LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

132 W. Gabilan Street, #102
Salinas, CA 93901

P. O. Box 1369
Salinas, CA 93902

Voice: 831-754-5838

www.monterey.lafco.ca.gov

AGENDA
LAFCO Budget & Finance Committee Meeting

Thursday, February 20, 2025
2:00 p.m.

LAFCO OFFICE
132 W. Gabilan Street, Suite #102
Salinas, California

This meeting will be conducted in person at the LAFCO Office. The public may attend the meeting or participate by Zoom app.

Instructions for Remote Public Participation

1. **To View or 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/93504735532**

   The meeting ID is: 935 0473 5532. There is no password. To make a public comment, please "Raise your Hand."

2. **To Participate by Phone**: Please call: **+1 669 900 6833**
   Enter the meeting ID: 935 0473 5532 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.

3. **To Make Remote Public Comments Via Email**: Written comments can be emailed to the Clerk to the Commission at: malukis@monterey.lafco.ca.gov. Please include the following Subject Line: "*Public Comment – Agenda Item #___*. Written comments must be received by noon on the day of the meeting. All submitted comments will be provided to the Committee 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
BUDGET & FINANCE COMMITTEE MEETING
Thursday, February 20, 2025

California Environmental Quality Act: *The agenda items below are not projects under CEQA Guidelines Section 15378, unless otherwise noted.*

Call to Order

Roll Call

Public Comments
Anyone may address the Committee briefly concerning items not already on the agenda.

Special Business

1. Selection of Budget and Finance Committee Chair (pg. 5).
   Recommended Action: Select a Committee Chair for calendar year 2025.

New Business

2. November 30, 2024, December 31, 2024, and January 31, 2025 Draft Balance Sheets and Income Statements (pg. 6).
   Recommended Action: Accept the statements for information only.
3. Profit/Loss Budget vs. Actual Report dated February 11, 2025 (pg. 19).
   Recommended Action: Accept report for information only.
4. Proposed Annual Update to LAFCO's Policies and Procedures Manual (pg. 22).
   Recommended Action: Discuss and recommend that the Commission adopt an annual update to LAFCO of Monterey County's Policies and Procedures Manual at the March 24, 2025 regular LAFCO meeting.
5. Preliminary Draft Annual Work Program for Fiscal Year 2025-2026 (pg. 53).
   Recommended Action: Discuss report and recommend that the Commission approve the proposed Fiscal Year 2025-2026 annual work program, at the March 24, 2025 regular LAFCO meeting.
6. Preliminary Draft Annual Budget for Fiscal Year 2025-2026 (pg. 58).
   Recommended Action: Discuss report and recommend that the Commission: (1) Conduct a public hearing on March 24 to consider adoption of a proposed budget for Fiscal Year 2025-2026, and (2) Distribute the proposed budget to local agencies for review and comment prior to final adoption at a second hearing on April 28.
7. Three-Year Financial Forecast (FY 2025-2026 through FY 2027-2028) (pg. 65).
   Recommended Action: Discuss report for information only.

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

8. Communications: Personnel Update (pg. 67)

Adjournment

The next Budget & Finance Committee Meeting is scheduled for Thursday, May 15, 2025 – 2:00 PM at the LAFCO Office, 132 W. Gabilan Street, Suite #102, Salinas, CA.

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.

AMERICANS WITH DISABILITIES ACT (ADA): *All regular and special meeting agendas and associated reports are available at 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 shall be made with LAFCO of Monterey County staff at (831) 754-5838 at least three business days prior to the respective meeting.*

AGENDA ITEM NO. 1

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION 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 www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: February 20, 2025

TO: Chair and Members of the Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: **Selection of Committee Chair**

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

SUMMARY OF RECOMMENDATIONS:

Select the Budget and Finance Committee Chair for calendar year 2025

EXECUTIVE OFFICER'S REPORT:

The Budget and Finance Committee is a standing committee of the Local Agency Formation Commission. The Committee selects a Chair on an annual basis.

Respectfully Submitted,

Kate McKenna, AICP
Executive Officer

AGENDA ITEM NO. 2

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION 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 www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE:	February 20, 2025
TO:	Budget and Finance Committee
FROM:	Kate McKenna, AICP, Executive Officer
PREPARED BY:	Jonathan Brinkmann, Senior Analyst
SUBJECT:	**November 30, 2024, December 31, 2024 & January 31, 2025 Draft Balance Sheets and Income Statements**
CEQA:	Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Accept the statements for information only.

EXECUTIVE OFFICER'S REPORT:

Attached are the draft balance sheet and income statements for November 30, 2024, December 31, 2024 and January 31, 2025. Prepared by CliftonLarsonAllen, LLP, the statements are generally as anticipated for this period.

Respectfully Submitted,

Kate McKenna, AICP,
Executive Officer

Attachments:
1. Draft Balance Sheet and Income Statement for November 30, 2024
2. Draft Balance Sheet and Income Statement for December 31, 2024
3. Draft Balance Sheet and Income Statement for January 31, 2025

LAFCO of Monterey County
Balance Sheet
As of November 30, 2024

	Nov 30, 24
ASSETS	
Current Assets	
Checking/Savings	
1007 · Wells Fargo Checking	133,302.90
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	264,150.93
1013 · Designated Cash - Accrued Leave	85,169.81
1014 · Designated Cash-Post Retirement	102,716.00
1015 · Designated Cash-Contingency	282,764.00
1010 · Cash Co. Treasury - Other	719,287.90
Total 1010 · Cash Co. Treasury	1,454,088.64
Total Checking/Savings	1,587,391.54
Other Current Assets	
1400 · Prepaid Insurance	7,631.90
1405 · Prepaid Expenses	2,642.59
Total Other Current Assets	10,274.49
Total Current Assets	1,597,666.03
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-57,411.07
Total Fixed Assets	390.92
Other Assets	
1800 · Deferred Outflows-PERS Contrib.	219,515.31
1805 · Deferred Outflows-Actuarial	180,786.40
1810 · Deferred Outflows-OPEB Contrib	1,848.00
1815 · Deferred Outflow-OPEB Actuarial	24,393.00
1900 · Operating Right of Use Asset	113,449.80
Total Other Assets	539,992.51
TOTAL ASSETS	**2,138,049.46**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	5,372.66
Total Accounts Payable	5,372.66
Credit Cards	
WFB Mastercard X0850 (Kate)	931.94
Total Credit Cards	931.94
Other Current Liabilities	
2220 · Accrued Leave	85,169.81
2410 · Post Retirement (GASB 75)	102,716.00
2200 · Payroll Liabilities	168.00
2601 · Current Portion Lease Obligat.	31,913.55
Total Other Current Liabilities	219,967.36
Total Current Liabilities	226,271.96

LAFCO of Monterey County
Balance Sheet
As of November 30, 2024

	Nov 30, 24
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	105,833.03
2500 · Deferred Inflow-GAB68 Actuarial	39,984.22
2505 · Deferred Inflows-OPEB Actuarial	43,426.00
2600 · Operating Lease Liability	83,955.67
Total Long Term Liabilities	273,198.92
Total Liabilities	499,470.88
Equity	
3700 · Invested in Capital Assets	390.92
3710 · Encumbered Funds	16,404.02
3800 · Reserve for Litigation	264,150.93
3810 · Reserve for Contingency	282,764.00
3850 · Unreserved Fund	460,823.99
Net Income	614,044.72
Total Equity	1,638,578.58
TOTAL LIABILITIES & EQUITY	2,138,049.46

LAFCO of Monterey County
Profit & Loss
July through November 2024

	Jul - Nov 24	
Ordinary Income/Expense		
Income		
4000 · Fees		
4005 · Project	3,457.50	
Total 4000 · Fees		3,457.50
4205 · County Contributions		371,898.00
4210 · City Contributions		371,898.00
4220 · District Contributions		371,897.94
4300 · Interest		13,465.99
Total Income		1,132,617.43
Expense		
7300 · Depreciation		453.00
6000 · Employee Salaries		
6002 · Regular Earnings	250,752.40	
6004 · FORA Admin Earnings	0.00	
Total 6000 · Employee Salaries		250,752.40
6100 · Employee Benefits		
6013 · Post Retirement Healthcare	785.00	
6010 · Accrued Leave	1,603.90	
6007 · Management Expense Allowance		
6011 · Management Car Allowance	2,000.00	
6007 · Management Expense Allowance - Other	250.00	
Total 6007 · Management Expense Allowance		2,250.00
6102 · Worker's Compensation Insurance	1,237.15	
6101 · Payroll Expenses	3,877.53	
6103 · Employee Memberships	340.00	
6104 · Deferred Comp Plan Contribution	15,546.65	
6105 · PERS Retirement	80,578.14	
6110 · PERS Health		
6111 · Med ER Non-Ele	3,140.00	
6112 · Med ER Pre Tax	32,510.45	
6110 · PERS Health - Other	130.35	
Total 6110 · PERS Health		35,780.80
6130 · Insurance		
6131 · LIFE	626.00	
6132 · ADD	41.05	
6133 · Dental	3,076.00	
6134 · Vision	531.00	
6135 · LTD	2,230.10	
6139 · STD	480.30	
Total 6130 · Insurance		6,984.45
7294 · Accrued Leave Reserve		0.00
6100 · Employee Benefits - Other		700.00
Total 6100 · Employee Benefits		149,683.62

LAFCO of Monterey County
Profit & Loss
July through November 2024

	Jul - Nov 24
7000 · Postage and Shipping	1,586.08
7010 · Books and Periodical	238.00
7030 · Copy Machine	2,789.50
7060 · Office Supplies	1,566.11
7080 · Computer Hardware/Peripherals	417.51
7085 · Computer Support Svc Fixed Cost	1,105.98
7090 · Computer Support Svc Variable	0.00
7100 · Computer Software	159.99
7105 · Meeting Broadcast Services	2,000.00
7110 · Property and Gen Liability Ins	3,270.75
7120 · Office Maintenance Services	375.00
7140 · Travel	6,923.20
7150 · Training, Conferences & Wrkshps	10,052.00
7160 · Vehicle Mileage	1,331.29
7170 · Rental of Buildings	14,255.05
7200 · Telephone Communications	1,857.90
7242 · Outside Prof Svc-Accounting	26,700.00
7248 · Outside Prof Svc-Annual Audit	22,000.00
7245 · General Legal Services	4,728.40
7250 · Miscellaneous Office Expense	110.96
7260 · Legal Notices	229.50
7280 · LAFCO Memberships	8,316.00
7290 · Litigation Reserve	7,670.47
Total Expense	518,572.71
Net Ordinary Income	614,044.72
Net Income	614,044.72

LAFCO of Monterey County
Balance Sheet
As of December 31, 2024

	Dec 31, 24
ASSETS	
Current Assets	
Checking/Savings	
1007 · Wells Fargo Checking	196,728.00
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	255,856.53
1013 · Designated Cash - Accrued Leave	88,262.43
1014 · Designated Cash-Post Retirement	102,716.00
1015 · Designated Cash-Contingency	282,764.00
1010 · Cash Co. Treasury - Other	574,489.68
Total 1010 · Cash Co. Treasury	1,304,088.64
Total Checking/Savings	1,500,816.64
Other Current Assets	
1400 · Prepaid Insurance	6,644.77
1405 · Prepaid Expenses	3,141.08
Total Other Current Assets	9,785.85
Total Current Assets	1,510,602.49
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-57,476.79
Total Fixed Assets	325.20
Other Assets	
1800 · Deferred Outflows-PERS Contrib.	219,515.31
1805 · Deferred Outflows-Actuarial	180,786.40
1810 · Deferred Outflows-OPEB Contrib	1,848.00
1815 · Deferred Outflow-OPEB Actuarial	24,393.00
1900 · Operating Right of Use Asset	110,997.57
Total Other Assets	537,540.28
TOTAL ASSETS	**2,048,467.97**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	21,132.53
Total Accounts Payable	21,132.53
Credit Cards	
WFB Mastercard X0850 (Kate)	143.66
Total Credit Cards	143.66
Other Current Liabilities	
2220 · Accrued Leave	88,262.43
2410 · Post Retirement (GASB 75)	102,716.00
2200 · Payroll Liabilities	168.00
2601 · Current Portion Lease Obligat.	29,546.78
Total Other Current Liabilities	220,693.21
Total Current Liabilities	241,969.40

LAFCO of Monterey County
Balance Sheet
As of December 31, 2024

	Dec 31, 24
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	105,833.03
2500 · Deferred Inflow-GAB68 Actuarial	39,984.22
2505 · Deferred Inflows-OPEB Actuarial	43,426.00
2600 · Operating Lease Liability	83,955.67
Total Long Term Liabilities	273,198.92
Total Liabilities	515,168.32
Equity	
3700 · Invested in Capital Assets	325.20
3710 · Encumbered Funds	16,404.02
3800 · Reserve for Litigation	255,856.53
3810 · Reserve for Contingency	282,764.00
3850 · Unreserved Fund	469,184.11
Net Income	508,765.79
Total Equity	1,533,299.65
TOTAL LIABILITIES & EQUITY	2,048,467.97

LAFCO of Monterey County
Profit & Loss
July through December 2024

	Jul - Dec 24	
Ordinary Income/Expense		
Income		
4000 · Fees		
4005 · Project	3,457.50	
Total 4000 · Fees		3,457.50
4205 · County Contributions		371,898.00
4210 · City Contributions		371,898.00
4220 · District Contributions		371,897.94
4300 · Interest		13,467.31
Total Income		1,132,618.75
Expense		
7300 · Depreciation		518.72
6000 · Employee Salaries		
6002 · Regular Earnings	296,427.60	
6004 · FORA Admin Earnings	0.00	
Total 6000 · Employee Salaries		296,427.60
6100 · Employee Benefits		
6013 · Post Retirement Healthcare		942.00
6010 · Accrued Leave		4,696.52
6007 · Management Expense Allowance		
6011 · Management Car Allowance	2,400.00	
6007 · Management Expense Allowance - Other	300.00	
Total 6007 · Management Expense Allowance		2,700.00
6102 · Worker's Compensation Insurance		1,473.99
6101 · Payroll Expenses		4,584.35
6103 · Employee Memberships		340.00
6104 · Deferred Comp Plan Contribution		18,378.51
6105 · PERS Retirement		85,987.70
6110 · PERS Health		
6111 · Med ER Non-Ele	3,768.00	
6112 · Med ER Pre Tax	40,195.86	
6110 · PERS Health - Other	154.79	
Total 6110 · PERS Health		44,118.65
6130 · Insurance		
6131 · LIFE	751.20	
6132 · ADD	49.26	
6133 · Dental	2,657.72	
6134 · Vision	485.36	
6135 · LTD	2,312.88	
6139 · STD	517.89	
Total 6130 · Insurance		6,774.31
7294 · Accrued Leave Reserve		0.00
6100 · Employee Benefits - Other		700.00
Total 6100 · Employee Benefits		170,696.03

