

**2024**

**Commissioners**

**Chair**

Matt Gourley  
*Public Member*

**Vice Chair**

Kimbley Craig  
*City Member*

Mary Adams  
*County Member*

Wendy Root Askew  
*County Member*

Mike Bikle  
*Public Member, Alternate*

David Kong  
*Special District Member, INTERIM*

Mary Ann Leffel  
*Special District Member*

Chris Lopez  
*County Member, Alternate*

Ian Oglesby  
*City Member*

**VACANT**  
*Special District Member*

Anna Velazquez  
*City Member, Alternate*

**Counsel**

Reed Gallogly  
*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](http://www.monterey.lafco.ca.gov)

**AGENDA**  
**LOCAL AGENCY FORMATION**  
**COMMISSION**  
**OF MONTEREY COUNTY**

**Regular Meeting**  
**Monday, April 22, 2024**  
**3:00 P.M.**

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

This meeting will be conducted in person at 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

1. **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/98228893780>  
  
The meeting ID is: [982 2889 3780](https://montereycty.zoom.us/j/98228893780). There is no password. To make a public comment, please “Raise your Hand.” Please state your first and last name before addressing the Commission.
2. **To View this Meeting:** Please click on the following link to the LAFCO of Monterey County YouTube site: <https://www.youtube.com/channel/UCIF6pPx2hn3Ek94Wg0UI7QA>.  
  
Then click on the Live Stream of the scheduled meeting.
3. **To Participate by Phone:** Please call: +1 669 900 6833  
Enter the meeting ID: [982 2889 3780](https://montereycty.zoom.us/j/98228893780) 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. Please state your first and last name before addressing the Commission.
4. **To Make Public Comments Via Email:** Written comments can be emailed to the Clerk to the Commission at: [malukis@monterey.lafco.ca.gov](mailto: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.

PLEASE NOTE: If all Committee Members are present in person, public participation by Zoom is for convenience only and is not required by law. If the Zoom feed is lost for any reason, the meeting may be paused while a fix is attempted but the meeting may continue at the discretion of the Chairperson.

# AGENDA

## REGULAR COMMISSION MEETING

Monday, April 22, 2024

### Call to Order

### Roll Call

### Pledge of Allegiance

### General Public Comments

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

### Consent Agenda

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

1. [Approve Draft Minutes from the March 25, 2024 Regular LAFCO Commission Meeting \(pg. 6\).](#)  
Recommended Action: Approve minutes.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
2. [Accept the March 31, 2024 Draft Balance Sheet and Income Statement \(pg. 12\).](#)  
Recommended Action: Accept statements for information only.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
3. [Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies \(pg. 17\).](#)  
Recommended Action: Accept report for information only.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
4. [Accept Report on Activities of the California Association of Local Agency Formation Commissions \(pg. 21\).](#)  
Recommended Action: Accept report for information only.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

### Public Hearing

5. [Conduct a Public Hearing to Consider the Draft Final Annual Budget for Fiscal Year 2024-2025 \(Second Hearing\). \(pg. 22\).](#)

#### Recommended Actions:

- (1) Receive the Executive Officer's Report;
  - (2) Open the second public hearing and receive public comments;
  - (3) Provide for questions or follow-up discussion by the Commission;
  - (4) Close the second public hearing;
  - (5) Discuss and adopt a Resolution (Attachment 1) to adopt the Final Budget for Fiscal Year 2024 – 2025, and
  - (6) Direct the Executive Officer transmit the Adopted Final Budget to the County, Cities and Independent Special Districts for apportionment of the net operating expenses pursuant to the requirement of Government Code Section 56381 (b) (1).
- (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.

6. [Communications \(pg. 30\)](#).
  - a. 132 W. Gabilan Street, Salinas  
(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.

## Public Comments on Closed Session Items

### Closed Session

7. (1) [The Commission will conduct a review of the Public Employee Annual Performance Appraisal Program in closed session, pursuant to Code Section 54957. Position: LAFCO Executive Officer \(pg. 31\)](#).  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
- (2) [Pursuant to Government Code Section 54956.9 \(d\)\(1\), the Commission will confer with legal counsel regarding existing litigation: Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20, \(Monterey County Superior Court Case No. 22CV000925\) \(pg. 31\)](#).  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

## The Commission Recesses for Closed Session Agenda Item

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.

## 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).

## Adjournment to the Next Meeting

The next regular LAFCO Meeting is scheduled for **Monday, May 20, 2024 at 3:00 p.m. at the Monterey County Government Center.**

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](http://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](http://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.

**2024**

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

*Scheduled for Adoption April 22, 2024*

Monday, March 25, 2024

*All Commissioners and public participated in the meeting on Monday, March 25, 2024 in person or by Zoom video conference.*

### Call to Order

The Local Agency Formation Commission was called to order by Chair Gourley at 3:06 p.m.

### Roll Call

Commissioner Adams  
Commissioner Root Askew  
Commissioner Bikle  
Commissioner Kong  
Commissioner Leffel  
Commissioner Oglesby  
Vice Chair Craig  
Chair Gourley

### Members Absent (Excused Absence)

Commissioner Lopez  
Commissioner Velazquez

### Staff Present

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

### Also Present

Reed Gallogly, General Counsel (*Attending by Zoom*)

### Pledge of Allegiance

All Commissioners participated in the Pledge of Allegiance.

