

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2014 Commissioners

Chair

Louis R. Calcagno
County Member

Vice Chair

Steve Snodgrass
Special District Member

Fernando Armenta
County Member, Alternate

Sherwood Darington
Public Member

Matt Gourley
Public Member, Alternate

Joe Gunter
Alternate, City Member

Maria Orozco
City Member

Warren E. Poitras
*Special District Member,
Alternate*

Ralph Rubio
City Member

Simón Salinas
County Member

Graig R. Stephens
Special District Member

Staff

Kate McKenna, AICP
Executive Officer

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

P. O. Box 1369
Salinas, CA 93902

Voice: 831-754-5838
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LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838
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132 W. Gabilan Street, Suite 102
Salinas, CA 93901
Fax (831) 754-5831

MEMORANDUM

DATE: April 10, 2014

TO: Independent Special Districts in Monterey County

FROM: Kate McKenna, AICP, Executive Officer



SUBJECT: NOTICE OF ELECTION – LAFCO Cost Allocation Formula
For Independent Special Districts in Monterey County
(Signed Ballots are Due May 30, 2014)

Recently you received correspondence from Jack Francioni, Chairman of the Board, Soledad Community Health Care District, proposing updates to the local LAFCO cost allocation formula for independent special districts. A copy of Mr. Francioni's letter is enclosed for reference. Changes to the current formula may be approved by a majority vote of the independent special districts, representing a majority of the combined total population of independent special districts in Monterey County.

In response to the proposal for an updated formula, the LAFCO office is administering a mail-in election for independent special districts. A ballot measure is enclosed for action by each of your legislative bodies. The ballot must be received in the LAFCO office no later than **May 30, 2014 at 5:00 p.m.**

The proposed formula language has been reviewed for legal format by the LAFCO General Counsel, and for accounting format by the Monterey County Auditor-Controller's Office. The primary purpose of the proposal is to update the cost share formula to reflect the current (actual) cost allocation practices. A secondary purpose is to authorize the Soledad Community Health Care District, when it has an operational loss, to forego a contribution to LAFCO for the following year. If the ballot measure is approved, the updated formula will be implemented beginning with the cost apportionment process for LAFCO's Fiscal Year 2014-2015 budget.

Thank you for participating in this election. Please call me if you have questions about the process or ballot measure. I can be reached at (831)754-5838 or 682-0157.

Enclosures:

- 1 – Ballot Measure and Proposed Formula
- 2 – Correspondence from SCHCD to Independent Special Districts, March 28, 2014

ENCLOSURE 1

BALLOT MEASURE
AND
PROPOSED FORMULA

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

OFFICIAL BALLOT OF THE INDEPENDENT SPECIAL DISTRICTS

Proposed Amendment to the LAFCO Cost Share Allocation Formula for Independent Special Districts

Voting Instructions and Deadline: This ballot requires action by your District's legislative body. Please complete and sign the ballot. The signed ballot must be received in the LAFCO Office by **May 30, 2014** at 5:00 p.m. It may be returned by fax at (831)754-5831 or by email to mckennak@monterey.lafco.ca.gov or by regular mail to P.O. Box 1369, Salinas, CA 93902, or dropped off at 132 W. Gabilan Street, Suite 101, Salinas.

Shall the LAFCO Cost Share Allocation Formula for apportioning the Districts' share of operating expenses of the Commission be amended as proposed in Exhibit A of this Ballot?

YES

NO

Authorized District Signature: _____

Independent Special District: _____

Date: _____

**LAFCO Cost Allocation Formula for
Independent Special Districts in Monterey County
Proposed**

The independent special district (district) share of the Monterey County Local Agency Formation Commission (LAFCO) cost will be allocated according to the following provisions:

1. In accordance with the intent of AB2838, the costs will be allocated in proportion to each district's total revenues, as reported in the most recent edition of the "Special Districts Annual Report" published by the State Controller. The total revenues for each district will be determined annually as follows:
 - For Non-Enterprise Activities, Total Revenues as reported in the table titled "General Purpose Transactions" less intergovernmental revenue (Table 10 in the fiscal year 2011-12 Report).
 - For Enterprise Activities, Total Operating Revenue (Tables 2-8 for Various Districts in Fiscal Year 2011-12 Report).
 - For Districts not included in the most recent State Controller's report, 90% of the total revenues as published in the most recent annual audited financial statements. The 90% amount is specified to provide an inflation adjustment due to late publishing schedule of State Controller's reports.

