

Les Baugh  
County Member

Larry Farr  
City Member

Stan Neutze  
City Member

Francie Sullivan  
City Member Alternate

Irwin Fust  
Special District Member

Mary Rickert  
County Member Alternate

Brenda Haynes  
Special District Member



Larry Russell  
Public Member

David Kehoe  
County Member

Patricia A. Clarke  
Special District Alternate

Vacant  
Public Member Alternate

George Williamson  
Executive Officer

James M. Underwood  
General Counsel

Kathy Bull  
Office Manager

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## Agenda Item:7.c.

**Meeting Date:** April 5, 2018

**From:** George Williamson, Executive Officer & Kathy Bull, Office Manager

**Subject:** Proposed Draft Budget for Fiscal Year 2018/2019

### **SUMMARY**

Local Agency Formation Commissions (LAFCOs) are independent commissions established by the California legislature under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Under California Government Code Section 56381, LAFCOs are responsible for annually adopting a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. State law specifies the proposed and final budgets shall, at a minimum, be equal to the budget adopted for the previous fiscal year unless LAFCO finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties.

### **DISCUSSION**

#### **Funding Sources:**

Shasta LAFCOs annual operating expenses are principally funded through appropriations from the County, Cities and Special Districts, in addition to application fees and interest earnings. Each fiscal year, after the Commission adopts the final budget, the County Auditor apportions operating expenses by one-third shared between the County, the Cities, and the independent special districts. Statutory authority allows the County Auditor to collect the amounts apportioned.

#### **Operating Expenses:**

The proposed operating expenses reflect the anticipated staffing services, daily operational needs, and municipal service reviews and sphere of influence updates. Notable changes to the operating expenses are proposed as follows:

- Retirement – PERS – Previous EO – Cost is expected to increase each fiscal year due to changing variables.
- LAFCO Personnel – Proposed staff wage increase of 2.5 percent.
- Fiscal/Audit Services – An Unqualified Opinion audit report is proposed for FY 2018/2019.
- Membership costs with CALAFCO and CSDA have been increased.
- Rents/Leases of Structures – In July, according to the lease agreement with SRTA, the monthly rent will increase from \$968.00 to \$997.00.

**Operating Revenues:**

The operating revenues are proposed to remain equal with last year in the amount of \$186,000.00 without an increase to local funding agencies. All essential LAFCO operational functions will be met in accordance with California law.

**RECOMMENDATION**

Staff recommends the Commission approve the proposed budget for Fiscal Year 2018/2019 referenced in Resolution 2018-04 and as outlined above with any requested changes; direct staff to forward the proposed budget to local funding agencies; and direct staff to prepare the final budget at a public hearing scheduled for June 7, 2018.

**Shasta LAFCO FY 2018/2019 Draft Budget Worksheet**

Categories	FY 2017/2018 Amended Budget	FY 2017/2018 Actual as of 3/22/18	FY 2017/2018 Projected End of Year	Over/Under Budget	FY 2018/2019 Proposed Budget
<b>REVENUES</b>					
<b>Interest</b>	0	1.20	2.00	-2	0
<b>Intergovernmental Revenue</b>					
Contribution from Cities	62,000	62,000	62,000	0	62,000
Contribution from Shasta County	62,000	62,000	62,000	0	62,000
Contribution from Special Districts	62,000	62,000	62,000	0	62,000
<b>Total Intergovernmental Revenue</b>	<b>186,000</b>	<b>186,000</b>	<b>186,000</b>	<b>0</b>	<b>186,000</b>
<b>TOTAL REVENUES</b>	<b>186,000</b>	<b>186,001</b>	<b>186,002</b>	<b>-2</b>	<b>186,000</b>
<b>EXPENSES</b>					
<b>Salaries &amp; Benefits</b>					
<b>Employer Expense</b>					
Retirement - PERS - Previous EO	4,133	4,133	4,133	0	4,652
<b>Total Employer Expense</b>	<b>4,133</b>	<b>4,133</b>	<b>4,133</b>	<b>0</b>	<b>4,652</b>
<b>Total Salaries &amp; Benefits</b>	<b>4,133</b>	<b>4,133</b>	<b>4,133</b>	<b>0</b>	<b>4,652</b>
<b>Services and Supplies</b>					
<b>Contract Employment Services</b>					
Contract Executive Officer	60,000	41,179	60,000	0	61,500
Contract LAFCO Personnel	43,535	34,320	43,645	-110	44,650
<b>Total Contract Employment Services</b>	<b>103,535</b>	<b>75,499</b>	<b>103,645</b>	<b>-110</b>	<b>106,150</b>
<b>Office Services &amp; Supplies</b>					
Bank & Transfer Fees	120	80	120	0	120
Communications	1,440	954	1,375	65	1,440
Info Tech Tools & Equip	400	0	400	0	400
Memberships	3,816	4,025	4,025	-209	4,200
Mileage Reimbursement	240	222	222	18	300
Office Cleaning	1,140	760	1,140	0	1,140
Office Expense	740	179	413	327	740
Office Furnishings	0	0	442	-442	0
Office Supplies	1,500	422	883	617	1,500
Postage & Shipping	700	131	390	310	700
Printing	300	0	0	300	100
<b>Total Office Services &amp; Supplies</b>	<b>10,396</b>	<b>6,773</b>	<b>9,410</b>	<b>986</b>	<b>10,640</b>
<b>Professional Services</b>					
<b>Misc Professional Services</b>					
Fiscal/Audit Services	7,500	5,000	7,500	0	3,000
InfoTech Services	250	0	250	0	250
InfoTech- Website	603	603	603	0	720
<b>Total Misc Professional Services</b>	<b>8,353</b>	<b>5,603</b>	<b>8,353</b>	<b>0</b>	<b>3,970</b>
<b>Legal Counsel</b>					
Misc Legal Services	10,000	2,685	5,025	4,975	10,000
<b>Total Legal Counsel</b>	<b>10,000</b>	<b>2,685</b>	<b>5,025</b>	<b>4,975</b>	<b>10,000</b>
<b>Total Professional Services</b>	<b>18,353</b>	<b>8,288</b>	<b>13,378</b>	<b>4,975</b>	<b>13,970</b>
<b>Rents, Leases &amp; Misc</b>					
Property & General Liability	1,833	1,833	1,833	0	1,943
Publications/Legal Notices - Regular	1,000	577	977	23	1,000
Rents & Leases Equipment - Postage Me	400	199	393	7	400
Rents & Leases Equipment - Copier	4,782	3,580	4,700	82	4,765