LAFCO of Monterey County
Profit & Loss
July through December 2024

	Jul - Dec 24
7000 · Postage and Shipping	2,096.61
7010 · Books and Periodical	238.00
7030 · Copy Machine	3,214.19
7060 · Office Supplies	2,633.10
7080 · Computer Hardware/Peripherals	1,005.06
7085 · Computer Support Svc Fixed Cost	6,750.88
7090 · Computer Support Svc Variable	3,900.00
7100 · Computer Software	159.99
7105 · Meeting Broadcast Services	3,000.00
7110 · Property and Gen Liability Ins	3,924.90
7120 · Office Maintenance Services	375.00
7140 · Travel	6,923.20
7150 · Training, Conferences & Wrkshps	10,052.00
7160 · Vehicle Mileage	1,331.29
7170 · Rental of Buildings	17,106.06
7200 · Telephone Communications	1,996.25
7242 · Outside Prof Svc-Accounting	37,100.00
7248 · Outside Prof Svc-Annual Audit	22,000.00
7245 · General Legal Services	5,927.20
7250 · Miscellaneous Office Expense	149.51
7260 · Legal Notices	229.50
7280 · LAFCO Memberships	8,316.00
7290 · Litigation Reserve	15,964.87
Total Expense	622,035.96
Net Ordinary Income	510,582.79
Other Income/Expense	
Other Expense	
8106 · Prior Yr Project Fees Returned	1,817.00
Total Other Expense	1,817.00
Net Other Income	-1,817.00
Net Income	508,765.79

LAFCO of Monterey County
Balance Sheet
As of January 31, 2025

	Jan 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1007 · Wells Fargo Checking	68,019.19
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	255,856.53
1013 · Designated Cash - Accrued Leave	68,247.01
1014 · Designated Cash-Post Retirement	102,716.00
1015 · Designated Cash-Contingency	282,764.00
1010 · Cash Co. Treasury - Other	594,505.10
Total 1010 · Cash Co. Treasury	1,304,088.64
Total Checking/Savings	1,372,107.83
Other Current Assets	
1400 · Prepaid Insurance	5,753.78
1405 · Prepaid Expenses	827.78
Total Other Current Assets	6,581.56
Total Current Assets	1,378,689.39
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-57,541.79
Total Fixed Assets	260.20
Other Assets	
1800 · Deferred Outflows-PERS Contrib.	219,515.31
1805 · Deferred Outflows-Actuarial	180,786.40
1810 · Deferred Outflows-OPEB Contrib	1,848.00
1815 · Deferred Outflow-OPEB Actuarial	24,393.00
1900 · Operating Right of Use Asset	110,997.57
Total Other Assets	537,540.28
TOTAL ASSETS	**1,916,489.87**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	2,446.98
Total Accounts Payable	2,446.98
Other Current Liabilities	
2220 · Accrued Leave	68,247.01
2410 · Post Retirement (GASB 75)	102,716.00
2200 · Payroll Liabilities	616.00
2601 · Current Portion Lease Obligat.	29,546.78
Total Other Current Liabilities	201,125.79
Total Current Liabilities	203,572.77
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	105,833.03
2500 · Deferred Inflow-GAB68 Actuarial	39,984.22
2505 · Deferred Inflows-OPEB Actuarial	43,426.00
2600 · Operating Lease Liability	83,955.67
Total Long Term Liabilities	273,198.92
Total Liabilities	476,771.69

LAFCO of Monterey County
Balance Sheet
As of January 31, 2025

	Jan 31, 25
Equity	
3700 · Invested in Capital Assets	260.20
3710 · Encumbered Funds	16,404.02
3800 · Reserve for Litigation	255,856.53
3810 · Reserve for Contingency	282,764.00
3850 · Unreserved Fund	469,249.11
Net Income	415,184.32
Total Equity	1,439,718.18
TOTAL LIABILITIES & EQUITY	**1,916,489.87**

LAFCO of Monterey County
Profit & Loss
July 2024 through January 2025

		Jul '24 - Jan 25
Ordinary Income/Expense		
Income		
4000 · Fees		
4005 · Project	3,457.50	
Total 4000 · Fees		3,457.50
4205 · County Contributions		371,898.00
4210 · City Contributions		371,898.00
4220 · District Contributions		371,897.94
4300 · Interest		13,468.54
Total Income		1,132,619.98
Expense		
7300 · Depreciation		583.72
6000 · Employee Salaries		
6002 · Regular Earnings	363,144.23	
6004 · FORA Admin Earnings	0.00	
Total 6000 · Employee Salaries		363,144.23
6100 · Employee Benefits		
6013 · Post Retirement Healthcare	1,100.00	
6010 · Accrued Leave	-15,318.90	
6007 · Management Expense Allowance		
6011 · Management Car Allowance	2,800.00	
6007 · Management Expense Allowance - Other	350.00	
Total 6007 · Management Expense Allowance		3,150.00
6102 · Worker's Compensation Insurance		1,710.83
6101 · Payroll Expenses		6,737.99
6103 · Employee Memberships		340.00
6104 · Deferred Comp Plan Contribution		22,514.94
6105 · PERS Retirement		93,960.68
6110 · PERS Health		
6111 · Med ER Non-Ele	4,400.00	
6112 · Med ER Pre Tax	47,382.23	
6110 · PERS Health - Other	179.69	
Total 6110 · PERS Health		51,961.92
6130 · Insurance		
6131 · LIFE	876.40	
6132 · ADD	57.47	
6133 · Dental	3,185.88	
6134 · Vision	577.99	
6135 · LTD	2,676.20	
6139 · STD	600.51	
Total 6130 · Insurance		7,974.45
7294 · Accrued Leave Reserve		16,670.40
6100 · Employee Benefits - Other		700.00
Total 6100 · Employee Benefits		191,502.31

LAFCO of Monterey County
Profit & Loss
July 2024 through January 2025

	Jul '24 - Jan 25
7000 · Postage and Shipping	2,176.23
7010 · Books and Periodical	238.00
7030 · Copy Machine	3,638.87
7060 · Office Supplies	2,682.24
7080 · Computer Hardware/Peripherals	1,005.06
7085 · Computer Support Svc Fixed Cost	6,750.88
7090 · Computer Support Svc Variable	3,900.00
7100 · Computer Software	159.99
7105 · Meeting Broadcast Services	3,000.00
7110 · Property and Gen Liability Ins	4,579.05
7120 · Office Maintenance Services	375.00
7140 · Travel	6,923.20
7150 · Training, Conferences & Wrkshps	10,052.00
7160 · Vehicle Mileage	1,331.29
7170 · Rental of Buildings	19,871.61
7200 · Telephone Communications	2,208.90
7242 · Outside Prof Svc-Accounting	37,100.00
7248 · Outside Prof Svc-Annual Audit	22,000.00
7245 · General Legal Services	5,927.20
7250 · Miscellaneous Office Expense	149.51
7260 · Legal Notices	229.50
7280 · LAFCO Memberships	10,125.00
7290 · Litigation Reserve	15,964.87
Total Expense	715,618.66
Net Ordinary Income	417,001.32
Other Income/Expense	
Other Expense	
8106 · Prior Yr Project Fees Returned	1,817.00
Total Other Expense	1,817.00
Net Other Income	-1,817.00
Net Income	415,184.32

AGENDA ITEM NO. 3

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION 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 www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: February 20, 2025

TO: Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

PREPARED BY: Jonathan Brinkmann, Senior Analyst

SUBJECT: Profit/Loss Budget vs. Actual Report dated February 11, 2025

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

SUMMARY OF RECOMMENDATION:

Accept report for information only.

EXECUTIVE OFFICER'S REPORT:

Attached is the Profit and Loss Budget vs. Actual report dated February 11, 2025. These bi-weekly reports are prepared by CliftonLarsonAllen, LLP for the purpose of monitoring budget activities. Overall, third quarter revenue and expenses to date are generally on target.

Actual employee benefit expenses excluding the UAL payments are $154,180, or approximately 60 percent of the budget.

Respectfully Submitted,

Kate McKenna

Kate McKenna, AICP,
Executive Officer

Attachment: Profit and Loss Budget vs. Actual Report, February 11, 2025, by CliftonLarsonAllen, LLP

Accountant's Compilation Report

To the Chair and Commissioners
Local Agency Formation Commission
LAFCO of Monterey County
Salinas, California

Management is responsible for the Profit and Loss Actual vs. Budget of the Local Agency Formation Commission of Monterey County (LAFCO), as of fiscal year to date February 14, 2025, included in the accompanying prescribed form in accordance with the requirements of LAFCO. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion or a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of LAFCO and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of LAFCO and is not intended to be, and should not be, used by anyone other than these specified parties.

We are not independent with respect to LAFCO.

CliftonLarsonAllen LLP

February 11, 2025
Salinas, CA

LAFCO of Monterey County
Profit & Loss Budget vs. Actual (DRAFT)
July 1, 2024 through February 14, 2025

	Jul 1, '24 - Feb 14, 25	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Fees	$ 3,457.50	$ 10,000.00	$ (6,542.50)	34.58%
4205 · County Contributions	371,898.00	371,898.00	-	100.0%
4210 · City Contributions	371,898.00	371,898.00	-	100.0%
4220 · District Contributions	371,897.94	371,898.00	(0.06)	100.0%
4300 · Interest	13,468.54	5,360.00	8,108.54	251.28%
Total Income	1,132,619.98	1,131,054.00	1,565.98	100.14%
Expense				
7300 · Depreciation	583.72	-	583.72	100.0%
6000 · Employee Salaries	385,981.83	607,036.00	(221,054.17)	63.59%
6100 · Employee Benefits	205,079.56	254,712.00	(49,632.44)	80.51%
7000 · Postage and Shipping	2,176.23	7,000.00	(4,823.77)	31.09%
7010 · Books and Periodical	238.00	1,000.00	(762.00)	23.8%
7030 · Copy Machine	3,638.87	7,000.00	(3,361.13)	51.98%
7040 · Outside Printers	-	500.00	(500.00)	0.0%
7060 · Office Supplies	2,682.24	5,000.00	(2,317.76)	53.65%
7070 · Office Equipment and Furnishing	-	1,000.00	(1,000.00)	0.0%
7080 · Computer Hardware/Peripherals	1,005.06	4,000.00	(2,994.94)	25.13%
7085 · Computer Support Svc Fixed Cost	6,750.88	12,763.00	(6,012.12)	52.89%
7090 · Computer Support Svc Variable	3,900.00	5,000.00	(1,100.00)	78.0%
7100 · Computer Software	159.99	1,277.00	(1,117.01)	12.53%
7105 · Meeting Broadcast Services	3,000.00	12,000.00	(9,000.00)	25.0%
7110 · Property and Gen Liability Ins	4,579.05	9,923.00	(5,343.95)	46.15%
7120 · Office Maintenance Services	375.00	486.00	(111.00)	77.16%
7140 · Travel	6,923.20	17,000.00	(10,076.80)	40.73%
7150 · Training, Conferences & Workshops	10,052.00	15,000.00	(4,948.00)	67.01%
7160 · Vehicle Mileage	1,331.29	1,000.00	331.29	133.13%
7170 · Rental of Buildings	22,637.16	34,212.00	(11,574.84)	66.17%
7200 · Telephone Communications	2,421.67	8,509.00	(6,087.33)	28.46%
7242 · Outside Prof Svc-Accounting	37,100.00	62,400.00	(25,300.00)	59.46%
7247 · Outside Prof Svc-Human Resource	-	5,789.00	(5,789.00)	0.0%
7248 · Outside Prof Svc-Annual Audit	22,000.00	22,000.00	-	100.0%
7245 · General Legal Services	5,927.20	20,000.00	(14,072.80)	29.64%
7250 · Miscellaneous Office Expense	149.51	1,216.00	(1,066.49)	12.3%
7260 · Legal Notices	229.50	4,000.00	(3,770.50)	5.74%
7270 · Recruitment Advertising	-	900.00	(900.00)	0.0%
7280 · LAFCO Memberships	10,125.00	10,331.00	(206.00)	98.01%
7290 · Litigation Reserve	15,964.87	-	15,964.87	100.0%
Total Expense	755,011.83	1,131,054.00	(376,042.17)	66.75%
Net Ordinary Income	377,608.15	-	377,608.15	100.0%
Other Income/(Expense)				
8106 · Prior Yr Project Fees Returned	(1,817.00)	-	(1,817.00)	100.0%
Total Income/(Expense)	(1,817.00)	-	(1,817.00)	100.0%
Net Income	$ 375,791.15	$ -	$ 375,791.15	100.0%

AGENDA ITEM NO. 4

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION 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 www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: February 20, 2025

TO: Chair and Members of the Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: Proposed Annual Update to LAFCO's Policies and Procedures Manual

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

SUMMARY OF RECOMMENDATION:

Discuss and recommend Commission adoption of an annual update to LAFCO of Monterey County's Policies and Procedures Manual at the March 24, 2025 regular LAFCO meeting.

EXECUTIVE OFFICER'S REPORT:

Overview

Consistent with LAFCO's annual work program tasks, LAFCO staff, General Counsel, and special legal counsel Liebert, Cassidy, and Whitmore (LCW) completed an annual review of LAFCO's comprehensive Policies and Procedures Manual to address any changes in Federal, State, or local laws and policies.

To facilitate review of the proposed updates to LAFCO's Policies and Procedures Manual (Attachment 1), revisions and additions to policies and procedures are shown in tracked changes (underline and blue font). Only pages of the manual with proposed updates are included under Attachment 1.

Background

On May 6, 2024, the Budget and Finance Committee reviewed and recommended Commission adoption of LAFCO's comprehensive Policies and Procedures Manual. The effort included compiling, organizing, and updating LAFCO's policies and procedures into a manual comprised of four chapters: Administrative, Financial, Human Resources, and Spheres of Influence and Changes of Organization policies and procedures. The Commission adopted LAFCO's comprehensive Policies and Procedures Manual on May 20, 2024.

Discussion

LAFCO staff, General Counsel, and LCW reviewed LAFCO's Policies and Procedures Manual and propose updates to the Administrative, Financial, and Human Resources chapters to address changes in Federal, State, and local laws and policies. There are no proposed changes to the Spheres of Influence and Changes of Organization chapter.

Review of Federal and State Laws

LAFCO staff and LCW reviewed President Trump's recent Executive Orders such as those related to Diversity, Equity, and Inclusion (DEI) programs. At this time, the Executive Orders do not affect LAFCO directly. However, staff and LCW will continue to monitor developments.

Proposed updates to address changes in Federal and State laws include:

1) Added a required annual public hearing (under Financial policies) to receive information concerning staff vacancies and recruitment prior to adoption of a final fiscal year budget (AB 2561),
2) Added policy changes (under Financial policies) to allow LAFCO to require up-front indemnification from applicants (SB 1209),
3) Modified various policies (under Human Resources policies) to comply with changes in vacation time and family leave, protections for victims of violent crimes, and combination of protected classes/characteristics (AB 2123, AB 2499, and SB 1137), and
4) Modified and removed COVID-19 policies (under Administrative policies from Appendix A) to be consistent with sunsetting provisions (previous State and Federal regulations).