2. If the above specified allocation methodology results in an allocation of more than 25% of the total special district share of LAFCO costs to a single district then the district's allocation shall be reduced to 25% of the total. The 25% limit is established to avoid any single district bearing a disproportionate amount of the costs. In such case, the remaining portion of the total cost will be re-allocated to all other districts based on the methodology specified in item 1 above.

3. In order to account for Health Care District revenue being reported in the Special Districts Annual Report as Enterprise Activities, and the inability to back out intergovernmental revenue as allowed for Non-Enterprise Activities, Health Care Districts that do not receive the benefit of the 25% limitation on contributions specified in paragraph 2 shall not be apportioned any share of LAFCO's cost where Operating Income is reported as a Loss in the Special Districts Annual Report for the prior fiscal year.

ENCLOSURE 2

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

CORRESPONDENCE



Soledad Community
HEALTH CARE DISTRICT
612 Main Street, Soledad, CA 93960
(831) 678-2462 • Fax: (831) 678-1539

Enclosure 2:
SCHCD
Correspondence

Jack Franscioni
612 Main Street
Soledad, CA 93960

March 28, 2014

[Recipient
Independent Special District
Address]

Dear [Special District General Manager/Fire Chief]:

Last Spring, we experienced notice of a significant increase in our LAFCO fee allocation for Fiscal Year 2013-2014. This isolated increase was due to a change in the way the special district formula for Monterey County was interpreted for our Health Care District.

I asked our CFO, Mr. Larsen to review all the relevant information we could get on this topic. We searched exhaustively through all resources, and explored the interesting history, in helping us understand why this happened, and helping to charting a solution to correct the issue. We found inconsistencies in how the formula was applied over the last 12 years. Some of these issues were forced on the County by the changes in the way the State presents district information.

We looked at numerous issues related to all Districts, and our main goal was to update the formula to the current practice. The proposed formula will allow the County to update the revenue data each year rather than every five as is the informal practice (the original formula does not specify any schedule for revenue data updates). It will continue the current practice of excluding intergovernmental revenues from the cost allocation process (the original formula does not provide for this important exclusion). It will allow our Health Care District, when we have an operational loss, to forgo a contribution to LAFCO for the following year. This is fairly consistent with provisions in the State language for health care districts. (Please note: No change is proposed to the current policy allocation of 25 percent of the special districts' share of LAFCO costs to the Salinas Valley Memorial Healthcare System, irrespective of the revenues of the SVMHS.) A few other minor policy updates are proposed for the sake of consistency with current interpretations of the original formula. Taken together, the proposed policy updates will have minimal impact on all districts, and will help the formula to stand alone without needing to consult the state law for interpretation of our local formula. We have attached the original and proposed formulas, and comparison worksheets for Fiscal Year 2013-2014 to illustrate the impacts.

We have met with and discussed the topic with the County as well as LAFCO. LAFCO Counsel has reviewed the proposed policy language for legal format, and the County Auditor's office has reviewed it for accounting format. Hopefully with this solution in place, no one will need to look at this for another decade.

Enclosure 2:
SCHCD
Correspondence

I invite you to call me or Mr. Larsen with any questions you may have concerning this language. I can be reached at (831) 678-2758, Mr. Larsen at (801) 557-2090.

Sincerely,

A handwritten signature in cursive script that reads "Jack Franscioni".

Jack Franscioni
Chairman of the Board
Soledad Community Health Care District

Enclosures: Proposed 2014 formula, Original formula, Fiscal Year 2013-2014 allocation sheet (actual), Fiscal Year 2013-2014 allocation sheet (based on the proposed formula – for comparison purposes only)

**LAFCO Cost Allocation Formula for
Independent Special Districts in Monterey County
Proposed**

The independent special district (district) share of the Monterey County Local Agency Formation Commission (LAFCO) cost will be allocated according to the following provisions:

