

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2023

Commissioners

Chair

Mary Ann Leffel
Special District Member

Vice Chair

Matt Gourley
Public Member

Mary Adams
County Member, Alternate

Wendy Root Askew
County Member

Glenn Church
County Member

Kimbley Craig
City Member

David Kong
Special District Member, Alternate

Ian Oglesby
City Member

Warren Poitras
Special District Member

Steve Snodgrass
Public Member, Alternate

Anna Velazquez
City Member, Alternate

Counsel

Kelly L. Donlon
General Counsel

Executive Officer

Kate McKenna, AICP

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

P. O. Box 1369
Salinas, CA 93902

Voice: 831-754-5838

www.monterey.lafco.ca.gov

AGENDA LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Regular LAFCO Meeting
Monday, March 27, 2023
4:00 P.M.

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

This meeting will be conducted in person at the Board of Supervisors Chambers in the Monterey County Government Center, Salinas. The Public may attend the meeting, participate by Zoom app, or view the meeting on LAFCO's YouTube channel.

Instructions for Remote Public Participation

- To Participate in the Meeting:** Use the Zoom app on your smart phone, laptop, tablet or desktop and click on this link: <https://montereycty.zoom.us/j/95067118038>

The meeting ID is: [950 6711 8038](https://montereycty.zoom.us/j/95067118038). There is no password. To make a public comment, please “Raise your Hand.”
- To View this Meeting:** Please click on the following link to the LAFCO of Monterey County YouTube site: <https://www.youtube.com/channel/UCIF6pPx2hn3Ek94Wg0U17QA>

Then click on the Live Stream of the scheduled meeting.
- To Participate by Phone:** Please call: +1 669 900 6833
Enter the meeting ID: [950 6711 8038](https://montereycty.zoom.us/j/95067118038) when prompted. There is no participant code – just enter the meeting id and the pound sign # after the recording prompts you. To make a public comment by phone, please push *9 on your phone keypad.
- To Make Public Comments Via Email:** Written comments can be emailed to the Clerk to the Commission at: malukis@monterey.lafco.ca.gov. Please include the following Subject Line: “Public Comment – Agenda Item #__”. Written comments must be received by noon on day of the meeting. All submitted comments will be provided to the Commission for consideration, compiled as part of the record, and may be read into the record.

AGENDA
REGULAR COMMISSION MEETING
Monday, March 27, 2023

Call to Order

Roll Call

Pledge of Allegiance

General Public Comments

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

Public Comments on Closed Session Items

The Commission Recesses for Closed Session Agenda Items

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

Closed Session

1. [Pursuant to Government Code Section 554957.6, the Commission 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).

Consent Agenda

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

2. [Approve Draft Minutes from the January 23, 2023 Special and Regular LAFCO Commission Meetings.](#)
Recommended Action: Approve minutes.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
3. [Accept the Draft Financial Statements for Period Ending December 31, 2022.](#)
Recommended Action (Budget & Finance Committee): Accept the Draft Financial Statements for the Period ending December 31, 2022.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

4. [Accept the January 31, 2023 Draft Balance Sheet and Income Statement.](#)
Recommended Action (Budget & Finance Committee): Accept statements for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
5. [Accept the February 28, 2023 Draft Balance Sheet and Income Statement.](#)
Recommended Action: Accept statements for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
6. [Approve Draft Notes from the February 27, 2023 LAFCO Budget & Finance Committee Meeting.](#)
Recommended Action: Approve Budget & Finance Committee Meeting Notes.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
7. [Adopt Resolution Approving 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.](#)
Recommended Action (By Budget & Finance Committee): Adopt Resolution approving Amendment No. 1 to the Current (Fiscal Year 2022-23) Budget
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
8. [Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies.](#)
Recommended Action: Accept report for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
9. [Accept Report on Activities of the California Association of Local Agency Formation Commissions.](#)
Recommended Action: Accept report for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

New Business

10. [Consider Amendments to the LAFCO Rules and Regulations “Bylaws” for Meetings and the Schedule of Regular LAFCO Meetings for 2023 to Change the Start Time of Regular LAFCO Meetings from 4:00 p.m. to 3:00 p.m.](#)
Recommended Actions:
 - (1) Receive a report from the Executive Officer
 - (2) Receive any Public Comments;
 - (3) Provide for questions or follow-up discussion by the Commission;
 - (4) Consider adoption of a resolution updating the LAFCO Rules and Regulations (“Bylaws”) for the Orderly and Fair Conduct of Hearings; and
 - (5) Consider approval of an amendment to the Schedule of Regular Meetings for 2023.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Public Hearings

- II. [Conduct a Public Hearing to Consider the Draft Annual Work Program for Fiscal Year 2023 - 2024.](#)
Recommended Actions (by Budget and Finance Committee):
 - (1) Receive a report from the Executive Officer;
 - (2) Open the public hearing and receive any public comments;
 - (3) Provide for questions or follow-up discussion by the Commission;
 - (4) Close the public hearing; and
 - (5) Discuss and adopt a Resolution approving the Annual Work Program for Fiscal Year 2023 – 2024.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

12. [Conduct a Public Hearing to Consider a Proposed Annual Budget for Fiscal Year 2023 – 2024 \(First Hearing\).](#)

Recommended Actions (by Budget and Finance Committee):

- (1) Receive a report from the Executive Officer;
- (2) Open the first public hearing and receive any public comments;
- (3) Provide for questions or follow-up discussion by the Commission;
- (4) Close the first public hearing;
- (5) Discuss and adopt a motion to adopt a Proposed Budget for Fiscal Year 2023 – 2024;
- (6) Direct the Executive Officer to distribute the Adopted Proposed Budget to the County, Cities and Independent Special Districts for review and comments, and
- (7) Direct the Executive Officer to schedule a second Public Hearing on April 24, 2023 to consider adoption of a Final Budget for Fiscal Year 2023-2024, continue to monitor economic conditions and adjust the budget as may be necessary during the year.

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

Executive Officer’s Communications

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

13. [Executive Officer’s Communications](#)

- a. [Meetings with Greenfield Area Public Agencies](#)
- b. [Meeting and Presentation to Soledad Cemetery District Board of Trustees](#)
- c. [Coordination with County of Monterey and City of Gonzales](#)
- d. [Requests for Proposals for Accounting Services and Annual Audit Services](#)
- e. [LAFCO Cost Allocation Formula for Special Districts in Monterey County](#)
- f. [San Benito County LAFCO – Interim Executive Officer Services](#)

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

Commissioner Comments

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

Adjournment to the Next Meeting

The next regular LAFCO Meeting is scheduled for Monday, April 24, 2023 at a time to be determined.

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.

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 must be made with LAFCO of Monterey County staff at (831) 754-5838 at least three business days prior to the respective meeting.

CLOSED SESSION

1. Pursuant to Government Code Section 54957.6, the Commission 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)

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2023

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Chair

Mary Ann Leffel
Special District Member

Vice Chair

Matt Gourley
Public Member

Luis Alejo

County Member

Wendy Root Askew

County Member, Alternate

Kimbley Craig

City Member

David Kong

Special District Member, Alternate

Christopher Lopez

County Member

Ian Oglesby

City Member

Warren Poitras

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

Scheduled for Adoption March 27, 2023

Monday, January 23, 2023

All Commissioners and public participated in the meeting on Monday, January 23, 2023 by Zoom video conference or telephone.

Call to Order

The Local Agency Formation Commission was called to order by Chair Leffel at 4:00 p.m.