Review of Other Policies

Proposed updates to address other policies include:

1) Added reference (under Human Resources policies) to LAFCO Commission adopted procedures on December 2, 2024 regarding the performance review of the LAFCO Executive Officer, and
2) Added a table (under Human Resources policies) listing LAFCO Holidays and corresponding dates to clarify when paid holidays will be observed, consistent with existing employment agreements.

LCW Associate Attorney Yesenia Carrillo will be in attendance virtually at the February 20, 2025 Budget and Finance Committee to help answer Committee Members' questions.

Respectfully Submitted,

Kate McKenna, AICP
Executive Officer

Attachment: Proposed 2025 Annual Updates to LAFCO's Policies and Procedures Manual (revisions and additions to adopted policies are shown in tracked changes)

Policies & Procedures Manual

Adopted by the Commission on May 20, 2024

Proposed 2025 Annual Updates

CHAPTER 2 – Financial Policies and Procedures

SECTION 2.1 – Budget Policies

Amended: 2005, 2009, 2014, 2022, and 2024

2.1.0 – Budget and Finance Committee

LAFCO establishes a Budget and Finance Committee, which is directed to provide quarterly budget and financial review and report to the full Commission.

2.1.1 – Open, Collaborative Process

LAFCO encourages an open, collaborative process in the development and approval of its budget, and efforts to equitably apportion or reapportion the cost of its budget. LAFCO encourages cooperation and collaborative efforts among agencies in order to reduce the costs of special projects, studies and state mandates.

2.1.2 – Authority to Develop and Adopt the Budget

Each year, following noticed public hearings, the Commission adopts proposed and final budgets. In accordance with the CKH Act, the proposed budget must be adopted by May 1 and the final budget by June 15. The budget is based on a July 1 to June 30 fiscal year.

At least once per fiscal year, prior to adoption of the final budget, the Commission shall hold a public hearing on the status of vacancies and recruitment in accordance with Government Code section 3502.3.

2.1.3 – Annual Work Program

As a part of the budget development process, LAFCO will annually review and adopt a work program to fulfill the purposes and programs of state law and local policy, including requirements for service reviews, sphere of influence updates and other mandated functions. The work plan will guide the development of the budget based on a July 1 to June 30 fiscal year.

2.1.4 – Annual Budget Schedule

LAFCO establishes the following annual budget schedule:

- February - Appoint Budget & Finance Committee.
- April - ~~A~~Report status of vacancies and recruitment and adopt preliminary budget by Commission (with required public notice and distribution).
- May - Adopt final budget by Commission (with required public notice and distribution).
- July - County Auditor-Controller to invoice the County of Monterey, cities, and special districts pursuant to Cortese-Knox-Hertzberg Act of 2000.

2.1.5 – Zero-Based Budget Program

LAFCO establishes a zero-based budget program, meaning a strategic budgeting approach in which all expenses must be justified for a new period or year starting from zero, versus starting with the previous budget and adjusting it as needed.

2.1.6 – Executive Officer's Authority to Approve Transfers Between Budget Line Items

The Executive Officer shall have the authority to transfer up to $2,000 from a budget line item within the Services and Supplies category to another line item within that category for urgent and unanticipated

Government Code section 56383 permits LAFCO to establish a schedule of fees and schedule of service charges, including, but not limited to, filing and processing applications, proceedings of the Commission, amending or updating a sphere of influence, and reconsideration of a resolution making determinations. It is LAFCO's policy to periodically review and adopt updates to its Processing and Filing Fee Schedule in accordance with applicable laws.

Applicants will be charged fees that equal the actual cost of preparation for all applications submitted to the Local Agency Formation Commission (LAFCO) of Monterey County according to the following processing and filing fee schedule. A check for the initial deposit made out to LAFCO shall be provided to the Executive Officer with the filing of an application. No action shall be taken and no Certificate of Filing will be issued for any proposal until the deposit is provided to LAFCO. Pass through fees intended for other agencies will be collected upon approval of the application by the Commission. For requests that include multiple actions or multiple changes in organization, a deposit for each requested change of organization or Sphere of Influence amendment will be provided to LAFCO.

Procedures for Cost Tracking, Monthly Invoices, and Replenishment of Deposits

LAFCO will track staff time spent on each application and send monthly invoices for the actual cost of all staff, legal, consultant and other expenses incurred in processing the application from the time of formally receiving the application and initial deposit through to completion. Requests will be made for additional payments if necessary to replenish the application's account and keep payments current with the remaining work required for an application.

Work will stop if payments stop. If an application has been deemed complete and set for a public hearing, and payments have stopped, a denial recommendation will be prepared for the application. Any balances due must be current before LAFCO issues a Certificate of Filing or a Certificate of Completion.

The Executive Officer may exercise discretion in adjusting monthly or final invoices to reflect administrative credits for staff training and similar circumstances that warrant a reduction in billable costs. Any excess funds not needed to cover the actual cost of preparation will be refunded to applicant at the end of the process.

Waiver

The Commission may waive or reduce LAFCO fees upon a finding that the proposed action would be in the public's best interest and/or is necessary for public health and safety reasons. A request for waiver must be submitted in writing to the Commission. Fees may also be waived for applications filed in response to a condition imposed by the Commission or in response to a recommendation made by the Commission.

Pre-Application Coordination and Other Services

LAFCO has a longstanding practice of providing pre-application review and coordination at no direct cost to applicants. Additionally, the Executive Officer's time is not a direct cost to applicants. A significant portion of the Executive Officer's time is related to carrying out governmental relations in support of the Commission's directives to build and maintain informal, effective working relationships that promote the public purposes of LAFCO. These services promote open communication and resolution of issues prior to Commission decisions.

2.1.10 – LAFCO Indemnification

Government Code section 56383.5 permits LAFCO to require, as a condition of processing an application, that an applicant agree to defend, indemnify, and hold LAFCO harmless from any claim,

action, or proceeding against LAFCO to attack, set aside, void, or annul an approval by the commission. All costs for legal defense of a LAFCO action are considered application processing costs. A fully executed indemnification agreement, as approved by LAFCO legal counsel, may be required for any application to be deemed complete and before a Certificate of Filing is issued.

2.1.11 – Monthly Financial Review

LAFCO's procedure for review of monthly financial reports is to receive unaudited balance sheets and profit and loss statements on a monthly basis.

2.1.12~~1~~ – Quarterly Budget and Financial Review

The LAFCO Budget and Finance Committee will review quarterly budget reports and financial statements and will provide the quarterly financial statements to the Commission along with any comments and recommendations.

2.1.13~~2~~ – Annual Audit

It is the policy of LAFCO to arrange for an annual audit of its financial statements to be conducted by an independent accounting firm (auditor). The auditor shall present a draft audit report to the LAFCO Budget and Finance Committee prior to presentation of the final audit report to the Commission. In addition, members of the Commission may initiate communication directly with the auditor.

Audited financial statements, including the auditor's opinion thereon, will be submitted to the Commission by the auditor and the financial statements will be presented for consideration by the Commission at a regular meeting. A Request for Proposals process for selection of an auditor will be conducted every five years to ensure competitive pricing and a high quality of service.

SECTION 2.2 – Fund Balance Policies

Amended: 2006, 2007, 2011, and 2024

The purpose of LAFCO's Fund Balance Policies is to ensure that sufficient funds be retained by LAFCO to provide a stable financial base at all times. To retain this stable financial base, LAFCO needs to maintain an unrestricted fund balance sufficient to fund cash flows and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls.

2.2.0 – Contingency Reserve

LAFCO's funding target for the Contingency Reserve is to maintain a reserve equal to 25 percent of LAFCO's annual budget. The purpose of the Contingency Reserve is to ensure stability in times of need, such as unanticipated emergencies or periods of negative cash flow.

2.2.1 – Litigation Reserve

LAFCO's funding target for the Litigation Reserve is to maintain a reserve equal to $300,000. The purpose of the Litigation Reserve is to fund expenditures resulting from litigation.

2.2.2 – Accrued Leave Reserve

LAFCO's funding target for the Accrued Leave Reserve is to maintain a reserve equal to the amount of LAFCO's Accrued Leave Liability. The purpose of the Accrued Leave Reserve is to cover the balance of all employees' vested time off (vacation and sick leave).

CHAPTER 3 – EMPLOYMENT HR POLICIES & PROCEDURES

Amended: 2018 and 2024

SECTION 3.1 – GENERAL EMPLOYMENT

Whenever the term "LAFCO" is used in these Policy and Procedure Guidelines, it shall mean "LAFCO of Monterey County."

3.1.0 – At-Will Employment

All positions with LAFCO are at-will. Employees serve at the pleasure and direction of the LAFCO Executive Officer. Employees shall have no authority to enter into any contracts binding upon LAFCO or to create any obligation on the part of LAFCO, except as authorized by the Executive Officer acting under the authority of the Commission or by the Commission.

All employees at LAFCO are employed pursuant to an Employee Agreement. All employees should consult their individual Employee Agreement for further explanation of the terms and conditions applicable to their specific employment with LAFCO.

LAFCO will offer a position to a successful candidate contingent upon that candidate passing a LAFCO paid pre-employment background and reference check.

3.1.1 – Equal Employment Opportunity Policy

LAFCO is strongly committed to providing equal opportunity to all employees and applicants for employment. LAFCO prohibits discrimination and harassment against employees, officers, officials, contractors, applicants for employment, unpaid interns or volunteers on the basis of race (including traits ~~historically~~ associated with race), religious creed, color, national origins, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex (including transgender, pregnancy, and breastfeeding), gender, gender identity, gender expression, age, sexual orientation, reproductive health decision-making, ~~or~~ military or veteran status, any combination of protected characteristics, or any other basis protected by law. LAFCO will afford equal employment opportunity to all qualified employees, applicants and unpaid interns as to all terms and conditions of employment including compensation, hiring, training, promotion, transfer, discipline, and termination. Employees, applicants, unpaid interns, volunteers, officers, officials or contractors who believe they have experienced any form of employment discrimination are encouraged to report this immediately, using the complaint procedure provide in these personnel rules.

Employees, applicants, unpaid interns, volunteers, officers, officials or contractors who believe they have experienced any form of employment discrimination are encouraged to report this immediately – preferably in writing, although a written complaint is not required – using the complaint procedure provided in these personnel rules at Section 3.1.3. Complaints should be as specific as possible and include names of individuals involved and the names of any witnesses. LAFCO will undertake a prompt, effective, thorough and objective investigation and will attempt to resolve the situation. If LAFCO determines that unlawful discrimination, harassment, or retaliation has occurred, effective remedial action will be taken to deter any future misconduct, including possible discipline and termination of the wrongdoer.

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Commitment Policy or the Policy Against Harassment, Discrimination, and Retaliation, or for honestly assisting in investigating such a complaint, even if the investigation produces

LAFCO has zero tolerance for any conduct that violates this Policy. Conduct need not arise to the level of a violation of law to violate this Policy. Instead, a single act can violate this Policy and provide grounds for discipline or other appropriate sanctions. Harassment or discrimination against an applicant, unpaid intern, volunteer or employee by a supervisor, management employee, elected or appointed official, co-worker, member of the public, or contractor on the basis of race (including traits ~~historically~~ associated with race), religious creed, color, national origins, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex (including transgender, pregnancy, and breastfeeding), gender, gender identity, gender expression, age, sexual orientation, reproductive health decision-making, ~~or~~ military or veteran status, any combination of protected characteristics, or any other basis protected by law ~~as~~ will not be tolerated.

This Policy applies to all terms and conditions of employment, including but not limited to, hiring placement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation, and training.

Disciplinary action or other appropriate sanction, up to and including termination, will be instituted for prohibited behavior as defined below. Any retaliation against a person for filing a complaint or participating in the complaint resolution process is prohibited. Individuals found to be retaliating in violation of this Policy will be subject to appropriate sanction or disciplinary action up to and including termination.

Policy Coverage:

This Policy prohibits LAFCO, elected or appointed officials, officers, employees or contractors from harassing or discriminating against applicants, officers, officials, employees, unpaid interns, volunteers, or contractors because of: (1) an individual's protected classification; (2) the perception that an individual has a protected classification; or (3) the individual associates with a person who has or is perceived to have a protected classification.

Definitions:

a) Protected Classification: This Policy prohibits harassment or discrimination because of an individual's protected classification "Protected Classification" includes race (including traits ~~historically~~ associated with race), religious creed, color, national origins, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex (including transgender, pregnancy, and breastfeeding), gender, gender identity, gender expression, age, sexual orientation, reproductive health decision-making, ~~or~~ military or veteran status, any combination of protected characteristics, or any other ~~basis protected by law, or any other~~ protected classification protected by law.

b) Discrimination: This Policy prohibits treating individuals differently because of the individuals protected classification as defined in this Policy.

c) Harassment: Harassment may include, but is not limited to, the following types of behavior that is taken because of a person's protected classification. Note that harassment is not limited to conduct that employer's employees take. Under certain circumstances, harassment can also include conduct taken by those who are not employees, such as elected officials, appointed officials, persons providing services under contracts, or even members of the public.

    1. Speech, such as epithets, derogatory comments, or slurs, and propositioning on the basis of a protected classification. This might include inappropriate comments on appearance,

including dress or physical features, or dress consistent with gender identification, or race oriented stories and jokes.

2. Physical acts, such as assault, impeding or blocking movement, offensive touching, or any physical interference with normal work or movement. This includes pinching, grabbing, patting, propositioning, leering, or making explicit or implied job threats or promises in return for submission to physical acts.

3. Visual acts, such as derogatory posters, cartoons, emails, pictures, or drawings related to a protected classification.

4. Unwanted sexual advances, requests for sexual favors, and other acts of a sexual nature, where submission is made a term or condition of employment, where submission to or rejection of the conduct is used as the basis for employment decisions, or where the conduct is intended to or actually does unreasonably interfere with an individual's work performance or create an intimidating, hostile, or offensive working environment.

Further Guidelines for Identifying Harassment: To clarify what constitutes harassment in violation of this Policy, use the following guidelines:

1. Harassment includes any conduct which would be "unwelcome" to an individual of the recipient's same protected classification, and which is taken because of the recipient's protected classification.

2. It is no defense that the recipient appears to have voluntarily "consented" to the conduct at issue. A recipient may not protest for many legitimate reasons, including the need to avoid being insubordinate or to avoid being ostracized.

3. Simply because no one has complained about a joke, gesture, picture, physical contact, or comment does not mean that the conduct is welcome. Harassment can evolve over time. The fact that no one is complaining now does not preclude anyone from complaining if the conduct is repeated in the future.

4. Even visual, verbal, or physical conduct between two employees who appear to welcome the conduct can constitute harassment of a third applicant, officer, official, employee, or contractor who observes the conduct or learns about the conduct later. Conduct can constitute harassment even if it is not explicitly or specifically directed at an individual.

