

Les Baugh  
County Member

Irwin Fust  
Special District Member

Larry Farr  
City Member Alternate

Mary Rickert  
County Member Alternate

Stan Neutze  
City Member

Brenda Haynes  
Special District Member

Julie Winter  
City Member



Larry Russell  
Public Member

Katharine Ann Campbell  
Public Member Alternate

Joe Chimenti  
County Member

George Williamson  
Executive Officer

Patricia A. Clarke  
Special District Alternate

James M. Underwood  
General Counsel

Kathy Bull  
Manager

## Agenda Item: 7.a.

**Meeting Date:** June 6, 2019

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

**Subject:** Proposed Final Budget – Fiscal Year 2019/2020

### **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.

The Executive Committee met on March 6, 2019 and discussed the FY 2019/2020 Budget. Due to a CalPERS unfunded liability, the Executive Committee recommended staff provide a budget with two different options for the full Commission's approval at the April 4, 2019 Commission meeting. A Public Hearing on the Proposed Draft Budget for Fiscal Year 2018/2019 was held on April 4, 2019 and Option 1 with a ten percent increase to local funding agencies was approved. Staff was directed to provide information to the local funding agencies regarding the options and was sent April 7, 2019. No verbal or written comments have been received regarding the Proposed Final Budget for FY 2019/2020.

### **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. 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. An Executive Committee meeting was held on May 22, 2019 regarding the Proposed Final Budget – Fiscal Year 2019/2020 and was approved to bring forward to the full Commission for final approval.

#### **Operating Expenses:**

The operating expenses are proposed to be \$172,171 overall which is a decrease from the previous year. The most notable changes within the budget would be expenses toward CalPERS (Previous Executive Officer), a decrease for Contract Employees services, a decrease in Rents & Leases of Structures, a decrease in Utilities and an increase for Fiscal Audit, providing a full audit report for Fiscal Year 2018/2019. All essential LAFCO operational functions will be met in accordance with California law.

**Operating Revenues:**

The operating revenues in the Fiscal Year 2018/2019 was \$186,000.00 and with the proposed ten percent increase to the Fiscal Year 2019/2020, the operating revenues will be \$204,600.

**RECOMMENDATION**

Staff recommends the Commission approve the Proposed Final Budget for Fiscal Year 2019/2020 as outlined above with an increase in the contributions from local funding agencies in order to fulfill its regulatory and planning responsibilities.

Exhibit A: Proposed Final Budget Worksheet FY 2019/2020

Exhibit B: Resolution No. 2019-07

Exhibit C: 5 Year Budget Estimate

Exhibit D: Memo to County, City and Special Districts

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020  
OPTION 1 - 10% Cost of Share Increase**

Categories	FY 2018/2019 Adopted Budget	FY 2018/2019 Actual as of 5/22/19	FY 2018/2019 Projected End of Year	Over/Under Budget	FY 2019/2020 Proposed Budget
<b>REVENUES</b>					
<b>Interest</b>	\$0			\$0	\$0
<b>Intergovernmental Revenue</b>					
Contribution from Cities	\$62,000	\$62,000	\$62,000	\$0	\$68,200
Contribution from Shasta County	\$62,000	\$62,000	\$62,000	\$0	\$68,200
Contribution from Special Districts	\$62,000	\$62,000	\$62,000	\$0	\$68,200
<b>Total Intergovernmental Revenue</b>	\$186,000	\$186,000	\$186,000	\$0	\$204,600
<b>TOTAL REVENUES</b>	\$186,000	\$186,000	\$186,000	\$0	\$204,600
<b>EXPENSES</b>					
<b>Salaries &amp; Benefits</b>					
<b>Employer Expense</b>					
Retirement - PERS - Previous EO	\$4,652	\$4,489	\$4,489	\$163	\$5,117
Retirement Contract Termination				\$0	\$0
<b>Total Employer Expense</b>	\$4,652	\$4,489	\$4,489	\$163	\$5,117
<b>Total Salaries &amp; Benefits</b>	\$4,652	\$4,489	\$4,489	\$163	\$5,117
<b>Services and Supplies</b>					
<b>Contract Employment Services</b>					
Contract Executive Officer	\$61,500	\$38,577	\$61,500	\$0	\$51,500
Contract LAFCO Personnel	\$44,650	\$43,565	\$46,323	-\$1,673	\$44,650
<b>Total Contract Employment Services</b>	\$106,150	\$82,142	\$107,823	-\$1,673	\$96,150
<b>Office Services &amp; Supplies</b>					
Bank & Transfer Fees	\$120	\$100	\$206	-\$86	\$120
Communications	\$1,440	\$1,196	\$1,266	\$174	\$1,140
Info Tech Tools & Equip	\$400	\$0	\$400	\$0	\$400
Memberships	\$4,200	\$4,182	\$4,182	\$18	\$4,776
Mileage Reimbursement	\$300	\$287	\$287	\$13	\$300
Office Cleaning	\$1,140	\$1,069	\$1,140	\$0	\$420
Office Expense	\$740	\$538	\$650	\$90	\$500
Office Furnishings	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$1,500	\$731	\$900	\$600	\$700
Postage & Shipping	\$700	\$549	\$700	\$0	\$500
Printing	\$100	\$104	\$104	-\$4	\$100
<b>Total Office Services &amp; Supplies</b>	\$10,640	\$8,756	\$9,835	\$805	\$8,956
<b>Professional Services</b>					
<b>Misc Professional Services</b>					
Fiscal/Audit Services	\$3,000	\$5,000	\$5,000	-\$2,000	\$7,500
InfoTech Services	\$250	\$510	\$510	-\$260	\$250
InfoTech- Website	\$720	\$639	\$639	\$81	\$720
<b>Total Misc Professional Services</b>	\$3,970	\$6,149	\$6,149	-\$2,179	\$8,470
<b>Legal Counsel</b>					
Misc Legal Services	\$10,000	\$5,175	\$6,975	\$3,025	\$10,000
PERL Legal Services	\$0	\$5,375	\$13,950	-\$13,950	\$10,000
<b>Total Legal Counsel</b>	\$10,000	\$10,550	\$20,925	-\$10,925	\$20,000
<b>Total Professional Services</b>	\$13,970	\$16,699	\$27,074	-\$13,104	\$28,470
<b>Rents, Leases &amp; Misc</b>					
Property & General Liability	\$1,943	\$1,810	\$1,810	\$133	\$1,905
Publications/Legal Notices - Regular	\$1,000	\$380	\$1,000	\$0	\$800

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020  
OPTION 1 - 10% Cost of Share Increase**