Roll Call

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

Members Absent (Excused Absence)

Commissioner Alejo
Commissioner Lopez

Staff Present

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

Also Present

Kelly L. Donlon, General Counsel

Pledge of Allegiance

Commissioner Gourley led the Pledge of Allegiance.

Senior Analyst Brinkmann introduced Ana Vidales, Interpreter for the meeting.

General Public Comments

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

There were no public comments.

General Counsel Donlon provided a brief update on AB 361.

Special Business

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

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

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

Commissioner Action:

Upon motion by Commissioner Poitras, seconded by Commissioner Craig, the Commission approved the finding pursuant to AB 361 and in order for the Commission to continue to meet remotely; the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies.

Motion Carried (Roll Call Vote):

AYES: Commissioners: Root Askew* (voting in the absence of Commissioner Alejo and Lopez), Craig, Oglesby, Poitras, Vice Chair Gourley, Chair Leffel
NOES: Commissioners: None
ALTERNATES: Commissioners: Snodgrass, Stephens, Velazquez (Non-Voting)
ABSENT: Commissioners: Alejo, Lopez
ABSTAIN: Commissioners: None

Adjournment to the Next Meeting

The next (remote) Regular LAFCO Meeting scheduled for Monday, January 23, 2023, commenced immediately following the special meeting.

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.

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.

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DRAFT

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2023

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Special District Member

Vice Chair

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Public Member

Luis Alejo

County Member

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County Member, Alternate

Kimbley Craig

City Member

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Counsel

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

Scheduled for Adoption March 27, 2023

Monday, January 23, 2023

All Commissioners and public participated in the meeting on Monday, January 23, 2023 by Zoom video conference or telephone.

Call to Order

The Local Agency Formation Commission was called to order by Chair Leffel at 4:05 p.m.

Roll Call

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

Members Absent (Excused Absence)

Commissioner Alejo
Commissioner Lopez

Staff Present

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

Also Present

Kelly L. Donlon, General Counsel

Pledge of Allegiance

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

Special Business

- a. Resolution of Appreciation – Luis Alejo for Distinguished Service.
Recommended Action: It is recommended that the Commission receive a presentation by Chair Leffel and adopt a Resolution.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
- b. Resolution of Appreciation – Chris Lopez for Distinguished Service.
Recommended Action: It is recommended that the Commission receive a presentation by Chair Leffel and adopt a Resolution.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
- c. Oath of Office for County Member Commissioners Wendy Root Askew, Glenn Church, and Mary Adams.
Recommended Action: It is recommended that Chair Leffel administer the Oath of Office to Commissioners Wendy Root Askew, Glenn Church, and Mary Adams.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
- d. Oath of Office for City Member Commissioner Kimbley Craig.
Recommended Action: It is recommended that Chair Leffel administer the Oath of Office to Commissioner Kimbley Craig.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Chair Leffel presented the Special Business Resolutions and administered the Oaths of Office.

There were comments from members of the public.

There were comments from Commissioners Root Askew, Oglesby, Velazquez and Craig.

Public Comments on Closed Session Items

There were no comments from members of the public.

Commissioners Adams and Oglesby recused from Item #1 of Closed Session.

The Commission Recesses for Closed Session Agenda Items

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

The Commission ADJOURNED to Closed Session at 4:37 p.m.

Closed Session

1. Pursuant to Government Code Section 54956.9(d)(1), the Commission will confer with legal counsel regarding existing litigation: Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20, (Monterey Superior Court Case No. 22CV000925).
(CEQA: Statutory Exemption, California Environmental Quality Act Guidelines Section 15270.)

2. Pursuant to Government Code Section 554957.6, the Commission 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

The Commission RECONVENED to Open Session at 5:21 p.m.

Roll Call

Commissioner Adams
Commissioner Root Askew
Commissioner Church
Commissioner Craig
Commissioner Kong
Commissioner Oglesby
Commissioner Poitras
Commissioner Snodgrass
Commissioner Velazquez
Vice Chair Gourley
Chair Leffel

Read Out from Closed Session by LAFCO General Counsel

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

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

General Public Comments

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

There were no general comments from the public.

Consent Agenda

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

3. Approve Draft Minutes from the December 19, 2022 Special LAFCO Commission Meeting.
Recommended Action: Approve minutes.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
4. Accept the November 30, 2022 Draft Balance Sheet and Income Statement.
Recommended Action: Accept statements for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
5. Accept the December 31, 2022 Draft Balance Sheet and Income Statement.
Recommended Action: Accept statements for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

6. Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies.
Recommended Action: Accept report for information only.
 (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
7. Accept Report on Activities of the California Association of Local Agency Formation Commissions.
Recommended Action: Accept report for information only.
 (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

A member of the public requested Item #7 be pulled for separate discussion.

Commissioner Action:

Upon motion by Commissioner Craig, seconded by Commissioner Oglesby, the Commission approved Consent Agenda Items #3 – #6 by a Roll Call Vote.

Motion Carried (Roll Call Vote):

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

Senior Analyst gave a report on the activities of CALAFCO.

Commissioner Action:

Upon motion by Commissioner Craig, seconded by Commissioner Poitras, the Commission unanimously approved Consent Agenda Item #7 by a Roll Call Vote.

Motion Carried (Roll Call Vote):

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

New Business

8. LAFCO Budget and Finance Committee Appointment.
Recommended Action: Appoint a Commissioner to the Budget and Finance Committee to fill a vacancy.
 (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Committee Action:

Upon nomination and motion by Commissioner Gourley, seconded by Commissioner Root Askew the Committee appointed Commissioner Church to the Budget and Finance Committee to fill a vacancy.

Motion Carried (Roll Call Vote):

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

9. California Association of Local Agency Formation Commissions – Coastal Region County Member Vacancy.

Recommended Actions:

1. Receive information regarding a vacancy on the CALAFCO Board of Directors and
2. Identify any County Member Commissioner interested in filling the vacancy.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer McKenna presented the report and answered questions from Chair Leffel and Commissioner Root Askew.

There were no comments from the public.

Committee Action:

Upon motion by Commissioner Root Askew and second by Commissioner Church, the Commission nominated Commissioner Root Askew to fill the vacancy on the CALAFCO Board of Directors for the unexpired term ending in October 2024.

Motion Carried (Roll Call Vote):

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

Executive Officer’s Communications

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

There were no items to report.

Commissioner Comments

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

Chair Leffel suggested the Commission consider amending the LAFCO meeting times to start earlier in the afternoon at the next regular meeting. General Counsel Donlon advised the discussion would require a review of the LAFCO bylaws.

There were comments from Commissioners Oglesby, Velazquez, Church, Craig, Root Askew and General Counsel Donlon.

The Commission shall add the item to the next regular meeting agenda.

Adjournment to the Next Meeting

A motion to adjourn was made by Vice Chair Gourley, seconded by Commissioner Root Askew and unanimously approved by the Commission.

Chair Leffel adjourned the meeting at 5:51 pm. The next regular hybrid (in person & remote) LAFCO Meeting is scheduled for Monday, February 27, 2023 at 4:00 p.m.

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.

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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: March 27, 2023
TO: Chair and Members of the Formation Commission
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:

The Budget and Finance Committee recommends that the Commission accept the quarterly financial statements for the period ending December 31, 2022.

EXECUTIVE OFFICER'S REPORT:

This matter was reviewed by the Budget and Finance Committee on February 27, 2023 and discussed with Mr. Mike Briley, CPA, CGMA, Regional Managing Principal, CliftonLarsonAllen, LLP.