5. Conduct can constitute harassment in violation of this Policy even if the individual engaging in the conduct has no intention to harass. Even well-intentioned conduct can violate this Policy if the conduct is directed, or implicates a protected classification, and if an individual of the recipient's same protected classification would find it offensive (e.g., gifts, over attention, endearing nicknames).

d) Retaliation: Any adverse conduct taken because an applicant, employee, unpaid intern, volunteer, or contractor, has reported harassment or discrimination, or has participated in the complaint and investigation process described herein, is prohibited. "Adverse conduct" includes but is not limited to: taking sides because an individual has reported harassment or discrimination, spreading rumors about a complaint, shunning and avoiding an individual who reports harassment or discrimination, or real or implied threats of intimidation to prevent an individual from reporting harassment or discrimination. The following individuals are protected from retaliation: those who make good faith reports of harassment or discrimination, and those who associate with an individual who is involved

- Filing a written complaint under penalty of perjury that the agency has engaged in "gross mismanagement, a significant waste of public funds, or a substantial and specific danger to public health or safety.

2. "Adverse action" may include, but is not limited to any of the following:

- Real or implied threats of intimidation to attempt or prevent an individual from reporting alleged wrongdoing or because of protected activity.
- Refusing to hire an individual because of protected activity.
- Denying promotion to an individual because of protected activity.
- Taking any form of disciplinary action because of protected activity.
- Extending a probationary period because of protected activity.
- Altering work schedules or work assignments because of protected activity.
- Condoning hostility and criticism of co-workers and third parties because of protected activity.

c) Compliant Procedure: An applicant, employee, officer, or contractor who feels he or she has been retaliated against in violation of this Policy should immediately report the conduct according to LAFCO's Harassment Complaint procedure so that the complaint can be resolved fairly and quickly.

3.1.4 – Performance Management

The Commission makes employment-related decisions pertaining to the LAFCO Executive Officer. To guide annual reviews of the LAFCO Executive Officer, the Commission approved: 1) a Performance Review Procedure and Timeline and 2) a Performance Review Form on December 2, 2024. The Executive Officer is responsible for reviewing and evaluating the performance of LAFCO employees.

A review and discussion of each employee's performance is conducted to enable the employee and the Executive Officer to discuss the employee's performance relative to his/her goals and objectives in addition to those of LAFCO. The discussion of job performance and goals on an informal, day-to-day basis is strongly encouraged. Additional formal performance evaluations are conducted at the discretion of the Executive Officer. After receiving their review, an employee will be required to sign the evaluation report acknowledging that it has been presented and discussed between the employee and the Executive Officer.

The performance of all employees is generally evaluated according to a one-year cycle on or around the employee's anniversary date. However, the frequency of performance evaluations may vary depending upon length of service, job position, past performance, changes in job duties or recurring performance problems.

Salary Increase and Promotion:

Based on the results of an employee's annual performance evaluation, the executive officer, in his or her sole discretion, may grant adjustments to an employee's basic salary. If an employee's overall performance evaluation rating is "Meets Expectations," the employee will be eligible for, but is not guaranteed, a cost-of-living adjustment. If an employee's overall performance evaluation is "Exceeds Expectations," the employee will be eligible for, but is not guaranteed, a merit pay increase not to exceed 5 percent of the employee's then current annual salary. If an employee's overall performance evaluation rating is "Below

Employees serve at the sole will and pleasure of the Executive Officer and may be removed from their positions at any time, with or without cause, and without notice or hearing. Generally, employees will be given fifteen (15) days written notice of their discharge, but such notice is not required.

The Executive Officer serves at the sole will and pleasure of LAFCO and may be removed from his or her position at any time with or without cause, and without notice or hearing. The Executive Officer should refer to their individual Employee Agreement for further terms and conditions related to their discharge.

*See Section 3.5 – Conduct and Problems and the Code of Conduct for a further explanation of employee conduct that may lead to discharge.

Exit Interview:

LAFCO may schedule exit interviews at the time of employment termination. The exit interview will provide an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to LAFCO, or return of property owned by LAFCO. Suggestions, complaints, and questions are encouraged. Employees will receive their final pay in accordance with applicable state law.

At-Will Employee:

Because employment with LAFCO is based on mutual consent, both the employee and LAFCO have the right to terminate employment at will, with or without cause, at any time. Nothing in this termination policy changes the At-Will Employment policy of LAFCO.

Compensation at Termination:

When employment with LAFCO is terminated, either by discharge, resignation, retirement, or death, the employee or employee's estate (whichever is applicable) shall receive all wages or salary due to the employee up to the date of termination on the next regularly scheduled pay date and may be entitled to the monetary value of accrued vacation or other leave benefits. All accrued, vested benefits that are due and payable upon termination will be paid in accordance with applicable state and federal law. Employees should consult their individual Employee Agreement for further explanation of potential benefit payments due upon termination.

Benefits:

Employee benefits will be affected by employment termination in the following manner. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued, and of the terms, conditions and limitations of such continuance.

3.1.7 – Outside Employment

No Outside Employment Without Prior Approval

An employee shall not engage in any paid outside ~~or self~~ employment, activity, or enterprise (including self-employment) which is inconsistent, incompatible or in conflict with their LAFCO duties, functions, responsibilities, or that of the department in which they are employed at LAFCO. In order to avoid perceived or actual conflicts of interest that may arise from outside employment, all employees must obtain written approval from the Executive Officer or their designee prior to undertaking any outside employment as described in this policy.

- Child (including biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis).
- Spouse or Registered Domestic Partner.
- Parent (including biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child).
- Grandparent.
- Grandchild.
- Sibling.
- Another designated person identified by the employee at or prior to the time the employee requests paid sick leave; an employee may designate only one such person in a 12-month period.

c) An employee who is a victim of a qualifying act of violence, or whose family member is a victim of a qualifying act of violence, may use accrued paid sick leave for the purposes outlined in Section 3.4.4 below. See "*Time off for Victims of Crimes, Violence or Domestic Abuse*", subsection (a)(3). ~~To obtain any relief or services related to being a victim of domestic violence, sexual assault, or stalking including the following with appropriate certification of the need for such services:~~

- ~~A temporary restraining order or restraining order.~~
- ~~Other injunctive relief to help ensure the health, safety, or welfare of themselves or their children.~~
- ~~To seek medical attention for injuries caused by domestic violence, sexual assault or stalking.~~
- ~~To obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault or stalking.~~
- ~~To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking.~~
- ~~To participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.~~

Notice:

An employee shall provide reasonable advance notification of their need to use accrued paid sick leave to their supervisor if the need for paid sick leave use is foreseeable (e.g., doctor's appointment scheduled in advance). If the need for paid sick leave use is unforeseeable, the employee shall provide notice of the need for the leave to their supervisor as soon as is practicable.

Other Rules for Sick Leave:

- An employee who uses paid sick leave must do so with a minimum increment of two hours of sick leave.
- In the event that an employee or member of the employee's immediate family recovers from any such sickness after being granted sick leave, and during the regularly scheduled hours of work, then such employee shall notify the appropriate immediate supervisor and be available to return to duty.

- Paid sick leave will not be granted to any employee to permit an extension of the employee's vacation.
- Supervisors shall have the discretion to place employees on sick leave when, in the judgement of the supervisor, the presence of the employee at work would endanger the health and welfare of other employees or where the illness or injury of the employee interferes with the performance of such employee's duties.
- If an employee separates from agency employment and is re-hired by the agency within one year of the date of separation, previously accrued and unused sick leave hours shall be reinstated. However, if a rehired employee had not yet worked the requisite 90 days of employment to use paid sick leave at the time of separation, the employee must still satisfy the 90 days of employment requirement collectively over the periods of employment with the agency before any paid sick leave can be used.
- An employee shall be subject to disciplinary action for abuse of sick leave which is defined as a claim of entitlement to sick leave when the employee does not meet the requirement of sick leave as defined herein.

Pay for Sick Leave:

All sick leave payments will be based on an employee's regular pay rate in effect at the time such payments are made. These payments will be coordinated with applicable disability insurance payments of Workers' Compensation insurance benefit payments so that all such payments will not exceed the employee's normal weekly gross earnings.

Full or partial days off due to illness or injury in excess of accrued sick leave by non-exempt employees will be taken without pay. Exempt employees who have used all of their accrued sick leave benefits continue to receive their salary for an occasional illness that is less than a full day under this sick leave policy. The salary of exempt employees who have exhausted their sick leave will be deducted for absences of a full day or more due to illness or disability.

Paid sick leave will not be considered hours worked for purposes of overtime calculation.

An employee will not receive compensation for unused accrued paid sick leave upon termination, resignation, retirement or separation from employment from the agency.

Sick Leave Certification:

Employees who are absent for five (5) or more consecutive workdays due to illness or injury will be required to submit a health care provider's certification to substantiate the use of sick leave. In addition, before an employee may return to work, LAFCO may require a health care provider's written certification that the employee is capable of resuming his/her job responsibilities. Employees are not expected to disclose any diagnosis or private health information, but any material misrepresentations regarding the use of sick leave (e.g., using sick leave for an unqualified absence) may result in corrective action, up to and including termination.

Return to Work:

Whenever an employee has been given a permanent and stationary rating by the Industrial Accident Commission of the State of California, return to the job must be based on the same medical information that the employee used in order to obtain the award. Unless these medical facts are very carefully considered, subsequent injuries or aggravations of the original injury can occur. It is LAFCO's policy that an employee return to duties he/she can perform safely without undue risk or further injury to other employees

It is, likewise, LAFCO's policy that if the employee cannot do so or if he/she is unable or unwilling to accept some other vacant position which the employee is psychologically and/or physically and otherwise qualified to perform, his/her employment may be terminated. The medical criteria presented to the Industrial Accident Commission by the employee and his/her doctor shall be obtained and utilized by

LAFCO and interpreted in terms of specific job restrictions and limitations. The department director, or his/her designee, shall then interpret and apply such job restrictions and limitations to the specific physical and/or psychological requirements of the employee's position and make a recommendation to the Executive Officer.

A determination shall be made by the Agency as to whether or not the employee shall:

- Return to the job;
- Transfer to some other vacant position for which he/she is qualified based upon physical or psychological ability and experience; or
- Separate from employment.

3.4.1 – Vacation/Annual Leave

This policy applies to all regular full-time and part-time employees of LAFCO unless otherwise stated in a written Employee Agreement. The intent of this policy is to provide paid time off for employees as a means to rest and rejuvenate. LAFCO encourages employees to utilize this benefit every year. LAFCO believes personal time off is an important means to enable continuation of strong performance and positive contribution to LAFCO, as well as encourage a balanced and enriching life for employees.

The Commission will review and may change any of these vacation and annual leave benefit provisions on an annual basis at its discretion.

Full-time and part-time employees will accrue vacation or annual leave time according to the provisions of their employee contracts. Employees should refer to their individual Employee Agreement for the specific terms and conditions applicable to their vacation or annual leave accrual rate, maximum accrual, and potential for annual cash-out.

Active service for all regular employees commences with their first day of work and continues thereafter unless broken by an absence without pay or a leave of absence. The Executive Officer will consider the needs of LAFCO when evaluating the scheduling of vacation or annual leave requests.

Upon separation from LAFCO employment, an employee is eligible to be paid for accrued, unused vacation or annual leave days. In cases where an employee terminates employment with LAFCO, and has been permitted to take vacation or annual leave time prior to actual accrual, the final paycheck will reflect a deduction relative to the amount of un-accrued time off taken.

A holiday that falls during an employee's vacation or annual leave will be treated and paid as a holiday and not as a day of vacation or annual leave.

3.4.2 – Holiday

Holiday time off with pay will be granted to all regular full-time employees and may be granted to regular part-time employees. Employees should refer to their individual Employee Agreement for an explanation of their yearly paid holidays.

Full-Time Employees:

Paid Holidays: 11 regular and 1 floating per year, as listed below. Unused Holiday Leave does not accrue.

LAFCO Holidays (11 holidays + 1 floating holiday = 12 total)	Date of Holiday

New Year's Day	January 1*
Martin Luther King Jr. Day	3rd Monday of January
President's Day	3rd Monday of February
Memorial Day	Last Monday of May
Independence Day	July 4*
Labor Day	1st Monday of September
Veterans Day	November 11*
Thanksgiving Day	4th Thursday of November
Day after Thanksgiving	Day after Thanksgiving
Christmas Eve	December 24*
Christmas Day	December 25*
One floating holiday	
*When a holiday falls on a Saturday or Sunday, the holiday will be observed on either the preceding Friday or the following Monday, at the determination of the LAFCO Executive Officer	

Part-time Employees:

Part-time employees should refer to their individual Employee Agreement for an explanation of their yearly paid holidays.

3.4.3 – Family and Medical Leave

To the extent not already provided for under current leave policies and provisions, LAFCO will provide family and medical care leave for eligible employees as required by State and Federal Law. The following provisions set forth certain of the rights and obligations with respect to such leave. Rights and obligations which are not specifically set forth below are set forth in the Department of Labor regulations implementing the Federal Family and Medical Leave Act of 1993 ("FMLA"), and the regulation of the California Family Rights Act ("CFRA"). Unless otherwise provided by this section, "Leave" under this section shall mean leave pursuant to the FMLA and CFRA.

Definitions:

a) "12-Month Period" means a 12-month period measured backwards from the date FMLA leave begins.

b) "Single 12-month period" means a 12-month period which begins on the first day the eligible employee takes FMLA military caregiver leave and ends 12 months after that date.

c) "Child" means a biological, adopted, foster or step-child, legal ward, or a child of a person standing in "loco parentis" (in place of a parent) who is a child under the age of 18 years of age, or 18 years of age or older who is incapable of self-care because of a mental or physical disability (there is no age limit for military family/qualifying exigency leave).

d) A child is "incapable of self-care" if he/she requires active assistance or supervision to provide daily self-care in three or more of the activities of daily living or instrumental activities of daily living, such as, caring for grooming and hygiene, bathing, dressing, eating, cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, using telephones and directories, etc.

e) "Parent" means the biological parent of an employee or an individual who stands or stood in loco parentis (in place of a parent) to an employee when the employee was a child. This term does not include parents-in-law.

In addition to medical or pregnancy-related disability leaves, employees may take a temporary disability leave of absence, if necessary, to reasonably accommodate a workplace injury or an ADA-qualified disability. Any disability leave under this section may run concurrently with any medical leave to which the employee is entitled under this policy.

Employees taking disability leave must comply with the Family Care and Medical Leave provisions regarding substitution of paid leaves, notice, and medical certification. For the purpose of applying these provisions, a disability leave will be considered to be a medical leave.

If a disability leave under this section extends beyond twelve (12) weeks in a 12-month period, the employee will not be entitled to any continued employer contributions towards any employee benefit plan. An employee, however, may elect to continue participating in such benefit plans, at the employee's own expense, to the extent permitted by such plans.

