



Inyo Local Agency Formation Commission
168 North Edwards Street
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Independence, California 93526

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INYO LOCAL AGENCY FORMATION COMMISSION AGENDA

April 3, 2024 at 4:00 p.m.

To be held at:
 Clint Quilter County Consolidated Office Building
 1360 N. Main Street, Conference Room 109
 Bishop, CA. 93514

Commissioners:	Scott Marcellin (Inyo County) Jeff Griffiths (Inyo County) Stephen Muchovej (City of Bishop) – (Chair) Karen Kong (City of Bishop) – (Vice Chair) Alan Tobey (Public)
Alternates:	Trina Orrill (Inyo County), Jim Ellis (City of Bishop)
Executive Officer:	Cathreen Richards
Staff Analyst/Clerk:	Sally Faircloth
Counsel:	John Vallejo

Items will be heard in the order listed on the agenda unless the Inyo Local Agency Formation Commission (LAFCO) rearranges the order or the items are continued.

The LAFCO Chairperson will announce when public testimony can be given for items on the agenda. Please be aware that the Commission will consider testimony on both the project and related environmental documents.

If you challenge in Court any findings, determination or decision made following any Public Hearing announced in this agenda in Court, you may be limited to raising only those issues you or someone else rose at the Public Hearing, or in written correspondence delivered to the Inyo LAFCO at, or prior to, the Public Hearing.

Public Notice: In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact Inyo LAFCO at (760) 878-0263 (28 CFR 35.102-3.104 ADA Title II). Notification 48 hours prior to the meeting will enable the Commission to make reasonable arrangements to ensure accessibility to this meeting. Should you because of a disability require appropriate alternative formatting of this agenda, please notify Inyo LAFCO at least 72 hours prior to the meeting to enable the Commission to make the agenda available in a reasonable alternative format (Government Code Section 54954.2).

- ITEM 1: Pledge of Allegiance**
- ITEM 2: Roll Call** – Roll call will be taken by staff.
- ITEM 3: Public Comment Period** – This is the opportunity for anyone in the audience to address the Commission on any relevant subject that is not scheduled on the agenda.
- ITEM 4: Approval of Minutes (Action Item)** – the Commission will consider the minutes from, May 18, 2023.
- ITEM 5: Election of the Chair (Action Item)** – the Commission will entertain motions and conduct an election for the Chair.
- ITEM 6: Election of the Vice-Chair (Action Item)** – the Commission will entertain motions and conduct an election for the Vice-Chair.

- ITEM 7: Approval of the 2024-2025 Preliminary Budget (Public Hearing & Action Item - Requires 3/5 vote) – The Inyo LAFCO Executive Officer’s FY 2024-2025 Preliminary Budget will be presented for discussion and Commission approval.**
- ITEM 8: Public Comment Period – This is the opportunity for anyone in the audience to address the Commission on any relevant subject that is not scheduled on the agenda.**
- ITEM 9: Executive Officer’s and Commissioners’ Reports**
- ITEM 10: Determine Time and Location for the Next Meeting of Inyo LAFCO**
- ITEM 11: Adjournment**



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Commissioners:

Stephen Muchovej – City of Bishop (Chair)
Karen Kong - City of Bishop (Vice-Chair)
Allen Tobey – Public
Scott Marcellin – Inyo County
Jeff Griffiths – Inyo County

Alternates:

Trina Orrill (Inyo County)
Jim Ellis (City of Bishop)

LAFCO Staff:

Cathreen Richards – Inyo County - (Executive Officer)
John C Vallejo - (Counsel)
Paula Riesen – Inyo County – (Lafco Analyst)

Minutes for Thursday, May 18, 2023

These Minutes are for consideration for approval by Inyo LAFCO at its next meeting.

The Inyo Local Agency Formation Commission met on Thursday, May 18, 2023, Vice Chair Kong opened the meeting at 11:11 a.m.

ITEM 1: **Pledge of Allegiance** – All recited the Pledge of Allegiance.

ITEM 2: **Roll Call** – Commissioners Present: Vice Chair Karen Kong, Allan Tobey, and Scott Marcellin.

Staff present: Cathreen Richards, Executive Officer, John Vallejo, County Counsel and Paula Riesen, LAFCo Analyst.

ITEM 3: **Public Comment Period** – This is the opportunity for anyone in the audience to address the Commission on any relevant subject not scheduled on the agenda.

No one from the Public wished to speak at this time. 11:12 a.m.

ITEM 4: **Approval of Minutes (Action Item)** – the Commission will consider the minutes from December 5, 2022.

Vice-Chair Kong asked for a motion, Commissioner Marcellin made a motion to approve the minutes and Commissioner Tobey made the second.

The motion passed 3-0.