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 on May 8, 2023. At that time, staff 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. 7.
3. All income has been received for the year from our local agencies (Attachment, Page 6).

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 22/23 Budget	Remaining Budget Balance	% of Remaining Budget Balance	
				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	Dec 22	July 22-Dec 22				
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	-	9,400.67
7160 · Vehicle Mileage	-	-	-	6,795.72	550.00	(273.79)	7,071.93
7170 · Rental of Buildings	2,397.69	2,397.69	112.56	-	-	78.38	190.94
7200 · Telephone Communications	452.38	328.68	2,397.69	4,795.38	-	2,397.69	14,386.14
7240 · Outside Prof. Services: Other	3,225.00	2,475.00	328.68	329.54	329.54	329.54	2,098.36
7242 · Outside Prof. Services: Accounting	4,800.00	5,000.00	500.00	-	-	2,625.00	8,825.00
7242A · Outside Prof. Services: Gen Admin & HR Assistance	400.00	5,000.00	5,000.00	5,000.00	10,000.00	5,000.00	34,800.00
7245 · General and Special Legal Services	-	400.00	400.00	400.00	800.00	400.00	2,800.00
7248 · Outside Prof. Services: Annual Audit	-	405.90	3,136.50	-	1,291.50	6,494.60	11,328.50
7250 · Miscellaneous Office Expense	28.16	2,000.00	-	12,000.00	-	6,000.00	20,000.00
7260 · Legal Notices	551.25	96.24	53.90	36.74	36.74	74.08	325.86
7280 · LAFCO Memberships	7,503.00	-	-	-	823.50	-	1,374.75
7290 · Litigation Reserve	-	9,421.90	28,926.50	-	-	-	7,503.00
7300 · Depreciation	338.00	335.00	331.95	336.00	18,546.30	5,224.28	62,118.98
8106 · Prior Year Project Fees Returned	-	12.50	-	-	-	331.00	2,009.95
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
Salinas, CA 93902
Telephone (831) 754-5838

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

KATE McKENNA, AICP
Executive Officer

DATE: March 27, 2023
TO: Chair and Members of the Formation Commission
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:

The Budget and Finance Committee recommends that the Commission accept the January 31, 2023 draft balance sheet and income statements for information only.

EXECUTIVE OFFICER'S REPORT:

This matter was reviewed by the Budget and Finance Committee on February 27, 2023 and discussed with Mr. Mike Briley, CPA, CGMA, Regional Managing Principal, CliftonLarsonAllen, LLP.

Attached are the January 2023 draft balance sheet and income statement. These statements are prepared monthly for the Commission's information by CliftonLarsonAllen, LLP.

Overall third quarter revenue and expenses are on target for the period.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

1. Draft Balance Sheet as of February 15, 2023, prepared by CliftonLarsonAllen, LLP.
2. Draft Income Statement through February 15, 2023, prepared by CliftonLarsonAllen, LLP.

LAFCO of Monterey County

Balance Sheet

As of January 31, 2023

Attachment 4.1

02/15/23

Accrual Basis

	<u>Jan 31, 23</u>
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 · Resticted Cash-FORA Litigation	346,475.44
1010 · Cash Co. Treasury - Other	856,800.09
Total 1010 · Cash Co. Treasury	<u>1,833,524.97</u>
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	<u>8,751.28</u>
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	<u>6,129.30</u>
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	<u>317,751.37</u>
TOTAL ASSETS	<u><u>2,315,672.72</u></u>
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	<u>559,882.75</u>
Total Current Liabilities	575,687.12

LAFCO of Monterey County

Balance Sheet

As of January 31, 2023

02/15/23

Accrual Basis

	Jan 31, 23
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	-262,199.19
2500 · Deferred Inflow-GAB68 Actuarial	9,278.43
2505 · Deferred Inflows-OPEB Actuarial	52,790.00
Total Long Term Liabilities	-200,130.76
Total Liabilities	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
Total Equity	1,940,116.36
TOTAL LIABILITIES & EQUITY	2,315,672.72

Draft

LAFCO of Monterey County

Profit & Loss

July 2022 through January 2023

Attachment 4.2

02/15/23

Accrual Basis

	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

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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

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

KATE McKENNA, AICP
Executive Officer

DATE: March 27, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: **February 28, 2023 Draft Balance Sheet and Income Statement**
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Accept statements for information only.

EXECUTIVE OFFICER'S REPORT:

Attached are the February 2023 draft balance sheet and income statement. These statements are prepared monthly for the Commission's information by CliftonLarsonAllen, LLP.

Overall third quarter revenue and expenses are on target for the period.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

1. Draft Balance Sheet as of March 14, 2023, prepared by CliftonLarsonAllen, LLP.
2. Draft Income Statement through March 14, 2023, prepared by CliftonLarsonAllen, LLP.

LAFCO of Monterey County
Balance Sheet
As of February 28, 2023

	Feb 28, 23
ASSETS	
Current Assets	
Checking/Savings	
1100 · Petty Cash	300.00
1007 · Wells Fargo Checking	215,347.00
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	180,340.64
1013 · Designated Cash - Accrued Leave	72,210.66
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	729,109.23
Total 1010 · Cash Co. Treasury	1,683,524.97
Total Checking/Savings	1,899,171.97
Other Current Assets	
1400 · Prepaid Insurance	4,714.13
1405 · Prepaid Expenses	3,341.24
Total Other Current Assets	8,055.37
Total Current Assets	1,907,227.34
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-52,011.69
Total Fixed Assets	5,790.30
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	2,230,769.01
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	32,988.82
Total Accounts Payable	32,988.82
Credit Cards	
WFB Visa X2064 (Kate)	1,499.31
Total Credit Cards	1,499.31
Other Current Liabilities	
2220 · Accrued Leave	72,210.66
2410 · Post Retirement (GASB 75)	85,475.00
2200 · Payroll Liabilities	616.00
2380 · Dissolution of FORA Legal Liab.	346,475.44
2381 · Dissolution of FORA Admin Liab.	54,947.00
Total Other Current Liabilities	559,724.10
Total Current Liabilities	594,212.23
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	-262,199.19
2500 · Deferred Inflow-GAB68 Actuarial	9,278.43
2505 · Deferred Inflows-OPEB Actuarial	52,790.00
Total Long Term Liabilities	-200,130.76
Total Liabilities	394,081.47
Equity	
3700 · Invested in Capital Assets	5,790.30
3710 · Encumbered Funds	70,749.02
3800 · Reserve for Litigation	180,340.64
3810 · Reserve for Contingency	269,914.00
3825 · Restricted for Pension	262,199.19
3850 · Unreserved Fund	735,366.21
Net Income	312,328.18
Total Equity	1,836,687.54
TOTAL LIABILITIES & EQUITY	2,230,769.01

