

Local Agency Formation Commission of Monterey County			
Final Budget for Fiscal Year 2024-2025			
FINAL: April 22, 2024			
	Adopted Budget FY 2023-24	Adopted 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: <b>Temporary Professional Services-FORA Admin.</b> 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.
<b>7250</b>	<b>Miscellaneous Office Expenses</b>
	Minor expenses for office operations, Commission meetings and recording fees for LAFCO-initiated activities.
<b>7260</b>	<b>Legal Notices</b>
	Expenses for actions requiring public notices, such as annexations, Sphere of Influence updates, municipal service reviews and budgets. Some of these costs are reimbursable.
<b>7270</b>	<b>Recruitment Expenses</b>
	To fill any vacant position.
<b>7280</b>	<b>LAFCO Memberships</b>
	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).
<b>7290</b>	<b>Litigation Reserve</b>
	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.
<b>7285</b>	<b>Records Management</b>
	Not funded for outside help. Records management is by in-house clerical staff.
<b>7295</b>	<b>Contingency Reserve</b>
	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.