Categories	FY 2018/2019 Adopted Budget	FY 2018/2019 Actual as of 5/22/19	FY 2018/2019 Projected End of Year	Over/Under Budget	FY 2019/2020 Proposed Budget
Rents & Leases Equipment - Postage Meter	\$400	\$399	\$400	\$0	\$400
Rents & Leases Equipment - Copier	\$4,765	\$4,215	\$4,765	\$0	\$4,479
Rents & Leases of Structures	\$11,964	\$11,477	\$10,977	\$987	\$7,914
Small Tools & Equipment	\$100	\$0	\$100	\$0	\$0
Software	\$250	\$242	\$242	\$8	\$0
<b>Total Rents, Leases &amp; Misc</b>	<b>\$20,422</b>	<b>\$18,523</b>	<b>\$19,294</b>	<b>\$1,128</b>	<b>\$15,498</b>
<b>MSR/SOI Expenses</b>					
GIS Services	\$3,600	\$1,302	\$3,600	\$0	\$2,520
Postage Printing	\$200	\$0	\$50	\$150	\$140
Public Hearing Notice	\$1,200	\$0	\$1,000	\$200	\$840
Misc. Other	\$20,000	\$13,595	\$20,000	\$0	\$14,000
<b>Total MSR/SOI Expenses</b>	<b>\$25,000</b>	<b>\$14,897</b>	<b>\$24,650</b>	<b>\$350</b>	<b>\$17,500</b>
Utilities	\$950	\$319	\$358	\$592	\$480
<b>Moving Expenses</b>					
Communications		\$99	\$99		
Contract - LAFCO Staff		\$149	\$2,689		
Info Tech Services		\$63	\$518		
Moving Supplies		\$1,444	\$50		
Office Expense- Movers, etc.		\$48	\$1,204		
<b>Total Moving Expenses</b>	<b>0</b>	<b>1,803</b>	<b>4,560</b>	<b>0</b>	<b>0</b>
<b>Total Services &amp; Supplies</b>	<b>\$177,132</b>	<b>\$143,139</b>	<b>\$193,594</b>	<b>-\$11,902</b>	<b>\$167,054</b>
<b>TOTAL EXPENSES</b>	<b>\$181,784</b>	<b>\$147,628</b>	<b>\$198,083</b>	<b>-\$11,739</b>	<b>\$172,171</b>
<b>Appropriation for Contingency</b>	<b>\$4,216</b>	<b>\$4,216</b>			<b>\$32,429</b>
<b>TOTAL BUDGET ALLOTMENT BALANCE</b>	<b>\$186,000</b>	<b>\$151,844</b>	<b>\$198,083</b>	<b>-\$11,739</b>	<b>\$204,600</b>
<b>CONTINGENCY FUND BALANCE</b>					
<b>Contingency Deposit</b>	<b>\$4,216</b>	<b>\$4,216</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Contingency Withdrawal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,986</b>	<b>-\$11,739</b>	<b>\$32,429</b>
<b>Contingency Balance</b>	<b>\$46,695</b>	<b>\$46,695</b>	<b>\$38,709</b>	<b>\$26,970</b>	<b>\$59,400</b>

**SHASTA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION 2019-07**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2019/2020**

**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 final budget by Jun 15; and

**WHEREAS**, the Commission adopted a Proposed Draft Budget at a noticed public hearing on April 4, 2019; and

**WHEREAS**, the Commission Staff circulated for review and comment of the Proposed Draft Budget to each of the funding agencies who contribute to the budget; and

**WHEREAS**, the Final Budget for Fiscal Year 2019/2020 was presented to the Commission in the manner provided by law at its public hearing on June 6, 2019; 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 Final Budget for Fiscal Year 2019/2020 as outlined in Exhibit A is approved;
2. The adopted Final Budget for Fiscal Year 2019/2020 as outlined in Exhibit A be circulated to local funding agencies and the County Auditor as required under Government Code Section 56381(a);
3. The Shasta County Auditor-Controller is authorized to apportion the budget as specified in Government Code Section 56381(b) and request payment from the County and each City and each Special District no later than July 1, 2019 as specified in Government Code 56381(c).
4. If the County, a City or Special District does not remit its required payment within 60 days, the County Auditor is requested to collect an equivalent amount from property tax, fee or eligible revenue owed the County, City or Special District as describe in Government Code Section 56381(c).

**THE FOREGOING RESOLUTION** was introduced at a regular meeting of the Shasta LAFCO Commission on the 6<sup>th</sup> day of June, 2019, and adopted by the following votes:

AYES:

NOES:

ABSTAINS:

ABSENT:

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Date

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Irwin Fust, Chairman  
Shasta Local Agency Formation Commission

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020 - 5 Year Estimate  
OPTION 1 - 10% Cost of Share Increase**

<b>Categories</b>	<b>Proposed FY 2019/20 Budget</b>	<b>Estimated FY 2020/21 Budget</b>	<b>Estimated FY 2021/22 Budget</b>	<b>Estimated FY 2022/23 Budget</b>	<b>Estimated FY 2023/24 Budget</b>	<b>Estimated FY 2024/25 Budget</b>
<b>REVENUES</b>						
<b>Interest</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Intergovernmental Revenue</b>	<b>+10%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Contribution from Cities	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200
Contribution from Shasta County	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200
Contribution from Special Districts	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200
<b>Total Intergovernmental Revenue</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>
<b>TOTAL REVENUES</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>
<b>EXPENSES</b>						
<b>Salaries &amp; Benefits</b>						
<b>Employer Expense</b>						
Retirement - PERS - Previous EO	\$5,117	\$5,373	\$5,641	\$5,924	\$6,220	\$6,531
Retirement Contract Termination		\$43,000	\$43,000	\$43,000	\$43,000	\$43,000
<b>Total Employer Expense</b>	<b>\$5,117</b>	<b>\$48,373</b>	<b>\$48,641</b>	<b>\$48,924</b>	<b>\$49,220</b>	<b>\$49,531</b>
<b>Total Salaries &amp; Benefits</b>	<b>\$5,117</b>	<b>\$48,373</b>	<b>\$48,641</b>	<b>\$48,924</b>	<b>\$49,220</b>	<b>\$49,531</b>
<b>Services and Supplies</b>						
<b>Contract Employment Services</b>						
Contract Executive Officer	\$51,500	\$51,500	\$51,500	\$51,500	\$51,500	\$61,500
Contract LAFCO Personnel	\$44,650	\$44,650	\$44,650	\$44,650	\$44,650	\$45,000
<b>Contract Employment Services Subtotal</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$106,500</b>
<b>Office Services &amp; Supplies</b>						
Bank & Transfer Fees	\$120	\$120	\$120	\$120	\$120	\$120
Communications	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140
Info Tech Tools & Equip	\$400	\$400	\$400	\$400	\$400	\$400
Memberships	\$4,776	\$4,823	\$4,872	\$4,920	\$4,970	\$5,019
Mileage Reimbursement	\$300	\$300	\$300	\$300	\$300	\$300
Office Cleaning	\$420	\$420	\$420	\$420	\$420	\$420
Office Expense	\$500	\$500	\$500	\$500	\$500	\$500
Office Furnishings	\$0	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$700	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Postage & Shipping	\$500	\$500	\$500	\$500	\$500	\$500
Printing	\$100	\$100	\$100	\$100	\$100	\$100
<b>Office Services &amp; Supplies Subtotal</b>	<b>\$8,956</b>	<b>\$9,503</b>	<b>\$9,552</b>	<b>\$9,600</b>	<b>\$9,650</b>	<b>\$9,699</b>
<b>Professional Services</b>						
<b>Miscellaneous Professional Services</b>						
Fiscal/Audit Services	\$7,500	\$3,000	\$7,500	\$3,000	\$7,500	\$3,000
InfoTech Services	\$250	\$250	\$250	\$250	\$250	\$250
InfoTech - Website	\$720	\$720	\$720	\$720	\$720	\$720
<b>Miscellaneous Services Subtotal</b>	<b>\$8,470</b>	<b>\$3,970</b>	<b>\$8,470</b>	<b>\$3,970</b>	<b>\$8,470</b>	<b>\$3,970</b>
<b>Legal Counsel</b>						
Misc. Legal Services	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
PERL Legal Services	\$10,000	\$0	\$0	\$0	\$0	\$0
<b>Legal Counsel Subtotal</b>	<b>\$20,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020 - 5 Year Estimate  
OPTION 1 - 10% Cost of Share Increase**