1. In accordance with the intent of AB2838, the costs will be allocated in proportion to each district's total revenues, as reported in the most recent edition of the "Special Districts Annual Report" published by the State Controller. The total revenues for each district will be determined annually as follows:
 - For Non-Enterprise Activities, Total Revenues as reported in the table titled "General Purpose Transactions" less intergovernmental revenue (Table 10 in the fiscal year 2011-12 Report).
 - For Enterprise Activities, Total Operating Revenue (Tables 2-8 for Various Districts in Fiscal Year 2011-12 Report).
 - For Districts not included in the most recent State Controller's report, 90% of the total revenues as published in the most recent annual audited financial statements. The 90% amount is specified to provide an inflation adjustment due to late publishing schedule of State Controller's reports.
2. If the above specified allocation methodology results in an allocation of more than 25% of the total special district share of LAFCO costs to a single district then the district's allocation shall be reduced to 25% of the total. The 25% limit is established to avoid any single district bearing a disproportionate amount of the costs. In such case, the remaining portion of the total cost will be re-allocated to all other districts based on the methodology specified in item 1 above.
3. In order to account for Health Care District revenue being reported in the Special Districts Annual Report as Enterprise Activities, and the inability to back out intergovernmental revenue as allowed for Non-Enterprise Activities, Health Care Districts that do not receive the benefit of the 25% limitation on contributions specified in paragraph 2 shall not be apportioned any share of LAFCO's cost where Operating Income is reported as a Loss in the Special Districts Annual Report for the prior fiscal year.

**LAFCO Cost Allocation Formula for
Independent Special Districts in Monterey County**
Approved by Independent Special Districts on June 13, 2002 Proposed

The independent special district (district) share of the Monterey County Local Agency Formation Commission (LAFCO) cost will be allocated according to the following provisions:

1. In accordance with the intent of AB2838, the costs will be allocated in proportion to each district's total revenues, as reported in the most recent edition of the "Special Districts Annual Report" published by the State Controller. The total revenues for each district will be determined annually as follows:
 - o For Non-Enterprise Activities, Total Revenues as reported in the table titled "General Purpose Transactions" ~~less intergovernmental revenue~~ (Table 13-10 in the fiscal year ~~1997-98~~ 2011-12 Report).
 - o For Enterprise Activities, the sum of a) Total Operating Revenue and, b) ~~County allocation of Taxes as reported in the tables titled "operating Statement and Changes in Fixed Assets and Accumulated Depreciation"~~ (Both Line items are in Tables ~~18-24~~ 2-8 for Various Districts in Fiscal Year ~~1997-98~~ 2011-12 Report).
 - o For Districts not included in the most recent State Controller's report, 90% of the total revenues as published in the most recent annual audited financial statements. The 90% amount is specified to provide an inflation adjustment due to late publishing schedule of State Controller's reports.

2. If the above specified allocation methodology results in an allocation of more than 25% of the total special district share of LAFCO costs to a single district then the district's allocation shall be reduced to 25% of the total. The 25% limit is established to avoid any single district bearing a disproportionate amount of the costs. In such case, the remaining portion of the total cost will be re-allocated to all other districts based on the methodology specified in item 1 above.

- ~~2.3.~~ In order to account for Whereas Health Care District revenue beings reported in the Special Districts Annual Report as Enterprise Activities, and the inability to ~~cannot~~ back out intergovernmental revenue as allowed for Non-Enterprise Activities, and pursuant to the State regulations known as "Cortese-Knox-Hertzberg", Health Care Districts that do not receive the benefit of who have not taken the 25% limitation on contributions specified in paragraph 2 shall provision above will not be apportioned any share of LAFCO's the Commissions operational cost where Operating Income is reported as a Loss in the Special Districts Annual Report for the prior fiscal

| year.net from operations is a negative number, until such time a positive net from operations is attained.

**LAFCO Cost Allocation Formula for
Independent Special Districts in Monterey County
Approved by Independent Special Districts on June 13, 2002**

The independent special district (district) share of the Monterey County Local Agency Formation Commission (LAFCO) cost will be allocated according to the following provisions:

1. In accordance with the intent of AB2838, the costs will be allocated in proportion to each district's total revenues, as reported in the most recent edition of the "Special Districts Annual Report" published by the State Controller. The total revenues for each district will be determined as follows:
 - o For Non-Enterprise activities, Total Revenues as reported in the table titled "General Purpose Transactions" (Table 13 in the fiscal year 1997-98 Report).
 - o For Enterprise Activities, the sum of a) Total Operating Revenue and, b: County allocation of Taxes as reported in the tables titled "operating Statement and Changes in Fixed Assets and Accumulated Depreciation" (Both Line items are in Tables 18-24 for Various Districts in Fiscal Year 1997-98 Report).
 - o For Districts no included in the most recent State Controller's report, 90% of the total revenues as published in the most recent annual audited financial statements. The 90% amount is specified to provide an inflation adjustment due to late publishing schedule of State Controller's reports.