## General Public Comments

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

There were no public comments.

## Special Business

1. Resolution of Appreciation – Warren E. Poitras for Distinguished Service (pg. 6)  
Recommended Action: It is recommended that the Commission receive a presentation by Chair Gourley and adopt a Resolution.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Chair Gourley read the Resolution of Appreciation.

Mr. Poitras made comments.

There were Commissioner comments of thanks from Commissioners Leffel, Kong, Craig and Oglesby.

### Commissioner Action:

Upon motion by Chair Gourley, seconded by Commissioner Craig, the Commission adopted the Resolution of Appreciation for his service on LAFCO.

Motion Carried (Voice Vote);

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

## 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 Notes from the February 22, 2024 Budget & Finance Committee Meeting (pg. 8).  
Recommended Action: Approve notes.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)
3. Approve Draft Minutes from the February 26, 2024 Regular LAFCO Commission Meeting (pg. 14).  
Recommended Action: Approve minutes.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)
4. Accept the Draft Financial Statements for Period Ending December 31, 2023 (pg. 19).  
Recommended Action (By Budget & Finance Committee): Accept the statements.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)
5. Accept the January 31, 2024 Draft Balance Sheet and Income Statement (pg. 34).  
Recommended Actions (By Budget & Finance Committee): Accept statements for information only.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

6. Accept the February 29, 2024 Draft Balance Sheet and Income Statement (pg. 39).  
Recommended Action: Accept statements for information only.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
7. Adopt Resolution Approving Amendment No. 1 to the Current (Fiscal Year 2023-2024) Budget, Transferring a Total of \$25,000 with no Net Change to the Overall Budget (pg. 44).  
Recommended Action (By Budget & Finance Committee): Adopt Resolution.  
(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 (pg. 48).  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
9. Accept Report on Legislative Activities of the California Association of Local Agency Formation Commissions (pg. 52).  
Recommended Action: Accept report for information only.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Commissioner Leffel pulled item #8 for separate discussion and provided background for the Commissioners.

Commissioner Action:

Upon motion by Commissioner Leffel, seconded by Commissioner Oglesby, the Commission approved Consent Agenda Items #2 - #9 by a Voice Vote.

Motion Carried (Voice Vote):

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

New Business

10. Consider Authorizing a Comment Letter for the Draft Environmental Impact Report for the Proposed Vista Lucia Project (City of Gonzales) (pg. 57).  
Recommended Action: Authorize a Comment Letter for the Draft Environmental Impact Report for the Proposed Vista Lucia Project (City of Gonzales).  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer McKenna and Senior Analyst Brinkmann presented the report.

There were no public comments.

Chair Gourley made comments. Staff responded to questions from Commissioners Root Askew, Leffel and Oglesby.



Commissioner Action:

Upon motion by Commissioner Leffel, seconded by Commissioner Root Askew, the Commission authorized a comment letter as long as we convey that we are understanding that this is a long term project.

Motion Carried (Voice Vote):

AYES: Commissioners: Adams, Root Askew, Kong, Leffel, Oglesby, Vice Chair Craig, Chair Gourley

NOES: Commissioners: None

ALTERNATES: Commissioners: Bikle (Non-Voting)

ABSENT: Commissioners: Lopez, Velazquez

ABSTAIN: Commissioners: None

- II. Consider the Draft Annual Work Program for Fiscal Year 2024-2025 (pg. 66).  
Recommended Action (Budget & Finance Committee): Discuss and adopt a Resolution approving the annual Work Program for Fiscal Year 2024 – 2025.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer McKenna and Principal Analyst McBain presented the report.

There were no comments from the public.

There were comments from Commissioner Leffel.

Commissioner Action:

Upon motion by Commissioner Leffel, seconded by Commissioner Root Askew, the Commission adopted a Resolution approving the annual Work Program for Fiscal Year 2024 – 2025 by Voice Vote.

Motion Carried (Voice Vote):

AYES: Commissioners: Adams, Root Askew, Kong, Leffel, Oglesby, Vice Chair Craig, Chair Gourley

NOES: Commissioners: None

ALTERNATES: Commissioners: Bikle (Non-Voting)

ABSENT: Commissioners: Lopez, Velazquez

ABSTAIN: Commissioners: None

**Public Hearing**

12. Conduct a Public Hearing to Consider a Proposed Annual Budget for Fiscal Year 2024 – 2025 (First Hearing) (pg. 73).

Recommended Actions (By Budget & Finance Committee):

- (1) Receive a report from the Executive Officer;
- (2) Open the first public hearing and receive any public comments;
- (3) Provide for question 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 2024 – 2025;
- (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 22, 2024 to consider adoption of a Final Budget for Fiscal Year 2024– 2025.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer McKenna and Principal Analyst McBain presented the report.

There were no comments from the public.

There were Commissioner comments from Commissioner Leffel and Adams.

Commissioner Action:

Upon motion by Commissioner Leffel, seconded by Commissioner Adams, the Commission adopted the Proposed Budget for Fiscal Year 2024-2025 and directed the Executive Officer to distribute the Adopted Proposed Budget to the County, Cities and Independent Special Districts for review and comments for consideration at a second Public Hearing on April 22, 2024 to Adopt a Final Budget for Fiscal Year 2024 – 2025.