<b>Categories</b>	<b>Proposed FY 2019/20 Budget</b>	<b>Estimated FY 2020/21 Budget</b>	<b>Estimated FY 2021/22 Budget</b>	<b>Estimated FY 2022/23 Budget</b>	<b>Estimated FY 2023/24 Budget</b>	<b>Estimated FY 2024/25 Budget</b>
<b>Professional Services - Subtotal</b>	<b>\$28,470</b>	<b>\$13,970</b>	<b>\$18,470</b>	<b>\$13,970</b>	<b>\$18,470</b>	<b>\$13,970</b>
<b>Rents, Leases &amp; Misc</b>						
Property & General Liability	\$1,905	\$1,933	\$1,962	\$1,992	\$2,022	\$2,052
Publications/Legal Notices - Regular	\$800	\$800	\$800	\$800	\$800	\$800
Rents/Leases Equipment - Post Meter	\$400	\$400	\$400	\$400	\$400	\$400
Rents/Leases Equipment - Copier	\$4,479	\$4,765	\$1,200	\$1,200	\$1,200	\$1,200
Rents/Leases of Structures	\$7,914	\$8,151	\$8,396	\$8,648	\$8,907	\$9,174
Small Tools & Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Software	\$0	\$0	\$300	\$0	\$300	\$300
<b>Rents, Leases &amp; Misc - Subtotal</b>	<b>\$15,498</b>	<b>\$16,050</b>	<b>\$13,058</b>	<b>\$13,040</b>	<b>\$13,629</b>	<b>\$13,927</b>
<b>MSR/SOI Expenses</b>						
GIS Services	\$2,520	\$2,520	\$2,520	\$2,520	\$2,520	\$3,592
Postage Printing	\$140	\$140	\$140	\$140	\$140	\$400
Public Hearing Notice	\$840	\$840	\$840	\$840	\$840	\$1,008
Misc. Other	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$20,000
<b>MSR/SOI Expenses - Subtotal</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$25,000</b>
Utilities	\$480	\$480	\$480	\$480	\$480	\$480
<b>Total Services &amp; Supplies</b>	<b>\$167,054</b>	<b>\$153,653</b>	<b>\$155,210</b>	<b>\$150,740</b>	<b>\$155,879</b>	<b>\$169,576</b>
<b>TOTAL EXPENSES</b>	<b>\$172,171</b>	<b>\$202,026</b>	<b>\$203,852</b>	<b>\$199,664</b>	<b>\$205,098</b>	<b>\$219,107</b>
<b>Appropriation for Contingency</b>	<b>\$32,429</b>	<b>\$2,574</b>	<b>\$748</b>	<b>\$4,936</b>	<b>-\$498</b>	<b>-\$14,507</b>
<b>TOTAL BUDGET ALLOTMENT</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>
<b>CONTINGENCY FUND BALANCE</b>						
Contingency Deposit	\$32,429	\$2,574	\$748	\$4,936	\$0	\$0
Contingency Withdrawal	\$0	\$0	\$0	\$0	-\$498	-\$14,507
Contingency Balance	\$59,400	\$61,973	\$62,722	\$67,658	\$67,160	\$52,653

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**DATE:** April 7, 2019

**TO:** County, City and Special Districts

**FROM:** Kathy Bull, Office Manager *K. Bull*

**SUBJECT:** Proposed Fiscal Year 2019/2020 Shasta LAFCO Budget

Shasta LAFCO has kept the Local Agencies Share of Costs the same for ten years. Prior to that, in Fiscal Year 2008/2009 the Share of Cost was actually decreased from \$192,000 to \$186,000.

Recently CalPERS, the State Employees Retirement Fund determined that the Shasta LAFCO contracted staff were actual employees, thus increasing annual liability payments with pro-rated amounts to 5-years of non-payment into the CalPERS system. To provide a significant cost savings over time, Shasta LAFCO is discussing the option of terminating the CalPERS retirement contract. To terminate the contract with CalPERS, the unfunded liability is estimated to be at least \$197,000. Staff has decreased costs where possible to cover this significant and unexpected amount, however, there will be a need to increase revenues from local funding agencies.

Due to this CalPERS unfunded liability, the Shasta LAFCO Executive Committee recommended staff provide a budget with two different options for the full Commission's approval. On Thursday April 4, 2019, Shasta LAFCO conducted a public hearing at the City of Anderson Council Chambers concerning its Proposed Fiscal Year 2019/2020 Budget. The staff report and budget outline that was provided to the Commission at the public hearing is attached your review.

The Shasta LAFCO Commission reviewed the projected Shasta LAFCO finances and approved Option 1, asking for an increase of 10% in Cost of Share contributions for the Fiscal Year 2019/2020 budget year, with the possibility of reducing the Cost of Share again in the future. The Commission, however, would like feedback from the various Local Agencies regarding the increase of the Cost of Share options. You can contact Kathy Bull at [manager@shasta.lafco.ca.gov](mailto:manager@shasta.lafco.ca.gov) indicating your preferred budget option. The Fiscal Year 2019/2020 Budget Options 1 and 2 are enclosed.

