

**AGENDA
ITEM
NO. 8.b**

LAFCO 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 Fax (831) 754-5831
www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: March 26, 2007
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, LAFCO Executive Officer
SUBJECT: **FY 2007-2008 PROPOSED BUDGET AND WORK PROGRAM**

SUMMARY OF RECOMMENDATIONS:

It is recommended that the Commission:

- 1. Adopt a proposed budget for Fiscal Year 2007-2008 as recommended by the LAFCO Budget & Finance Committee (Exhibit A);
- 2. Adopt a proposed work program for Fiscal Year 2007-2008 (Exhibit C);
- 3. Direct the Executive Officer to distribute the adopted proposed budget to the County, cities and independent special districts for review and comment, and
- 4. Set a public hearing for April 23, 2007 to adopt the final budget.

EXECUTIVE OFFICER'S REPORT:

Legal Framework

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 sets forth the LAFCO budget process. The budget cannot be less than the previous fiscal year unless the Commission determines that it can otherwise accomplish its work. The Commission must adopt a proposed budget by May 1 and a final budget by June 15. Proposed and final budgets must be transmitted to the Board of Supervisors, to each city, to the clerk and chair of the city mayors' selection committee, and to each independent special district.

After the Commission adopts the final budget, the County Auditor Controller must apportion the LAFCO budget costs among the County, cities and districts. By agreement, each group contributes one-third of the costs of operating the agency.

Overview of Proposed Budget

The attached zero-based budget proposal (Exhibit A) was prepared under the guidance of the LAFCO Budget & Finance Committee consisting of Commissioners Darington

(Chair), Rubio and Smith. The Committee met on February 14 to consider and recommend a proposed budget and again on March 19 to amend its original recommendation by increasing the litigation reserve.

Expenditures Overview

The estimated total expenditure (net) for salaries, benefits, services and supplies is \$997,851, including \$150,000 in reserves. This compares to \$797,716 in FY 2006-2007.

No new staff or benefits are proposed for FY 2007-2008.

However, in order to support the increasing liabilities of LAFCO, the Committee recommends that two new reserves be established in the budget. One new reserve is for partial funding of accrued leave benefits (\$10,000), as recommended by the Auditor. The other new reserve is for general contingencies (\$20,000), as directed by the Commission in September 2006.

The Committee further recommends that the litigation reserve be adequately funded (\$120,000) to defend LAFCO in two existing lawsuits and to partially rebuild the reserve.

Funding of these three reserves will add significantly to the expenditures for FY 2007-2008.

Revenue Overview

No carryover funds are applied as revenue in the proposed budget. Unallocated funds will instead be reserved for emergency needs such as cash flow problems. Per LAFCO policy, project fees collected in FY 2006-2007 (\$50,000) will be applied as revenue in the proposed budget, as will interest (\$5,000). These revenue sources will reduce the contributions required of the County, cities and districts.

The estimated contribution by each of the groups (County, cities, districts) will therefore be about \$314,284. This compares to \$245,905 in FY 2006-2007. Estimated allocations for individual cities and districts are attached as Exhibit B to provide notice as early as possible in the budgeting process.

The Budget & Finance Committee is reviewing the LAFCO fee schedule to make users pay for more of the actual costs of services, effective July 2007. Improved cost recovery will increase the project revenue for the FY 2008-2009 budget.

Proposed Fiscal Year 2007-2008 Expenditures

Proposed total net expenditures are \$997,851, including \$150,000 for reserves. This represents a 25 percent difference from the adopted expenditures for FY 2006-2007 (\$797,716).

Salaries

Proposed salary expenditures are \$374,027, including \$10,000 in a reserve. This compares to \$347,116 in FY 2006-2007. No new staff positions are proposed in the budget. Four in-house staff will continue to support the service demands on LAFCO for timely processing of proposals and studies. The budget anticipates a 3% COLA for employees and individual merit increases as may be warranted with satisfactory performance reviews. The budget anticipates a possible 7th step addition to the current salary ranges of analyst and clerical positions for retention purposes, pending Commission review of an annual salary study to be completed by June 2007.