The duration of a leave under this section shall be consistent with the law, but in no event, shall the leave extend past the date on which an employee becomes capable of performing the essential function of his or her position, with or without reasonable accommodations.

Should an employee fail to return on the expected return date after family and medical leave absence or fail to remain employed for more than thirty (30) days after expiration of the leave, the employee may be required to reimburse LAFCO for the cost of benefits provided pursuant to the Act for the period of the leave.

Paid Family Leave:

Paid Family Leave under the State Disability Insurance (SDI) program is available for an employee who is under SDI coverage and provides up to eight weeks of wage replacement benefits to workers who take time off work to care for a seriously ill child, spouse, parent, domestic partner, or to bond with a minor child within one year of the birth or placement of the child in connection with foster care or adoption. Payment is made from the State under SDI funding under relevant provisions of the Unemployment Insurance Code.

Eligible employees participating in the PFL program may receive up to eight weeks of partial wage replacement when taking leave from work to bond with a new child or to care for a seriously ill parent, child, spouse, or registered domestic partner. ~~The employee will be required to use up to two weeks of accrued, unused vacation/annual leave time before receiving PFL benefits.~~

Jury Duty:

Employees who are summoned to serve on a jury must notify their supervisor or the Executive Officer as soon as possible after receiving notice of both possible and actual jury service in order to receive time off for the period of actual service required. During jury duty, an employee will be paid the difference between their regular salary and the amount of court pay received, except travel pay. The time spent on jury duty is not work time for purposes of calculating overtime compensation.

Subpoena:

An employee who is subpoenaed to appear in court in a matter regarding an event or transaction which he or she perceived or investigated in the course of his or her LAFCO job duties will do so without loss of compensation. The time spent will be considered work time.

Exception for Employee-Initiated or Non-LAFCO Related Lawsuits:

An employee subpoenaed to appear in court in a matter unrelated to his or her LAFCO job duties or because of civil or administrative proceedings that he or she initiated does not receive compensation for time spent related to those proceedings. An employee may request to receive time off without pay, or may use accrued vacation/annual leave for time spent related to those proceedings. The time spent in these proceedings is not considered work time.

Military Duty:

Military leave will be granted in accordance with federal and state law. An employee requesting leave for this purpose shall promptly provide the Executive Officer with a copy of the military orders specifying the dates, site and purpose of the activity or mission. Within the limits of such orders, Executive Officer may determine when the leave is to be taken and may modify the employee's work schedule to accommodate the request for leave. Time off to Vote:

If an employee who is not exempt does not have sufficient time outside of working hours to vote in a statewide election, the employee may take up to two hours off without loss of pay at the beginning or end of the day. Prior approval by the employee's supervisor 48 hours before the leave for this time off is required.

School-Related Leave:

Any LAFCO employee who is a parent, guardian or grandparent having custody of one or more children in kindergarten or grades 1 through 12 or attending a licensed day care facility shall be allowed up to forty (40) hours each school year, not to exceed eight (8) hours in any calendar month of the school year, without pay, to participate in activities of the school of their child. The employee must provide reasonable advance notice of the planned absence. Leave under this section is unpaid unless the employee uses vacation or other accrued time off. The employee may be required to use vacation and/or compensating time off to cover the absence.

LAFCO may require the employee to provide documentation from the school as verification that the employee participated in school activities on a specific date and at a particular time. If both parents, guardians or grandparents having custody work for the agency at the same work site, only the first parent requesting will be entitled to leave under this provision.

Time off for Victims of Crimes, Violence ~~or Domestic~~ Abuse:

a) Time Off by Type of Crime

1. An employee who is a victim, or the immediate family member of a victim, of a violent or serious felony, or of felony theft or embezzlement, may take time off to attend judicial proceedings related to that crime. For purposes of this provision, "immediate family member" means spouse, registered domestic partner, mother, stepmother, father, stepfather, child, stepchild, brother, stepbrother, sister, or stepsister.

2. An employee who is a victim of crimes specified in Labor Code section 230.5, including various violent crimes, felony domestic violence, felony stalking, and sexual assault, may take time off to appear in court to be heard at any proceeding, including any proceeding at which a right of the victim is at issue.

3. An employee who is a victim of a qualifying act of violence, or whose family member is a victim of a qualifying act of violence, ~~domestic violence, sexual assault, or stalking, who is a victim of a crime that caused physical injury or that caused mental injury and a threat of physical injury,~~

~~or whose immediate family member is deceased as the direct result of a crime,~~ may take time off ~~to obtain or attempt to obtain any relief, including but not limited to~~ for any of the following purposes:

~~a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of the employee or his or her child.~~

~~An employee who is a victim as described above may also take time off to attend to any of the following:~~

- ~~to seek medical attention for injuries caused by the crime or abuse;~~
- ~~to obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency as a result of the crime or abuse;~~
- ~~to seek psychological counseling or mental health services related to an experience of crime or abuse; or~~
- ~~to participate in safety planning and take other actions to protect against future crime or abuse, including temporary or permanent relocation.~~

a. To obtain or attempt to obtain any relief for the employee or family member victim, including but not limited to a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of the employee, family member victim, or their children.

b. To seek, obtain, or assist a family member to seek or obtain, medical attention for injuries caused by a qualifying act of violence.

c. To seek, obtain, or assist a family member to seek or obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization as a result of a qualifying act of violence.

d. To seek, obtain, or assist a family member to seek or obtain psychological counseling related to an experience of a qualifying act of violence.

e. To participate in safety planning and take other actions to increase safety from future qualifying acts of violence.

f. To relocate or engage in the process of securing a new residence due to the qualifying act of violence, including, but not limited to, securing temporary or permanent housing or enrolling children in a new school or childcare.

g. To provide care to a family member who is recovering from injuries caused by a qualifying act of violence.

h. To seek, obtain, or assist a family member to seek or obtain civil or criminal legal services in relation to the qualifying act of violence.

i. To prepare for, participate in, or attend any civil, administrative, or criminal legal proceeding related to the qualifying act of violence.

j. To seek, obtain, or provide childcare or care to a care-dependent adult if the childcare or care is necessary to ensure the safety of the child or dependent adult as a result of the qualifying act of violence.

b) Definitions

For purposes of this section, a "family member" means a child, parent, grandparent, grandchild, sibling, spouse, domestic partner, or designated person, as those terms are defined in Section 3.4.3 above.

A "qualifying act of violence" means any of the following, regardless of whether anyone is arrested, prosecuted, or convicted of any crime as a result of the act: domestic violence, sexual assault, stalking, or any act, conduct, or pattern of conduct that involves (i) an individual causing bodily injury or death to another individual, (ii) an individual exhibiting, drawing, brandishing, or using a firearm, or other dangerous weapon, with respect to another individual, or (iii) an individual using, or making a reasonably perceived or actual threat to use, force against another individual to cause physical injury or death.

~~b)~~c) Reasonable Notice Required

An affected employee must give LAFCO reasonable notice that he or she is required to be absent for a purpose stated above. In cases of unscheduled or emergency court appearances or other emergency circumstances, the affected employee must, within a reasonable time after the appearance, provide LAFCO with written documentation that the absence was required for any of the above reasons.

LAFCO property may be monitored and searched at any time and for any reason. Messages sent or received on LAFCO equipment including cell phones may be saved and reviewed by others. As a result, LAFCO employees have no expectation of privacy in the messages sent or received on LAFCO property or equipment.

Every LAFCO employee is required to adhere to all LAFCO rules and policies while on LAFCO property or using LAFCO property or equipment.

Inappropriate Use of Communications Equipment Prohibited:

The following are examples of inappropriate and prohibited uses of the LAFCO's communications systems:

a) Exposing others, either intentionally or unintentionally, to material which is offensive, obscene, or in poor taste;

b) Any use that would be offensive to a reasonable person because it involves an individual's actual or perceived race (including traits associated with race, religion, color, sex (including gender, gender identity, gender expression, transgender, pregnancy, and breastfeeding), national origin, ancestry, citizenship status, disability (physical or mental disability), medical condition, genetic characteristics or information, marital status, age, sexual orientation (including homosexuality, bisexuality, or heterosexuality), ~~and~~ military or veteran status, or any combination of protected characteristics.

c) Communication of confidential LAFCO information to unauthorized individuals within or outside the LAFCO;

d) Sending messages with content that conflicts with any LAFCO policies, rules, or other applicable laws;

e) Unauthorized attempts to access LAFCO data or systems;

f) Theft or unauthorized copying of electronic files or data;

g) Initiating or sustaining chain letters; and

h) Intentionally misrepresenting one's identity for improper or illegal acts.

Under no circumstances may an employee use any LAFCO equipment, vehicles, tools, supplies, machines, computers, faxes, email, internet, or anything stored on the LAFCO's internet servers or any other item that is LAFCO property while an employee is engaged in any outside employment, activity or enterprise.

Employees may use LAFCO telephones, cell phones, internet access, and e-mail for incidental personal communications provided that the use:

a) Is kept to a minimum and limited to break times or non-working hours;

b) Does not interfere or conflict with LAFCO operations or the work performance of any LAFCO employees;

c) Allows the employee to more efficiently perform LAFCO work;

d) Is not abusive, illegal, inappropriate, or prohibited by this Policy (for example, no social media use, no electronic dating, no gaming); and

e) Clearly indicates it is for personal use and does not indicate or imply LAFCO sponsorship or endorsement.

3.5.2 – Social Media

LAFCO understands that its employees use social media sites to share events in their lives, to communicate, and to discuss their opinions with others, including family, friends and co-workers. However, the use of social media may present certain risks and carries with it certain responsibilities. To assist employees in making responsible decisions about their use of social media, LAFCO has established this policy and guidelines for appropriate use of social media.

In the rapidly expanding world of electronic communication, social media can mean many things. In general, social media encompasses the various activities that integrate technology, social interaction, and content creation. Through social media, individuals can create Web content, can organize, edit or comment on content, as well as combine and share content on their own web site or on someone else's. Social media uses many technologies and forms, including Web feeds, blogs, wikis, photography and video sharing, web logs, journals, diaries, chat rooms, bulletin boards, affinity web sites, podcasts, social networking, fan-sites, mashups, and virtual worlds.

Understand Your Rights and Responsibilities in Using Social Media Technology:

Use good and ethical judgment. To the extent your social media use impacts LAFCO employees, follow LAFCO policies and regulations as applicable, including but not limited to those that protect individual privacy rights, anti-discrimination and harassment policies, and the anti-workplace violence policy.

Keep in mind that if your conduct adversely affects your job performance, the performance of your co-workers, or adversely affects members of the public served by LAFCO, LAFCO may take disciplinary action against you up to and including termination.

Keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers or via other channels such as by speaking with LAFCO's Executive Officer, or his or her designee, or by filing an internal complaint, if applicable. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as unlawful harassment, discrimination, or a violation of the law such as unlawful threatening conduct.

Examples of such conduct might include offensive posts that could contribute to a hostile work environment on the basis of race (including traits associated with race), religious creed, color, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, sex (including transgender, pregnancy, and breastfeeding), gender, gender identity, gender expression, age, sexual orientation, any combination of protected characteristics, or any other status protected by law. Examples of unlawful threatening conduct include posting material that would make a reasonable person afraid for his or her safety or the safety of his or her family.

The following are suggestions for use of social media as it relates to your employment at LAFCO:

- Strive for accuracy in any blog or post. Include a link to your sources of information. If you make a mistake, correct the information, or retract it promptly.
- Do not post any information or rumors that you know to be false about your co-workers or Agency clients.
- Do not disclose information that may violate citizen customer or employee rights. For example, do not disclose another individual's social security number, medical information or financial information in a manner that violates that person's rights.

ii. Immediately call 911 (9-911 if using the office phone system).
iii. Notify your immediate supervisor or Executive Officer.
iv. Evacuate the immediate area if instructed to do so.

1.8.13 – Workplace Violence

a) LAFCO of Monterey County's resources may not be used to threaten, stalk, or harass anyone at or outside the workplace.
b) If you become aware of indirect or direct threats of violence, incidents of actual violence and suspicious individuals or activities, immediately notify your supervisor.
c) When reporting a threat or incidence of violence, be as specific and detailed as possible.
d) Do not place yourself in peril.
e) Do not attempt to intercede during an incident.

1.8.14 – Off-Site Injury or Vehicle Accident

a) In the event that you, or you and another employee, are conducting working operations at any off-site location and experience any accident or injury, follow the directions for Section 1.8.10 – Serious Injury.
b) Notify your supervisor immediately.
c) State the location, the nature of the accident, type of injury and location to which you or another employee are being transported. Emergency Responders are authorized to exercise judgment in transportation to the appropriate medical facility.
d) The supervisor shall make appropriate notification to the worker's emergency contacts and, if practicable, meet them at the medical facility.
e) In the event of a transportation accident, in addition to the steps listed above, a report shall be made with the appropriate locality law enforcement.

1.8.15 – COVID-19 Prevention Program

This COVID-19 Prevention Program (CPP) is designed to identify, evaluate, and correct any unsafe or unhealthy workplace conditions associated with COVID-19 and ~~control exposures to~~ the SARS-CoV-2 virus that may occur in our workplace. We will review changes to federal, state, and local laws and best management practices affecting the CPP periodically and update the CPP accordingly.

1.8.15.0 – Authority and Responsibility

The LAFCO Executive Officer has overall authority and responsibility for implementing the provisions of this CPP in our workplace. In addition, all managers and supervisors are responsible for implementing and maintaining the CPP in their assigned work areas and for ensuring employees receive answers to questions about the program in a language they understand.

All employees are responsible for using safe work practices, following all directives, policies, and procedures, and assisting in maintaining a safe work environment.

1.8.15.1 – Definitions

For the purpose of the CPP, the following definitions shall apply:

- "COVID-19" means coronavirus disease, an infectious disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).
- "COVID-19 case" means a person who either: (1) Has a positive "COVID-19 test" as defined in this section; (2) Is subject to COVID-19-related order to isolate issued by a local or state health official; or (3) Has died due to COVID-19, in the determination of a local health department or per inclusion in the COVID-19 statistics of a county. A person is no longer a "COVID-19 case" when a licensed health care professional determines that the person does not have COVID-19, in accordance with recommendations made by the California Department of Public Health (CDPH) or the local health department pursuant to authority granted under the Health and Safety Code or title 17, California Code of Regulations to CDPH or the local health department.