The Fiscal Year 2019/2020 final budget approval public hearing is scheduled for June 6, 2019 at 9:00 a.m. located at the Shasta County Board of Supervisors Chambers. If you have any comments, concerns or would like more detailed information pertaining to the Final Fiscal Year 2019/2020 Budget, please feel free to attend the scheduled public hearing or, you may contact Kathy Bull at [manager@shasta.lafco.ca.gov](mailto:manager@shasta.lafco.ca.gov) or via telephone at (530) 242-1112. The Commission will select on option for all at the hearing.

Enclosures: April 4, 2019 Staff Report  
Shasta LAFCO FY 2019/2020 Draft Budget Worksheets Option 1/Option 2  
Resolution No.2019-03

Cc: George Williamson, Executive Officer  
Jim Underwood, General Counsel

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[exec@shasta.lafco.ca.gov](mailto:exec@shasta.lafco.ca.gov)



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## Agenda Item: 7.a.

**Meeting Date:** April 4, 2019

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

**Subject:** Proposed Draft Budget for Fiscal Year 2019/2020

### **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**

The Executive Committee met on March 6, 2019 and discussed the FY 2019/2020 Budget. Due to a CalPERS unfunded liability, the Executive Committee recommended staff provide a budget with two different options for the full Commission's approval. Staff has decreased costs where possible, however, there will be a need to increase revenues for local funding agencies.

#### **Funding Sources:**

Shasta LAFCO's 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:**

Operating expenses in the coming five years are going to be severely impacted by CalPERS unfunded liability repayment. The proposed operating expenses reflect the anticipated staffing services, daily operational needs, and municipal service reviews and sphere of influence updates. Notable operating expenses are as follows:

- CalPERS unfunded liability payments estimated at \$43,000 annually for five years starting July 1, 2019.
- Retirement – Previous EO – Increase costs expected annually due to changing variables. Staff will confirm if these annual payments will be continued during the above stated five-year period.
- Fiscal/Audit Services – Full FY 2018/2019 Audit services to be completed in FY 2019/2020.
- CALAFCO membership dues have increased 16.25% for FY 2019/2020.

- Special District Risk Management Authority (SDRMA) has increased their property rates by 11% and liability rates by 5% for FY 2019/2020.
- Rents/Leases of Structures – In October, the SRTA lease agreement terminates. Shasta LAFCO will downsize to an office space with less monthly costs than, possibly sooner.
- Moving expenses are anticipated to be approximately \$3,000.00

In addition, Public Employee Retirement Plan (PERL) Attorney (Best Best & Krieger) fees estimated at \$10,000 are expected to be incurred mostly in FY 2018/2019 but may extend into FY 2019/2020.

### **Operating Revenues:**

The FY 2019/2020 operating revenues from local funding agencies would increase with Commission approval of either Option 1 or Option 2.

- **Option 1:** A one-time 10% increase from \$186,000 to \$204,600 in FY 2019/2020. This will still result in a \$22,965.00 revenue shortfall due to CalPERS liability payment, with Contingency funds making up the difference.
- **Option 2:** A 5% increase from \$186,000 to \$195,300 in FY 2019/2020 with an additional 5% increase from \$195,300 to \$205,065 in FY 2020/2021. The overall FY 2019/2020 Budget shortfall would be \$32,265.00 with Contingency funds making up the difference.

While these are austere budget proposals, all essential LAFCO operational functions will be met in accordance with California law.

### **RECOMMENDATION**

Staff recommends the Commission:

- Open the public hearing,
- Select either Option 1 or Option 2 revenue increases,
- Approve the proposed budget for Fiscal Year 2019/2020 referenced in Resolution 2019-03 with the selected option;
- 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, 2019.

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020  
OPTION 1 - 10% Cost of Share Increase**

Categories	FY 2018/2019 Adopted Budget	FY 2018/2019 Actual as of 3/20/19	FY 2018/2019 Projected End of Year	Over/Under Budget	FY 2019/2020 Proposed Budget
<b>REVENUES</b>					
<b>Interest</b>	\$0			\$0	\$0
<b>Intergovernmental Revenue</b>					
Contribution from Cities	\$62,000	\$62,000	\$62,000	\$0	\$68,200
Contribution from Shasta County	\$62,000	\$62,000	\$62,000	\$0	\$68,200
Contribution from Special Districts	\$62,000	\$62,000	\$62,000	\$0	\$68,200
<b>Total Intergovernmental Revenue</b>	\$186,000	\$186,000	\$186,000	\$0	\$204,600
<b>TOTAL REVENUES</b>	\$186,000	\$186,000	\$186,000	\$0	\$204,600
<b>EXPENSES</b>					
<b>Salaries &amp; Benefits</b>					
<b>Employer Expense</b>					
Retirement - PERS - Previous EO	\$4,652	\$4,489	\$4,489	\$163	\$5,117
Retirement Contract Termination				\$0	\$43,000
<b>Total Employer Expense</b>	\$4,652	\$4,489	\$4,489	\$163	\$48,117
<b>Total Salaries &amp; Benefits</b>	\$4,652	\$4,489	\$4,489	\$163	\$48,117
<b>Services and Supplies</b>					
<b>Contract Employment Services</b>					
Contract Executive Officer	\$61,500	\$29,687	\$61,500	\$0	\$51,500
Contract LAFCO Personnel	\$44,650	\$37,380	\$44,650	\$0	\$44,650
<b>Total Contract Employment Services</b>	\$106,150	\$67,067	\$106,150	\$0	\$96,150
<b>Office Services &amp; Supplies</b>					
Bank & Transfer Fees	\$120	\$80	\$206	-\$86	\$120
Communications	\$1,440	\$909	\$1,440	\$0	\$1,140
Info Tech Tools & Equip	\$400	\$0	\$400	\$0	\$400
Memberships	\$4,200	\$4,182	\$4,182	\$18	\$4,776
Mileage Reimbursement	\$300	\$124	\$300	\$0	\$300
Office Cleaning	\$1,140	\$879	\$1,140	\$0	\$0
Office Expense	\$740	\$447	\$740	\$0	\$500
Office Furnishings	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$1,500	\$612	\$1,300	\$200	\$700
Postage & Shipping	\$700	\$389	\$700	\$0	\$500
Printing	\$100	\$104	\$104	-\$4	\$100
<b>Total Office Services &amp; Supplies</b>	\$10,640	\$7,725	\$10,512	\$128	\$8,536
<b>Professional Services</b>					
<b>Misc Professional Services</b>					
Fiscal/Audit Services	\$3,000	\$5,000	\$5,000	-\$2,000	\$7,500
InfoTech Services	\$250	\$285	\$285	-\$35	\$250
InfoTech- Website	\$720	\$684	\$684	\$36	\$720
<b>Total Misc Professional Services</b>	\$3,970	\$5,969	\$5,969	-\$1,999	\$8,470
<b>Legal Counsel</b>					
Misc Legal Services	\$10,000	\$5,040	\$6,840	\$3,160	\$10,000
PERL Legal Services	\$0	\$5,015	\$10,000	-\$10,000	\$10,000
<b>Total Legal Counsel</b>	\$10,000	\$10,055	\$16,840	-\$6,840	\$20,000
<b>Total Professional Services</b>	\$13,970	\$16,024	\$22,809	-\$8,839	\$28,470
<b>Rents, Leases &amp; Misc</b>					
Property & General Liability	\$1,943	\$1,810	\$1,810	\$133	\$1,905
Publications/Legal Notices - Regular	\$1,000	\$380	\$1,000	\$0	\$800