2. If the above specified allocation methodology results in an allocation of more than 25% of the total special district share of LAFCO costs to a single district then the district's allocation shall be reduced to 25% of the total. The 25% limit is established to avoid any single district bearing a disproportionate amount of the costs. In such case, the remaining portion of the total cost will be re-allocated to all other districts based on the methodology specified in item 1 above.

Monterey County Independent Special Districts
 LAFCO Cost Allocation Formula: Proportionate Percentages for Fiscal Year 2013-2014
 (Adopted Final Budget - May 20, 2013)

Enclosure 2:
 FY 2013-14 Allocation
 Worksheet (Actual)

Data Source: March 2013 State Controller's Special Districts Annual Report Using Fiscal Year 2010-11 Revenue.

Note: Revenue data was updated for this spreadsheet and will be updated on an annual basis in future years.

	Excluded Revenue	Non-Enterprise (Rev. Ex General Transactions)	Percent	Cost	Enterprise (Operating and Non Operating Revenue)	Percent	Cost	Total LAFCO Cost	Percent
AIRPORTS									
Monterey Peninsula Airport District	5,251,536	\$0			\$7,143,780	4.72%	\$11,803	\$11,803	4.72%
CEMETERIES									
Castroville Cemetery	317	156,988	0.10%	259			259	0.10%	
Cholame Cemetery District	0	2	0.00%	0			0	0.00%	
Gonzales Cemetery District	(33)	87,780	0.06%	145			145	0.06%	
Greenfield Cemetery District	207	125,676	0.08%	208			208	0.08%	
King City Cemetery District	707	217,688	0.14%	360			360	0.14%	
San Ardo Cemetery District	80	14,020	0.01%	23			23	0.01%	
San Lucas Cemetery District	170	13,188	0.01%	22			22	0.01%	
Soledad Cemetery District	309	129,897	0.09%	215			215	0.09%	
COMMUNITY SERVICES DISTRICTS									
Castroville CSD	66,771	0			2,111,500	1.39%	3,489	3,489	1.39%
Pajaro/Sunny Mesa CSD	208,061	148,045	0.10%	245	1,713,184	1.13%	2,831	3,075	1.23%
Pebble Beach CSD	64,734	8,207,387	5.42%	13,561	4,226,187	2.79%	6,983	20,543	8.21%
Santa Lucia CSD	0	2,755,482	1.82%	4,553	1,946,674	1.29%	3,216	7,769	3.11%
Spreckels CSD	138	102,329	0.07%	169			169	0.07%	
Ocean View Plaza CSD									
FIRE DISTRICTS									
Aromas Tri-County FPD	8,897	1,207,331	0.80%	1,995			1,995	0.80%	
Cachagua FPD	55,435	28,068	0.02%	46			46	0.02%	
Carmel Highlands FPD	12,610	2,225,318	1.47%	3,677			3,677	1.47%	
Carmel Valley FPD	747,588	3,788,769	2.50%	6,260			6,260	2.50%	
Cypress FPD	23,202	4,065,305	2.68%	6,717			6,717	2.68%	
Gonzales Rural FPD	31,720	128,055	0.08%	212			212	0.08%	
Greenfield FPD	94,662	500,999	0.33%	828			828	0.33%	
Mission-Soledad FPD	31,951	144,357	0.10%	239			239	0.10%	
North County FPD	212,436	5,302,987	3.50%	8,762			8,762	3.50%	
Monterey County Regional FPD	1,259,902	5,762,045	3.81%	9,520			9,520	3.81%	
South Monterey County FPD	1,684	672,851	0.44%	1,112			1,112	0.44%	
HARBOR DISTRICTS									
Moss Landing Harbor District	1,500	0			2,830,960	1.87%	4,677	4,677	1.87%
HEALTH CARE DISTRICTS									
Salinas Valley Memorial Healthcare System									
Soledad Community Health Care (See Footnote 1)					8,305,106	5.49%	13,722	13,722	5.49%
MEMORIAL DISTRICTS									
Greenfield Memorial District	570	147,686	0.10%	244			244	0.10%	
Spreckels Memorial District	846	172,089	0.11%	284			284	0.11%	
MOSQUITO ABATEMENT DISTRICTS									
No. Salinas Valley Mosquito Abatemt.	5,976	1,438,556	0.95%	2,377			2,377	0.95%	
RECREATION & PARK DISTRICTS									
Carmel Valley Recreation & Park	0	63,355	0.04%	105			105	0.04%	
North County Park & Recreation District	932,962	460,567	0.30%	761			761	0.30%	
Greenfield Public Recreation District	140,192	150,368	0.10%	248			248	0.10%	
Monterey Peninsula Regional Park	1,965,472	4,084,921	2.70%	6,749			6,749	2.70%	
Soledad-Mission Recreation District	1,315	363,489	0.24%	601			601	0.24%	
RESOURCE CONSERVATION									
Resource Conservation Dist of Monterey Co.	433,512	729	0.00%	1			1	0.00%	
SOLID WASTE DISPOSAL									
Monterey Regional Waste Mgt. District	0				19,956,171	13.18%	32,972	32,972	13.18%
WASTEWATER/SANITARY									
Carmel Area Wastewater District	39,057				6,858,921	4.53%	11,333	11,333	4.53%
WATER DISTRICTS									
Marina Coast Water District (County WD)	0				15,548,415	10.27%	25,690	25,690	10.27%
San Ardo Water District (Calif. WD)	0				98,272	0.06%	162	162	0.06%
San Lucas County Water District	0				151,316	0.10%	250	250	0.10%
TOTALS:	11,594,486	\$42,666,327	28.18%	\$70,495	\$70,890,486	46.82%	\$117,128	\$187,623	75.00%
Subtotal Operating Revenue:					\$113,556,813	75.00%			
Footnote 1: The Commission authorized a one-time contribution of \$13,221 from the Contingency Reserve toward the total cost of Soledad Community Health Care District for FY 2013-14. This is intended to provide short-term relief from hardships of a sudden 200-fold cost increase as compared to previous years, and provides time for the District to pursue long-term solutions.									
DISPROPORTIONATE IMPACT MITIGATION									
Salinas Valley Memorial Hospital - Allocation Based on Total Revenue					338,989,035	74.91%	187,391	187,391	74.91%
Salinas Valley Memorial Hospital - Adjusted at a fixed percentage of total special districts LAFCO cost:							62,541	62,541	25.00%
Total Cost							\$250,164	\$250,164	100.00%