As recommended by the Auditor, the proposed budget for salaries includes a new reserve to partially fund (\$10,000) an accrued leave benefit liability.

Benefits

Proposed benefit expenditures are \$224,599. This compares to \$179,000 in FY 2006-2007. No new benefits are proposed in this budget. The cost reflects increases in employer-paid premiums and benefits tied to salaries.

Services and Supplies

Proposed net total services and supplies expenditures are \$389,225, including \$140,000 in reserves. This compares to \$270,900 in FY 2006-2007.

Pursuant to LAFCO policy adopted in September 2006, the budget will establish a new general contingency line item in the amount of \$20,000. The goal is to fund a reserve equal to 25 percent of the total budget, at 5 percent per year. The contingency is intended for unanticipated needs, and will protect the unreserved fund balance for cash flow or other emergencies. The proposed amount will provide partial funding toward the 5 percent incremental goal.

The Budget & Finance Committee also proposes to fund the litigation reserve in the amount of \$120,000. Adopted policy is to fund the litigation reserve with the goal of achieving and maintaining a balance of \$120,000. The fund balance as of February 2007 was about \$65,000, and the estimated end of year balance will be \$35,000. Those carryover funds will not be sufficient to pay the estimated \$70,000 cost to defend LAFCO in two Carmel Valley lawsuits in FY 2007-2008. Funds not expended will help to rebuild the reserve toward the adopted goal.

The budget reflects increases in costs for legal notices, copying and other services and supplies associated with the agency's workload.

Contracts will continue for legal services, information technology, human resources, accounting and financial matters, an annual audit, and limited in-house support as necessary. The budget continues to reflect a shift away from outside consultant services.

Increased costs for accounting/financial services have been examined by the Budget & Finance Committee and reflect the level of detail and reporting required by LAFCO.

No funding is recommended for an archival record storage and security program.

Proposed Fiscal Year 2007-2008 Budget Revenues

Pursuant to adopted LAFCO policy, project fee revenue collected in FY 2006-2007 will be applied as revenue in the proposed budget. The estimated revenue from this source is \$50,000. Also, LAFCO will receive at least \$5,000 in interest in FY 2006-2007. The proposed budget assumes \$5,000 of interest as revenue.

The County of Monterey, the cities and the independent special districts will provide one-third shares of the proposed budget. By including project fee and interest revenue, the cost for each of the three contributing entities is reduced to approximately \$314,284 (see Page 7 of Exhibit A). This compares to \$245,905 in FY 2006-2007.

Estimated cost allocations for individual cities and districts in FY 2007-2008 are attached as Exhibit B for information.

No unallocated funds carried over from FY 2006-2007 are applied as revenue in the proposed budget. LAFCO discontinued that practice beginning in FY 2006-2007. The unallocated fund balance was about \$100,000 as of March 2007, and prior to FY 2006-2007 was drawn down each year to reduce the local contribution requirements. The Budget & Finance Committee has reaffirmed the need to reserve the unallocated funds for cash flow purposes in the early months of the new fiscal year, prior to receipt of contributions from the agencies, and for other emergency needs such as the need to supplement the litigation reserve.

The Budget & Finance Committee has, as a priority, started a review of the agency's project fee schedule. Improved cost recovery can be accomplished by more accurately charging direct users for the costs of services provided to them. The Committee's goal is to complete the review, prepare recommendations, and have an adopted fee schedule in place by July 1, 2007. The anticipated increase in project fees will be applied as revenue in the FY 2008-2009 budget.

Work Program

The proposed work program for FY 2007-2008 is attached for consideration. The work program has three major components: administration; processing of the applicant-driven workload, and LAFCO-initiated studies and activities. The work continues to reflect a significant increase in overall activity, and the shift made in FY 2006-2007 from outside consultant studies to in-housing analysis, processing and administrative tasks.