Motion Carried (Voice Vote):

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

Executive Officer’s Communications

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

13. Communications (pg. 80)
- a. Independent Special District Representation on LAFCO.
  - b. Independent Special District Representation on Countywide Consolidated Oversight Board.
  - c. Spreckels Community Services District

Executive Officer McKenna provided the report.

There were comments from Commissioner Leffel.

Commissioner Comments

None.

Public Comments on Closed Session Items

Chair Gourley confirmed that there were no items for closed session today.

Commissioner Adams noted incorrect wording on the Meeting Agenda under Closed Session. The wording states that Commissioner Adams is Chair of the Monterey Peninsula Water Management District (MPWMD) Board of Directors. This is no longer the case. Commissioner Adams is now currently serving as

a Board Member of MPWMD. Commissioner Oglesby also noted incorrect wording on the Meeting Agenda under Closed Session. The wording states that Commissioner Oglesby and Adams are recused from the Closed Session item as members of MPWMD. Commissioner Oglesby clarified that he reserves the right not to recuse himself from Closed Session and that he recuses himself because of the litigation between LAFCO and MPWMD, not because he is a Board Member of MPWMD. Commissioner Adams seconded Commissioner Oglesby's comments for her own self. After conferring with counsel, it was determined that the corrections will be addressed by removing the wording from future meeting agendas.

### 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.*

There were no items for Closed Session.

### Adjournment to the Next Meeting

A motion to adjourn was made by Commissioner Leffel, seconded by Commissioner Kong and unanimously approved by the Commission.

Chair Gourley adjourned the meeting at 3:56 p.m.

The next Regular LAFCO Meeting is scheduled for Monday, April 22, 2024 at 3:00 p.m. at the Monterey County Government Center (168 W. Alisal Street, Salinas).

*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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# LAFCO *of Monterey County*

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## 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](http://www.monterey.lafco.ca.gov)

KATE McKENNA, AICP  
Executive Officer

DATE: April 22, 2024  
TO: Chair and Members of the Formation Commission  
FROM: Kate McKenna, AICP, Executive Officer  
SUBJECT: **March 31, 2024 Draft Balance Sheet and Income Statement**  
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

### SUMMARY OF RECOMMENDATION:

Accept the March 31, 2024 draft balance sheet and income statements for information only.

### EXECUTIVE OFFICER'S REPORT:

Attached are the March 31, 2024 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 for March 31, 2024, prepared by CliftonLarsonAllen, LLP.
2. Draft Income Statement for March 31, 2024, prepared by CliftonLarsonAllen, LLP.

**LAFCO of Monterey County**  
**Balance Sheet**  
As of March 31, 2024

04/11/24  
Accrual Basis

	Mar 31, 24
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1100 · Petty Cash	300.00
1007 · Wells Fargo Checking	160,397.90
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	276,855.90
1013 · Designated Cash - Accrued Leave	86,206.48
1014 · Designated Cash-Post Retirement	75,064.00
1015 · Designated Cash-Contingency	276,614.00
1020 · Resticted Cash-FORA Litigation	351,655.94
1010 · Cash Co. Treasury - Other	394,276.61
<b>Total 1010 · Cash Co. Treasury</b>	<b>1,460,672.93</b>
<b>Total Checking/Savings</b>	<b>1,621,370.83</b>
<b>Other Current Assets</b>	
1400 · Prepaid Insurance	4,207.29
1405 · Prepaid Expenses	6,271.95
<b>Total Other Current Assets</b>	<b>10,479.24</b>
<b>Total Current Assets</b>	<b>1,631,850.07</b>
<b>Fixed Assets</b>	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-56,222.69
<b>Total Fixed Assets</b>	<b>1,579.30</b>
<b>Other Assets</b>	
1800 · Deferred Outflows-PERS Contrib	59,328.29
1805 · Deferred Outflows-Actuarial	243,400.87
1810 · Deferred Outflows-OPEB Contrib	1,800.00
1815 · Deferred Outflow-OPEB Actuarial	5,754.00
1900 · Operating Right of Use Asset	132,779.37
<b>Total Other Assets</b>	<b>443,062.53</b>
<b>TOTAL ASSETS</b>	<b>2,076,491.90</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 · Accounts Payable	6,893.05
<b>Total Accounts Payable</b>	<b>6,893.05</b>
<b>Credit Cards</b>	
WFB Visa X2064 (Kate)	235.15
<b>Total Credit Cards</b>	<b>235.15</b>
<b>Other Current Liabilities</b>	
2220 · Accrued Leave	86,206.48
2410 · Post Retirement (GASB 75)	75,064.00
2200 · Payroll Liabilities	616.00
2380 · Dissolution of FORA Legal Liab.	351,655.94
2381 · Dissolution of FORA Admin Liab.	53,750.00
2601 · Current Portion Lease Obligat.	26,357.52
<b>Total Other Current Liabilities</b>	<b>593,649.94</b>
<b>Total Current Liabilities</b>	<b>600,778.14</b>