Monterey County Independent Special Districts
 LAFCO Cost Allocation Formula: Proportionate Percentages for FY 2013-2014
 (For Comparison Purposes Only -
 Hypothetical Allocation based on the
 Proposed Formula)

Enclosure 2:
 FY 2013-14 Adjusted
 Allocation Worksheet with
 Proposed Formula
 (For Comparison Purposes Only)

Data Source: March 2013 State Controller's Special Districts Annual Report Using Fiscal Year 2010-11 Revenue.

Note: Revenue data was updated for this spreadsheet and will be updated on an annual basis in future years.

	Excluded Revenue	Non-Enterprise (Rev. for General Transactions)	Percent	Cost	Enterprise (Operating and Non Operating Revenue)	Percent	Cost	Total LAFCO Cost	Percent
AIRPORTS									
Monterey Peninsula Airport District	5,251,536	\$0			\$7,143,780	5.09%	\$12,735	\$12,735	5.09%
CEMETERIES									
Castroville Cemetery	317	156,988	0.11%	280			280	0.11%	
Cholame Cemetery District	0	2	0.00%	0			0	0.00%	
Gonzales Cemetery District	(33)	87,780	0.06%	156			156	0.06%	
Greenfield Cemetery District	207	125,676	0.09%	224			224	0.09%	
King City Cemetery District	707	217,688	0.16%	388			388	0.16%	
San Ardo Cemetery District	80	14,020	0.01%	25			25	0.01%	
San Lucas Cemetery District	170	13,188	0.01%	24			24	0.01%	
Soledad Cemetery District	309	129,897	0.09%	232			232	0.09%	
COMMUNITY SERVICES DISTRICTS									
Castroville CSD	66,771	0			2,111,500	1.50%	3,764	3,764	1.50%
Pajaro/Sunny Mesa CSD	208,061	148,045	0.11%	264	1,713,184	1.22%	3,054	3,318	1.33%
Pebble Beach CSD	64,734	8,207,387	5.85%	14,631	4,226,187	3.01%	7,534	22,164	8.86%
Santa Lucia CSD	0	2,755,482	1.96%	4,912	1,946,674	1.39%	3,470	8,382	3.35%
Spreckels CSD	138	102,329	0.07%	182			182	0.07%	
Ocean View Plaza CSD									
FIRE DISTRICTS									
Aromas Tri-County FPD	8,897	1,207,331	0.86%	2,152			2,152	0.86%	
Cachagua FPD	55,435	28,068	0.02%	50			50	0.02%	
Carmel Highlands FPD	12,610	2,225,318	1.59%	3,967			3,967	1.59%	
Carmel Valley FPD	747,588	3,788,769	2.70%	6,754			6,754	2.70%	
Cypress FPD	23,202	4,065,305	2.90%	7,247			7,247	2.90%	
Gonzales Rural FPD	31,720	128,055	0.09%	228			228	0.09%	
Greenfield FPD	94,662	500,999	0.36%	893			893	0.36%	
Mission-Soledad FPD	31,951	144,357	0.10%	257			257	0.10%	
North County FPD	212,436	5,302,987	3.78%	9,453			9,453	3.78%	
Monterey County Regional FPD	1,259,902	5,762,045	4.11%	10,271			10,271	4.11%	
South Monterey County FPD	1,684	672,851	0.48%	1,199			1,199	0.48%	
HARBOR DISTRICTS									
Moss Landing Harbor District	1,500	0			2,830,960	2.02%	5,047	5,047	2.02%
HEALTH CARE DISTRICTS									