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

	Jul '22 - Feb 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	354,630.99
4220 · District Contributions	354,628.00
4249 · FORA Admin Revenue	1,075.50
4300 · Interest	10,815.75
Total Income	1,092,011.24
Expense	
7300 · Depreciation	2,677.95
6000 · Employee Salaries	
6002 · Regular Earnings	355,472.42
6004 · FORA Admin Earnings	514.46
Total 6000 · Employee Salaries	355,986.88
6100 · Employee Benefits	
6013 · Post Retirement Healthcare	1,196.00
6010 · Accrued Leave	4,106.53
6007 · Management Expense Allowance	
6011 · Management Car Allowance	3,200.00
6007 · Management Expense Allowance - Other	400.00
Total 6007 · Management Expense Allowance	3,600.00
6102 · Worker's Compensation Insurance	991.02
6101 · Payroll Expenses	6,377.26
6103 · Employee Memberships	96.75
6104 · Deferred Comp Plan Contribution	22,071.11
6105 · PERS Retirement	39,360.02
6110 · PERS Health	
6111 · Med ER Non-Ele	4,784.00
6112 · Med ER Pre Tax	53,771.06
6110 · PERS Health - Other	228.35
Total 6110 · PERS Health	58,783.41
6130 · Insurance	
6139 · STD	736.48
6131 · LIFE	1,001.60
6132 · ADD	65.88
6133 · Dental	6,143.20
6134 · Vision	866.80
6135 · LTD	2,659.20
Total 6130 · Insurance	11,474.96
7294 · Accrued Leave Reserve	19,983.20
6100 · Employee Benefits - Other	700.00
Total 6100 · Employee Benefits	168,740.26
7000 · Postage and Shipping	2,858.87
7010 · Books and Periodical	1,151.40
7030 · Copy Machine	3,439.24
7060 · Office Supplies	3,555.70
7080 · Computer Hardware/Peripherals	698.05
7085 · Computer Support Svc Fixed Cost	9,529.58
7090 · Computer Support Svc Variable	1,095.50
7100 · Computer Software	644.84
7105 · Meeting Broadcast Services	848.75
7110 · Property and Gen Liability Ins	5,124.52
7120 · Office Maintenance Services	168.00
7140 · Travel	9,447.74
7150 · Training, Conferences & Wrkshps	7,496.93
7160 · Vehicle Mileage	190.64
7170 · Rental of Buildings	19,181.52
7200 · Telephone Communications	2,787.61
7240 · Outside Prof. Services	8,825.00
7242 · Outside Prof Svc-Accounting	39,800.00
7242 A · Gen Admin Svcs & HR Assistance	3,200.00
7248 · Outside Prof Svc-Annual Audit	20,000.00
7245 · General Legal Services	14,243.60
7250 · Miscellaneous Office Expense	533.96
7260 · Legal Notices	1,374.75
7280 · LAFCO Memberships	9,137.00
7290 · Litigation Reserve	84,247.37
Total Expense	776,985.56
Net Ordinary Income	315,025.68
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	312,328.18

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

DRAFT MEETING NOTES
BUDGET AND FINANCE COMMITTEE MEETING
132 W. Gabilan Street, Suite #102
Salinas, California
Scheduled for Approval on March 27, 2023

Monday, February 27, 2023
3:30 p.m.

All Commissioners and public participated in the meeting on Monday, February 27, 2023 by Zoom video conference.

Call to Order

The Budget and Finance Committee of the Local Agency Formation Commission of Monterey County was called to order by Chair Leffel at 3:40 p.m.

Roll Call

Members Present

Commissioner Glenn Church	*Attended by Zoom
Commissioner Ian Oglesby	*Attended by Zoom
Commissioner Mary Ann Leffel, Chair	*Attended by Zoom

Members Absent (Excused Absence)

None.

Staff and Contractors Present

Kate McKenna, AICP, Executive Officer	
Mike Briley, CPA, CliftonLarsonAllen, LLP	*Joined and attended by Zoom at 4:14 p.m.
Kelly Donlon, General Counsel	*Attended by Zoom. Left meeting at 3:52 p.m.
Jonathan Brinkmann, Senior Analyst	
Safarina Maluki, Clerk to the Commission/Office Administrator	

Public Comments

There were no Public comments on items not on the Agenda.

Special Business

1. Selection of Budget and Finance Committee Chair.
Recommended Action: Select a Committee Chair for calendar year 2023.

Committee Action:

Upon nomination and motion by Commissioner Oglesby, seconded by Commissioner Church, the Committee selected Commissioner Leffel as Chair of the Budget and Finance Committee for calendar year 2023.

Motion Carried (Roll Call Vote).

AYES: Commissioners Church, Oglesby, and Leffel.
NOES: None.
ALTERNATES: None.
ABSENT: None.
ABSTAIN: None.

Public Comments on Closed Session

There were no comments from members of the public.

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.

The Committee ADJOURNED to Closed Session at 3:42 p.m.

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

The Committee RECONVENED to Open Session at 3:51 p.m.

Roll Call

Members Present

Commissioner Glenn Church
Commissioner Ian Oglesby
Commissioner Mary Ann Leffel, Chair

Read Out from Closed Session by LAFCO General Counsel

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

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

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).

Executive Officer McKenna presented the report and answered questions.

The Committee reviewed and discussed the report with the Executive Officer.

There were no comments from the public.

Committee Action:

Upon motion by Commissioner Oglesby, seconded by Commissioner Church, the Commission unanimously recommended that the Commission's approve the Annual Work Program for Fiscal Year 2023-2024.

Motion Carried (Roll Call Vote).

AYES: Commissioners Church, Oglesby, and Leffel.

NOES: None.

ALTERNATES: None.

ABSENT: None.

ABSTAIN: None.

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).

Executive Officer McKenna presented the report and answered questions from the Committee members.

There were no public comments.

The Committee discussed the report and authorized the Executive Officer to proceed with a request for proposals for accounting and related services.

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).

Executive Officer McKenna presented the report and answered questions from the Committee members.

There were no public comments.

The Committee discussed the report and authorized the Executive Officer to proceed with a request for proposals for audit services.

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).

Executive Officer Kate McKenna presented the report and answered questions from the Committee members.

There were no comments from the public.

The Committee discussed the report and recommended an informal review with the CEO of Soledad Community Health Care District.

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).

Executive Officer McKenna and Mike Briley, CPA presented the report.

There were no comments from the Committee or the public.

The Committee recommended approval of this report.

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).

Executive Officer McKenna and Mike Briley, CPA presented the report.

There were no comments from the Committee or the public.

The Committee accepted this report for information only.

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).

Executive Officer McKenna and Mike Briley, CPA presented the report.

There were no comments from the Committee or the public.

The Committee accepted this report for information only.

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).

Executive Officer McKenna presented the report and answered questions from the Committee members.

There were no public comments.

Commissioner Oglesby recommended that the budget be fully funded for line items 7140 (Travel) and 7150 (Training, conferences and Workshops) to allow participation by all Commissioners at the CALAFCO annual conference, moving forward. Commissioners Church and Leffel agreed with direction to staff.

Committee Action:

Upon motion by Commissioner Oglesby, seconded by Commissioner Leffel, the Budget and Finance Committee unanimously accepted and unanimously recommended 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.

Motion Carried. (Roll Call Vote)

AYES: Commissioners Church, Oglesby and Leffel
NOES: None.
ALTERNATES: None.
ABSENT: None.
ABSTAIN: None.

II. 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).

Executive Officer Kate McKenna presented the report.

Commissioner Leffel made comments.

There were no comments from the public.

Upon motion by Commissioner Church, seconded by Commissioner Oglesby, the Budget and Finance Committee unanimously accepted and unanimously recommended approval of the preliminary budget, to include full funding for Commissioner attendance at the annual CALAFCO conference and recommended 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.

Motion Carried. (Roll Call Vote)

AYES: Commissioners Church, Oglesby and Leffel
NOES: None.
ALTERNATES: None.
ABSENT: None.
ABSTAIN: None.

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 Kate McKenna presented the report.

The Committee reviewed and discussed the report with the Executive Officer.

There were no comments from the public.

The Committee accepted this report for information only.

Executive Officer Announcements

None.

Adjournment

Commissioner Leffel adjourned the meeting at 5:13 p.m. The next LAFCO Budget and Finance Committee Meeting is scheduled for Monday, May 8, 2023 at 2:30 p.m.