## Shasta LAFCO FY 2018/2019 Draft Budget Worksheet

Categories	FY 2017/2018 Amended Budget	FY 2017/2018 Actual as of 3/22/18	FY 2017/2018 Projected End of Year	Over/Under Budget	FY 2018/2019 Proposed Budget
Rents & Leases of Structures	11,504	8,712	11,616	-112	11,964
Small Tools & Equipment	100	21	50	50	100
Software	0	0	0	0	250
<b>Total Rents, Leases &amp; Misc</b>	<b>19,619</b>	<b>14,923</b>	<b>19,569</b>	<b>50</b>	<b>20,422</b>
<b>MSR/SOI Expenses</b>					
GIS Services	3,592	5,677	4,600	-1,008	3,600
Postage Printing	400	0	0	400	200
Public Hearing Notice	1,008	0	400	608	1,200
Misc. Other	20,000	11,316	20,000	0	20,000
<b>Total MSR/SOI Expenses</b>	<b>25,000</b>	<b>16,993</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>
Utilities	750	659	914	-164	950
<b>Total Services &amp; Supplies</b>	<b>177,653</b>	<b>123,135</b>	<b>171,916</b>	<b>5,737</b>	<b>177,132</b>
<b>TOTAL EXPENSES</b>	<b>181,786</b>	<b>127,268</b>	<b>176,049</b>	<b>5,737</b>	<b>181,784</b>
Appropriation for Contingency	4,057	4,057	4,214	-157	4,216
<b>TOTAL BUDGET ALLOTMENT BALANCE</b>	<b>\$185,843</b>	<b>\$131,325</b>	<b>\$180,263</b>	<b>\$5,580</b>	<b>\$186,000</b>
<b>CONTINGENCY FUND BALANCE</b>					
Contingency Deposit	\$4,057	\$4,057	\$4,057	\$0	\$4,216
Contingency Withdrawal	\$0	\$0	\$0	\$0	\$0
<b>Contingency Balance</b>	<b>\$31,862</b>	<b>\$35,919</b>	<b>\$35,919</b>	<b>\$0</b>	<b>\$40,135</b>

**SHASTA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION 2018-04**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A PROPOSED BUDGET FOR FISCAL YEAR 2018/2019**

**WHEREAS**, the Shasta Local Agency Formation Commission is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt a proposed budget for the next fiscal year no later than May 1; and

**WHEREAS**, the Executive Officer prepared a report concerning the proposed budget, including recommendations thereon; and

**WHEREAS**, the Executive Officer's report was presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at its public hearing on the proposed budget held on April 5, 2018; and

**WHEREAS**, the Commission determined the proposed budget projects, staffing and program costs of the agency as accurately and appropriately as is possible.

**NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED** as follows:

1. The proposed budget for Fiscal Year 2018/2019 as outlined in Exhibit A is approved;
2. The overall operating costs provided in the proposed budget will allow the Commission to fulfill its regulatory and planning responsibilities as required under Government Code Section § 56381(a);
3. The adopted proposed budget for Fiscal Year 2018/2019 as outlined in Exhibit A be circulated to funding agencies for review and comment.

**THE FOREGOING RESOLUTION** was introduced at a regular meeting of the Shasta LAFCO Commission on the 5<sup>th</sup> day of April, 2018, and adopted by the following vote:

AYES:  
NOES:  
ABSTAINS:  
ABSENT:

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Date

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Irwin Fust, Chairman  
Shasta Local Agency Formation Commission