Salinas Valley Memorial Healthcare System					See end of worksheet for adjustment of disproportionate impact above 25%				
Soledad Community Health Care (See Footnote 1)					\$8,305,106	0.00%	0	0	0.00%
MEMORIAL DISTRICTS									
Greenfield Memorial District	570	147,686	0.11%	263			263	0.11%	
Spreckels Memorial District	846	172,089	0.12%	307			307	0.12%	
MOSQUITO ABATEMENT DISTRICTS									
No. Salinas Valley Mosquito Abatemt.	5,976	1,438,556	1.03%	2,564			2,564	1.03%	
RECREATION & PARK DISTRICTS									
Carmel Valley Recreation & Park	0	63,355	0.05%	113			113	0.05%	
North County Park & Recreation District	932,962	460,567	0.33%	821			821	0.33%	
Greenfield Public Recreation District	140,192	150,368	0.11%	268			268	0.11%	
Monterey Peninsula Regional Park	1,965,472	4,084,921	2.91%	7,282			7,282	2.91%	
Soledad-Mission Recreation District	1,315	363,489	0.26%	648			648	0.26%	
RESOURCE CONSERVATION									
Resource Conservation Dist of Monterey Co	433,512	729	0.00%	1			1	0.00%	
SOLID WASTE DISPOSAL									
Monterey Regional Waste Mgt. District	0				19,956,171	14.22%	35,574	35,574	14.22%
WASTEWATER/SANITARY									
Carmel Area Wastewater District	39,057				6,858,921	4.89%	12,227	12,227	4.89%
WATER DISTRICTS									
Marina Coast Water District (County WD)	0				15,548,415	11.08%	27,717	27,717	11.08%
San Ardo Water District (Calif. WD)	0				98,272	0.07%	175	175	0.07%
San Lucas County Water District	0				151,316	0.11%	270	270	0.11%
TOTALS:	11,594,486	\$42,666,327	30.40%	\$76,058	\$62,585,380	44.60%	\$111,565	\$187,623	75.00%
Subtotal Operating Revenue:					\$105,251,707	75.00%			
Footnote 1: For Soledad Community Health Care District, all revenue is reported in the Special Districts Annual Report as "Enterprise Activities" with the inability to back out intergovernmental revenue as allowed for Non-Enterprise activities. SCHCD regularly has 60-70% of intergovernmental transfer revenue that cannot be reported to the State. As the SCHCD does not receive the benefit of the 25% limitation on contributions specified in Paragraph 2 of the Proposed Formula, the SCHCD shall not be apportioned any share of LAFCO's cost for FY 2013-2014 because Operating Income is reported as a loss in the Special Districts Annual Report for FY 2010-11.									
DISPROPORTIONATE IMPACT MITIGATION									
Salinas Valley Memorial Hospital - Allocation Based on Total Revenue					338,989,035	76.31%	190,894	190,894	76.31%
Salinas Valley Memorial Hospital - Adjusted at a fixed percentage of total special districts LAFCO cost:							62,541	25.00%	
Total Cost							\$250,164	100.00%	