Administrative Tasks

Systems put in place for an independent agency in 2005 will continue to undergo refinement (contracts, financial, personnel, etc.). LAFCO will also refine new programs recently put in place to track projects and time management. The inventory of special districts and jurisdictions requires ongoing updates, using a centralized GIS data base system, and procedures are being developed to ensure smooth updates and easy public access to maps and data. LAFCO will contract for its second annual audit, and improve the LAFCO website layout, graphics and ease of public use.

Processing of Applicant-Driven Workload

This partial list includes annexations, sphere of influence amendments and other boundary formations or reorganizations. The list illustrates the major increases that LAFCO is experiencing in demands for services. Many of the requests are a follow up to LAFCO's completion of Municipal Services Reviews in December 2006. Completion of those reviews was a legal prerequisite to considering sphere of influence amendments. The applicant-driven list is fluid, growing each month, and represents a very high office workload that needs to be managed carefully to be productive and responsive to the needs of our County, cities and districts.

LAFCO-Initiated Studies and Activities

The work program emphasizes the continuing visibility and presence of the Executive Officer in the community, promoting early LAFCO involvement in sphere of influence, General Plan, city-county dialogues, environmental review and other discussions and activities affecting government boundaries, government services and agricultural land protection. The work program includes an assessment of issues and priorities identified in the recently completed Municipal Services Reviews. It also includes a need to address compliance with a State mandate to update Spheres of Influence by January 2008.

Local Agency Review and Comments

Notice of the March 26 hearing on the proposed budget was advertised in local newspapers. The agenda was sent to all persons interested in LAFCO matters. Courtesy copies of the agenda, staff report and attachments were sent to the County, cities, and independent special districts. The entire agenda packet is posted on the LAFCO website.

The Executive Officer will transmit the adopted proposed budget and work program, including any changes that may be made by the Commission, to affected parties. The adopted proposed budget and work program will be posted on the LAFCO website. Any comments received will be forwarded to the Commission for discussion at the April 23 hearing, at which time the Commission may adopt the final budget. The adopted final budget and work program will be transmitted to all affected parties, including the County Auditor Controller.

Respectfully Submitted,



Kate McKenna, AICP
LAFCO Executive Officer

Attachments:

Exhibit A - Draft Proposed Budget for FY 2007-2008

Exhibit B - Cost Allocation Estimates for Individual Cities and Special Districts
(Information Only)

Exhibit C - Draft Work Program for FY 2007-2008

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY
 PROPOSED BUDGET WORKSHEET
 FISCAL YEAR 2007-2008