ITEM 5: **Approval of Minutes (Action Item)** – the Commission will consider the minutes from, April 21, 2023.

Vice-Chair Kong asked for a motion, Commissioner Marcellin made a motion to approve the minutes and Commissioner Tobey made the second.

The motion passed 3-0.

ITEM 6: Approval of the 2023-2024 Final Budget (Public Hearing & Action Item – Requires 3/5 vote) – The Inyo LAFCO Executive Officer’s FY 2023-2024 Final Budget will be presented for discussion and Commission approval.

Cathreen Richards, Executive Director presented the Final Budget.

Vice-Chair Kong asked for a motion, Commissioner Marcellin made a motion to approve the minutes and Commissioner Tobey made the second.

The motion passed 3-0.

ITEM 7: Annual Contract between Inyo LAFCO and the County of Inyo for Professional Services for Fiscal Year 2023-2024 (Action Item) – The annual contract between Inyo LAFCO and the County of Inyo for professional services for Fiscal Year 2023-2024 will be presented to the Commission for consideration and authorization for the Chair to sign.

Cathreen Richards, Executive Director presented the information on the contract.

Vice-Chair Kong asked for a motion, Commissioner Marcellin made a motion to approve the minutes and Commissioner Tobey made the second.

The motion passed 3-0

ITEM 8: Public Comment Period – With no other questions Vice Chair King opened a Public Comment at 11:18 a.m.

With no one wishing to speak Vice Chair Kong closed Public Comment period.

ITEM 9: Commissioners’ Reports

No comments.

ITEM 10: Directors Report - Cathreen Richards, Executive Director said she had not heard from the state regarding the Dissolution of Independence CSD. She has not heard from Lahontan yet about the Keeler CSD.

ITEM 12: Determine Time and Location for the Next Meeting of Inyo LAFCO

Cathreen Richards, Executive Director said she would schedule a meeting if something came up.

ITEM 13: Adjournment – Vice Chair Kong adjourned meeting at 11:22 a.m.



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LAFCO STAFF REPORT

AGENDA ITEM No. **7 (Action Item & Public Hearing)**

DATE OF MEETING: **April 3, 2024**

SUBJECT: **Inyo LAFCO Fiscal Year 2024-2025 Final Budget**

EXECUTIVE SUMMARY

This report presents the Executive Officer's budget recommendations for adoption of a budget for the Fiscal Year (FY) 2024-2025. The proposed budgeted expenditures for FY 2024-2025 are \$32,830, a decrease of \$4,304 from the FY 2023-2024 budget. This decrease is due to reduced conference costs. The Inyo LAFCO Budget for FY 2024-2025 proposes funding from the County of Inyo and the City of Bishop in the amount of \$15,000 each, the same as 2023-2024, for a total contribution of \$30,000.

The total budget recommended by staff reflects revenues of \$37,190 and expenditures of \$32,830. A cash fund balance of \$88,106 is projected to remain from FY 2023-2024 increasing funds available for the FY 2024-2025 budget by \$4,360. This will result in an increase to the fund balance projected for 2024-2025.

Recommended Action: Conduct a public hearing and adopt the attached final budget as recommended by staff for FY 2024-2025 and find that the proposed staffing and program costs will allow the Commission to fulfill the purposes and programs of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 and authorize the Chairperson to sign.

Alternatives: 1) Amend the Final budget for FY 2024-2025.

 2) Continue the public hearing and provide direction to staff regarding changes to the final budget for FY 2024-2025. This is not recommended as the final budget is required to be adopted by June 15th.

BACKGROUND INFORMATION

The Inyo Local Agency Formation Commission (LAFCO) is a state-mandated program. The Commission's five members include one public representative; two Inyo County Board of Supervisors' representatives; and, two Bishop City Council representatives. The objectives of LAFCO include the encouragement of orderly growth and development, the preservation of prime agricultural lands, discouragement of sprawl through coordination of local governmental

boundaries, and establishment of spheres of influence and community service priorities that reflect local circumstances, conditions, and financial resources. LAFCO is funded jointly by the City of Bishop and Inyo County pursuant to Government Code 56381(a) and 56381 (b) (2), which state:

(a) The commission shall adopt annually, following noticed public hearings, a final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter. The commission shall transmit its proposed and final budgets to the board of supervisors, to each city, and to each independent special district.

(b) (2) In counties in which there is no independent special district representation on the commission, the county and its cities shall each provide a one-half share of the commission's operational costs. The cities' share shall be apportioned in the manner described in paragraph (1).

Inyo LAFCO does not include independent special district representation, therefore, the City and County are each responsible for half of the commission's operation costs, unless the County and City agree under the conditions set forth in 56381 (b) (4).

Presently, the Commission contracts with the Inyo County Planning Department for the services of LAFCO Executive Officer and support staff. The Commission also contracts with the Inyo County Office of the County Counsel for legal services. An annual single contract between LAFCO and Inyo County covers both staff and counsel services.

