

MEETING NOTES
BUDGET AND FINANCE COMMITTEE MEETING
132 W. Gabilan Street, Suite #102
Salinas, California
Approved on December 4, 2023

Wednesday, November 8, 2023
2:00 p.m.

The Commissioners participated in the meeting on Wednesday, November 8, 2023 in person.

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 2:04 p.m.

Roll Call

Members Present

Commissioner Glenn Church

*Arrived at 2:09 p.m.

Commissioner Ian Oglesby

Commissioner Mary Ann Leffel, Chair

Members Absent (Excused Absence)

None

Staff and Contractors Present

Reed Gallogly, LAFCO General Counsel

Mike Briley, CPA, CGMA, Managing Principal, CliftonLarsonAllen, LLP

Karen Campbell, CPA, Senior Audit Manager, Bianchi, Kasavan & Pope, LLP

Darren McBain, Principal Analyst

Jonathan Brinkmann, Senior Analyst

Safarina Maluki, Clerk to the Commission/Office Administrator

Public Comments

There were no public comments for items not on the Agenda.

Old Business

1. Consider Report on Litigation Reserve Fund (Account #7290) (Continued from September 18, 2023 Budget & Finance Committee Meeting).

Recommended Action: Discuss report and provide direction.

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

This is a continued discussion item from the B&F Committee meeting of September 18, 2023. Darren McBain, Principal Analyst presented the report.

General Counsel Reed answered questions from the Committee and recommended replenishment of the Litigation Reserve Fund.

There were no comments from the public.

Committee Action:

Upon motion by Commissioner Oglesby, seconded by Commissioner Church, the Committee unanimously recommended Commission approval to replenish the Litigation Reserve Fund (#7290) to the established policy level of \$300,000.00.

Motion Carried. (Voice Vote)

AYES: Commissioners Church, Oglesby, Leffel

NOES: None.

ALTERNATES: None.

ABSENT: None.

ABSTAIN: None.

2. Consider Report on Pension & OPEB Liability Information (Continued from September 18, 2023 Budget & Finance Committee Meeting).

Recommended Action: Discuss report and provide direction.

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

This is a continued discussion item from the B&F Committee meeting of September 18, 2023. Principal Analyst McBain, Senior Analyst Brinkmann and Mike Briley, CPA, CMGA, Managing Principal, CliftonLarsonAllen, LLP presented the report.

There were no comments from the public.

The Committee discussed the report with Mike Briley and Karen Campbell, CPA, Senior Audit Manager, Bianchi, Kasavan & Pope, LLP.

Committee Chair Leffel requested that the draft audit report include a supplemental footnote regarding the Unfunded Termination Liability.

Committee Action:

Upon motion by Commissioner Oglesby, seconded by Commissioner Church, the Committee unanimously recommended the addition of a supplemental footnote regarding the Unfunded Termination Liability to be included in the Final Annual Audit Report for Fiscal Year Ending June 30, 2023, which will be consider with precise language for the statement. for approval by the full Commission at the next Regular LAFCO meeting on December 4.

Motion Carried. (Voice Vote)

AYES: Commissioners Church, Oglesby, Leffel

NOES: None.

ALTERNATES: None.

ABSENT: None.

ABSTAIN: None.

New Business

3. Consider Draft Annual Audit Report for Fiscal Year Ending June 30, 2023.

Recommended Actions: Discuss draft annual audit report and recommend Commission approval. (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Karen Campbell, CPA, Senior Audit Manager (Bianchi, Kasavan & Pope, LLP) presented the audit findings and answered questions from the Committee.

The Committee discussed the report.

There were no comments from the public.

Committee Action:

Upon motion by Commissioner Oglesby, seconded by Commissioner Church, the Committee unanimously recommended Commission approval of the Draft Annual Audit Report for Fiscal Year Ending June 30, 2023 with updated edit to the footnote on pension plan unfunded termination liability and Pending Litigation.

Motion Carried. (Voice Vote)

AYES: Commissioners Church, Oglesby, Leffel

NOES: None.

ALTERNATES: None.

ABSENT: None.

ABSTAIN: None.

4. Consider Draft Year-End Financial Statements for Fiscal Year Ending June 30, 2023.

Recommended Action: Discuss draft financial statements and recommend Commission approval. (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Mike Briley, CPA, CGMA, Managing Principal, CliftonLarsonAllen, LLP summarized the report.

The Committee discussed the report.

There were no comments from the public.

Committee Actions:

Upon motion by Commissioner Church, seconded by Commissioner Oglesby, the Committee unanimously recommended Commission approval of the Draft Year-End Statements for Fiscal Year Ending June 30, 2023.

Motion Carried. (Voice Vote)

AYES: Commissioners Church, Oglesby, Leffel

NOES: None.

ALTERNATES: None.

ABSENT: None.

ABSTAIN: None.

5. Consider Draft Financial Statements for Quarter One Period Ending September 30, 2023.
Recommended Action: Discuss draft quarterly financial statements and recommend Commission approval.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Darren McBain and Mike Briley, CPA, CGMA, Managing Principal, CliftonLarsonAllen, LLP presented the report.

The Committee discussed the report.

There were no comments from the public.

Committee Actions:

Upon motion by Commissioner Church, seconded by Commissioner Oglesby, the Committee unanimously recommended Commission approval of the draft quarterly financial Statements for the period ending September 30, 2023.

Motion Carried. (Voice Vote)

AYES: Commissioners Church, Oglesby, Leffel

NOES: None.

ALTERNATES: None.

ABSENT: None.

ABSTAIN: None.

6. Consider Draft Balance Sheet as of October 31, 2023 and Draft Income Statement through October 31, 2023.
Recommended Action: Discuss draft balance sheet and income statement and recommend Commission approval.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Darren McBain, Principal Analyst and Mike Briley, CPA, CGMA, CliftonLarsonAllen, LLP presented the report.

The Committee discussed the report.

There were no public comments.

Committee Action:

Upon motion by Commissioner Church, seconded by Commissioner Oglesby, the Committee unanimously recommended Commission approval of the draft balance sheet and income statement for the period ending October 31, 2023.

Motion Carried. (Voice Vote)

AYES: Commissioners Church, Oglesby, Leffel

NOES: None.

ALTERNATES: None.

ABSENT: None.

ABSTAIN: None.

Executive Officer Announcements

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

None.

Adjournment

Commissioner Leffel adjourned the meeting at 3:05 p.m. The next Budget and Finance Committee Meeting will be announced at a later date.

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 meeting.

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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