EXHIBIT A

	Adopted Budget Fiscal Year 2006-07	Revised Budget Fiscal Year 2006-07, Adopted by Commission 02/26/07	Estimated Year End Expenditures Fiscal Year 2006-07	Proposed Budget Fiscal Year 2007-08
6000	\$ 347,116.00	\$ 347,116.00	\$ 347,116.00	\$ 374,027.00
6010-Accrued Leave Reserve	-	\$ 25,025.48	\$ 25,025.48	\$ 10,000.00
6100	\$ 179,000.00	\$ 179,000.00	\$ 179,000.00	\$ 224,599.00
7000	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 7,000.00
7010	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00
7030	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 7,000.00
7040	\$ 5,000.00	\$ 5,000.00	\$ 2,500.00	\$ 2,500.00
7060	\$ 1,500.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
7070	\$ 2,000.00	\$ 600.00	\$ 516.20	\$ 1,000.00
7080	\$ 2,500.00	\$ 2,500.00	\$ 3,120.00	\$ 2,500.00
7085	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
7090	\$ 15,300.00	\$ 15,300.00	\$ 15,300.00	\$ 16,000.00
7100	\$ 5,000.00	\$ -	\$ -	\$ -
7110	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 6,000.00
7120	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
XXXX	\$ -	\$ -	\$ -	\$ 1,000.00
7130	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
7140	\$ 6,800.00	\$ 6,200.00	\$ 5,663.60	\$ 10,575.00
7150	\$ 3,000.00	\$ 2,600.00	\$ 2,600.00	\$ 4,500.00
7160	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00
7170	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 28,000.00
7200	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 7,500.00
7210	\$ 5,350.00	\$ 5,350.00	\$ 5,291.00	\$ -
7230	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
7240	\$ 127,000.00	\$ 134,999.13	\$ 140,474.52	\$ 126,000.00
(a) Completion of Municipal Services Reviews	\$ 10,000.00	\$ -	\$ -	\$ -
(b) Legal Counsel	\$ 35,000.00	\$ 48,053.26	\$ 53,529.00	\$ 40,000.00
(c) Accounting and Financial Services	\$ 22,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00
(d) Human Resources	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
(e) Annual Audit	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 11,000.00
(f) Temporary In-House Professional Services	\$ 25,000.00	\$ 6,945.87	\$ 6,946	\$ 15,000.00
(g) Pass-Through Charges for Project Related Work	\$ 20,000.00	\$ 20,000.00	\$ 20,000	\$ 10,000.00
Miscellaneous Office Expenses	\$ 300.00	\$ 700.00	\$ 700.00	\$ 1,000.00
Legal Notices	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Recruitment Advertising	\$ -	\$ -	\$ -	\$ -
LAFCO Memberships	\$ 2,500.00	\$ 3,000.00	\$ 3,000.00	\$ 3,500.00
Litigation Reserve	\$ 40,000.00	\$ 40,000.00	\$ 10,000.00	\$ 120,000.00
Records Storage and Security	\$ 5,000.00	\$ -	\$ -	\$ -
Contingency Reserve	\$ -	\$ -	\$ -	\$ 20,000.00
SUB TOTAL EXPENDITURES	\$ 817,716.00	\$ 857,716.00	\$ 824,456.80	\$ 1,007,851.00
LESS PASS-THROUGH CHARGES (Line Item "g" above)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (10,000.00)
TOTAL EXPENDITURES (NET)	\$ 797,716.00	\$ 837,716.00	\$ 804,456.80	\$ 997,851.00

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY
 PROPOSED BUDGET WORKSHEET
 FISCAL YEAR 2007-2008

EXHIBIT A

	Adopted Budget Fiscal Year 2006-07	Revised Budget Fiscal Year 2006-07, Adopted by Commission 02/26/07	Estimated Year End Expenditures Fiscal Year 2006-07	Proposed Budget Fiscal Year 2007-08
Revenues:				
Fees:				
a. Project	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
b. Pass-through	\$ 20,000	\$ 20,000	\$ 20,000	\$ 10,000
Carryover from Prior FY Unallocated Funds	\$ -	\$ -	\$ -	\$ -
County Contribution	\$ 245,905	\$ 245,905	\$ 245,905	\$ 314,284
City Contribution	\$ 245,905	\$ 245,905	\$ 245,905	\$ 314,284
District Contribution	\$ 245,905	\$ 245,905	\$ 245,905	\$ 314,284
Interest	\$ 10,000	\$ 10,000	\$ 10,000	\$ 5,000
SUB TOTAL REVENUES	\$ 817,716	\$ 817,716	\$ 817,716	\$ 1,007,851
LESS PASS-THROUGH FEES (Line Item 7240 (g))	\$ (20,000)	\$ (20,000)	\$ (20,000)	\$ (10,000)
TOTAL REVENUE (NET)	\$ 797,716	\$ 797,716	\$ 797,716	\$ 997,851

EXHIBIT B

Monterey County Cities
LAFCO Projected Cost Allocation Formula - Using 2005-06 City Revenue Totals