Inyo LAFCO Accomplishments for FY 2023-2024

- Sending one Clerk/Analyst to the annual LAFCo Staff Workshop.
- Entered into a contract with the Inyo County Planning Department/Inyo County Office of the County Counsel that provided staff and legal services to the Commission.
- Maintained the Inyo LAFCO website in compliance with Government Code Section 56661.
- Maintained membership in the California Association of LAFCOs (CALAFCO).
- Worked on the Independent Special District information.
- Provided a high level of customer service.
- Reviewed districts for inactivity.

Inyo LAFCO Goals for FY 2024-2025

- Dissolve inactive district (Independence Community Service District).

- Monitor issues with the Keeler Community Service District.
- Send the Executive Officer or a Commissioner to the annual LAFCo Conference.
- Enter into a contract with the Inyo County Planning Department/Office of County Counsel to provide staff and legal services to the Commission.
- Maintain Inyo LAFCO membership and participation in CALAFCO, which provides training to LAFCO Commissioners and staff at annual and staff conferences.
- Replace any vacant seats on LAFCO as necessary to keep LAFCO active.
- Process and consider applications for special district formations, annexations, reorganizations, out-of-area service agreements, and others in compliance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act.
- Continue to maintain the Inyo LAFCO website in compliance with Government Code Section 56661.
- Continue to update the Independent Special District information.
- Provide a high level of customer service.
- Continue to review non-active districts for possible dissolution.

EXECUTIVE OFFICER'S BUDGET REQUEST FOR FY 2024-2025

Staff recommends contributions from the County of Inyo and the City of Bishop to \$15,000 each for FY 2024-2025 the same as FY 2023-2024. This level of contribution meets the budgeted expenses for FY 2024-2025; provides a reliable budget and, allows for a Commissioner or the Executive Officer to attend training/conferences (Attachment – recommended budget supporting tables).

As with budgets adopted by a county or city government, adoption of the annual budget for Inyo LAFCO requires adoption at a noticed public hearing by a three-fifths vote. Amendment of the adopted budget requires a four-fifths vote of the Commission.

Expenditures

Applications

Currently there is no indication that there are any LAFCo applications on the horizon. Staff is planning on completing a dissolution of an inactive district and recommends including funding for possible applications from the public or a district of (\$7,000). If no applications are submitted, these funds will not be utilized – no revenues or expenses will be realized. The district dissolution will come directly from the LAFCo budget and is not reimbursable through application fees.

Annual Audit

Inyo LAFCO's cost for the annual mandated agency audit has gone up by \$156. The amount for FY 2024-2025 for Inyo LAFCO is \$4,056.

LAFCO Meetings

The FY 2024-2025 budget assumes three Inyo LAFCO meetings, which is the same number as 2023-2024. Staff has again estimated based on the three meetings and budgeted approximately \$2,257 for LAFCO meetings (staff and commissioners). This is \$11 less than 2023-2024 due to an decrease in staff costs.

CALAFCO Conferences

Participation in the CALAFCO annual conference an Inyo LAFCO Commissioner or the Executive Officer has been included in the 2024-2025 budget proposal at \$6,426, which is \$4,074 less than the 2023-2024 amount. The decrease is due to a reduction in conference/workshop attendance. Staff has changed this to sending one person a year to either the conference or the workshop to reduce this cost. Since the Clerk/Analyst is attending this year's workshop, next year's conference has been programed into the 2024-2025 budget.

Proposed expenditures by Object Code for FY 2024-2025

1. Advertising (Object Code 5263)

The recommended amount in this object code is \$300 which is the same as the FY 2023-2024 Budget and is included to reflect any possible applications. For FY 2024-2025 this cost also includes public notices for the three anticipated LAFCO meetings.

2. Professional and Special Service (Object Code 5265)

The recommended amount in this object code is \$21,525 which is approximately \$2,970 less than the FY 2023-2024 Budget. The decrease is from a decrease in staff costs, including for conference/workshop attendance. The recommended amount includes: staff time payments for meetings \$601; staff time to process projects and conduct regular LAFCO administrative duties \$11,814; the FY 2024-2025 audit \$4,056 and training (conference) \$4,147.

3. General Operating Expense (Object Code 5311)

The recommended amount in this object code is \$1,870, which is \$142 higher than in the FY 2023-2024 Budget. This is due to an increase in the CALAFCO Membership. This category of expenditures also includes purchases of supplies and miscellaneous supplies, which has not changed.

4. County Cost Plan (Object Code 5315)

The estimated amount in this object code is \$1,584, which the same as it was in the 2023-2024 budget amount and is a suggested amount by the County Auditor to cover expenses from that department.