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020  
OPTION 1 - 10% Cost of Share Increase**

Categories	FY 2018/2019 Adopted Budget	FY 2018/2019 Actual as of 3/20/19	FY 2018/2019 Projected End of Year	Over/Under Budget	FY 2019/2020 Proposed Budget
Rents & Leases Equipment - Postage Meter	\$400	\$300	\$400	\$0	\$400
Rents & Leases Equipment - Copier	\$4,765	\$3,459	\$4,765	\$0	\$4,479
Rents & Leases of Structures	\$11,964	\$8,973	\$11,964	\$0	\$7,914
Small Tools & Equipment	\$100	\$0	\$100	\$0	\$0
Software	\$250	\$0	\$250	\$0	\$0
<b>Total Rents, Leases &amp; Misc</b>	<b>\$20,422</b>	<b>\$14,922</b>	<b>\$20,289</b>	<b>\$133</b>	<b>\$15,498</b>
<b>MSR/SOI Expenses</b>					
GIS Services	\$3,600	\$1,302	\$3,600	\$0	\$2,520
Postage Printing	\$200	\$0	\$200	\$0	\$140
Public Hearing Notice	\$1,200	\$0	\$1,200	\$0	\$840
Misc. Other	\$20,000	\$13,595	\$20,000	\$0	\$14,000
<b>Total MSR/SOI Expenses</b>	<b>\$25,000</b>	<b>\$14,897</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$17,500</b>
Utilities	\$950	\$118	\$358	\$592	\$480
<b>Moving Expenses</b>					
Communications					\$99
Contract - LAFCO Staff					\$1,345
Info Tech Services					\$220
Moving Supplies					\$200
Office Expense- Movers, etc.					\$950
<b>Total Moving Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,814</b>
<b>Total Services &amp; Supplies</b>	<b>\$177,132</b>	<b>\$120,753</b>	<b>\$185,118</b>	<b>-\$7,986</b>	<b>\$169,448</b>
<b>TOTAL EXPENSES</b>	<b>\$181,784</b>	<b>\$125,242</b>	<b>\$189,607</b>	<b>-\$7,823</b>	<b>\$217,565</b>
<b>Appropriation for Contingency</b>	<b>\$4,216</b>	<b>\$4,216</b>	<b>-\$3,607</b>	<b>\$7,823</b>	<b>-\$12,965</b>
<b>TOTAL BUDGET ALLOTMENT BALANCE</b>	<b>\$186,000</b>	<b>\$129,458</b>	<b>\$186,000</b>	<b>\$0</b>	<b>\$204,600</b>
<b>CONTINGENCY FUND BALANCE</b>					
<b>Contingency Deposit</b>	<b>\$4,216</b>	<b>\$4,216</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Contingency Withdrawal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,986</b>	<b>-\$7,823</b>	<b>-\$12,965</b>
<b>Contingency Balance</b>	<b>\$46,695</b>	<b>\$46,695</b>	<b>\$38,709</b>	<b>\$30,886</b>	<b>\$17,921</b>

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020 - 5 Year Estimate  
OPTION 1 - 10% Cost of Share Increase**

<b>Categories</b>	<b>Proposed FY 2019/20 Budget</b>	<b>Estimated FY 2020/21 Budget</b>	<b>Estimated FY 2021/22 Budget</b>	<b>Estimated FY 2022/23 Budget</b>	<b>Estimated FY 2023/24 Budget</b>	<b>Estimated FY 2024/25 Budget</b>
<b>REVENUES</b>						
<b>Interest</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Intergovernmental Revenue</b>	<b>+10%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Contribution from Cities	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200
Contribution from Shasta County	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200
Contribution from Special Districts	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200
<b>Total Intergovernmental Revenue</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>
<b>TOTAL REVENUES</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>
<b>EXPENSES</b>						
<b>Salaries &amp; Benefits</b>						
<b>Employer Expense</b>						
Retirement - PERS - Previous EO	\$5,117	\$5,373	\$5,641	\$5,924	\$6,220	\$0
Retirement Contract Termination	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$0
<b>Total Employer Expense</b>	<b>\$48,117</b>	<b>\$48,373</b>	<b>\$48,641</b>	<b>\$48,924</b>	<b>\$49,220</b>	<b>\$0</b>
<b>Total Salaries &amp; Benefits</b>	<b>\$48,117</b>	<b>\$48,373</b>	<b>\$48,641</b>	<b>\$48,924</b>	<b>\$49,220</b>	<b>\$0</b>
<b>Services and Supplies</b>						
<b>Contract Employment Services</b>						
Contract Executive Officer	\$51,500	\$51,500	\$51,500	\$51,500	\$51,500	\$61,500
Contract LAFCO Personnel	\$44,650	\$44,650	\$44,650	\$44,650	\$44,650	\$45,000
<b>Contract Employment Services Subtotal</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$106,500</b>
<b>Office Services &amp; Supplies</b>						
Bank & Transfer Fees	\$120	\$120	\$120	\$120	\$120	\$120
Communications	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140
Info Tech Tools & Equip	\$400	\$400	\$400	\$400	\$400	\$400
Memberships	\$4,776	\$4,823	\$4,872	\$4,920	\$4,970	\$5,019
Mileage Reimbursement	\$300	\$300	\$300	\$300	\$300	\$300
Office Cleaning	\$0	\$0	\$0	\$0	\$0	\$0
Office Expense	\$500	\$500	\$500	\$500	\$500	\$500
Office Furnishings	\$0	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$700	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Postage & Shipping	\$500	\$500	\$500	\$500	\$500	\$500
Printing	\$100	\$100	\$100	\$100	\$100	\$100
<b>Office Services &amp; Supplies Subtotal</b>	<b>\$8,536</b>	<b>\$9,083</b>	<b>\$9,132</b>	<b>\$9,180</b>	<b>\$9,230</b>	<b>\$9,279</b>
<b>Professional Services</b>						
<b>Miscellaneous Professional Services</b>						
Fiscal/Audit Services	\$7,500	\$3,000	\$7,500	\$3,000	\$7,500	\$3,000
InfoTech Services	\$250	\$250	\$250	\$250	\$250	\$250
InfoTech - Website	\$720	\$720	\$720	\$720	\$720	\$720
<b>Miscellaneous Services Subtotal</b>	<b>\$8,470</b>	<b>\$3,970</b>	<b>\$8,470</b>	<b>\$3,970</b>	<b>\$8,470</b>	<b>\$3,970</b>
<b>Legal Counsel</b>						
Misc. Legal Services	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
PERL Legal Services	\$10,000	\$0	\$0	\$0	\$0	\$0
<b>Legal Counsel Subtotal</b>	<b>\$20,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020 - 5 Year Estimate  
OPTION 1 - 10% Cost of Share Increase**