Based on Proposed Budget for FY 2007-08

	All Funds Including General	2007-08 PROJECTED AMOUNT TO BE BILLED
	2005-06 Revenue	
1 Greenfield	\$11,186,841	\$ 12,787.95
2 King City	\$7,558,476	\$ 8,640.28
3 Monterey	\$66,231,743	\$ 75,711.13
4 Pacific Grove	\$15,632,543	\$ 17,869.94
5 Sand City	\$5,857,788	\$ 6,696.18
6 Salinas	\$95,064,198	\$ 108,670.22
7 Gonzales	\$4,764,377	\$ 5,446.28
8 Del Rey Oaks	\$1,805,416	\$ 2,063.82
9 Carmel	\$11,909,320	\$ 13,613.84
10 Marina	\$16,301,114	\$ 18,634.20
11 Soledad	\$9,761,340	\$ 11,158.43
12 Seaside	\$28,861,016	\$ 32,991.74
Total	<u>\$274,934,172</u>	<u>\$ 314,284.00</u>
		100.0%

Note: This is for rough estimates only, using out-of-date city revenue information. Current financial information is not yet available. The Actual 2007-08 Cost will be determined by adopted 2007-08 LAFCO budget and 2006-07 financial statements to be provided by Cities.

Last Updated: March 22, 2007

Monterey County Independent Special Districts
LAFCO Cost Allocation Formula: Proportionalate Percentages

EXHIBIT B

Projected for FY 2007-08

Based on LAFCO Proposed Budget for FY 2007-08

MEMORIAL DISTRICTS									
Greenfield Memorial District	98,050	0.17%	522						
Spreckels Memorial District	166,020	0.28%	878						
MOSQUITO ABATEMENT DISTRICTS									
No. Salinas Valley Mosquito Abatement	887,853	1.50%	4,724						
RECREATION & PARK DISTRICTS									
Carmel Valley Recreation & Park	55,490	0.09%	295						
North County Public Recreation	476,126	0.81%	2,533						
Greenfield Recreation & Park	104,481	0.18%	556						
Monterey Peninsula Regional Park	1,467,036	2.48%	7,805						
Soledad-Mission Recreation & Park	82,487	0.14%	439						
RESOURCE CONSERVATION									
Monterey Co. Resource Conservation	56,938	0.10%	303						
SOLID WASTE DISPOSAL									
Monterey Regional Waste Mgt. District				9,753,643	16.51%	51,894	\$51,894	16.51%	
WASTEWATER/SANITARY									
Carmel Area Wastewater District				2,829,245	4.79%	15,053	\$15,053	4.79%	
WATER DISTRICTS									
Average-County-Water District									
San Benito County									
Castroville County Water District				749,341	1.27%	3,987	\$3,987	1.27%	
Marina Coast Water District (County WD)				2,792,007	4.73%	14,855	\$14,855	4.73%	
San Ardo Water District (Calif. WD)				37,185	0.06%	198	\$198	0.06%	
San Lucas County Water District				41,016	0.07%	218	\$218	0.07%	
TOTALS:				\$19,654,606	33.27%	\$104,572	\$24,648,241	41.73%	\$131,141
				Subtotal Operating Revenue:			\$44,302,847	75.00%	
DISPROPORTIONATE IMPACT MITIGATION									
Salinas Valley Memorial Hospital - Allocation Based on Total Revenue									
							176,401,101	79.93%	251,196
Salinas Valley Memorial Hospital - Adjusted at a fixed percentage of total special districts LAFCO cost:									
							\$78,571	25.00%	
							\$314,284	100.00%	