**LAFCO of Monterey County**  
**Balance Sheet**  
**As of March 31, 2024**

04/11/24

Accrual Basis

	<u>Mar 31, 24</u>
<b>Long Term Liabilities</b>	
2400 · Net Pension Liability/(Asset)	57,558.59
2500 · Deferred Inflow-GAB68 Actuarial	40,784.66
2505 · Deferred Inflows-OPEB Actuarial	56,930.00
2600 · Operating Lease Liability	107,915.94
	<hr/>
<b>Total Long Term Liabilities</b>	<b>263,189.19</b>
	<hr/>
<b>Total Liabilities</b>	<b>863,967.33</b>
	<hr/>
<b>Equity</b>	
3700 · Invested in Capital Assets	1,579.30
3710 · Encumbered Funds	70,749.02
3800 · Reserve for Litigation	276,855.90
3810 · Reserve for Contingency	276,614.00
3850 · Unreserved Fund	503,720.81
Net Income	83,005.54
	<hr/>
<b>Total Equity</b>	<b>1,212,524.57</b>
	<hr/>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,076,491.90</b>
	<hr/> <hr/>

**DRAFT**

**LAFCO of Monterey County**  
**Profit & Loss**  
**July 2023 through March 2024**

04/11/24

Accrual Basis

Jul '23 - Mar 24

Ordinary Income/Expense

Income

4000 · Fees	
4005 · Project	29,874.04
Total 4000 · Fees	29,874.04
4205 · County Contributions	363,784.00
4210 · City Contributions	363,783.99
4220 · District Contributions	363,785.00
4249 · FORA Admin Revenue	598.50
4300 · Interest	14,545.20
Total Income	1,136,370.73

Expense

7300 · Depreciation	2,872.00
6000 · Employee Salaries	
6002 · Regular Earnings	439,276.11
6004 · FORA Admin Earnings	205.02
Total 6000 · Employee Salaries	439,481.13
6100 · Employee Benefits	
6013 · Post Retirement Healthcare	1,377.00
6010 · Accrued Leave	5,787.16
6007 · Management Expense Allowance	
6011 · Management Car Allowance	3,600.00
6007 · Management Expense Allowance - Other	450.00
Total 6007 · Management Expense Allowance	4,050.00
6102 · Workers Compensation Insurance	1,946.36
6101 · Payroll Expenses	7,706.97
6103 · Employee Memberships	374.00
6104 · Deferred Comp Plan Contribution	27,247.94
6105 · PERS Retirement	203,710.49
6110 · PERS Health	
6111 · Med ER Non-Ele	5,508.00
6112 · Med ER Pre Tax	77,714.94
6110 · PERS Health - Other	315.16
Total 6110 · PERS Health	83,538.10
6130 · Insurance	
6139 · STD	828.54
6131 · LIFE	1,126.80
6132 · ADD	73.89
6133 · Dental	6,911.10
6134 · Vision	1,114.20
6135 · LTD	3,582.81
Total 6130 · Insurance	13,637.34
7294 · Accrued Leave Reserve	16,121.60
6100 · Employee Benefits - Other	700.00
Total 6100 · Employee Benefits	366,196.96

LAFCO of Monterey County  
Profit & Loss  
July 2023 through March 2024

04/11/24  
Accrual Basis

Jul '23 - Mar 24

7000 · Postage and Shipping	4,399.43
7010 · Books and Periodical	770.72
7030 · Copy Machine	4,456.33
7060 · Office Supplies	3,613.72
7080 · Computer Hardware/Peripherals	902.51
7085 · Computer Support Svc Fixed Cost	9,733.00
7090 · Computer Support Svc Variable	800.00
7100 · Computer Software	559.85
7105 · Meeting Broadcast Services	6,250.00
7110 · Property and Gen Liability Ins	6,284.43
7140 · Travel	2,651.25
7150 · Training, Conferences & Wrkshps	10,719.64
7160 · Vehicle Mileage	164.14
7170 · Rental of Buildings	25,659.09
7200 · Telephone Communications	3,218.56
7242 · Outside Prof Svc-Accounting	54,500.01
7242 A · Gen Admin Svcs & HR Assistance	4,000.00
7248 · Outside Prof Svc-Annual Audit	20,000.00
7245 · General Legal Services	22,467.30
7250 · Miscellaneous Office Expense	724.92
7260 · Legal Notices	1,741.00
7280 · LAFCO Memberships	9,839.00
7290 · Litigation Reserve	51,360.20
<b>Total Expense</b>	<b>1,053,365.19</b>
<b>Net Ordinary Income</b>	<b>83,005.54</b>
<b>Net Income</b>	<b>83,005.54</b>

**DRAFT**



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](http://www.monterey.lafco.ca.gov)

DATE: April 22, 2024  
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. It is organized by applications on file, potential applications under discussion, and LAFCO-initiated studies.

**Part I: Items Currently on File and In Progress**

- 1. **City of Greenfield** – Annexation proposal with two separately owned parcels – an existing elementary school site and a vacant parcel now owned by the City – on Apple Avenue west of the existing city limits. The application status is incomplete.

This application has been on file since 2017, in part due to the need for a property tax transfer agreement with the County. The intended use of the vacant parcel has changed from residential to a community center. City and LAFCO staff are coordinating to update, complete and bring the application to a hearing this year.

- 2. **Fort Ord Reuse Authority Dissolution:** Status is pending. The Fort Ord Reuse Authority (FORA) ceased operations after June 2020. LAFCO had statutory authority to oversee the FORA dissolution and holds administrative and legal funds for that purpose. The County of Monterey is wrapping up FORA-related administrative tasks and anticipates providing a status report to the Board of Supervisors by May 2024. We anticipate a LAFCO action by June 2024 on a dissolution resolution, including a return of FORA-related funds to former FORA jurisdictions.