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.

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 must 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
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: March 27, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Darren McBain, Principal Analyst
SUBJECT: **Budget Amendment No. 1 for FY 2022-2023**
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

The Budget and Finance Committee recommends that the Commission adopt a resolution approving 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.

EXECUTIVE OFFICER'S REPORT:

This matter was reviewed and recommended for approval by the Budget and Finance Committee on February 27, 2023.

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 expenditures are shown in the most recent Profit and Loss statement (Agenda Item No. 5).

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,

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

Kate McKenna, AICP
Executive Officer

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

THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY
RESOLUTION NO. 23-XX

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION

BUDGET AMENDMENT NO. 1 FOR FISCAL YEAR 2022-2023

WHEREAS, these proceedings are taken in conformance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 et seq. of the Government Code; and

WHEREAS, the Local Agency Formation Commission of Monterey County adopted the Fiscal Year (FY) 2022-2023 budget on April 25, 2022, and

WHEREAS, the Budget & Finance Committee of the Local Agency Formation Commission of Monterey County met on February 27, 2023 to conduct a periodic review of the adopted budget, and recommended a mid-year amendment as specified below, to address needs in Fiscal Year 2022-2023;

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

1. Adopt Amendment No. 1 to the Fiscal Year 2022-2023 Budget, to transfer \$22,500 from Line Items 7040 (Outside Printers), 7070 (Office Equipment and Furnishings) and 7090 (Computer Services Support – Variable Costs) to Line Items 7140 (Travel), 7150 (Training, Conferences, and Workshops) and 7245 (General Legal Services), as provided in Exhibit A, with no net change to the overall budget.

UPON MOTION of Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 27th day of March 2023. by the following vote:

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

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

ATTEST: I certify that the within instrument is a true and complete copy of the original resolution of said Commission on file within this office.

Witness my hand this 27th day of March 2023.

By: _____
Kate McKenna, AICP, Executive Officer

EXHIBIT A

Local Agency Formation Commission of Monterey
 Draft Budget Worksheet - Amendment No. 1
 Fiscal Year 2022-2023
 March 27, 2023

CODE	EXPENSE LINE ITEM	Adopted Budget FY 2022-2023	Proposed Budget Amendment No. 1	Proposed Amended Budget FY 2022-23
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	\$ 9,000.00	\$ 13,450.00
7150	Training, Conferences, and Workshops	\$ 5,238.00	\$ 3,000.00	\$ 8,238.00
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	\$ 10,500.00	\$ 19,182.00
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 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 www.monterey.lafco.ca.gov

DATE: March 27, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Jonathan Brinkmann, Senior Analyst
SUBJECT: Anticipated Future Agenda Items and Progress Report on Special Studies
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Accept report for information only.

EXECUTIVE OFFICER'S REPORT:

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

Part 1: Items Currently on File and In Progress, but Not Set for Hearing

- Fort Ord Reuse Authority Dissolution:** The Fort Ord Reuse Authority (FORA) ceased operations after June 2020. LAFCO's statutory FORA dissolution oversight authority expired after December 2020 with the repeal of the FORA Act. Litigation and monitoring of final administrative tasks will continue through 2023. Staff will prepare a final resolution for Commission adoption after the litigation and administrative tasks are done.
- Mission Soledad Rural Fire Protection District:** Sphere amendment and annexation of Paraiso Springs Resort (portion). Application status is incomplete.
The County approved the Paraiso Springs project in November 2019, and a portion of the site needs to be annexed to the local fire district pursuant to a County condition of approval. LAFCO received the District's application in 2022 and determined that the application is incomplete. Since that time, the District and developer have signed an agreement to financially mitigate the project's impacts on fire and emergency medical services. Staff continues to coordinate with the District to resolve other items in the completeness letter. The project appears to be inactive at this time.

Part 2: Potential Agenda Items under Discussion

1. City of Gonzales (pre-application):

- a. Vista Lucia and Puente del Monte projects: Annexation of some or all of an approximately 1,350-acre area placed in the City's sphere in 2014, plus potentially an adjacent 50-acre parcel. Status is pre-application.

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

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

- b. Gonzales Cooler Development (agricultural processing facility): This approximately 300,000-square-foot building is proposed on an 84-acre site on the north side of Gloria Rd., within the City's designated sphere of influence. The facility will receive crops from nearby fields for cooling, processing, and shipping to customers. LAFCO staff participated in a City-organized meeting in February 2023 as part of the City's ongoing development review process. Staff anticipates that the City will file an annexation application for this site within the next several months.



2. Castroville Community Services District: Potential sphere of influence amendments and annexation of two separate Moss Landing-area sites seeking to connect to the District's wastewater collection system. Both sites are adjacent to the District's existing boundaries. Current status is pre-application. Preliminary coordination among the CSD, the County, and property owner representatives is underway.

- a. 174 Struve Rd., west of Hwy 1 (existing development, Ortega Berry Farms): The property owners may request LAFCO approval of an interim out-of-agency service extension for wastewater collection services.

- b. 516 Dolan Rd., east of Hwy 1 (McCombs parcel, adjacent to Pick-n-Pull auto dismantlers): The property owners are seeking County permits for a fish-farming operation. Castroville CSD is the potential wastewater collection service provider. Potable water would need to be supplied by a private well, Pajaro-Sunny Mesa CSD, or another source not yet determined.



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

The site, just north of Salinas and designated as Target Area K in the City's recently approved Economic Development General Plan Element, is planned for industrial and commercial development. In 2019, the County and City approved a site-specific amendment of the Greater Salinas Area Memorandum of Understanding to facilitate the City's annexation and development of this site. Informal pre-application

discussions have been underway with County staff, City staff and property owners since January 2020, most recently in February 2022.

4. **City of Marina:**

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

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

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

In 2017, the City submitted an annexation application for a proposed residential project on the Thorp parcel, but that application remains incomplete. The City is now pursuing development of a community center – rather than housing – on the Thorp parcel. Staff met with the City in 2022 and 2023 to discuss annexation of the proposed community center parcel and existing school parcel.

6. **Technical Assistance to Local Agencies in Greenfield Area:** LAFCO serves as an informal facilitator and information clearinghouse for small cities and special districts challenged by financial, governance and service delivery issues. Past staff efforts have focused on special districts in Greenfield, Spreckels, Soledad and North Monterey County. Current efforts are again focused on Greenfield special districts, primarily due to governance, transparency, accountability and operational challenges of the Greenfield Memorial District. As a first step, LAFCO staff provided an educational Board orientation training to the Memorial District in 2022. Currently, LAFCO staff is preparing an updated Municipal Service Review and Sphere of Influence study for the City of Greenfield and the Greenfield Fire, Recreation and Cemetery Districts. We met with the leadership of these public agencies in March 2023 and expect to complete the study by June 2023. The study will identify potential partnerships, explore opportunities for increased integration, and/or review other efficiencies among Greenfield-area local public agencies.

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

This CSA was formed in 1963 to provide street and sidewalk, storm drain, and road shoulder maintenance for the Valley Greens subdivision and golf course. The area consists of a golf course, 165 single-family

residential lots, and 21 condominium lots, serving about 400 people. Services are provided by the County Public Works Department. Several CSA residents contacted the County and LAFCO to potentially add several adjacent parcels to the CSA. LAFCO staff participated in a CSA advisory committee meeting in April 2021 to provide an overview of the annexation process. LAFCO and County met in August 2021 to coordinate on the project.