<b>Categories</b>	<b>Proposed FY 2019/20 Budget</b>	<b>Estimated FY 2020/21 Budget</b>	<b>Estimated FY 2021/22 Budget</b>	<b>Estimated FY 2022/23 Budget</b>	<b>Estimated FY 2023/24 Budget</b>	<b>Estimated FY 2024/25 Budget</b>
<b>Professional Services - Subtotal</b>	<b>\$28,470</b>	<b>\$13,970</b>	<b>\$18,470</b>	<b>\$13,970</b>	<b>\$18,470</b>	<b>\$13,970</b>
<b>Rents, Leases &amp; Misc</b>						
Property & General Liability	\$1,905	\$1,933	\$1,962	\$1,992	\$2,022	\$2,052
Publications/Legal Notices - Regular	\$800	\$800	\$800	\$800	\$800	\$800
Rents/Leases Equipment - Post Meter	\$400	\$400	\$400	\$400	\$400	\$400
Rents/Leases Equipment - Copier	\$4,479	\$4,765	\$1,200	\$1,200	\$1,200	\$1,200
Rents/Leases of Structures	\$7,914	\$8,151	\$8,396	\$8,648	\$8,907	\$9,174
Small Tools & Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Software	\$0	\$0	\$300	\$0	\$300	\$300
<b>Rents, Leases &amp; Misc - Subtotal</b>	<b>\$15,498</b>	<b>\$16,050</b>	<b>\$13,058</b>	<b>\$13,040</b>	<b>\$13,629</b>	<b>\$13,927</b>
<b>MSR/SOI Expenses</b>						
GIS Services	\$2,520	\$2,520	\$2,520	\$2,520	\$2,520	\$3,592
Postage Printing	\$140	\$140	\$140	\$140	\$140	\$400
Public Hearing Notice	\$840	\$840	\$840	\$840	\$840	\$1,008
Misc. Other	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$20,000
<b>MSR/SOI Expenses - Subtotal</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$25,000</b>
Utilities	\$480	\$480	\$480	\$480	\$480	\$480
<b>Moving Expenses</b>						
Communications	\$99					
Contract - LAFCO Staff	\$1,345					
Info Tech Services	\$220					
Moving Supplies	\$200					
Office Expense- Movers, etc.	\$950					
<b>Moving Expenses - Subtotal</b>	<b>\$2,814</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Services &amp; Supplies</b>	<b>\$169,448</b>	<b>\$153,233</b>	<b>\$154,790</b>	<b>\$150,320</b>	<b>\$155,459</b>	<b>\$169,156</b>
<b>TOTAL EXPENSES</b>	<b>\$217,565</b>	<b>\$201,606</b>	<b>\$203,432</b>	<b>\$199,244</b>	<b>\$204,678</b>	<b>\$169,156</b>
<b>Appropriation for Contingency</b>	<b>-\$12,965</b>	<b>\$2,994</b>	<b>\$1,168</b>	<b>\$5,356</b>	<b>-\$78</b>	<b>\$35,444</b>
<b>TOTAL BUDGET ALLOTMENT</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>
<b>CONTINGENCY FUND BALANCE</b>						
<b>Contingency Deposit</b>	<b>\$0</b>	<b>\$2,994</b>	<b>\$1,168</b>	<b>\$5,356</b>	<b>\$0</b>	<b>\$35,444</b>
<b>Contingency Withdrawal</b>	<b>-\$12,965</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$78</b>	<b>\$0</b>

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020  
OPTION 2 - 5% + 5% Cost of Share Incease**

Categories	FY 2018/2019 Adopted Budget	FY 2018/2019 Actual as of 3/20/19	FY 2018/2019 Projected End of Year	Over/Under Budget	FY 2019/2020 Proposed Budget
<b>REVENUES</b>					
<b>Interest</b>	\$0			\$0	\$0
<b>Intergovernmental Revenue</b>					
Contribution from Cities	\$62,000	\$62,000	\$62,000	\$0	\$65,100
Contribution from Shasta County	\$62,000	\$62,000	\$62,000	\$0	\$65,100
Contribution from Special Districts	\$62,000	\$62,000	\$62,000	\$0	\$65,100
<b>Total Intergovernmental Revenue</b>	\$186,000	\$186,000	\$186,000	\$0	\$195,300
<b>TOTAL REVENUES</b>	\$186,000	\$186,000	\$186,000	\$0	\$195,300
<b>EXPENSES</b>					
<b>Salaries &amp; Benefits</b>					
<b>Employer Expense</b>					
Retirement - PERS - Previous EO	\$4,652	\$4,489	\$4,489	\$163	\$5,117
Retirement Contract Termination				\$0	\$43,000
<b>Total Employer Expense</b>	\$4,652	\$4,489	\$4,489	\$163	\$48,117
<b>Total Salaries &amp; Benefits</b>	\$4,652	\$4,489	\$4,489	\$163	\$48,117
<b>Services and Supplies</b>					
<b>Contract Employment Services</b>					
Contract Executive Officer	\$61,500	\$22,889	\$61,500	\$0	\$51,500
Contract LAFCO Personnel	\$44,650	\$24,994	\$44,650	\$0	\$44,650
<b>Total Contract Employment Services</b>	\$106,150	\$47,883	\$106,150	\$0	\$96,150
<b>Office Services &amp; Supplies</b>					
Bank & Transfer Fees	\$120	\$60	\$206	-\$86	\$120
Communications	\$1,440	\$909	\$1,440	\$0	\$1,140
Info Tech Tools & Equip	\$400	\$0	\$400	\$0	\$400
Memberships	\$4,200	\$4,182	\$4,182	\$18	\$4,776
Mileage Reimbursement	\$300	\$124	\$300	\$0	\$300
Office Cleaning	\$1,140	\$784	\$1,140	\$0	\$0
Office Expense	\$740	\$438	\$740	\$0	\$500
Office Furnishings	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$1,500	\$612	\$1,300	\$200	\$700
Postage & Shipping	\$700	\$389	\$700	\$0	\$500
Printing	\$100	\$104	\$104	-\$4	\$100
<b>Total Office Services &amp; Supplies</b>	\$10,640	\$7,601	\$10,512	\$128	\$8,536
<b>Professional Services</b>					
<b>Misc Professional Services</b>					
Fiscal/Audit Services	\$3,000	\$5,000	\$5,000	-\$2,000	\$7,500
InfoTech Services	\$250	\$285	\$285	-\$35	\$250
InfoTech- Website	\$720	\$684	\$684	\$36	\$720
<b>Total Misc Professional Services</b>	\$3,970	\$5,969	\$5,969	-\$1,999	\$8,470
<b>Legal Counsel</b>					
Misc Legal Services	\$10,000	\$5,040	\$6,840	\$3,160	\$10,000
PERL Legal Services	\$0	\$5,015	\$10,000	-\$10,000	\$10,000
<b>Total Legal Counsel</b>	\$10,000	\$10,055	\$16,840	-\$6,840	\$20,000
<b>Total Professional Services</b>	\$13,970	\$16,024	\$22,809	-\$8,839	\$28,470
<b>Rents, Leases &amp; Misc</b>					
Property & General Liability	\$1,982	\$1,810	\$1,810	\$172	\$1,905
Publications/Legal Notices - Regular	\$1,000	\$380	\$1,000	\$0	\$800

