



Inyo Local Agency Formation Commission
168 North Edwards Street
Post Office Drawer L
Independence, California 93526

Phone: (760) 878-0263
FAX: (760) 872-2712
E-Mail: inyolafco@inyocounty.us

INYO LOCAL AGENCY FORMATION COMMISSION AGENDA

April 21, 2023 at 9:00 a.m.

To be held at:
Clint Quilter County Consolidated Office Building
1360 N. Main Street, Conference Room 101
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: Paula Riesen
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, December 5, 2022.
- 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 2023-2024 Preliminary Budget (Public Hearing & Action Item - Requires 3/5 vote) – The Inyo LAFCO Executive Officer’s FY 2023-2024 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**



Inyo Local Agency Formation Commission
168 North Edwards Street
Post Office Drawer L
Independence, California 93526

Phone: (760) 878-0263
FAX: (760) 872-2712
E-Mail: inyolafco@inyocounty.us

INYO LOCAL AGENCY FORMATION COMMISSION AGENDA

April 21, 2023 at 9:00 a.m.

To be held at:
Clint Quilter County Consolidated Office Building
1360 N. Main Street, Conference Room 101
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:	Paula Riesen
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, December 5, 2022.
- 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 2023-2024 Preliminary Budget (Public Hearing & Action Item - Requires 3/5 vote) – The Inyo LAFCO Executive Officer’s FY 2023-2024 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**



Inyo Local Agency Formation Commission
168 North Edwards Street
Post Office Drawer L
Independence, California 93526

Phone: (760) 878-0263
FAX: (760) 872-2712
E-Mail: inyolafco@inyocounty.us

Commissioners:

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

Alternates:

Dan Totheroh (Inyo County)
Jim Ellis (City of Bishop)

LAFCO Staff:

Cathreen Richards – Inyo County - (Executive Officer)
Paula Riesen – Inyo County – (Lafco Clerk)

Minutes for Monday, December 5, 2022

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

The Inyo Local Agency Formation Commission met on Monday, December 5, 2022, Chair Muchovej opened the meeting at 8:02 a.m.

- ITEM 1: Pledge of Allegiance** – All recited the Pledge of Allegiance.
- ITEM 2: Roll Call** – Commissioners Present: Steven Muchovej, Allan Tobey, and Rick Pucci were present at the start of the meeting. Jeff Griffiths arrived at 8:18 am after attending a prior commitment.
- Staff present: Cathreen Richards, Executive Officer and Paula Riesen, LAFCo Clerk.
- 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. 8:02 a.m.
- ITEM 4: Approval of Minutes (Action Item)** – the Commission will consider the minutes from, May 23, 2022.
- Rick Pucci made a motion to approve and Alan made the second.
The motion passed 3-0.
- ITEM 5:** Approval of an Out-of-Area Service Contract - Bishop Rural Fire Protection District (BRFPD) and the Rovana Parties – The BRFPD has applied, by Resolution, for an out-of-area fire service contract for three parcels of land located in the community of Rovana totaling approximately 179-acres.

Cathreen Richards, Executive Officer presented the staff report.

Kevin Carunchio gave details pertaining to the Out-of-Area Service Contract stating that there were no new housing units and it is the same as it has been for the last 50 years. The hydrants run off of the three wells with capability of dumping more water into one of the tanks if needed in the case of a fire.

With no further questions, Rick Pucci made a motion to approve and Allan Tobey made the second.

The motion passed 3-0.

ITEM 6: Public Comment Period –Chair Steven Muchovej opened Public Comment.

With no one from the Public wished to speak Chair Steven Muchovej closed the public comment period at 8:18 a.m.

ITEM 7: Executive Officer’s and Commissioners’ Reports – Rick Pucci asked about the past Litigation with Northern Inyo Hospital?

Cathreen Richards, Executive Officer stated that the suit has been dropped by Northern Inyo Hospital.

Jeff Griffiths asked for clarification about the MSR’s and why we keep hearing about them but never have them.

Cathreen Richards, Executive Officer explained that we do not have new growth based on housing development to warrant a new Municipal Service Review.

Commissioner Rick Pucci said that this meeting would be his last, as he is retiring.

Cathreen Richards, Executive Officer thanked Commissioner Pucci for his service and that he will be missed after all his years of service.

ITEM 8: Determine Time and Location for the Next Meeting of Inyo LAFCO - Chair Muchovej asked if there any other items needing to be address at this time.

Cathreen Richards, Executive Officer said that we do not have any items pending, and that we will not need to meet until the spring preliminary budget in April or May.

ITEM 9: Adjournment – Chair Muchovej adjourned meeting at 8:24 a.m.



Inyo Local Agency Formation Commission

168 North Edwards Street
Post Office Drawer L
Independence, California 93526

Phone: (760) 878-0263
FAX: (760) 872-0382
E-Mail: involafco@invocountv.us

LAFCO STAFF REPORT

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

DATE OF MEETING: **April 21, 2023**

SUBJECT: **Inyo LAFCO Fiscal Year 2023-2024 Preliminary Budget**

EXECUTIVE SUMMARY

This report presents the Executive Officer's budget recommendations for adoption of a budget for the Fiscal Year (FY) 2023-2024. The proposed budgeted expenditures for FY 2023-2024 are \$37,134, an increase of \$1,896 from the FY 2022-2023 budget. This increase is due to higher staff, audit, insurance, and conference costs. The Inyo LAFCO Budget for FY 2023-2024 proposes funding from the County of Inyo and the City of Bishop in the amount of \$15,000 each, the same as 2022-2023, for a total contribution of \$30,000.