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

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

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

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

Part 3: Other LAFCO-Initiated Studies

In 2022, LAFCO completed a Municipal Service Review/Sphere of Influence study for the City of Soledad.

Currently, staff is preparing a Municipal Service Review/Sphere of Influence study for five Greenfield-area agencies to help address local challenges (see page 3 of this report). The agencies are the City of Greenfield, Greenfield Memorial District, Greenfield Fire District, Greenfield Cemetery District, and Greenfield Public Recreation District. The study will be completed in 2023.

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

Also in 2023, we intend to begin a Municipal Service Review/Sphere of Influence study for the Monterey Peninsula Cities (seven cities).

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
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132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

DATE: March 27, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Jonathan Brinkmann, Senior Analyst
SUBJECT: Report on Activities of the California Association of Local Agency Formation Commissions (CALAFCO)
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Accept report for information only.

EXECUTIVE OFFICER'S REPORT:

2023 CALAFCO Annual Conference in Monterey

LAFCO of Monterey County is a member of the California Association of Local Agency Formation Commissions (CALAFCO). The 2023 CALAFCO Annual Conference and Business Meeting will be held on October 18 through 20 in Monterey. Our local LAFCO will be responsible for planning the Mobile Workshop on the morning of October 18, securing a keynote speaker, and other conference support activities. These responsibilities require planning well in advance of the October conference. Chair Mary Ann Leffel is working informally with staff to meet our LAFCO's conference planning responsibilities.

CALAFCO Board of Directors Appointment

At its January 23 meeting, the Commission nominated Supervisor/Commissioner Wendy Root Askew to fill the unexpired term of a CALAFCO Board vacancy. Staff provided the required nomination materials to CALAFCO. On February 17, the CALAFCO Board considered two nominations for the vacancy and unanimously appointed Commissioner Root Askew to fill the Coastal Region County seat on the Board through 2024. The CALAFCO Board also appointed her to the CALAFCO Legislative Committee as an alternate and to the CALAFCO Election Committee. Monterey LAFCO staff will provide support to Commissioner Root Askew in carrying out her duties on this statewide organization.

Legislative Committee

The CALAFCO Legislative Committee is pursuing two legislative proposals:

1. One proposal seeks to clarify LAFCO authority to determine Government Code Section 56133(e) exemption eligibility for out-of-agency services extensions. LAFCO of Monterey County raised concerns about this proposal in a January 2023 letter to the Legislative Committee. Subsequently, the CALAFCO Legislative Committee formed a subcommittee to work with stakeholders (including the California Special Districts Association) to develop compromise language before proceeding further in the legislative process.

2. The second proposal seeks to amend Government Code Section 56383 to add a new subsection (h) which would authorize LAFCOs to require indemnification. Existing state law authorizes a county, city, or special district to require an applicant to indemnify the public agency against litigation. This legislative proposal would provide corresponding statutory authority for LAFCOs. In January and February 2023, CALAFCO and its legislative advocacy consultant Jean Hurst were unable to identify a legislator to author this legislative proposal. Since the February deadline for legislators to submit proposed legislation has passed, CALAFCO is working to identify an author of a spot bill (a placeholder for a future measure) who would be willing to move the proposal forward this year.

CALAFCO Professional Development Training

Executive Officer Kate McKenna was an invited panelist and presenter, along with three other Executive Officers, at a CALAFCO-U webinar on February 23. They presented key provisions of the Cortese-Knox-Hertzberg Act for staff and commissioners new to LAFCO. The webinar was attended by more than 65 people and included an engaging question and answer session.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE MCKENNA, AICP
Executive Officer

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DATE: March 27, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Jonathan Brinkmann, Senior Analyst
SUBJECT: Consider Amendments to the LAFCO Rules and Regulations “Bylaws” for Meetings and the Schedule of Regular LAFCO Meetings for 2023 to change the start time of Regular LAFCO Meetings from 4:00 p.m. to 3:00 p.m.
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378

SUMMARY OF RECOMMENDATIONS:

It is recommended that the Commission:

1. Receive a report from the Executive Officer;
2. Receive any public comments;
3. Provide for questions or follow-up discussion by the Commission;
4. Consider adoption of a resolution updating the LAFCO Rules and Regulations (“Bylaws”) for the Orderly and Fair Conduct of Hearings, and
5. Consider approval of an amendment to the Schedule of Regular Meetings for 2023.

EXECUTIVE OFFICER’S REPORT:

At the January 23, 2023 regular LAFCO meeting a brief discussion occurred, during Commissioner Comments, about the possibility of changing the start time of future regular LAFCO meetings from 4:00 p.m. to 3:00 p.m. Various factors were noted and direction was given to set the item for consideration at the next regular LAFCO meeting.

Discussion

In order to accomplish a change in the meeting start time, the Commission would need to amend its LAFCO Bylaws and the Schedule of Regular LAFCO Meetings for 2023.

Staff conducted research into the feasibility and availability of the Board of Supervisors Chambers and Commissioners for an earlier meeting start time. An earlier start time will alleviate potential conflicts some Commissioners may have with service on another public agency board. Concerns with the impact on the working public may be addressed by continuing to provide options for remote public participation by Zoom app and by watching meetings on LAFCO’s YouTube channel, and by frontloading LAFCO agendas with administrative items to allow more time for community members to arrive for public hearing items.

After considering the factors, staff recommends adoption of the attached resolution (Attachment 1), Bylaws update (Attachment 2) and Meeting Schedule update (Attachment 3) to reflect a new 3:00 p.m. start time for regular meetings going forward.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kate McKenna". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kate McKenna, AICP
Executive Officer

Attachments:

1. Draft Resolution Adopting an Update to the Bylaws for the Orderly and Fair Conduct of Hearings of LAFCO of Monterey County, including Exhibit A: Proposed Bylaws Update. (Clean Version)
2. Proposed Bylaws Update for the Orderly and Fair Conduct of Hearings of LAFCO of Monterey County. (Tracked Changes Version)
3. Proposed Amended Schedule of Regular LAFCO Meetings for 2023

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RESOLUTION NO. 23-xx

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

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

WHEREAS, the Local Agency Formation Commission adopted Resolutions 02-09, 08-02, 11-15, 11-17, 20-15, and 22-11 establishing Rules and Regulations for the Orderly and Fair Conduct of Hearings; and

WHEREAS, the Local Agency Formation Commission wishes to further update the Rules and Regulations for the Orderly and Fair Conduct of Hearings to change the start time of regular meetings from 4:00 pm to 3:00 pm; and

WHEREAS, the Local Agency Formation Commission has considered the proposed update at a public meeting on March 27, 2023.

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

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

UPON MOTION of Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 27th day of March 2023 by the following vote:

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

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

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

Witness my hand this 27th day of March 2023.

By: _____
Kate McKenna, AICP, Executive Officer

Exhibit A

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RULES AND REGULATIONS (“BYLAWS”)

FOR THE ORDERLY AND FAIR CONDUCT OF HEARINGS

OF THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

March 27, 2023 Proposed Update – Clean Version
Amended: 2002, 2008, 2011, 2020, 2022, and 2023

Section 1. GENERAL APPLICATION

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

Section 2. AUTHORITY

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

Section 3. REGULAR MEETINGS

Regular meetings of the Commission shall be held on the fourth Monday of each month commencing at the hour of 3:00 p.m., or as may be otherwise determined as part of the adoption of the annual calendar. If such a meeting falls upon a legal holiday, the regular meeting shall be held on the preceding or succeeding Monday that does not fall on a holiday as set forth in the annual calendar. If no matters have been filed, no other matters remain from previous meetings, or there is otherwise no business to transact, the Chair may cancel the regular meeting, directing the Executive Officer to so notify the members of the Commission.