Special Districts' Contributions to the LAFCO Budget				
	Actual	Actual	Proposed	Percent
	2005/2006	2006/2007	2007/2008	Increase
<u>AIRPORTS</u>				
Monterey Airport District	\$10,447.25	\$18,254.77	\$23,331	27.8%
<u>CEMETERIES</u>				
Castroville Cemetery	\$222.74	\$389.20	\$497	27.7%
Cholame Cemetery District	\$0.44	\$0.77	\$1	30.6%
Gonzales Cemetery District	\$145.88	\$254.89	\$326	27.9%
Greenfield Cemetery District	\$117.16	\$204.71	\$262	28.0%
King City Cemetery District	\$299.02	\$522.49	\$668	27.8%
San Ardo Cemetery District	\$14.43	\$25.21	\$32	27.0%
San Lucas Cemetery District	\$24.78	\$43.29	\$55	27.0%
Soledad Cemetery District	\$148.40	\$259.31	\$331	27.6%
<u>COMMUNITY SERVICES DISTRICTS</u>				
Pajaro/Sunny Mesa CSD	\$886.91	\$1,549.73	\$1,981	27.8%
Pebble Beach CSD	\$14,824.12	\$25,902.60	\$33,105	27.8%
Spreckels CSD	\$168.36	\$294.18	\$376	27.8%
<u>FIRE DISTRICTS</u>				
Aromas Tri-County FPD	\$1,778.29	\$3,107.26	\$3,971	27.8%
Carmel Highlands FPD	\$2,147.02	\$3,751.54	\$4,795	27.8%
Carmel Valley FPD	\$5,363.53	\$9,371.85	\$11,978	27.8%
Cypress FPD	\$4,127.88	\$7,212.77	\$9,218	27.8%
Gonzales Rural FPD	\$113.89	\$199.00	\$254	27.6%
Greenfield FPD	\$656.52	\$1,147.15	\$1,466	27.8%
Mission-Soledad FPD	\$305.98	\$534.65	\$683	27.7%
North County FPD	\$6,746.69	\$11,788.68	\$15,067	27.8%
Salinas Rural FPD	\$6,960.35	\$12,162.02	\$15,544	27.8%
South Monterey County FPD	\$168.63	\$294.65	\$377	27.9%
<u>HARBOR DISTRICTS</u>				
Moss Landing Harbor District	\$3,194.58	\$5,581.99	\$7,134	27.8%
<u>HEALTH CARE DISTRICTS</u>				
Salinas Valley Memorial Hospital	\$35,183.00	\$61,476.25	\$78,571	27.8%
Soledad Community Health Care	\$0.00	\$0.00	\$0	
<u>MEMORIAL DISTRICTS</u>				
Greenfield Memorial District	\$233.60	\$408.17	\$522	27.9%
Spreckels Memorial District	\$393.15	\$686.96	\$878	27.8%
<u>MOSQUITO ABATEMENT DISTRICTS</u>				
No. Salinas Valley Mosquito Abatemt.	\$2,115.26	\$3,696.05	\$4,724	27.8%
<u>RECREATION & PARK DISTRICTS</u>				
Carmel Valley Recreation & Park	\$132.20	\$231.00	\$295	27.7%
North County Public Recreation	\$1,134.34	\$1,982.07	\$2,533	27.8%
Greenfield Recreation & Park	\$248.92	\$434.94	\$556	27.8%
Monterey Peninsula Regional Park	\$3,495.13	\$6,107.14	\$7,805	27.8%
Soledad-Mission Recreation & Park	\$196.52	\$343.39	\$439	27.8%
<u>RESOURCE CONSERVATION</u>				

Special Districts' Contributions to the LAFCO Budget				
	Actual	Actual	Proposed	Percent
	<u>2005/2006</u>	<u>2006/2007</u>	<u>2007/2008</u>	<u>Increase</u>
Monterey Co. Resource Conservation	\$135.65	\$237.03	\$303	27.8%
<u>SOLID WASTE DISPOSAL</u>				
Monterey Regional Waste Mgt. District	\$23,237.50	\$40,603.53	\$51,894	27.8%
<u>WASTEWATER/SANITARY</u>				
Carmel Area Wastewater District	\$6,740.51	\$11,777.89	\$15,053	27.8%
<u>WATER DISTRICTS</u>				
Castroville County Water District	\$1,785.26	\$3,119.44	\$3,987	27.8%
Marina Coast Water District (County WD)	\$6,651.80	\$11,622.87	\$14,855	27.8%
San Ardo Water District (Calif. WD)	\$88.59	\$154.80	\$198	27.9%
San Lucas County Water District	\$97.72	\$170.75	\$218	27.7%

**LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY
PROPOSED WORK PROGRAM
FISCAL YEAR 2007-2008**

**1. Cortese-Knox-Hertzberg Act Implementation and Other Administration
Tasks (Partial List)**

- a. Continue to monitor and refine the systems, procedures and contracts put in place for agency independence.
- b. Continue to develop financial policies and procedures, as recommended by Budget & Finance Committee and approved by Commission.
- c. Complete the implementation of a project tracking system to monitor all processing steps.
- d. Complete review of project fee schedule and hourly staff rates.
- d. Complete the implementation of an internal time tracking system.
- e. Complete LAFCO personnel procedures, as needed.
- f. Complete the comprehensive update of the agency's inventory of special districts and jurisdictions, including coordination with County's centralized GIS data base system, the State Board of Equalization, the County Assessor and County Auditor-Controller. Establish procedures for regular updates and ease of public access to inventory maps and data.
- g. Provide orientation and training for new LAFCO Commissioners (ongoing).
- h. Review, organize and update LAFCO procedures and policies for annexations and spheres of influence, etc., as legislated by State or directed by Commission.
- i. Prepare financial audit for FY 2007-2008.
- j. Update the LAFCO website layout, graphics, background information.
- k. Support Monterey LAFCO representatives on State CALAFCO Board of Directors.
- l. Monitor legislation that affects LAFCO.
- m. Establish inventory system for LAFCO property.
- n. Renegotiate office space lease.

2. Processing of Applicant-Driven Workload (Partial List)

a. Annexations into Cities or Districts

- (1) Aromas County Water District (Private Water Systems)
- (2) Marina Coast Water District (Marina Station at Armstrong Ranch)
- (3) Pajaro-Sunny Mesa Community Services District (Various Alco Water System Locations)
- (4) Various City of Greenfield Annexations
- (5) Pajaro-Sunny Mesa Community Services District (Rancho Los Robles)
- (6) City of Carmel Convalescent Hospital Annexation

b. Sphere of Influence Amendments Initiated by Cities or Districts

- (1) City of Salinas Major Sphere of Influence Amendment and Annexations
- (2) City of Salinas Fresh Express Sphere of Influence Amendment and Annexation
- (3) City of Gonzales Sphere of Influence Amendment and Annexations
- (4) City of Soledad Sphere of Influence Amendment and Annexation (Miravale 2B)
- (5) City of Soledad Major Sphere of Influence Amendment and Annexations
- (6) King City Major Sphere of Influence Amendment and Annexations
- (8) Pajaro-Sunny Mesa Community Services District Sphere of Influence Amendment and Annexations
- (9) City of Monterey Ocean View Plaza Sphere of Amendment
- (10) Salinas Rural Fire Protection District – Fort Ord Territory
- (11) Minor Adjustments of Municipal Boundaries between Del Rey Oaks, Monterey, Seaside and Pacific Grove

c. Sphere of Influence Studies Initiated by Cities or Districts

- (1) Marina Coast Water District – Boundaries Committee

d. Other Requests or Studies Initiated by County, Cities or Districts

- (1) Dissolution of Various County Service Areas
- (2) Possible Consolidation Study for Certain Monterey Peninsula Fire Districts

e. Incorporation Proposal

(1) Town of Carmel Valley

3. LAFCO-Initiated Studies and Activities (Partial List)

- a. Increase the visibility and presence of LAFCO in the community, promoting early LAFCO involvement in Sphere of Influence, General Plan, city-county dialogues, environmental review and other discussions and activities affecting government boundaries, government services and agricultural land protection.
- b. Review law and determine compliance with State mandate to update Spheres of Influence by January 1, 2008.
- c. Municipal Services Reviews – Prepare summary of Findings, Priorities and Recommended Actions for the recently completed series of reviews for all cities and districts in the County.
- d. Participate in city-county growth discussions and agreements.
- e. Review environmental documents for projects that include boundary changes, agricultural land and government services.
- f. Review of General Counsel services.