$ 398,360	
4249 - Fort Ord Reuse Authority	\$ -	\$ -	\$ -	\$ -	One-time budgeted line item-N/A in 2023-2026
3850 - Unreserved Fund Balance	\$ -	\$ -	\$ -	\$ -	Assume budgets are fully funded each year by the cities, districts, and county.
4300-Interest	\$ 4,862	\$ 5,105	\$ 5,361	\$ 5,629	Assume 5% increase
TOTAL REVENUES	\$ 1,079,655	\$ 1,106,457	\$ 1,160,503	\$ 1,210,709	
EXPENDITURES					
6000 - Employee Salaries	\$ 554,169	\$ 586,475	\$ 614,522	\$ 637,429	Assume no change in current staffing levels. Assume 3% COLAS for staff and 5% merit increases when applicable.
6100 - Employee Benefits	\$ 236,928	\$ 262,244	\$ 275,356	\$ 289,124	Assume 5% increase in benefit costs; Assume no change in level of benefits
Total Salaries & Benefits	\$ 791,097	\$ 848,719	\$ 889,878	\$ 926,553	
Total Services & Supplies	\$ 288,558	\$ 257,738	\$ 270,625	\$ 284,156	Assume 5% increase from 2024-2026
TOTAL EXPENDITURES	\$ 1,079,655	\$ 1,106,457	\$ 1,160,503	\$ 1,210,709	

2.Projections with Assumptions