The total budget recommended by staff reflects revenues of \$37,190 and expenditures of \$37,134. A cash fund balance of \$61,445 is projected to remain from FY 2022-2023 increasing funds available for the FY 2023-2024 budget by \$56. This will result in a slight increase to the fund balance projected for 2023-2024.

Recommended Action: Conduct a public hearing and adopt the attached preliminary budget as recommended by staff for FY 2023-2024 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 2023-2024.

 2) Continue the public hearing and provide direction to staff regarding changes to the final budget for FY 2023-2024. 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 2022-2023

- Prepared for, conducted a hearing and approved an out-of-area service contract between the Bishop Rural Fire Protection District and the Rovana Parties.
- Sent one Commissioner and the executive officer to the annual LAFCo Conference.
- 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 2023-2024

- Dissolve inactive district (Independence Community Service District).
- Monitor issues with the Keeler Community Service District.
- Send staff to annual LAFCo Workshop and 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 2023-2024

Staff recommends contributions from the County of Inyo and the City of Bishop to \$15,000 each for FY 2023-2024 the same as FY 2022-2023. This level of contribution meets the budgeted expenses for FY 2023-2024; provides a reliable budget; and, allows for Commissioner and staff 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 \$150. The amount for FY 2023-2024 for Inyo LAFCO is \$3,900.

LAFCO Meetings

The FY 2023-2024 budget assumes three Inyo LAFCO meetings, which is the same number as 2022-2023. Staff has again estimated based on the three meetings and budgeted approximately \$2,268 for LAFCo meetings (staff and commissioners). This is \$47 more than 2022-2023 due to an increase in staff costs.

CALAFCO Conferences

Participation in the CALAFCO annual conference and staff workshop for Inyo LAFCO Commissioners has been included again in the 2023-2024 budget proposal at \$10,500, which is \$209 higher than the 2022-2023 amount. The increase is due to the higher than anticipated cost of the 2022-2023 conference attendance being added.

Proposed expenditures by Object Code for FY 2023-2024

1. Advertising (Object Code 5263)

The recommended amount in this object code is \$300 which is the same as the FY 2022-2023 Budget and is included to reflect any possible applications. For FY 2023-2024 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 \$24,495 which is approximately \$682 higher than the FY 2022-2023 Budget. The increase is from increases in staff costs, conference, annual Cal LAFCo fee, and audit costs. The recommended amount includes: staff time payments for meetings \$1,518; staff time to process projects and conduct regular LAFCO administrative duties \$12,549; the FY 2023-2024 audit \$3,900 and training (conference) \$6,528.

3. General Operating Expense (Object Code 5311)

The recommended amount in this object code is \$1,728, which is \$109 higher than in the FY 2022-2023 Budget. This is due to an increase in the CALAFCO Membership. This category of expenditures also includes purchases of supplies and miscellaneous supplies.

4. County Cost Plan (Object Code 5315)

The estimated amount in this object code is \$1,584, which is \$144 higher than the 2022-2023 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 \$3,616, which increased \$497 from the FY 2022-2023 budget. The increase is due to more funds being estimated for trainings based on the amount incurred from the 2022-2023 conference 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 \$1,332 which is \$464 higher than it was in the FY 2022-2023 budget. The increase is due to both an increase in IRS mileage rates and the estimate is based on two county employees going to training. If a Commissioner representing Bishop goes, this amount will be lower.

7. Public Liability Insurance (Object Code 5155)

The expenditure in this object code is \$3,304. It covers the cost to provide LAFCO its own insurance policy as now required by the County Risk Manager. This amount has not changed from the 2022-2023 amount.

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 2022-2023 Budget. This is for possible applications in the 2023-2024 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 2022-2023 Budget. The total revenues from both the County of Inyo and the City of Bishop for FY 2023-2024 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 2022-2023 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 2023-2024 budget includes expected revenues and expenses for anticipated applications. The Commission could choose to not 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 budget for FY 2023-2024 by taking the following action:

"Move to approve the Inyo Local Agency Formation Commission budget for fiscal year 2023-2024 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 2023-2024

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 -	\$	3,304	*
5263 - Advertising	\$	300	
5265 - Professional & Special Services	\$	24,495	*
5311 - General Operating Expense	\$	1,728	*
5331 - Travel Expense	\$	3,616	*
5315 - County Cost Plan	\$	1,584	
5333 - Motor Pool	\$	1,332	*
Total	\$	37,134	

Revenue versus Expenses	\$	56
FY 2021-22 End Balance	\$	61,389
Projected Balance 6/30/2023	\$	61,445

COB Fees & County In-Kind Contribution	\$	30,000
--	----	--------

* 20% Admin Fee

Page A*

FY 2023-2024 Prelim Budget

Description-Prof Service #5265	=	\$	
	=		
Staff Time for meetings	= \$	612	*
County Counsel for meetings	= \$	906	
Staff Conference	= \$	2,611	*
Annual Conference	= \$	3,917	*
Special District Update	= \$	653	*
Prep of prelim annual budget	= \$	653	*
Prep of annual budget	= \$	653	*
Staff time for the Audit	= \$	653	*
Staff time for Sm Project	= \$	2,000	
Staff time for Lrg Proect	= \$	5,000	
Audit cost (Price Page Company)	= \$	3,900	
Misc. acct	= \$	979	*
Various public inquiries	= \$	1,958	*
	= \$	-	
	\$	24,495	

* Includes 20% Overhead charge