- ~~"Close contact COVID-19 exposure" means sharing the same indoor space as a COVID-19 Case for a cumulative total of 15 minutes or more over a 24-hour period during the COVID-19 Case's Infectious Period, as defined by this section, regardless of the use of Face Coverings, unless Close Contact is defined by regulation or order of the California Department of Public Health ("CDPH"). If so, the CDPH definition shall apply. .~~
- "COVID-19 hazard" means exposure to potentially infectious material that may contain SARS-CoV-2, the virus that causes COVID-19. Potentially infectious materials include airborne droplets, small particle aerosols, and airborne droplet nuclei, which most commonly result from a person or persons exhaling, talking or vocalizing, coughing, sneezing, or procedures performed on persons which may aerosolize saliva or respiratory tract fluids, among other things. This also includes objects or surfaces that may be contaminated with SARS-CoV-2.
- "COVID-19 symptoms" means one of the following: (1) fever of 100.4 degrees Fahrenheit or higher or chills; (2) cough; (3) shortness of breath or difficulty breathing; (4) fatigue; (5) muscle or body aches; (6) headache; (7) new loss of taste or smell; (8) sore throat; (9) congestion or runny nose; (10) nausea or vomiting; or (11) diarrhea, unless a licensed health care professional determines the person's symptoms were caused by a known condition other than COVID-19.
- "COVID-19 test" means a viral test for SARS-CoV-2 that is both: (1) Approved by the United States Food and Drug Administration (FDA) or has an Emergency Use Authorization from the FDA to diagnose current infection with the SARS-CoV-2 virus; and (2) Administered in accordance with the FDA approval or the FDA Emergency Use Authorization as applicable.
- ~~"Exposed group" means all employees at a work location, working area, or a common area at work, within employer-provided transportation covered by Section 3205.3, or residing within housing covered by Section 3205.2, where a COVID-19 Case was present at any time during the Infectious Period. However, if the COVID-19 Case visited a work location, working area, or a common area at work for less than 15 minutes during the Infectious Period, and all employees were wearing Face Coverings at the time the COVID-19 Case was present, other people at the work location, working area, or common area would not constitute part of the exposed group. Common areas at work includes bathrooms, walkways, hallways, aisles, break or eating areas, and waiting areas. However, places where employees momentarily pass through while everyone is wearing Face Coverings, without congregating, is not a work location, working area, or a common area at work.~~
- ~~"Face covering" means a tightly woven fabric or non-woven material with no visible holes or openings, which covers the nose and mouth.~~
- ~~"Infectious Period" means the following time period, unless otherwise defined by CDPH regulation or order:~~
  ~~(1) For COVID-19 cases with symptoms, the infectious period is a minimum of 24 hours from the time of symptom onset until: (1) 24 hours have passed with no fever, without the use of fever-reducing medications, and (2) their symptoms are mild and improving, OR~~
  ~~(2) For COVID-19 cases with no symptoms, there is no infectious period for the purpose of isolation or exclusion. If the individual with COVID-19 develops symptoms, the criteria above will apply.~~

1.8.15.2 – Identification and Evaluation of COVID-19 Hazards

We will implement the following in our workplace:

- Conduct workplace-specific evaluations to identify hazards.
- Evaluate employees' potential workplace exposures ~~to all persons at, or who may enter, our workplace~~.
- Review applicable orders and general and industry-specific guidance from the State of California, Cal/OSHA, and the local health department related to COVID-19 hazards and prevention.
- Evaluate existing COVID-19 prevention controls in our workplace and the need for different or additional controls.
- Conduct periodic inspections as needed to identify unhealthy conditions, work practices, and work procedures related to COVID-19 ~~and to ensure compliance with our COVID-19 policies and procedures~~.

~~1.8.15.3 – Employee Participation~~

Employees and their authorized employees' representatives are encouraged to participate in the identification and evaluation of COVID-19 hazards by being given prior notice and an opportunity to participate in any scheduled workplace evaluations.

~~1.8.15.4 – Employee Screening~~

~~We screen our employees by having them self-screen according to CDPH guidelines.~~

1.8.15.3~~5~~ – Correction of COVID-19 Hazards

Unsafe or unhealthy work conditions, practices or procedures will be documented ~~on a COVID-19 inspections~~ form, and corrected in a timely manner based on the severity of the hazards~~, as follows:~~.

The LAFCO Executive Officer or his or her designee will assess the severity of the hazard and assign correction time frames accordingly; ~~.~~
~~The LAFCO Executive Officer or his or her designee~~ will identify individuals as being responsible for implementing timely corrective measures; and ~~.~~
~~The LAFCO Executive Officer or their designee~~ will monitor implementation of corrective measures to ensure timely completion.

1.8.15.4~~6~~ – Control of COVID-19 Hazards

~~Physical Distancing~~

~~Where possible, we ensure at least six feet of physical distancing at all times in our workplace by:~~

- ~~Eliminating the need for all workers to be in the workplace every day through arranging telework or other remote work when possible.~~
- ~~Reducing the number of persons in an area at one time, including employees, contractors, and visitors.~~
- ~~Using visual cues such as signs and floor markings to indicate where employees and others should be located or their direction and path of travel.~~
- ~~Staggering arrival, departure, work, and break times.~~
- ~~Adjusting work processes or procedures, such as reducing production speed, to allow greater distance between employees.~~

~~Individuals will be kept as far apart as possible when there are situations where six feet of physical distancing cannot be achieved.~~

~~Face Coverings~~

~~We provide clean, undamaged face coverings. When required by regulation or order of the California Department of Public Health (CDPH) or local health department, we ensure they are properly worn by employees over the nose and mouth. Disposable face coverings will be provided to all LAFCO employees and replaced periodically as needed. We will not require that employees wear face coverings when the use of face coverings is required as a result of a regulation or order from the CDPH or local health department during the following circumstances:~~

- ~~When an employee is alone in a room.~~
- ~~While eating and drinking at the workplace, provided employees are at least six feet apart and outside air supply to the area, if indoors, has been maximized to the extent possible.~~
- ~~Employees who cannot wear face coverings due to a medical or mental health condition or disability, or who are hearing-impaired or communicating with a hearing-impaired person. Alternatives will be considered on a case-by-case basis.~~
- ~~Specific tasks that cannot feasibly be performed with a face covering, where employees will be kept at least six feet apart.~~

~~If an employee is not wearing a Face Covering pursuant to the exceptions in bullets three and 4, above, we will assess COVID-19 Hazards and take action as necessary based on General Industry Safety Orders, including Sections 3205 and 3203.~~

~~Cleaning and disinfecting~~

~~We implement the following cleaning and disinfection measures for frequently touched surfaces:~~

- ~~Ensure adequate supplies, including cleaning products and gloves, and adequate time for cleaning and disinfection to be done properly.~~
- ~~Inform the employees and authorized employee representatives of the frequency and scope of cleaning and disinfection.~~
- ~~Use products that are EPA-approved for use against the virus that causes COVID-19.~~
- ~~Provide EPA-registered disposable wipes for employees to wipe down commonly used surfaces before use.~~
- ~~Follow the manufacturer's instructions for all cleaning and disinfection products (e.g., safety requirements, protective equipment, concentration, contact time).~~

Should we have a COVID-19 case in our workplace, we will implement ~~the following procedures~~hazard control measures in accordance with federal, state, or local guidelines as applicable. This may include:

- Excluding COVID-19 cases and employees who had COVID-19 exposure from the workplace in accordance with applicable public health guidance.
- Closinge access to the workspace area or areas used by the COVID-19 case and ~~perform the~~ cleaning and disinfection of areas, materials, and equipment used by a COVID-19 case during the high-risk exposure period (with appropriate personal protective equipment).

- ~~Equip employees performing cleaning and disinfection of areas, materials, and equipment with proper personal protective equipment (PPE) for COVID-19 disinfection (disposable gown, gloves, eye protection, and mask or respirator) in addition to PPE required for cleaning products.~~
- ~~Ensure proper training of employees performing cleaning and disinfection of areas, materials, and equipment by providing the Center for Disease Control's Guidance for Cleaning and Disinfecting and other relevant training materials.~~

~~Shared tools, equipment, and personal protective equipment (PPE)~~

~~PPE must not be shared, e.g., gloves, goggles and face shields.~~

~~Items that employees come in regular physical contact with, such as phones, headsets, desks, keyboards, writing materials, instruments and tools must also not be shared, to the extent feasible. Where there must be sharing, the items will be disinfected between uses by providing employees with the materials and training to disinfect items themselves.~~

~~Hand sanitizing~~

In order to implement effective hand sanitizing procedures, we:

- Encourage and allow time for employee handwashing.
- Evaluate handwashing facilities.
- ~~Determine the need for additional facilities.~~
- ~~Provide employees with an effective hand sanitizer, and prohibit hand sanitizers that contain methanol (i.e. methyl alcohol).~~
- Encourage employees to wash their hands for at least 20 seconds each time.

~~Personal protective equipment (PPE) used to control employees' exposure to COVID-19~~

We evaluate the need for PPE (such as gloves, goggles, and face shields) as required by California Code of Regulations (CCR) Title 8, section 3380, and provide such PPE as needed.

~~When it comes to respiratory protection, we evaluate the need in accordance with CCR Title 8 section 5144 when the physical distancing requirements are not feasible or maintained. We shall provide and ensure the use of eye protection and respiratory protection when employees are exposed to procedures that may aerosolize potentially infectious material in accordance with CCR section 3205(c)(E).~~~~Exclusion of COVID-19 cases~~

~~We will ensure COVID-19 cases and employees who had COVID-19 exposure are excluded from the workplace in accordance with applicable legal and public health guidance.~~

1.8.15.~~5~~7 – Investigating and Responding to COVID-19 Cases

In the event of a COVID-19 Case, we will undertake the following steps to investigate the COVID-19 Case:

- Determine the day and time the COVID-19 Case was last present at the workplace;
- Determine, to the extent possible, the date of the COVID-19 Case's positive COVID-19 Test(s) and/or diagnosis; and
- Determine the date the COVID-19 Case first experience one (1) or more COVID-19 Symptoms, if any were experienced.

We will also collect the following information for COVID-19 Cases:

- The employee's name; the employee's contact information; the employee's occupation; the location where the employee worked; the date of the employee's last day at the workplace; and the date of the employee's positive COVID-19 Test and/or COVID-19 diagnosis.

~~We will also collect the following information for COVID-19 Close Contacts:~~

~~(1) The employee's name; the employee's contact information; and the date upon which we provided the employee notice of the Close Contact.~~

1.8.15.~~6~~8 – System for Communicating

Our goal is to ensure that we have effective two-way communication with our employees, in a form they can readily understand, and that it includes the following information:

- Employees should report COVID-19 symptoms and possible hazards to the Executive Officer orally or in writing.
- Employees can report symptoms and hazards without fear of reprisal.
- Our procedures or policies for accommodating employees with medical or other conditions that put them at increased risk of severe COVID-19 illness include assessing employees' work duties that may increase the risk of potential COVID-19 exposure at the work place and mitigating these risks to the extent feasible (e.g., placing screens or barriers between employees working in the same room or accommodating working remotely).
- Where testing is not required, how employees can access COVID-19 testing.
- In the event we are required to provide testing because of a workplace exposure or outbreak, we will communicate the plan for providing testing and inform affected employees of the reason for the testing and the possible consequences of a positive test.
- We will notify employees of any potential COVID-19 exposures within one business day.
- Information about COVID-19 hazards employees (including other employers and individuals in contact with our workplace) may be exposed to, what is being done to control those hazards, and our COVID-19 policies and procedures.

~~1.8.15.9 – Training and Instruction~~

~~We will provide effective training and instruction that includes:~~

- ~~Our COVID-19 policies and procedures to protect employees from COVID-19 hazards.~~
- ~~Information regarding COVID-19 related benefits to which the employee may be entitled under applicable federal, state, or local laws. Such benefits include:~~
  - ~~For employees excluded from work due to (1) testing positive for COVID-19 or (2) being exposed to COVID-19 from the workplace, we will continue employees' pay and benefits unless an employee is unable to work for reasons unrelated to COVID-19 or employer demonstrates that COVID-19 exposure was not work-related.~~
  - ~~We require employees excluded from work to use accrued sick leave or sick leave allocation within annual leave (when the two are combined).~~

- For employees who had potential COVID-19 exposure in our workplace, COVID-19 testing will be offered at no cost during work hours.
- Benefits described in Exhibit H – Benefits for Workers Impacted by COVID-19

- The fact that:
  - COVID-19 is an infectious disease that can be spread through the air.
  - COVID-19 may be transmitted when a person touches a contaminated object and then touches their eyes, nose, or mouth.
  - An infectious person may have no symptoms.
- Methods of physical distancing of at least six feet and the importance of combining physical distancing with the wearing of face coverings.
- The fact that particles containing the virus can travel more than six feet, especially indoors, so physical distancing must be combined with other controls, including face coverings and hand hygiene, to be effective.
- The importance of frequent hand washing with soap and water for at least 20 seconds and using hand sanitizer when employees do not have immediate access to a sink or hand washing facility, and that hand sanitizer does not work if the hands are soiled.
- Proper use of face coverings and the fact that face coverings are not respiratory protective equipment – face coverings are intended to primarily protect other individuals from the wearer of the face covering.
- COVID-19 symptoms, and the importance of obtaining a COVID-19 test and not coming to work if the employee has COVID-19 symptoms.
- Proper guidance for employees performing cleaning and disinfection of areas, materials, and equipment from the Center for Disease Control and other government agencies.

Exhibit I – COVID-19 Training Roster will be used to document this training.

1.8.15.10 – Exclusion of COVID-19 Cases

Exclusion of COVID-19 Cases from the Workplace

- LAFCO will immediately exclude from the workplace all COVID-19 Cases and, in the event of an outbreak, all employees within the Exposed Group who had Close Contact with a COVID-19 Case.
- LAFCO will not allow COVID-19 Cases to return to work until the conclusion of the "infectious period."
  - COVID-19 cases may not return to work unless 24 hours have passed with no fever, without the use of fever-reducing medications, and their symptoms are mild and improving.
  - For COVID-19 cases with no symptoms, there is no "Infectious Period" for the purpose of isolation or exclusion. If symptoms develop, the exclusion criteria above will apply.
- The above requirements shall apply regardless of whether an employee has previously been excluded from the workplace or LAFCO took other precautions in response to an employee's Close Contact or membership in an exposed group.

Requirement that a COVID-19 Case Wears a Face Covering

- Regardless of the employee's vaccination status, previous infection, or lack of COVID-19 Symptoms, a COVID-19 Case shall wear a Face Covering in the workplace until 10 days have passed since the date that COVID-19 Symptoms began or, if the COVID-19 Case did not present COVID-19 Symptoms, from the date of their first positive COVID-19 Test.