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

The County approved the Paraiso Springs project in 2019, and a portion of the site needs to be annexed to the local fire district to comply with a County condition of approval. LAFCO received the District’s application in 2022 and determined that the application is incomplete. The application is inactive, although the District did re-engage in 2023 to address items in the completeness letter.

## Part 2: Potential Agenda Items under Discussion

1. **City of Gonzales: Vista Lucia, Puente del Monte and D'Arrigo Projects.** Status is pre-application.
  - (a) Vista Lucia and Puente del Monte projects: Annexation of some or all of an approximately 1,300-acre area placed in the City's sphere in 2014. In total, the two projects would approximately double the existing City limits.

City and LAFCO staff met in April 2024 to confer about LAFCO's comment letter on a Draft Environmental Impact Report (EIR) for the Vista Lucia project (Fanoe-owned lands of approximately 768 acres). The City anticipates submitting an annexation application for the Vista Lucia project by the end of 2024.

The City is also working on a specific plan and an EIR for the Puente del Monte project (Jackson- and Rianda-owned lands, approximately 547 acres). There is no anticipated timeline for receiving an annexation application.
  - (b) D'Arrigo Brothers farmworker housing: The property owners are proposing a 137-unit farmworker housing project designed to accommodate up to 1,096 agricultural employees. One possible site, on Fanoe Road north of Johnson Canyon Road, is adjacent to the city limits and within the City's designated sphere of influence. Provision of city water and sewer services to this unincorporated site would require the Commission's approval of either an annexation to the City or an out-of-agency service extension. An alternative site is already in the City limits and would not require any new LAFCO approvals. Staff participated in meetings with City and County staff in 2023.
2. **City of Greenfield: Potential Apple Avenue area annexation of approximately 6.2 acres (the same area received an out-of-agency service extension to six existing single-family houses in 2019).** Status is pre-application.

In May 2019, in response to a documented threat to public health and safety due to drinking water contamination, LAFCO approved extension of water and wastewater services by the City to six existing single-family houses west of the city limits. The approximately 6.2-acre area is located at the northwest and southwest corners of Apple Avenue and 13<sup>th</sup> Street and within the City's sphere of influence. The area includes only existing residences and none of the surrounding agricultural lands. Annexation will help to ensure that city boundaries encompass the developed areas that receive city services.
3. **Monterey Peninsula Airport District:** Detachment from the City of parcels owned by the Monterey Peninsula Airport District. Status is pre-application.

Most Airport District-owned parcels are in the unincorporated County. Several outlying parcels along Highway 68 are in the City of Monterey. The District is interested in detaching these parcels from the City to eliminate a split in underlying city-county jurisdictions as the airport develops new facilities according to its master plan. LAFCO staff are participating in coordination meetings with Airport, City, and County representatives, most recently in January 2024.
4. **Marina Coast Water District:** Potential annexation of MCWD's Armstrong Ranch property (north of the Marina Municipal Airport) and sphere of influence amendment/annexation of portions of the Bureau of Land Management (BLM) Fort Ord National Monument and Fort Ord Dunes State Park near existing MCWD boundaries. Status is pre-application.

In 2010, MCWD acquired approximately 231 acres of Armstrong Ranch land, located north of the City of Marina and south of the Monterey One Water facilities. The Armstrong Ranch property is within

MCWD's existing sphere of influence. MCWD seeks to annex this property since it currently maintains water-augmentation infrastructure for its Regional Urban Water Augmentation Project and Monterey One Water's Pure Water Monterey Project on this property. MCWD currently maintains existing water infrastructure within the BLM Fort Ord National Monument, and water and wastewater infrastructure within Fort Ord Dunes State Park. Staff met with MCWD representatives in February 2024 and are working with them to refine the scope of the proposal area.

5. **City of Salinas:** Target Area "K" (proposed Ferrasci Business Center project) sphere amendment and annexation of approximately 140 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 approved Economic Development General Plan Element, is planned for business park, retail, and mixed-use (commercial and residential) development. Informal pre-application discussions have been underway with County staff, City staff and property owners since January 2020, most recently in May 2023. In June 2023, LAFCO staff provided comments on the City's Notice of Preparation of a Draft Environmental Impact Report as a CEQA Responsible Agency.

6. **City of Marina:** 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 from Monterey County Regional Fire District. Status is pre-application.

Both CSUMB 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 the 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 and recently restarted in February 2024. There is currently no specific schedule for the City to submit an application.

7. **City of Soledad:** Hacienda Apartments farmworker housing: Initial discussions regarding a potential out-of-agency service extension to provide City wastewater and/or water services to an existing apartment complex. Status is pre-application.

Hacienda Apartments is an existing 24-unit farmworker housing apartment complex located approximately three miles northwest of Soledad in unincorporated Monterey County. The apartment complex is currently served by a failing septic system and a water system that exceeds the maximum contaminant level for nitrates. In 2023, the Soledad City Council received a presentation from consultants regarding the Hacienda Apartments' water system's needs assessment, and the identified preferred feasible option for a water system consolidation.