Section 4. AGENDAS OF REGULAR MEETINGS

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

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

Section 5. ITEMS NOT ON THE POSTED AGENDA

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

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

Section 6. SPECIAL MEETINGS

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

Section 7. EMERGENCY MEETINGS

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

Section 8. ADJOURNED MEETINGS

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

Section 9. LOCATION OF MEETINGS

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

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

Section 10. COMPOSITION

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

Section II. SELECTION/APPOINTMENT OF MEMBERS

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

Section 12. CHAIR AND CHAIR PRO TEMPORE

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

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

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

Section 13. TEMPORARY CHAIR PRO TEMPORE

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

Section 14. APPOINTMENT OF REGULAR AND ALTERNATE PUBLIC MEMBERS

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

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

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

Section 15. ALTERNATE MEMBERS

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

Section 16. TERMS OF OFFICE

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

Section 17. COMPENSATION

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

Section 18. COMMITTEES OF THE COMMISSION

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

Committees may be appointed by any of the following methods:

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

Section 19. QUORUM

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

Section 20. MAJORITY

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

Section 21. MEETING PROCEDURE

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

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

Section 22. SUSPENSION OF REGULAR ORDER OF BUSINESS

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

Section 23. ROBERT'S RULES OF ORDER

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

Section 24. VOTING

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

Section 25. PUBLIC PARTICIPATION AT MEETINGS

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

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

Section 26. HEARINGS

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

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

Section 27. RECORDS OF PROCEEDINGS

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

Section 28. PROPONENT

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

Section 29. FORMS

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

Section 30. FILINGS REQUESTED

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

Section 31. ADDITIONAL STATEMENTS

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

Section 32. IDENTIFICATION OF PROPOSAL

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

Section 33. SUPERSESSION

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

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RULES AND REGULATIONS (“BYLAWS”)

FOR THE ORDERLY AND FAIR CONDUCT OF HEARINGS

OF THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

March 27, 2023 Proposed Update – Tracked Changes Version
Amended: 2002, 2008, 2011, 2020, ~~and 2022~~, and 2023

Section 1. GENERAL APPLICATION

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

Section 2. AUTHORITY

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

Section 3. REGULAR MEETINGS

Regular meetings of the Commission shall be held on the fourth Monday of each month commencing at the hour of ~~3:00-4:00~~ 3:00 p.m., or as may be otherwise determined as part of the adoption of the annual calendar. If such a meeting falls upon a legal holiday, the regular meeting shall be held on the preceding or succeeding Monday that does not fall on a holiday as set forth in the annual calendar. If no matters have been filed, no other matters remain from previous meetings, or there is otherwise no business to transact, the Chair may cancel the regular meeting, directing the Executive Officer to so notify the members of the Commission.

Section 4. AGENDAS OF REGULAR MEETINGS

At least 72 hours before a regular meeting, an agenda shall be posted at the Commission's regular place of posting that contains a brief description of each item of business to be transacted or discussed at the meeting. The agenda will include a period of time on the agenda to receive public comment on items within the jurisdiction of the Commission. The Commission will not make a final determination on any issue raised during the public comment period that is not included on the agenda. The Commission may refer the item to staff or schedule action for a future agenda.

Section 5. ITEMS NOT ON THE POSTED AGENDA

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

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

Section 6. SPECIAL MEETINGS

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

Section 7. EMERGENCY MEETINGS

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

Section 8. ADJOURNED MEETINGS

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

Section 9. LOCATION OF MEETINGS

Unless otherwise particularly ordered by the Commission, all meetings shall be held in the Board of Supervisors Chambers, Monterey County Government Center, 168 West Alisal Street, First Floor, Salinas, California. Additionally, if consistent with state law, the Commission may by majority vote decide to conduct its meetings virtually, or in a hybrid manner where certain Commissioners attend a meeting from a physical location while others attend virtually.

Section 10. COMPOSITION

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

Section 11. SELECTION/APPOINTMENT OF MEMBERS

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

Section 12. CHAIR AND CHAIR PRO TEMPORE

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

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

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

Section 13. TEMPORARY CHAIR PRO TEMPORE

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

Section 14. APPOINTMENT OF REGULAR AND ALTERNATE PUBLIC MEMBERS

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

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

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

Section 15. ALTERNATE MEMBERS

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

Section 16. TERMS OF OFFICE

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

Section 17. COMPENSATION

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

Section 18. COMMITTEES OF THE COMMISSION

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

Committees may be appointed by any of the following methods:

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

Section 19. QUORUM

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

Section 20. MAJORITY

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

Section 21. MEETING PROCEDURE

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

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

Section 22. SUSPENSION OF REGULAR ORDER OF BUSINESS

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

Section 23. ROBERT'S RULES OF ORDER

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

Section 24. VOTING

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

Section 25. PUBLIC PARTICIPATION AT MEETINGS

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

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

Section 26. HEARINGS

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

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

Section 27. RECORDS OF PROCEEDINGS

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

Section 28. PROPONENT

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

Section 29. FORMS

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

Section 30. FILINGS REQUESTED

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

Section 31. ADDITIONAL STATEMENTS

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

Section 32. IDENTIFICATION OF PROPOSAL

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

Section 33. SUPERSESION

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

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Amendment to 2023 SCHEDULE OF REGULAR LAFCO MEETINGS ***Scheduled for Adoption:*** March 27, 2023

January 23

February 27

March 27

April 24

May 22

June 26

July – No Meeting

August 28

September 25

October 23

November – No Meeting

December 4

All regular meetings are held in person at the Monterey County Government Center in Salinas, and begin at 3:00 p.m. The Public may attend the meeting, participate by Zoom app, or view the meeting on LAFCO's YouTube channel.

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: March 27, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Jonathan Brinkmann, Senior Analyst
SUBJECT: Draft Annual Work Program for FY 2023-2024
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATIONS:

The Budget and Finance Committee recommends the following actions:

1. Receive a report from the Executive Officer;
2. Open the public hearing and receive any public comments;
3. Provide for questions or follow-up discussion by the Commission;
4. Close the public hearing, and
5. Discuss a motion to adopt the attached Resolution approving the annual work program for Fiscal Year 2023-2024.

EXECUTIVE OFFICER'S REPORT:

This matter was reviewed and recommended for approval by the Budget and Finance Committee on February 27, 2023.

Introduction

The proposed work program accomplishes the Commission's legislative purposes, mandates and local priorities. LAFCO provides essential services to our communities in building strong local economies. By keeping annexations, Sphere of Influence amendments, Municipal Service Reviews and other proposals and studies moving forward, LAFCO supports critical public needs for affordable housing, job growth, infrastructure improvements, fire protection and other municipal services, and maintaining food production for the nation. A capable and dedicated staff remain flexible to adjust the work program to meet local agency needs that arise during the year, with an overall focus on economic growth and resiliency.

Discussion

The work program is organized by six functions: (1) application processing; (2) special studies; (3) government and community relations; (4) Commission and Committee functions; (5) administrative and human resource management, and (6) financial management. The emphasis remains on the cost-efficient delivery of core LAFCO services in a responsive, professional and legally defensible manner.

Fiscal Impact

The proposed work program can reasonably be accomplished 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. 12). It anticipates a continuity of resources to support the Commission's work program.

Public Notice

Notice of this public hearing was advertised in a local newspaper and posted on the LAFCO website. The agenda and a link to the posted agenda packet were distributed to local agencies, interested persons and organizations.