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020  
OPTION 2 - 5% + 5% Cost of Share Increase**

Categories	FY 2018/2019 Adopted Budget	FY 2018/2019 Actual as of 3/20/19	FY 2018/2019 Projected End of Year	Over/Under Budget	FY 2019/2020 Proposed Budget
Rents & Leases Equipment - Postage Me	\$400	\$300	\$400	\$0	\$400
Rents & Leases Equipment - Copier	\$4,765	\$3,000	\$4,765	\$0	\$4,479
Rents & Leases of Structures	\$11,964	\$7,976	\$11,964	\$0	\$7,914
Small Tools & Equipment	\$100	\$0	\$100	\$0	\$0
Software	\$250	\$0	\$250	\$0	\$0
<b>Total Rents, Leases &amp; Misc</b>	<b>\$20,461</b>	<b>\$13,466</b>	<b>\$20,289</b>	<b>\$172</b>	<b>\$15,498</b>
<b>MSR/SOI Expenses</b>					
GIS Services	\$3,600	\$1,302	\$3,600	\$0	\$2,520
Postage Printing	\$200	\$0	\$200	\$0	\$140
Public Hearing Notice	\$1,200	\$0	\$1,200	\$0	\$840
Misc. Other	\$20,000	\$13,079	\$20,000	\$0	\$14,000
<b>Total MSR/SOI Expenses</b>	<b>\$25,000</b>	<b>\$14,381</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$17,500</b>
Utilities	\$950	\$118	\$358	\$592	\$480
<b>Moving Expenses</b>					
Communications					\$99
Contract - LAFCO Staff					\$1,345
Info Tech Services					\$220
Moving Supplies					\$200
Office Expense- Movers, etc.					\$950
<b>Total Moving Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,814</b>
<b>Total Services &amp; Supplies</b>	<b>\$177,171</b>	<b>\$99,473</b>	<b>\$185,118</b>	<b>-\$7,947</b>	<b>\$169,448</b>
<b>TOTAL EXPENSES</b>	<b>\$181,823</b>	<b>\$103,962</b>	<b>\$189,607</b>	<b>-\$7,784</b>	<b>\$217,565</b>
<b>Appropriation for Contingency</b>	<b>\$4,216</b>	<b>\$4,057</b>	<b>\$4,216</b>	<b>\$0</b>	<b>-\$22,265</b>
<b>TOTAL BUDGET ALLOTMENT BALANCE</b>	<b>\$186,039</b>	<b>\$108,019</b>	<b>\$193,823</b>	<b>-\$7,784</b>	<b>\$195,300</b>
<b>CONTINGENCY FUND BALANCE</b>					
<b>Contingency Deposit</b>	<b>\$4,216</b>	<b>\$4,216</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Contingency Withdrawal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,986</b>	<b>-\$7,784</b>	<b>-\$22,265</b>
<b>Contingency Balance</b>	<b>\$46,695</b>	<b>\$46,695</b>	<b>\$38,709</b>	<b>\$30,925</b>	<b>\$8,660</b>



**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020 - 5 Year Estimate  
OPTION 2 - 5% + 5% Cost of Share Increase**