The City Council expressed concerns about the condition of the property and ensuring that the City was made whole in terms of costs. The County of Monterey would need to complete a significant amount of work for potential City extension of services to move forward. Since the apartments to be served are in the County's jurisdiction, the County will need to take the lead. As a result, the City has no plans to move forward with an out-of-agency extension of services application to LAFCO until the County prepares the necessary documents. LAFCO staff participated in an initial meeting of City, County, Central Coast Water Board, and Rural Community Assistance Corporation (RCAC) staff in 2023.

### Part 3: Other LAFCO-Initiated Studies

A Municipal Services Review/Sphere of Influence study for three Soledad area special districts is underway and is targeted for Commission action by June 2024.

LAFCO staff are following up on recommended actions from the 2023 Greenfield area Municipal Services Review/Sphere of Influence study. Staff met with Deputy County Counsel representing the Greenfield Memorial, Recreation, and Cemetery Districts in April to review progress by the three districts to complete corrective measures for compliance with state legal requirements and best practices. The three districts are all making progress on completing corrective measures. Staff is also planning to schedule a meeting in the next few months with the three districts and the City to facilitate a discussion about exploring potential City-District integration – and other service model options – for improving service delivery to the Greenfield community through a feasibility study funded by the three districts.

Staff is initiating a Municipal Services Review/Sphere of Influence study for the seven Monterey Peninsula cities. As a first step, we held a coordination meeting with the City of Marina staff in October 2023. This study will be completed by summer 2024.

A Municipal Services Review/Sphere of Influence study for the City of Gonzales will be prepared to coincide with that City's anticipated Vista Lucia annexation application (see page 2 of this report). The timing will depend upon when we receive the application with information needed for the study.

Other studies will be undertaken per the adopted annual work program for FY 2024-25.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer

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## 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: April 22, 2024  
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 this report for information only.

### EXECUTIVE OFFICER'S REPORT:

#### CALAFCO Board of Directors

Supervisor/Commissioner Wendy Root Askew serves on the CALAFCO Board and Legislative Committee as a Coastal Region representative and is supported by staff. The CALAFCO Board of Directors met on April 12 and approved:

- A CALAFCO Board Member Job Description;
- Adoption of the Fiscal Year 2024-2025 CALAFCO Annual Budget; and
- Ratification of a Letter of Support for the American Farmland Trust's grant proposal.

#### Legislative Committee

The Legislative Committee will meet on May 10 to discuss:

- Status of the CALAFCO-sponsored bill SB 1209 (Cortese) regarding indemnification (supported by Monterey LAFCO);
- Potential modifications to the 56133 Legislative Proposal (concerns expressed previously); and
- Monitoring of introduced bills.

#### Annual Conference

CALAFCO will hold its 2024 Annual Conference at Tenaya Lodge in Yosemite from October 16 to 18. Program and registration details will be shared when available.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer

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## LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP  
Executive Officer

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DATE: April 22, 2024  
TO: Chair and Members of the Formation Commission  
FROM: Kate McKenna, AICP, Executive Officer  
PREPARED BY: Darren McBain, Principal Analyst  
SUBJECT: Final Annual Budget FY 2024-2025 (Second Hearing)  
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378

### SUMMARY OF RECOMMENDATIONS:

It is recommended that the Commission take the following actions:

1. Receive a report from the Executive Officer;
2. Open the second public hearing and receive any public comments;
3. Provide for questions or follow-up discussion by the Commission;
4. Close the second public hearing;
5. Discuss and adopt a resolution (Attachment 1) to adopt the final budget for Fiscal Year 2024-25; and
6. Direct the Executive Officer to transmit the adopted final budget to the County of Monterey, cities, and independent special districts for apportionment of net operating expenses pursuant to the requirements of Government Code section 56381 (b)(1).

### EXECUTIVE OFFICER'S REPORT:

#### Overview

This is the second of two public hearings for the annual budget for Fiscal Year 2024-2025. The proposed budget was reviewed and recommended for approval by the Budget and Finance Committee in February. Last month, the full Commission held an initial budget hearing, directed that the budget be sent to local agencies for review and comment, and set April 22 to consider adoption of the final budget.

This budget will accomplish the annual work program that the Commission approved last month. Total expenditures (\$1,131,054) are a 2.2% increase as compared to the current fiscal year. This increase will support a 2.5% COLA for all staff, performance-based merit steps for two eligible staff members, and cost increases for benefits, services, and supplies. No changes are proposed to the current staffing level.

Primary funding is from the County, cities and special districts, with a cost share of \$371,898 for each of the three groups. This share per group is a 2.2% increase as compared to the current-year cost share (\$363,784). Other minor revenue sources are application fees and interest income.

#### Public Hearing Notices and Local Agency Comments

Local agencies received notice of the March 25 and April 22 hearings, and copies of the proposed final budget with a request for review and comments. Public notice was provided by newspaper, website, email

distribution and other postings. As of this writing, an email of support has been received from the General Manager of the Pebble Beach Community Services District. Comments are invited through the close of the April 22 hearing.