Responding to Employees Who Had a Close Contact

- LAFCO reviews current CDPH guidance for employees who had a Close Contact, including guidance regarding required or recommended quarantines and other measures intended to reduce the transmission of COVID-19.
- LAFCO has developed policies in order to prevent transmission of COVID-19 by an employees who had a Close Contact.
- LAFCO will provide any employee who had a Close Contact and must be excluded from the workplace information regarding COVID-19-related benefits to which the employee may be entitled under applicable

~~federal, state, or local laws. LAFCO will provide the employee information on any benefits available under legally mandated sick leave, if applicable, workers' compensation law, local government requirements, LAFCO's own leave policies, and leave guaranteed by contract.~~

1.8.15.7~~11~~ – Reporting, Recordkeeping, and Access

It is our policy to:

- Report information about COVID-19 cases at our workplace to the local health department and/or to CDPH, Cal/OSHA, or NIOSH, ~~whenever~~ upon request and otherwise as required by law~~, and provide any related information requested by the local health department~~.
- Report immediately to Cal/OSHA any COVID-19-related serious illnesses or death, as defined under CCR Title 8 section 330(h), of an employee occurring in our place of employment or in connection with any employment.
- ~~Maintain records of the steps taken to implement our written COVID-19 Prevention Program in accordance with CCR Title 8 sections 3203(b) and 3205 through 3205.3.~~
- Make our written COVID-19 Prevention Program available at the workplace to employees, authorized employee representatives, and to representatives of Cal/OSHA immediately upon request.
- In accordance with the Confidentiality of Medical Information Act ("CMIA") and applicable law, we will keep the employees' medical information confidential.
- Keep a record of and track all COVID-19 cases. The information will be made available to employees, authorized employee representatives, or as otherwise required by law, with personal identifying information removed.

~~1.8.15.12 – Multiple COVID-19 Infections and COVID-19 Outbreaks~~

~~This section will apply if our workplace is identified by the local health department as the location of a COVID-19 outbreak, or there are three or more COVID-19 cases in our workplace within a 14-day period (see CCR section 3205.1 for details).~~

~~This section of the COVID-19 Prevention Program will stay in effect until there are no new COVID-19 cases detected in our workplace for a 14-day period.~~

~~COVID-19 testing~~

- ~~We will provide COVID-19 testing to all employees in our exposed workplace except for employees who were not present during the period of an outbreak identified by a local health department or the relevant 14-day period. COVID-19 testing will be provided at no cost to employees during employees' working hours.~~
- ~~COVID-19 testing consists of the following:~~
  - ~~All employees in our exposed workplace will be immediately tested and then tested again one week later. Negative COVID-19 test results of employees with COVID-19 exposure will not impact the duration of any quarantine period required by, or orders issued by, the local health department.~~
  - ~~After the first two COVID-19 tests, we will continue to provide COVID-19 testing of employees who remain at the workplace at least once per week, or more frequently if recommended by the local health department, until there are no new COVID-19 cases detected in our workplace for a 14-day period.~~
  - ~~We will provide additional testing when deemed necessary by Cal/OSHA.~~

~~Exclusion of COVID-19 cases~~

~~We will ensure COVID-19 cases and employees who had COVID-19 exposure are excluded from the workplace in accordance with applicable legal and public health guidance.~~

~~Investigation of workplace COVID-19 illness~~

We will immediately investigate and determine possible workplace-related factors that contributed to the COVID-19 outbreak in accordance with section 1.8.15.7 Investigating and Responding to COVID-19 Cases of the COVID-19 Prevention Program.

COVID-19 investigation, review and hazard correction

In addition to sections 1.8.15.2 Identification and Evaluation of COVID-19 Hazards and 1.8.15.5 Correction of COVID-19 Hazards of the COVID-19 Prevention Program, we will immediately perform a review of potentially relevant COVID-19 policies, procedures, and controls and implement changes as needed to prevent further spread of COVID-19.

The investigation and review will be documented and include:

- Investigation of new or unabated COVID-19 hazards including:
  - Our leave policies and practices and whether employees are discouraged from remaining home when sick.
  - Our COVID-19 testing policies.
  - Insufficient outdoor air.
  - Insufficient air filtration.
  - Lack of physical distancing.
- Updating the review:
  - Every thirty days that the outbreak continues.
  - In response to new information or to new or previously unrecognized COVID-19 hazards.
  - When otherwise necessary.
- Implementing changes to reduce the transmission of COVID-19 based on the investigation and review. We will consider:
  - Moving indoor tasks outdoors or having them performed remotely.
  - Increasing outdoor air supply when work is done indoors.
  - Improving air filtration.
  - Increasing physical distancing as much as possible.
  - Respiratory protection.

Notifications to the local health department

- Immediately, but no longer than 48 hours after learning of three or more COVID-19 cases in our workplace, we will contact the local health department for guidance on preventing the further spread of COVID-19 within the workplace.
- We will provide to the local health department the total number of COVID-19 cases and for each COVID-19 case, the name, contact information, occupation, workplace location, business address, the hospitalization and/or fatality status, and North American Industry Classification System code of the workplace of the COVID-19 case, and any other information requested by the local health department. We will continue to give notice to the local health department of any subsequent COVID-19 cases at our workplace.

_____ _____

Kate McKenna, AICP
Executive Officer

Date

Appendices:

Exhibit A – Flow chart of building with 1st Aid kit and fire extinguisher locations

Exhibit B – First Responder List

Exhibit C – Employee Roster and Emergency Contacts

Exhibit D – Emergency Phone Number List

~~**Exhibit E** – Identification of COVID-19 Hazards (maintained internally)~~

~~**Exhibit F** – COVID-19 Inspections (maintained internally)~~

~~**Exhibit G** – Investigating COVID-19 Cases (maintained internally)~~

~~**Exhibit H** – Benefits for Workers Impacted by COVID-19 (maintained internally)~~

~~**Exhibit I** – COVID-19 Training Roster (maintained internally)~~

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

DATE: February 20, 2025
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Preliminary Draft Annual Work Program for FY 2025-2026
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Recommend that the Commission approve the proposed Fiscal Year 2025-2026 annual work program, at the March 24, 2025 regular LAFCO meeting.

EXECUTIVE OFFICER'S REPORT:

Attached is a preliminary draft work program for FY 2025-2026. The work program identifies essential services to accomplish the Commission's legislative purposes, mandates and local priorities. It is organized by six functions: (1) application processing; (2) municipal service reviews and sphere of influence studies; (3) government and community relations; (4) Commission and Committee functions; (5) administrative and human resources management, and (6) financial management.

Our emphasis remains on the cost-effective delivery of core services in a responsive, professional, and legally sound manner. The recent volume of annexations and other boundary-change applications has been low to moderate. While we know that a few local agencies are considering significant annexation proposals, we do anticipate a continuation of relatively low boundary-change activity in the next year. Meanwhile, there remains a substantial need for staff time to prepare updates to municipal service reviews (MSRs) for our local agencies, another of LAFCO's legal mandates. As always, staff remains prepared to adjust timelines and priorities to help local agencies with specific needs that arise during the fiscal year.

Fiscal Impact

The proposed work program can reasonably be accomplished in-house with the current staffing level (4.0 FTE). A draft budget has been prepared for Fiscal Year 2025-2026 (Agenda Item No. 7). It anticipates a continuity of resources to support the Commission's work program.

Alternative Actions

The Budget and Finance Committee may modify the proposed work program or provide other direction.

Respectfully Submitted,

Kate McKenna

Kate McKenna, AICP,
Executive Officer

Attachment: Preliminary Draft Annual Work Program, Fiscal Year 2025-2026

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Draft Work Program
Fiscal Year 2025-2026

Proposal as of February 20, 2025

1. Application Processing Functions

Task	Status	Comments
Process applications for boundary changes in a responsive, professional and efficient manner. For a current list, please see the monthly Executive Officer's Reports on Anticipated Agenda Items and Special Studies.	Ongoing	Priority fast-tracking is given to applications for economic development, affordable housing, public health and safety, or other urgent needs.
Provide Commission with legally defensible recommendations and alternatives, and alert to litigation risks, liabilities and alternatives associated with potential actions.	Ongoing	Current litigation is with MPWMD related to Jan. 2022 Commission action.

2. Municipal Service Reviews and Sphere of Influence Studies

Task	Status	Comments
Prepare updated LAFCO studies (Municipal Service Reviews / Sphere of Influence Studies) for local agencies. Priorities for FY 25-26: • Cities of Gonzales, Salinas, and King City • Cemetery Districts (other than Greenfield and Soledad Cemetery Districts, which were updated in 2023 and 2024) • Other special districts that were most recently updated in 2015-16 (Airport, Harbor, Mosquito Abatement, Resource Conservation, and Waste Management Districts) • Monterey-Salinas Transit	Ongoing	State law requires periodic LAFCO review of all local agencies' services and spheres of influence. Priorities and schedule are flexible to accommodate agencies' needs and other work program tasks, such as the processing of City, County, or District applications.
Coordinate with local agencies and oversight agencies to follow up on MSR determinations and recommendations	As needed	Compliance follow-up is underway for Greenfield- and Soledad- area agencies, pursuant to approved 2023 and 2024 LAFCO studies.

3. Government and Community Relations		
Task	**Status**	**Comments**
Respond to daily requests for information and assistance from public and public agencies	Ongoing	
Continue to coordinate with Santa Cruz and Monterey County stakeholders on issues related to the Pajaro Valley Health Care District, formed by special legislation in 2022. LAFCO of Santa Cruz County is scheduled to prepare an MSR and sphere of influence study for the new district by December 31, 2025.	As needed	Issues of boundaries, services and operations will affect North County residents and Salinas Valley Health.
Post public information on the LAFCO website. Review website layout, graphics, and content for an improved public experience and ADA compliance. Also review and update brochures and fact sheets.	Ongoing	
Initiate informal meetings to discuss budget and policy issues with Cities, Special Districts and County. Provide timely notice of issues and opportunities to participate in LAFCO process.	Ongoing	
Attend meetings as requested by the County of Monterey. Provide support for appointment of County members to LAFCO.	As needed	
Attend meetings as requested by Cities, the City Managers Group, and Mayors Association. Provide support for the appointment of City members to LAFCO.	As needed	
Attend meetings as requested by individual special districts. Attend quarterly Special Districts Association meetings. Attend quarterly Special Districts General Managers' Group meetings. Provide support for the nomination and election of special district LAFCO members.	Quarterly and as needed	
Provide support for appointment of public members to LAFCO.	As needed	
Encourage and initiate early LAFCO participation in sphere of influence updates, City general plan updates, City-County-District dialogues, and environmental review activities that affect government boundaries & services.	Ongoing	
Participate in regional activities for which LAFCO has indirect or direct responsibilities, as required by State law.	Ongoing	For example, LAFCO staff engages in AMBAG processes for regional housing, growth forecasts, and transportation planning issues.

Participate in community educational opportunities to promote understanding and dialogue	Ongoing	For example, the Monterey County Civil Grand Jury requests an annual LAFCO presentation. Also, the EO presented at the California American Planning Association conference in 2023.
Facilitate constructive discussions with small cities & districts seeking options for governance and the efficient, effective delivery of services. LAFCO is a clearinghouse for technical, financial and legal resources.	Ongoing	In recent years, LAFCO has assisted agencies in Greenfield, Soledad, Spreckels, San Lucas, San Ardo, and North Monterey County.

4. Commission and Committee Functions

Task	Status	Comments
Provide support to seven (7) regularly scheduled Commission meetings, special meetings as needed, and Committee meetings, including the provision of public notices, agenda packets, meeting broadcasts, minutes, and resolutions.	Ongoing	Commission and Committee meetings are held in-person, with in-person and remote options for the public.
Hold agenda review sessions with the Chairperson.	Ongoing	
Conduct new Commissioner election, appointment, and orientation processes.	As needed	
Continue to participate in CALAFCO conferences, workshops, and courses. Continue to support Monterey LAFCO's representative on the CALAFCO Board of Directors. Continue to participate in the CALAFCO legislative process to ensure that local interests are coordinated with policies and activities of the statewide organization. Continue to monitor state legislation. Continue to provide feedback to legislators and CALAFCO. Continue to provide monthly CALAFCO report to Commission. Continue to update local policies and procedures for consistency with approved legislation.	Ongoing	
Develop and update policies and procedures pertaining to spheres of influence, boundary changes, financial management, office administration, human resources, and other Commission functions; Develop and update application forms for boundary changes.	Annual	The Commission adopted a comprehensive policies and procedures manual in May 2024. Staff will provide recommended updates at the March 2025 regular Commission meeting.
Support all required Commissioner needs for bi-annual ethics/harassment training and annual economic interests reporting.	As needed	Primary responsibility is for public-member Commissioners.

5. Administrative and Human Resources Management

Task	Status	Comments
Maintain the staff timekeeping, cost tracking, and invoicing status for applications.	Ongoing	
Conduct annual review of Policies and Procedures for all LAFCO administrative and human resources functions.	Annual	
Identify and support staff training needs and opportunities, including professional certification, technical training, and ethics/harassment compliance.	Ongoing	
Conduct a periodic review of job classifications and salary ranges.	As needed	
Conduct a periodic review and continue implementation of LAFCO's Records Management Policy, including conversion of paper records to searchable electronic format. This multi-year task is carried out by in-house staff.	As needed	The Commission adopted a policy update in May 2024. Staff has digitally archived all LAFCO- approved boundary changes as well as resolutions, meeting packets, minutes, MSRs/studies, and other records.

6. Financial Management

Task	Status	Comments
Review and update the application-processing fee schedule and hourly staffing rates.	As needed	Most recent update was completed in May 2024.
Continue to coordinate with the County Auditor to obtain annual local agency contributions to LAFCO.	Annual	
Complete audit for Fiscal Year 2024-2025.	Start Aug. 2025, complete by Dec. 2025	LAFCO has received the highest possible audit rating each year since 2005.
Conduct annual review of Benefits, Services and Supplies with the goal of continuing to control costs.	Annual	
Develop a three-year financial forecast to project upcoming needs and to provide the resources to meet these needs.	Annual	This tool is for informal use by the Budget & Finance Committee.

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

DATE: February 20, 2025
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Preliminary Draft Annual Budget FY 2025-2026
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Recommend that the Commission:

(1) Conduct a public hearing on March 24 to consider adoption of a proposed budget for Fiscal Year 2025-2026, and

(2) Distribute the proposed budget to local agencies for review and comment prior to final adoption at a second hearing on April 28.

EXECUTIVE OFFICER'S REPORT:

Introduction and Accomplishing the Commission's Work Program

LAFCO works responsibly to control its costs. The Budget and Finance Committee provides oversight and recommendations, resulting in lean and timely budgets and prudent financial policies and practices. These practices consistently receive the highest ratings from an independent auditor, while maintaining the essential services provided by LAFCO. The emphasis remains on the cost-efficient delivery of core services in a responsive, professional and legally defensible manner. Core services, and the anticipated tasks and priorities for FY 2025-2026, are described in the proposed work program (Agenda Item No. 5).

State law requires that the LAFCO budget be reasonable to accomplish the work program. By carefully managing service demands and available resources, the proposed budget will accomplish the Commission's work program for the new fiscal year.

Proposed Expenditures

Recommended FY 2025-26 total budget expenditures ($1,185,200) are an overall 4.8% increase as compared to the current-year budget. Recommended expenditures for employee salaries and benefits, at $892,200 combined, are a 3.5% increase from the current year. The relatively modest scale of the overall increase is mostly accomplished by containing staffing-related costs and by increasing employee contributions to health care costs. The proposed budget includes a 2.0% COLA for all staff, based on satisfactory job performance. The Benefits line-item is a 6.4% increase from the current year. CalPERS health insurance premiums for this region increased by about 10% for calendar 2025. However, for this budget, the increased premiums are partly offset by increases in employee contributions.