Alternative Actions

The Commission may modify the draft work program or provide other direction.

Respectfully Submitted,

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

Kate McKenna, AICP
Executive Officer

Attachments: Draft Resolution and Exhibit A (Annual Work Program for Fiscal Year 2023-2024)

THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RESOLUTION NO. 23-XX

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
ADOPTING THE FISCAL YEAR 2023-2024 WORK PROGRAM

WHEREAS, these proceedings are taken in conformance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the Government Code; and

WHEREAS, the Budget and Finance Committee of the Local Agency Formation Commission of Monterey County considered a proposed annual work program on February 27, 2023, and made its recommendations to the Commission; and

WHEREAS, the Local Agency Formation Commission of Monterey County considered these recommendations and conducted a duly noticed public hearing on March 27, 2023.

NOW, THEREFORE, the Local Agency Formation Commission of Monterey County does HEREBY RESOLVE, DETERMINE, AND ORDER the adoption of the Work Program for Fiscal Year 2023-2024 as shown in Exhibit A.

UPON MOTION of Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 27th day of March 2023 by the following vote:

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

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

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

Witness my hand this 27th day of March, 2023.

By: _____
Kate McKenna, AICP, Executive Officer

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

DRAFT WORK PROGRAM

FISCAL YEAR 2023-2024

Proposal as of March 27, 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

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: March 27, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Darren McBain, Principal Analyst
SUBJECT: Proposed Annual Budget FY 2023-2024 (First Hearing)
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378

SUMMARY OF RECOMMENDATIONS:

The Budget and Finance Committee recommends the following actions:

1. Receive a report from the Executive Officer;
2. Open the first public hearing and receive any public comments;
3. Provide for questions or follow-up discussion by the Commission;
4. Close the first public hearing;
5. Discuss and adopt a proposed budget for Fiscal Year 2023-2024;
6. Direct the Executive Officer to distribute the adopted proposed budget to the County, cities, and independent special districts for review and comment, and
7. Direct the Executive Officer to schedule a second public hearing on April 24, 2023 to consider adoption of a final budget, continue to monitor economic conditions, and adjust the budget as may be necessary during the year.

EXECUTIVE OFFICER'S REPORT:

This item was reviewed and recommended for approval by the Budget and Finance Committee on February 27, 2023.

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. 11). 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 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). As directed by the Budget and Finance Committee, travel/training expenses include full funding for Commissioner attendance at the annual CALAFCO conference.

Proposed Revenue

Proposed total revenues (\$1,106,457) are a two 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 have been 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 Action

The Local Agency Formation Commission may change the proposed budget or provide other direction.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment: Proposed Annual Budget, FY 2023-2024 (First Hearing)

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	\$ 7,000	57%
7150 - Training, Conferences and Workshops	\$ 5,238	\$ 13,000	148%
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 FY 2023-2024 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 funding for employee, counsel and Commissioner travel for annual CALAFCO conference (October 2023), annual CALAFCO staff workshop (April 2024), and other professional development. Includes transportation, hotel and meal costs.
7150 Training, Conferences and Workshops	Provides funding for employee, counsel and Commissioner registrations at annual CALAFCO conference (October 2023), annual staff workshop (April 2024), and other professional development.
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 (PSMCSD) 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
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Salinas, CA 93902
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www.monterey.lafco.ca.gov

DATE: March 27, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Executive Officer Communications
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

This report is for information only.

EXECUTIVE OFFICER'S REPORT:

Following are updates on miscellaneous activities of the LAFCO staff.

Meetings with Greenfield Area Public Agencies

On February 28, staff met informally with representatives of the City of Greenfield, Greenfield Fire Protection District, Greenfield Public Recreation District, Greenfield Cemetery District, and Greenfield Memorial District to gather information for a Municipal Service Review and Sphere of Influence Study. State law (the Cortese-Knox-Hertzberg Act) requires that the Commission conduct this periodic review for all cities and special districts in Monterey County. Each of the Greenfield area public agencies is working diligently to address financial, facilities maintenance, and service delivery challenges. This time last year, the Greenfield Memorial District was on the verge of disfunction and received urgent Board training from your LAFCO staff. We are pleased to report that the Memorial District Board is making solid progress in addressing operational issues and in forming partnerships with the City of Greenfield and other agencies. We will share an administrative draft of our Greenfield study with the five agencies in April, and a public hearing draft with the Commission by June 2023.

Meeting and Presentation to Soledad Cemetery District Board of Trustees

On March 17, LAFCO staff met with the Soledad Cemetery District Board of Trustees to provide Board training in response to urgent community complaints about operations, vandalism, transparency and accessibility. The meeting was called at our request and included information on the District's Principal Act, District bylaws, the Brown Act, the Public Records Act, and resources offered by the California Special Districts Association and the California Association of Public Cemeteries. Four District Board members attended, were engaged in LAFCO's presentation, and are committed to working toward improvements. We will continue to work with the District Trustees to address their challenges.

Coordination with County of Monterey and City of Gonzales

Staff continues to participate in meetings about the County of Monterey's development of a draft Salinas Valley-wide agricultural mitigation ordinance. Other recent coordination with County staff has included consulting on service provisions for a potential farmworker housing project on an unincorporated site (Bengard property) adjacent to the City of Salinas. Staff is also monitoring the City of Gonzales' progress in developing a Gonzales-specific draft agricultural mitigation ordinance. We will potentially submit comments to the City of Gonzales about LAFCO's role in city annexations.

Requests for Proposals for Accounting Services and Annual Audit Services

LAFCO's contract with CliftonLarsonAllen (formerly Hayashi Wayland) for accounting services will end on June 30, and has a one-year extension option if mutually agreeable to the parties. LAFCO's contract with Bianchi, Kasavan, and Pope for annual audit services will expire after the December 2023 completion of an audit for the fiscal year that ends on June 30, 2023.

As authorized by the Budget and Finance Committee, staff prepared and circulated requests for proposals (RFPs) for accounting and audit services to approximately 20 firms on March 17. Both RFPs are also posted on LAFCO's website. Proposals are due by April 17. Staff is working with Chair Leffel to establish a screening committee in late April. Short-listed candidates will be interviewed by the Budget and Finance Committee on May 8. Professional service agreements will be considered by the full Commission on May 22. The new accounting agreement will take effect on July 1, 2023. The new audit agreement will take effect next year for audited statements for the fiscal year that ends on June 30, 2024.

LAFCO Cost Allocation Formula for Special Districts in Monterey County

The current version of the cost allocation formula for special district contributions to LAFCO's budget was discussed with the Budget and Finance Committee in February. Committee members expressed concern about a provision that exempts health care districts that operate at a financial loss from contributing to the LAFCO budget. The exemption was authorized by a majority vote of special districts in 2014. Chair Leffel and staff will meet informally with the Soledad district that is often eligible for this exemption, and report back on that discussion to the Committee on May 8.

San Benito County LAFCO – Interim Executive Officer Services

San Benito LAFCO is unexpectedly in the position of recruiting for the second time in six months for the position of LAFCO Executive Officer. Monterey LAFCO has been requested to provide part-time Interim Executive Officer services to San Benito LAFCO. We are negotiating a professional services agreement for Interim Executive Officer services to be provided by our capable Principal Analyst, Darren McBain. The services will be of limited scope, time and duration and are payable at an hourly rate. San Benito LAFCO will provide legal counsel, clerical support and outside analytical help to process any applications. The experience will benefit Monterey LAFCO as it an excellent foundation for succession planning.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer