

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
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KATE McKENNA, AICP
Executive Officer

DEC 21 2009

December 19, 2009

William Merry, General Manager
Monterey Regional Waste Management District
P.O. Box 1670
Marina, CA 93933

Re: Policy on Annual Contributions to Commission's Operating Expenses

Dear Mr. ^{William}Merry:

This communication confirms that the Local Agency Formation Commission of Monterey County took action through Resolution 09-21 to adopt a Policy on annual contributions to the net operating expenses of LAFCO.

The effective date of the adopted Policy is July 1, 2010. Section 2 of the Resolution contains provisions for annual contributions in Fiscal Year 2009-2010.

Enclosed is a copy of the signed Resolution and Policy.

Please contact me with any further questions.

Sincerely,



Kate McKenna, AICP
Executive Officer

Enclosure

THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RESOLUTION NO. 09-21

POLICY ON ANNUAL CONTRIBUTION TO THE NET OPERATING EXPENSES OF THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

WHEREAS, pursuant to the Cortese-Knox-Hertzberg Act, the net operating expenses of the Commission are apportioned by the County Auditor pursuant to the formula in the Act and based upon the Commission's adopted budget for the fiscal year; and

WHEREAS, the Commission directed the preparation of a policy to implement statutory provisions regarding the collection of annual local agency contributions, and to establish discretionary provisions for relief for extraordinary fiscal circumstances that may exist for local agencies; and

WHEREAS, the Budget and Finance Committee has reviewed and recommends approval of the attached policy; and

WHEREAS, the Local Agency Formation Commission wishes to adopt these financial policies to establish a fair process to assist contributing agencies that are experiencing extraordinary fiscal circumstances, while ensuring that LAFCO will continue to receive sufficient funds to undertake its statutorily mandated duties;

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of Monterey County hereby adopts the following Policy on Annual Contribution to LAFCO's Net Operating Expenses.

Section 1. APPROVAL OF POLICY AND EFFECTIVE DATE

The effective date of the adopted Policy is July 1, 2010.

Section 2. PROVISIONS FOR ANNUAL CONTRIBUTIONS IN FISCAL YEAR 2009-2010. Contributing Entities with unpaid balances for Annual Contributions as of December 7, 2009 are authorized to defer payments to no later than March 31, 2010. If any Contributing Entity has not made its full Annual Contribution on or before March 31, 2010, the Commission shall consider all available remedies pursuant to Section 56381 (c) of the Act for collection of the Annual Contribution, including litigation. The Executive Officer is authorized to request that the County Auditor forward the Transfer Amount for any Contributing Entity that has not made a timely payment of its Annual Contribution in Fiscal Year 2009-2010, at any time after March 31, 2010 but no later than June 30, 2010.

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

POLICY ON ANNUAL CONTRIBUTION TO COMMISSION NET OPERATING EXPENSES

Adopted on December 7, 2009

INTRODUCTION

Pursuant to Section 56381 (b) (1) of the Cortese – Knox – Hertzberg Act (“Act”), Government Code section 56000, et seq., the net operating expenses (“Expenses”) of the Local Agency Formation Commission of Monterey County (“Commission”) are apportioned by the County Auditor pursuant to the formula in the Act and based upon the Commission’s adopted budget for the fiscal year. Following apportionment, and no later than July 1 of each year, the Auditor requests payment from the County of Monterey, and each city and special district within the County (each a “Contributing Entity”), for their respective annual share of the Expenses (the “Annual Contribution”). Each Contributing Entity has sixty (60) days within which to make its Annual Contribution and, if the Annual Contribution is not forthcoming within that period, the Commission may pursue all available remedies for payment, including a request that the County Auditor forward to the Commission an equivalent amount of property tax, fees or other eligible revenue owed to any Contributing Entity (“Transfer Amount”).

The Commission recognizes that from time-to-time a Contributing Entity may experience extraordinary fiscal circumstances that lead to difficult budgetary choices. In order to assist Contributing Entities facing difficult financial circumstances, while ensuring that the Commission receives sufficient funds in a timely manner in order to carry out its responsibilities, the Commission adopts the following policy.

POLICY

1. Payment of Annual Contribution.

It is the policy of the Commission that all Contributing Entities make the Annual Contribution no later than August 31 of the corresponding fiscal year for that contribution. If such Contributing Entity has not made its Annual Contribution on or before August 31 of each fiscal year, the Commission shall consider all available remedies pursuant to Section 56381 (c) of the Act for collection of the Annual Contribution, including a request to the County Auditor to forward to the Commission the Transfer Amount, or litigation, unless the Contributing Entity timely applies for and