**Alternative Actions**

The Commission may modify the budget or provide other direction to staff.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer

Attachment: Draft Resolution and Exhibit A – Proposed Final Budget, FY 2024-2025

cc: County of Monterey, cities, and independent special districts

THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RESOLUTION NO. 24-XX

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
ADOPTING THE FINAL FISCAL YEAR 2024-2025 BUDGET

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 budget and work program on February 22, 2024, and made its recommendations to the full Commission; and

WHEREAS, the Local Agency Formation Commission of Monterey County considered these recommendations, conducted an initial public hearing, adopted a final work program, and adopted a proposed budget on March 26, 2024; and

WHEREAS, the adopted proposed budget was distributed to the County of Monterey, to each city, and to each independent special district for review and comment through the close of a second hearing on April 22, 2024; and

WHEREAS, both hearings were duly noticed in accordance with the requirements of Cortese-Knox-Hertzberg Act of 2000;

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

- a. That the Commission adopts a final budget for Fiscal Year 2024-2025 (Exhibit A); and
- b. That the Executive Officer shall transmit the adopted final budget to the County of Monterey, to each city, and to each independent special district, and
- c. That the Executive Officer shall transmit the adopted final budget to the Auditor-Controller for apportionment of the net operating expenses pursuant to the requirements of Government Code section 56381(b)(1).



UPON MOTION OF Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing resolution is adopted this 22nd day of April 2024 by the following vote:

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

By: \_\_\_\_\_  
Matt Gourley, 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 22nd day of April, 2024.

By: \_\_\_\_\_  
Kate McKenna, AICP, Executive Officer

Local Agency Formation Commission of Monterey County			
Proposed Budget for Fiscal Year 2024-2025			
(First Hearing) Approved - March 25, 2024			
(Second Hearing) Scheduled: April 22, 2024			
	Adopted Budget FY 2023-24	Proposed Budget for FY 2024-25	Change (%)
<b>REVENUE</b>			
4000 - Project Fees - <i>See Note 1</i>	\$ 10,000	\$ 10,000	0%
4001 - Pass-through Fees	\$ -	\$ -	
4205 - County Contribution	\$ 363,784	\$ 371,898	2%
4210 - City Contributions	\$ 363,784	\$ 371,898	2%
4220 - Independent Special District Contributions	\$ 363,784	\$ 371,898	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	\$ 5,105	\$ 5,360	5%
<b>TOTAL REVENUES</b>	<b>\$ 1,106,457</b>	<b>\$ 1,131,054</b>	<b>2%</b>
<b>EXPENDITURES</b>			
6000 - Employee Salaries	\$ 586,475	\$ 607,036	4%
6100 - Employee Benefits	\$ 262,244	\$ 254,712	-3%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 848,719</b>	<b>\$ 861,748</b>	<b>2%</b>
7000 - Postage and Shipping	\$ 3,994	\$ 7,000	75%
7010 - Books and Periodicals	\$ 1,000	\$ 1,000	0%
7030 - Copy Machine Charges	\$ 7,000	\$ 7,000	0%
7040 - Outside Printers	\$ 500	\$ 500	0%
7060 - Office Supplies	\$ 5,000	\$ 5,000	0%
7070 - Office Equipment and Furnishings	\$ 1,000	\$ 1,000	0%
7080 - Computer/Hardware/Peripherals	\$ 4,000	\$ 4,000	0%
7085 - Computer Support Services (Fixed Costs)	\$ 12,763	\$ 12,763	0%
7090 - Computer Support Services (Variable Costs)	\$ 5,000	\$ 5,000	0%
7100 - Computer Software	\$ 1,277	\$ 1,277	0%
7105 - Meeting Broadcast Services	\$ 5,106	\$ 12,000	135%
7110 - Property and General Liability Insurance	\$ 9,032	\$ 9,923	10%
7120 - Office Maintenance Services	\$ 486	\$ 486	0%
7140 - Travel	\$ 7,000	\$ 17,000	143%
7150 - Training, Conferences and Workshops	\$ 13,000	\$ 15,000	15%
7160 - Vehicle Mileage	\$ 1,000	\$ 1,000	0%
7170 - Rental of Buildings	\$ 32,220	\$ 34,212	6%
7200 - Telephone Communications	\$ 8,509	\$ 8,509	0%
7230 - Temporary Help Services (Clerical)	\$ -	\$ -	
<b>7240 - Outside Professional Services</b>	<b>\$ 123,905</b>	<b>\$ 110,189</b>	<b>-11%</b>
<b>Total for Line Items 7240-7249</b>			
7240 - Outside Professional Services	\$ 15,000	\$ -	-100%
7242 - Accounting and Financial Services	\$ 66,000	\$ 62,400	-5%
7242A -General Admin Services and HR Assistance	\$ 6,000	\$ -	-100%
7245 - General Counsel and Special Counsel	\$ 9,116	\$ 20,000	119%
7247 - Human Resources-Other	\$ 5,789	\$ 5,789	0%
7248 - Annual Audit	\$ 22,000	\$ 22,000	0%
7249 - Temporary Professional Services-FORA Admin- <i>See Note 3</i>	\$ -	\$ -	0%
7250 - Miscellaneous Office Expenses	\$ 1,216	\$ 1,216	0%
7260 - Legal Notices	\$ 4,000	\$ 4,000	0%
7270 - Recruitment Expenses	\$ 900	\$ 900	0%
7280 - LAFCO Memberships	\$ 9,830	\$ 10,331	5%
<b>Sub-total Services &amp; Supplies</b>	<b>\$ 257,738</b>	<b>\$ 269,306</b>	<b>4%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,106,457</b>	<b>\$ 1,131,054</b>	<b>2%</b>

**Please See Attached Pages 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 2024-2025 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. Due to insignificant activity, Lafco would like to give back the litigation and admin fees collected but not spent. Lafco would like to return these unspent funds to the Cities, Districts and County by June 30, 2024.

**DESCRIPTION OF FY 2024-2025 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 2024-2025. Assume merit and COLA increases for clerk and senior analyst positions and COLA increase for principal analyst and executive officer positions. Includes overtime allowances for non-exempt employee (per law).

**6100 EMPLOYEE BENEFITS**

This line item assumes no new benefits and no benefit changes for 4 full time employees. To help reduce increasing insurance premiums, it is proposed that LAFCO employees contribute toward their monthly insurance premiums based on how the County of Monterey calculates their employee portion. The County of Monterey 2024 Monthly Employee Health Contributions Schedule has been used to determine the employee's monthly share of health, dental and vision insurance. 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 LAFCO studies. 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 large 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.

<b>7105 Meeting Broadcast Services</b>	
	This account funds the broadcast meeting support services for LAFCO meetings under contract with the County of Monterey's vendor. Cost is \$1,000 per meeting.
<b>7110 Property and General Liability Insurance</b>	
	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 2024-2025 budget reflects the current year gross package cost plus a 5% increase due to anticipated rising insurance costs. (\$9,450 plus a 5% increase of \$473)
<b>7120 Office Maintenance Services</b>	
	Includes general office cleaning, including blinds, cabinets and underneath furniture. (Basic janitorial service to empty trash and sweep floors is included in office lease.)
<b>7140 Travel</b>	
	Provides funding for employee, counsel and Commissioner travel for annual CALAFCO conference (October 2024), annual CALAFCO staff workshop (April 2025), and other professional development. Includes transportation, hotel and meal costs. The substantial increase is due to the location of the conference. In 2023, the conference occurred in Monterey and was hosted by Monterey LAFCO.
<b>7150 Training, Conferences and Workshops</b>	
	Provides funding for employee, counsel and Commissioner registrations at annual CALAFCO conference (October 2024), annual staff workshop (April 2025), and other professional development. The substantial increase is due to the location of the conference. In 2023, the conference was hosted by Lafco of Monterey in Monterey, CA.
<b>7160 Vehicle Mileage</b>	
	Reimbursement for use of personal vehicles, at the government rate.
<b>7170 Rental of Building</b>	
	Includes minor increase in office rent, and includes utilities. The monthly building rent for 2024-2025 is set at \$2,765.55. Due to accounting standard ASC 842, LAFCO recognizes the average monthly rent of the lease agreement as expense. This amount is \$2,851/month.
<b>7200 Telephone Communications</b>	
	Includes telephone, cell and fax charges, office wi-fi for laptop/visitor use, and system maintenance and repairs.
<b>7230 Temporary Help Services (Clerical)</b>	
	Not funded. All clerical work is generally done by in-house staff.
<b>7240 Outside Professional Services</b>	
	This line item includes:
	7240: <b>Outside Professional Services.</b> This line item has been budgeted at zero. LAFCO is no longer in need of services from Berkson and Associates who specializes in fiscal, financial and economic review.
	7242: <b>Accounting and Financial Services.</b> The current fixed-rate contract with CliftonLarsonAllen, LLP (CLA) was signed in August 2023. The contract goes through fiscal year 2025-2026 (24/25 \$74,400, 25/26 \$79,200). This line item reflects a fixed rate contract for payroll, accounting, financial reporting services, GASB 68 Compliance and assistance to auditor. The 24/25 agreed monthly fee was set at \$6,200. On February 22, 2024, the 24/25 monthly fee was adjusted to \$5,200/month due to the collaboration between CLA and LAFCO to reduce monthly costs by \$1,000. This will be accomplished by LAFCO taking on all Human Resources administrative services as well as taking on some of the duties in the accounts payable process previously fully handled by CLA. In addition, Mike Briley, Managing Principal at CLA, will only attend one Committee meeting per year instead of five.
	7242A: <b>General Admin Services and HR Assistance.</b> The existing contract with CLA includes a \$400/month retainer (\$4,800/annually) for human resource services provided by CLA, through June 30, 2024
	7245: <b>General Counsel and Special Legal Counsel Services (Not Litigation).</b> 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 BBK and others).
	7247: <b>Human Resources Services-Other.</b> Variable rate services from Liebert Cassidy Whitmore or other firm, on an as needed basis.
	7248: <b>Annual Audit.</b> The current fixed-rate contract with Bianchi, Kasavan & Pope, LLP was signed in June 2023. The contract goes through fiscal year 2026-2027 (24/25 \$22,000, 25/26 \$23,000, 26/27 \$24,000).

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 plans to return unspent funds by June 30, 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 2023-2024. LAFCO is indemnified by Cal-Am in current litigation (MPWMD). Accordingly, no fund supplement is proposed for FY 2024-2025.

**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 \$276,614, which is 100% of the target level for FY 2023-2024. No fund supplement is proposed for FY 2024-2025.



CLOSED SESSION

1. The Commission will conduct a review of the Public Employee Annual Performance Appraisal Program in closed session, pursuant to Code Section 54957.  
*Position: LAFCO Executive Officer*  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
2. Pursuant to Government Code Section 54956.9(d)(1), the Commission will confer with legal counsel regarding existing litigation: *Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20*, (Monterey County Superior Court Case No. 22CV000925).