

Patrick Jones
County Member

Irwin Fust
Special District Member

Pamelyn Morgan
City Member

Mary Rickert
County Member Alternate

Stan Neutze
City Member

Ronnan Lund
Special District Member

Michael Dacquisto
City Member Alternate



Larry Russell
Public Member

Michael Spencer
Public Member Alternate

Kevin W. Crye
County Member

George Williamson
Executive Officer

Fred Ryness
Special District Alternate

James M. Underwood
General Counsel

Kathy Bull
Manager

Agenda Item: 7.a.

Meeting Date: April 6, 2023

From: George Williamson, Executive Officer

Subject: Proposed Draft Budget for Fiscal Year 2023/2024

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 1st and a final budget by June 15th. 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 24, 2023 and discussed the FY 2023/2024 Budget with approval to bring to the full Commission.

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. A notable operating expense includes the annual CalPERS unfunded liability payment.

Operating Revenues:

The FY 2023/2024 operating revenues from local funding agencies is recommended to slightly increase in the amount of \$3,900. All essential LAFCO operational functions will be met in accordance with California law.

RECOMMENDATION

Staff recommends the Commission:

- Open the public hearing;
- Approve the proposed budget for Fiscal Year 2023/2024 referenced in Resolution 2023-02;
- 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 1, 2023.

Exhibit A: Shasta LAFCO FY 2023/2024 Draft Budget Worksheet
Exhibit B: Resolution No.2023-02

FY 2022/2023 Final Proposed Budget

Budget Categories	FY 2022/2023	Draft FY 2023/2024
REVENUES		
Interest	0	0
Intergovernmental Revenue		(proposed increase)
Contribution from Cities	68,200	\$69,500
Contribution from Shasta County	68,200	\$69,500
Contribution from Special Districts	68,200	\$69,500
Total Intergovernmental Revenue	204,600	\$208,500
TOTAL REVENUES	204,600	\$208,500
EXPENSES		
Salaries & Benefits		
Payroll Expense		
Regular Hours	32,800	\$35,000
Sick Leave Hours	*	*
Retirement - PERS - Previous EO	50,498	\$50,498
Employer Taxes	6,030	\$6,300
Total Employer Expense	89,328	\$91,798
Total Salaries & Benefits	89,328	\$91,798
Services and Supplies		
Contract Employment Services		
Contract Executive Officer	52,500	\$57,500
Contract LAFCO Personnel	0	\$0
Total Contract Employment Services	52,500	\$57,500
Office Services & Supplies		
Bank & Transfer Fees	300	\$300
Communications	1,620	\$1,620
Info Tech Tools & Equip	0	\$500
Memberships	3,650	\$4,000
Mileage Reimbursement	250	\$300
Office Cleaning	0	\$0
Office Expense	200	\$500
Office Furnishings	0	\$0
Office Supplies	500	\$500
Postage & Shipping	500	\$500
Printing	0	\$0
Total Office Services & Supplies	7,020	\$8,220
Professional Services		
Misc Professional Services		
Fiscal/Audit Services (next Fy22-23)	5,500	\$0
InfoTech Services	250	\$750
InfoTech- Website	720	\$120
Total Misc Professional Services	6,470	\$870
Legal Counsel		
Misc Legal Services	10,000	\$12,500
Total Legal Counsel	10,000	\$12,500

* Includes required 3 day sick leave availability

FY 2022/2023 Final Proposed Budget

Budget Categories	FY 2022/2023	Draft FY 2023/2024
Total Professional Services	16,470	\$13,370
Rents, Leases & Misc		
Property & General Liability	3,900	\$3,900
Publications/Legal Notices - Regular	800	\$1,000
Rents & Leases Equipment - Postage Meter	0	\$0
Rents & Leases Equipment - Copier	0	\$0
Rents & Leases of Structures	7,200	\$7,200
Small Tools & Equipment	0	\$312
Software	0	\$200
Total Rents, Leases & Misc	11,900	\$12,612
MSR/SOI Expenses		
GIS Services	4,000	\$4,500
Postage Printing	140	\$100
Public Hearing Notice	200	\$140
Misc. Other	25,660	\$20,260
Total MSR/SOI Expenses	30,000	\$25,000
Utilities	0	\$0
Total Services & Supplies	117,890	\$116,702
TOTAL EXPENSES	207,218	\$208,500
Appropriation for Contingency	0	0
TOTAL BUDGET ALLOTMENT BALANCE	\$204,600	\$208,500
CONTINGENCY FUND BALANCE		
Contingency Deposit		
Contingency Withdrawal	\$2,618	
Contingency Balance	\$6,186	\$6,186
Proposed FY 2023-24 Change		\$3,900

SHASTA LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 2023-02

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION
ADOPTING A PROPOSED BUDGET FOR FISCAL YEAR 2023/2024**

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 6, 2023; 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 2023/2024 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 2023/2024 as outlined in Exhibit A be circulated to local funding agencies for review and comment.

THE FOREGOING RESOLUTION was introduced at a regular meeting of the Shasta LAFCO Commission on the 6th day of April, 2023, and adopted by the following vote:

AYES:
NOES:
ABSTAINS:
ABSENT:

Dated: _____

Irwin Fust, Chairman
Shasta Local Agency Formation Commission

Attest:

Dated: _____

Kathy Bull, LAFCO Manager
Shasta Local Agency Formation Commission