<b>Categories</b>	<b>Proposed FY 2019/20 Budget</b>	<b>Estimated FY 2020/21 Budget</b>	<b>Estimated FY 2021/22 Budget</b>	<b>Estimated FY 2022/23 Budget</b>	<b>Estimated FY 2023/24 Budget</b>	<b>Estimated FY 2024/25 Budget</b>
<b>REVENUES</b>						
<b>Interest</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Intergovernmental Revenue</b>	<b>+5%</b>	<b>+5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Contribution from Cities	\$65,100	\$68,355	\$68,355	\$68,355	\$68,355	\$68,355
Contribution from Shasta County	\$65,100	\$68,355	\$68,355	\$68,355	\$68,355	\$68,355
Contribution from Special Districts	\$65,100	\$68,355	\$68,355	\$68,355	\$68,355	\$68,355
<b>Total Intergovernmental Revenue</b>	<b>\$195,300</b>	<b>\$205,065</b>	<b>\$205,065</b>	<b>\$205,065</b>	<b>\$205,065</b>	<b>\$205,065</b>
<b>TOTAL REVENUES</b>	<b>\$195,300</b>	<b>\$205,065</b>	<b>\$205,065</b>	<b>\$205,065</b>	<b>\$205,065</b>	<b>\$205,065</b>
<b>EXPENSES</b>						
<b>Salaries &amp; Benefits</b>						
<b>Employer Expense</b>						
Retirement - PERS - Previous EO	\$5,117	\$5,373	\$5,641	\$5,924	\$6,220	\$0
Retirement Contract Termination	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$0
<b>Total Employer Expense</b>	<b>\$48,117</b>	<b>\$48,373</b>	<b>\$48,641</b>	<b>\$48,924</b>	<b>\$49,220</b>	<b>\$0</b>
<b>Total Salaries &amp; Benefits</b>	<b>\$48,117</b>	<b>\$48,373</b>	<b>\$48,641</b>	<b>\$48,924</b>	<b>\$49,220</b>	<b>\$0</b>
<b>Services and Supplies</b>						
<b>Contract Employment Services</b>						
Contract Executive Officer	\$51,500	\$51,500	\$51,500	\$51,500	\$51,500	\$61,500
Contract LAFCO Personnel	\$44,650	\$44,650	\$44,650	\$44,650	\$44,650	\$45,000
<b>Contract Employment Services Subtotal</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$96,150</b>	<b>\$106,500</b>
<b>Office Services &amp; Supplies</b>						
Bank & Transfer Fees	\$120	\$120	\$120	\$120	\$120	\$120
Communications	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140
Info Tech Tools & Equip	\$400	\$400	\$400	\$400	\$400	\$400
Memberships	\$4,776	\$4,823	\$4,872	\$4,920	\$4,970	\$5,019
Mileage Reimbursement	\$300	\$300	\$300	\$300	\$300	\$300
Office Cleaning	\$0	\$0	\$0	\$0	\$0	\$0
Office Expense	\$500	\$500	\$500	\$500	\$500	\$500
Office Furnishings	\$0	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$700	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Postage & Shipping	\$500	\$500	\$500	\$500	\$500	\$500
Printing	\$100	\$100	\$100	\$100	\$100	\$100
<b>Office Services &amp; Supplies Subtotal</b>	<b>\$8,536</b>	<b>\$9,083</b>	<b>\$9,132</b>	<b>\$9,180</b>	<b>\$9,230</b>	<b>\$9,279</b>
<b>Professional Services</b>						
<b>Miscellaneous Professional Services</b>						
Fiscal/Audit Services	\$7,500	\$3,000	\$7,500	\$3,000	\$7,500	\$3,000
InfoTech Services	\$250	\$250	\$250	\$250	\$250	\$250
InfoTech - Website	\$720	\$720	\$720	\$720	\$720	\$720
<b>Miscellaneous Services Subtotal</b>	<b>\$8,470</b>	<b>\$3,970</b>	<b>\$8,470</b>	<b>\$3,970</b>	<b>\$8,470</b>	<b>\$3,970</b>
<b>Legal Counsel</b>						
Misc. Legal Services	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
PERL Legal Services	\$10,000	\$0	\$0	\$0	\$0	\$0
<b>Legal Counsel Subtotal</b>	<b>\$20,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>

**Shasta LAFCO Proposed Budget Worksheet FY 2019/2020 - 5 Year Estimate  
OPTION 2 - 5% + 5% Cost of Share Increase**

<b>Categories</b>	<b>Proposed FY 2019/20 Budget</b>	<b>Estimated FY 2020/21 Budget</b>	<b>Estimated FY 2021/22 Budget</b>	<b>Estimated FY 2022/23 Budget</b>	<b>Estimated FY 2023/24 Budget</b>	<b>Estimated FY 2024/25 Budget</b>
<b>Professional Services - Subtotal</b>	<b>\$28,470</b>	<b>\$13,970</b>	<b>\$18,470</b>	<b>\$13,970</b>	<b>\$18,470</b>	<b>\$13,970</b>
<b>Rents, Leases &amp; Misc</b>						
Property & General Liability	\$1,905	\$1,933	\$1,962	\$1,992	\$2,022	\$2,052
Publications/Legal Notices - Regular	\$800	\$800	\$800	\$800	\$800	\$800
Rents/Leases Equipment - Post Meter	\$400	\$400	\$400	\$400	\$400	\$400
Rents/Leases Equipment - Copier	\$4,479	\$4,765	\$1,200	\$1,200	\$1,200	\$1,200
Rents/Leases of Structures	\$7,914	\$8,151	\$8,396	\$8,648	\$8,907	\$9,174
Small Tools & Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Software	\$0	\$0	\$300	\$0	\$300	\$300
<b>Rents, Leases &amp; Misc - Subtotal</b>	<b>\$15,498</b>	<b>\$16,050</b>	<b>\$13,058</b>	<b>\$13,040</b>	<b>\$13,629</b>	<b>\$13,927</b>
<b>MSR/SOI Expenses</b>						
GIS Services	\$2,520	\$2,520	\$2,520	\$2,520	\$2,520	\$3,592
Postage Printing	\$140	\$140	\$140	\$140	\$140	\$400
Public Hearing Notice	\$840	\$840	\$840	\$840	\$840	\$1,008
Misc. Other	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$20,000
<b>MSR/SOI Expenses - Subtotal</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$25,000</b>
Utilities	\$480	\$480	\$480	\$480	\$480	\$480
<b>Moving Expenses</b>						
Communications	\$99					
Contract - LAFCO Staff	\$1,345					
Info Tech Services	\$220					
Moving Supplies	\$200					
Office Expense- Movers, etc.	\$950					
<b>Moving Expenses - Subtotal</b>	<b>\$2,814</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Services &amp; Supplies</b>	<b>\$169,448</b>	<b>\$153,233</b>	<b>\$154,790</b>	<b>\$150,320</b>	<b>\$155,459</b>	<b>\$169,156</b>
<b>TOTAL EXPENSES</b>	<b>\$217,565</b>	<b>\$201,606</b>	<b>\$203,432</b>	<b>\$199,244</b>	<b>\$204,678</b>	<b>\$169,156</b>
<b>Appropriation for Contingency</b>	<b>-\$22,265</b>	<b>\$3,459</b>	<b>\$1,633</b>	<b>\$5,821</b>	<b>\$387</b>	<b>\$35,909</b>
<b>TOTAL BUDGET ALLOTMENT</b>	<b>\$195,300</b>	<b>\$205,065</b>	<b>\$205,065</b>	<b>\$205,065</b>	<b>\$205,065</b>	<b>\$205,065</b>
<b>CONTINGENCY FUND BALANCE</b>						
<b>Contingency Deposit</b>	<b>\$0</b>	<b>\$3,459</b>	<b>\$1,633</b>	<b>\$5,821</b>	<b>\$387</b>	<b>\$35,909</b>
<b>Contingency Withdrawal</b>	<b>-\$22,265</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**SHASTA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION 2019-03**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A PROPOSED BUDGET FOR FISCAL YEAR 2019/2020**

**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 4, 2019; 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 2019/2020 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 2019/2020 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 4<sup>th</sup> day of April, 2019, and adopted by the following vote:

AYES:  
NOES:  
ABSTAINS:  
ABSENT:

4/4/2019  
Date

  
Irwin Fust, Chairman  
Shasta Local Agency Formation Commission