Pursuant to direction that the Committee provided to staff last fall (November 2024), the recommended staffing level is held steady at 4.0 FTE at present. Later this calendar year, in fall 2025, we will bring forward a mid-year update on workload and staffing levels for review and discussion with this Committee.

No new benefits are proposed, and some benefits will continue to not be offered. Outside professional services are not anticipated to be needed, and are not budgeted.

Total expenditures for services and supplies ($293,000) are an 8.8% increase from the current year's adopted budget. This increase is mostly driven by increases for travel costs (mostly to provide for attendance by commissioners and staff at the 2025 CALAFCO annual conference in San Diego), general counsel services, computer support (including funding for an overhaul of LAFCO's website), and a scheduled annual increase for accounting/financial. These increases are partly offset by incremental decreases for meeting broadcast services and telephone communications.

Proposed Revenues

Proposed total revenues ($1,185,200, matching expenditures) are a 4.8% increase from the current year. Primary funding is from the County of Monterey, the 12 cities, and independent special districts. The one-third cost share of the proposed total would be $389,867 for each of these three groups; again, a 4.8% increase from the current-year contributions. Minor income is anticipated from fees for boundary changes and related proposals ($10,000) and interest ($5,600).

No Supplemental Funding Requested from LAFCO Member Agencies for Pending Litigation (Monterey Peninsula Water Management District Lawsuit)

As with the current fiscal year 2024-25, the staff-recommended FY 2025-26 budget does <u>not</u> propose or request any supplemental funding from LAFCO member agencies for litigation. To date, LAFCO has spent approximately $233,000 in defending the lawsuit brought by the Water Management District, with an additional $30,000 in court filing costs not yet paid. The District prevailed against LAFCO in the trial court in December 2023. In February 2024, LAFCO filed an appeal. It is anticipated that the appeal will cost LAFCO approximately $75,000, going forward.

Importantly, LAFCO will <u>not</u> be liable for Water Management District attorney fees (approximately $575,000 to date) that could potentially be awarded in the event the appeal is unsuccessful. California-American Water Company, the co-defendant/respondent, has indemnified LAFCO against any potential liability for the Water Management District's current or future attorney fees for this lawsuit.

LAFCO has been paying its legal expenses from the Litigation Reserve account, which currently stands at about $256,000 (near the $300,000 target funding level established by Commission policy). LAFCO's reserve accounts consist largely of unexpended operating funds that LAFCO rolls over into its reserves after the end of each fiscal year. LAFCO's reserves, thus, consist of funding contributed over time by LAFCO's constituent agencies – the County, cities, and special districts – as part of the annual LAFCO budget. LAFCO's litigation costs are, in this very real sense, an indirect cost to local agencies. However, existing reserve levels are adequate to continue to cover LAFCO's anticipated litigation costs ($75,000) in remaining FY 24-25 and in FY 25-26. LAFCO will not be liable for the Water Management District's legal fees, as discussed above.

Staff anticipates replenishing the Litigation Reserve Account to the $300,000 target funding level toward the close of the current fiscal year (FY 24-25). We will bring an update on this item to the Budget Committee's May 2025 meeting.

Process and Schedule

State law requires two public hearings for a LAFCO budget. Commission hearings will be noticed for March 24 (to adopt a draft budget and distribute it to local agencies for review and comment), and April 28 (to adopt a final budget). Cost-share estimates for individual cities and special districts will be calculated by formula by the County Auditor-Controller's Office, based on the LAFCO's adopted budget for FY 2025-2026. The Auditor-Controller will prepare and distribute invoices in June.

Alternative Actions

The Budget and Finance Committee may change the preliminary budget or provide other direction.

Respectfully Submitted,

Kate McKenna, AICP
Executive Officer

Attachment: Preliminary Draft Annual Budget, Fiscal Year 2025-2026

Local Agency Formation Commission of Monterey County
Proposed Budget for Fiscal Year 2025-2026
(First Hearing) Adopted on xx-xx-xx
(Second Hearing) Final Adoption on XX-XX-XX

Attachment 6.1

	Adopted Budget FY 2024-25	Proposed Budget for FY 2025-26	Change (%)
REVENUE			
4000 - Project Fees - ***See Note 1***	$ 10,000	$ 10,000	0.0%
4001 - Pass-through Fees	$ -	$ -	
4205 - County Contribution	$ 371,898	$ 389,867	4.8%
4210 - City Contributions	$ 371,898	$ 389,867	4.8%
4220 - Independent Special District Contributions	$ 371,898	$ 389,866	4.8%
3850 - Unreserved Fund Balance Supplement (as needed) - ***See Note 2***	$ -	$ -	0.0%
4300 - Interest	$ 5,360	$ 5,600	4.5%
TOTAL REVENUES	**$ 1,131,054**	**$ 1,185,200**	4.8%
EXPENDITURES			
6000 - Employee Salaries	$ 607,036	$ 621,100	2.3%
6100 - Employee Benefits	$ 254,712	$ 271,100	6.4%
Total Salaries & Benefits	**$ 861,748**	**$ 892,200**	3.5%
7000 - Postage and Shipping	$ 7,000	$ 7,000	0.0%
7010 - Books and Periodicals	$ 1,000	$ 1,000	0.0%
7030 - Copy Machine Charges	$ 7,000	$ 7,000	0.0%
7040 - Outside Printers	$ 500	$ 500	0.0%
7060 - Office Supplies	$ 5,000	$ 5,000	0.0%
7070 - Office Equipment and Furnishings	$ 1,000	$ 1,000	0.0%
7080 - Computer/Hardware/Peripherals	$ 4,000	$ 4,000	0.0%
7085 - Computer Support Services (Fixed Costs)	$ 12,763	$ 15,400	20.7%
7090 - Computer Support Services (Variable Costs)	$ 5,000	$ 10,000	100.0%
7100 - Computer Software	$ 1,277	$ 1,300	1.8%
7105 - Meeting Broadcast Services	$ 12,000	$ 10,000	-16.7%
7110 - Property and General Liability Insurance	$ 9,923	$ 9,200	-7.3%
7120 - Office Maintenance Services	$ 486	$ 500	2.9%
7140 - Travel	$ 17,000	$ 27,000	58.8%
7150 - Training, Conferences and Workshops	$ 15,000	$ 15,000	0.0%
7160 - Vehicle Mileage	$ 1,000	$ 1,000	0.0%
7170 - Rental of Buildings	$ 34,212	$ 34,300	0.3%
7200 - Telephone Communications	$ 8,509	$ 6,000	-29.5%
7240 - Outside Professional Services Total for Line Items 7240-7249	**$ 110,189**	**$ 121,000**	9.8%
7242 - Accounting and Financial Services	$ 62,400	$ 67,200	7.7%
7245 - General Counsel and Special Counsel	$ 20,000	$ 25,000	25.0%
7247 - Human Resources-Other	$ 5,789	$ 5,800	0.2%
7248 - Annual Audit	$ 22,000	$ 23,000	4.5%
7250 - Miscellaneous Office Expenses	$ 1,216	$ 1,200	-1.3%
7260 - Legal Notices	$ 4,000	$ 4,000	0.0%
7270 - Recruitment Expenses	$ 900	$ 900	0.0%
7280 - LAFCO Memberships	$ 10,331	$ 10,700	3.6%
Sub-total Services & Supplies	**$ 269,306**	**$ 293,000**	8.8%
TOTAL EXPENDITURES	**$ 1,131,054**	**$ 1,185,200**	4.8%

Please See Attachment 1 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 2025-2026 is projected to be fully funded by the Cities, Districts, and County.*

DESCRIPTION OF FY 2025-2026 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 2025-2026. Assume merit and COLA increases for clerk position and COLA increase for senior analyst, 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, LAFCO employees contribute toward their monthly insurance premiums. The County of Monterey 2025 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 and annual post office box subscription.
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 sets rates based on unit counts, such as the number of computer work stations. The increase is due to the County IT Department raising its per unit charges for fixed costs.
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. The increase is due to additional County support needed for updating LAFCO's website to a more modern structure and layout and complying with website accessibility requirements per the ADA. Charges are variable based on usage of County IT Department services.
7100	**Computer Software**
	Includes software updates and licenses to extend the security, compatibility and functions of computers.

7105	**Meeting Broadcast Services**
	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. 7 regular commission meetings plus 3 special meetings have been budgeted for 2025-2026.
7110	**Property and General Liability Insurance**
	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 2025-2026 budget reflects the current year gross package cost plus a 5% increase due to anticipated rising insurance costs.
7120	**Office Maintenance Services**
	Includes general office cleaning, including blinds, cabinets and underneath furniture. (Basic janitorial service to empty trash and sweep floors is included in office lease.)
7140	**Travel**
	Provides funding for employee, counsel and Commissioner travel for annual CALAFCO conference (October 2025), annual CALAFCO staff workshop (April 2026), and other professional development. Includes transportation, hotel and meal costs. The increase is due to the location of the conference and an anticipated increase in attendance. In 2025, the CaLafco conference will be in San Diego, CA.
7150	**Training, Conferences and Workshops**
	Provides funding for employee, counsel and Commissioner registrations at annual CALAFCO conference (October 2025), annual staff workshop (April 2026), and other professional development. Other professional development includes AICP certification maintenance credits for the Executive Officer.
7160	**Vehicle Mileage**
	Reimbursement for use of personal vehicles, at the government rate.
7170	**Rental of Building**
	Includes office rent which includes utilities. The monthly building rent for 2025-2026 is set at $2,848.52. Due to accounting standard ASC 842, LAFCO recognizes the average monthly rent of the lease agreement as expense. This amount is $2,851/month.
7200	**Telephone Communications**
	Includes telephone, cell and fax charges, office wi-fi for laptop/visitor use, and system maintenance and repairs.
7230	**Temporary Help Services (Clerical)**
	Not funded. All clerical work is generally done by in-house staff.
7240	**Outside Professional Services**
	This line item includes:
	7240: **Outside Professional Services.** 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: **Accounting and Financial Services.** The current fixed-rate contract with CliftonLarsonAllen, LLP (CLA), LLP was signed in August 2023. The contract goes through fiscal year 2025-2026 (25/26 $67,200) with an option to extend the agreement by two years. This line item reflects a fixed rate contract for payroll, accounting, financial reporting services, GASB 68 Compliance and assistance to auditor. The contractual monthly rate for 25/26 is $5,600/month.
	7242A: **General Admin Services and HR Assistance.** There is no budget for this line item. All Human Resources administrative services are being handled by in-house staff.
	7245: **General Counsel and Special Legal Counsel Services (Not Litigation)**. General Counsel costs are variable and billed based on hourly rates (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: **Human Resources Services-Other.** Variable rate services from Liebert Cassidy Whitmore or other firm, on an as needed basis.
	7248: **Annual Audit.** The current fixed-rate contract with Bianchi, Kasavan & Pope, LLP was signed in June 2023. The contract goes through fiscal year 2026-2027 with an option to extend the agreement by two years (25/26 $23,000, 26/27 $24,000).

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 near the target level for FY 2024-2025. LAFCO is indemnified by Cal-Am in current litigation (MPWMD). Accordingly, no fund supplement is proposed for FY 2025-2026.
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 $282,764, which is 100% of the target level for FY 2024-2025. No fund supplement is proposed for FY 2025-2026.

AGENDA ITEM NO. 7

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION 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 www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: February 20, 2025

TO: Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: Three-Year Financial Forecast (Fiscal Years 2025-26, 26-27, and 27-28)

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

SUMMARY OF RECOMMENDATION:

Discuss report for information only.

EXECUTIVE OFFICER'S REPORT:

Attached is a three-year financial forecast, for reference. This item is prepared as part of the annual budget and is intended to provide an informal assessment of LAFCO's financial health in the current and next three fiscal years. The forecast and assumptions provide a longer-term projection of available financing sources and anticipated expenditures.

Total budget expenditures for salaries and benefits, and for services and supplies, are assumed to modestly increase for each of the next few years. At this time, and based on direction provided by the Committee last fall, no change is assumed in current staffing levels of 4.0 FTE. A stable workforce will enable LAFCO to continue to provide valued services to local communities that are critical for enhancing the local economy and meeting other needs. However, staff intends to bring back a discussion of current and future workload and staffing levels for additional Committee review and consideration later this year.

Respectfully Submitted,

Kate McKenna

Kate McKenna, AICP
Executive Officer

Attachment: Three-Year Forecast with Assumptions, dated January 15, 2024

Local Agency Formation Commission of Monterey County

Attachment 7.1

3 Year Forecast with Assumptions - Preliminary Budget - Updated 1/3/25

	Adopted Budget FY 2024-25	Projected FY 2025-26 (5% increase)	Projected FY 2026-27 (4% increase)	Projected FY 2027-28 (4% increase)	Assumptions for Projected Years (FY 2026-27 & FY 2027-28)
REVENUE					
4000 - Project Fees	$ 10,000	$ 10,000	$ 10,000	$ 10,000	Assume no change in project fees
4001 - Pass-through Fees					
4205 - County Contribution	$ 371,898	$ 389,867	$ 404,900	$ 420,633	For FY 2026-27 through 2027-28, assume that the budget is fully funded by the cities, districts, and county.
4210 - City Contributions	$ 371,898	$ 389,867	$ 404,900	$ 420,633	
4220 - Independent Special District Contributions	$ 371,898	$ 389,866	$ 404,900	$ 420,634	
3850 - Unreserved Fund Balance	$ -		$ -	$ -	Assume budgets are fully funded each year by the cities, districts, and county.
4300-Interest	$ 5,360	$ 5,600	$ 5,900	$ 6,200	Assume 5% increase
TOTAL REVENUES	**$ 1,131,054**	**$ 1,185,200**	**$ 1,230,600**	**$ 1,278,100**	
EXPENDITURES					
6000 - Employee Salaries	$ 607,036	$ 621,100	$ 638,200	$ 656,000	Assume no change in current staffing levels. Assume 2.0% COLAS for staff and 5% merit increases when applicable.
6100 - Employee Benefits	$ 254,712	$ 271,100	$ 284,700	$ 299,000	Assume 5% increase in benefit costs; Assume no change in level of benefits
Total Salaries & Benefits	**$ 861,748**	**$ 892,200**	**$ 922,900**	**$ 955,000**	
Total Services & Supplies	**$ 269,306**	**$ 293,000**	**$ 307,700**	**$ 323,100**	Assume 5% increase from 2026-2028
TOTAL EXPENDITURES	**$ 1,131,054**	**$ 1,185,200**	**$ 1,230,600**	**$ 1,278,100**	

AGENDA ITEM NO. 8

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION 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 www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: February 20, 2025
TO: Budget and Finance Committee
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Executive Officer Communications
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

At the February 20 Committee meeting, the Executive Officer will provide an update on personnel matters for information only.

Respectfully Submitted,

Kate McKenna, AICP
Executive Officer