Travel Expenses (Object Code 5331)

This object code includes expenses for CALAFCO annual conference travel, CALAFCO staff workshop travel, and travel mileage for the Inyo LAFCO meetings. The recommended amount

in this object code is \$2,308, which is a decrease of \$1,308 from the FY 2023-2024 budget. The decrease is due to the reduction in the conference/workshop attendance.

6. Motor Pool (Object Code 5333)

Expenditures in this object code include Motor Pool travel to LAFCO Meetings in Bishop and to conferences. The recommended amount in this object code is \$796 which is \$536 lower than it was in the FY 2023-2024 budget. The decrease is due to the reduction in conference/workshop attendance.

7. Public Liability Insurance (Object Code 5155)

The expenditure in this object code is \$3,673. It covers the cost to provide LAFCO its own insurance policy as now required by the County Risk Manager. This amount increased by \$369 compared to the 2023-2024 amount. This is due to an increase in coverage by the insurance company.

Revenues

All revenues received are the result of LAFCO fees for services and payments from the County of Inyo and the City of Bishop. LAFCO's fee schedule provides for the recovery of actual costs in processing applications for changes in organization under the Cortese-Knox-Hertzberg Act and environmental review and processing under the California Environmental Quality Act. Beyond the recovery of fees for services, Government Code Section 56381(b)(2) provides "in counties where there is no special district representation on the commission, the county and its cities shall each provide a one-half share of the commission's operational costs."

Details for each revenue category are as follows:

1. LAFCO Fees (Object Code 4817)

The recommended amount in this revenue code is \$7,000 which is the same as the FY 2023-2024 Budget. This is for possible applications in the 2024-2025 FY and estimated for one large project at \$5,000 and one small project at \$2,000; it includes staff time.

2. Aid from Other Governmental Agencies (Object Code 4562 and 4599)

The recommended amount in these revenue codes is \$30,000, which is the same as the 2023-2024 Budget. The total revenues from both the County of Inyo and the City of Bishop for FY 2024-2025 are \$15,000 each. This level of funding is generally cost neutral based on the programed expenses, but fund balance could be used if necessary.

3. Interest from Treasury (Object Code 4301)

The recommended amount in this revenue code is \$190, which is the same as the 2023-2024 amount.

Alternatives

Government Code Section 56425(g) requires that the Commission, **as necessary**, review and update spheres of influence every five years. Government Code Section 56425 indicates that the

Commission shall conduct Municipal Service Reviews (MSR) to prepare and update spheres of influence. In 2007 Inyo LAFCO updated spheres of influence, including conducting MSRs. More than five years have passed since the last round of sphere updates and MSRs were completed, and if the Commission finds it necessary to review and update any spheres of influence, another round of sphere studies and/or MSRs could be undertaken. Funding for such investigation would need to be provided from Inyo LAFCO (the City and County) and a healthy fund balance would help to offset these costs, so use of the fund balance is available, but staff recommending not to, based on the possibility of a required MSR.

The FY 2024-2025 budget includes expected revenues and expenses for anticipated applications. The Commission could choose not to include these funds in its budget. This is not recommended, however, because it may increase costs to process the application if a budget amendment becomes necessary.

STAFF RECOMMENDATION

Staff recommends following the public hearing the Commission approve the final budget for FY 2024-2025 by taking the following action:

"Move to approve the Inyo Local Agency Formation Commission budget for fiscal year 2024-2025 as recommended by the Executive Officer and find that the proposed program costs will allow for the Commission to fulfill the purposes and programs of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000."

Respectfully Submitted
Cathreen Richards, Executive Officer

- Attachment: Budget Worksheets

FY 2024-2025

Budget

Revenues

4301 - Interest from Treasury	\$	190
4562 - County Contributions	\$	15,000
4599 - Other Agencies	\$	15,000
4817 - LAFCO Fees	\$	7,000
4998 - Operating Transfer	\$	-
Total	\$	37,190

Expenses

5001 - Salaried Employees	\$	750	*
5021 - Retirement & Social Security	\$	16	
5022 - PERS Retirement	\$	9	
5031 - Medical Insurance	\$	-	
5043 - Other Benefits	\$	-	
5155 - Public Liability -	\$	3,673	*
5263 - Advertising	\$	300	
5265 - Professional & Special Services	\$	21,525	*
5311 - General Operating Expense	\$	1,870	*
5331 - Travel Expense	\$	2,308	*
5315 - County Cost Plan	\$	1,584	
5333 - Motor Pool	\$	796	*
Total	\$	32,830	

Revenue versus Expenses	\$	4,360
FY 2023-24 End Balance	\$	83,746
Projected Balance 6/30/2024	\$	88,106

COB Fees & County In-Kind Contribution	\$	30,000
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* 20% Admin Fee

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