

Les Baugh  
County Member

Irwin Fust  
Special District Member

Pamela Morgan  
City Member

Mary Rickert  
County Member Alternate

Stan Neutze  
City Member Alternate

Brenda Haynes  
Special District Member

Mark Mezzano  
City Member



Larry Russell  
Public Member

Katharine Ann Campbell  
Public Member Alternate

Joe Chimenti  
County Member

George Williamson  
Executive Officer

Fred Ryness  
Special District Alternate

James M. Underwood  
General Counsel

Kathy Bull  
Manager

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## Agenda Item: 7.e.

**Meeting Date:** April 1, 2021

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

**Subject:** Proposed Fiscal Year 2021/2022 Budget

### **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 18, 2021, discussed the FY 2021/2022 Budget and recommended staff provide proposed budget for the full Commission's approval.

### **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 years continuing to be 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 expense changes are as follows:

- For FY 2021/2022, the following five MSRs-SOI Updates are scheduled: City of Redding; Mountain Gate & Centerville CSDs; Mayer's Memorial Health Care District; & CSA # 23 Craggs View  
These will require more effort, especially City of Redding, than in past year budgets, estimate is \$35,000.
- Retirement – PERS – Previous EO – Cost has been provided by CalPERS \$50,498 for five years.
- Fiscal/Audit Services – No FY 2021/2022 audit proposed, two year audit to be budgeted for FY 2022/2023
- Cost savings for end of equipment leases: Copier (now owned) & postage meter (returned)
- Membership costs with CALAFCO and CSDA have increased slightly.

### **Operating Revenues:**

The operating revenues are proposed to remain equal with last year in the amount of \$204,600 to local funding agencies. All essential LAFCO operational functions will be met in accordance with California law.

**RECOMMENDATION**

Staff recommends the Commission:

- Open the public hearing;
- Direct staff to read any submitted written comments;
- Approve proposed Fiscal Year 2021/2022 budget referenced in Resolution 2021-06 as outlined above;
- Direct staff to forward the proposed budget to local funding agencies; and
- Direct staff to prepare the final budget for a public hearing scheduled for June 3, 2021.

## FY 2021/2022 Proposed Draft Budget

Categories	Amended FY 2020/2021 Budget	DRAFTFY 2021/2022 Budget
<b>REVENUES</b>		
Interest	0	0
<b>Intergovernmental Revenue</b>		
Contribution from Cities	68,200	68,200
Contribution from Shasta County	68,200	68,200
Contribution from Special Districts	68,200	68,200
<b>Total Intergovernmental Revenue</b>	<b>204,600</b>	<b>204,600</b>
<b>TOTAL REVENUES</b>	<b>204,600</b>	<b>204,600</b>
<b>EXPENSES</b>		
<b>Salaries &amp; Benefits</b>		
<b>Payroll Salaries</b>		
Regular Hours	0	35,672
Sick Leave Hours	0	588
<b>Total Payroll Salaries</b>	<b>0</b>	<b>36,260</b>
<b>Employer Expense</b>		
Retirement - PERS - Previous EO	123,604	50,498
Employer Taxes	0	1,784
<b>Total Employer Expense</b>	<b>0</b>	<b>52,282</b>
<b>Total Salaries &amp; Benefits</b>	<b>123,604</b>	<b>88,542</b>
<b>Services and Supplies</b>		
<b>Contract Employment Services</b>		
Contract Executive Officer	51,500	51,000
Contract LAFCO Personnel	44,650	0
<b>Total Contract Employment Services</b>	<b>96,150</b>	<b>51,000</b>
<b>Office Services &amp; Supplies</b>		
Bank & Transfer Fees	120	120
Communications	1,420	1,420
Info Tech Tools & Equip	400	378
Memberships	4,823	4,850
Mileage Reimbursement	300	250
Office Cleaning	420	420
Office Expense	500	350
Office Furnishings	0	0
Office Supplies	1,000	550
Postage & Shipping	500	550
Printing	100	0
<b>Total Office Services &amp; Supplies</b>	<b>9,583</b>	<b>8,888</b>
<b>Professional Services</b>		
<b>Misc Professional Services</b>		
Fiscal/Audit Services (next Fy22-23)	3,000	0
InfoTech Services	750	250
InfoTech- Website	720	720
<b>Total Misc Professional Services</b>	<b>4,470</b>	<b>970</b>
<b>Legal Counsel</b>		
Misc Legal Services	14,000	10,000
PERL Legal Services	11,520	
<b>Total Legal Counsel</b>	<b>25,520</b>	<b>10,000</b>

**FY 2021/2022 Proposed Draft Budget**

<b>Categories</b>	<b>Amended FY 2020/2021 Budget</b>	<b>DRAFTFY 2021/2022 Budget</b>
<b>Total Professional Services</b>	<b>29,990</b>	<b>10,970</b>
<b>Rents, Leases &amp; Misc</b>		
Property & General Liability	2,598	3,400
Publications/Legal Notices - Regular	800	800
Rents & Leases Equipment - Postage Me	400	0
Rents & Leases Equipment - Copier	4,765	0
Rents & Leases of Structures	6,000	6,000
Small Tools & Equipment	0	0
Software	0	0
<b>Total Rents, Leases &amp; Misc</b>	<b>14,563</b>	<b>10,200</b>
<b>MSR/SOI Expenses</b>		
GIS Services	2,520	5,500
Postage Printing	140	140
Public Hearing Notice	840	200
Misc. Other	14,000	29,160
<b>Total MSR/SOI Expenses</b>	<b>17,500</b>	<b>35,000</b>
Utilities		
<b>Total Services &amp; Supplies</b>	<b>167,786</b>	<b>116,058</b>
<b>TOTAL EXPENSES</b>	<b>291,390</b>	<b>204,600</b>
<b>Appropriation for Contingency</b>	<b>-60,424</b>	<b>0</b>
<b>TOTAL BUDGET ALLOTMENT BALANCE</b>	<b>\$230,966</b>	<b>\$204,600</b>
<b>CONTINGENCY FUND BALANCE</b>		
<b>Contingency Deposit</b>		
<b>Contingency Withdrawal</b>	<b>\$60,424</b>	
<b>Contingency Balance</b>	<b>\$8,804</b>	<b>\$8,804</b>

**SHASTA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION 2021-06**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A PROPOSED BUDGET FOR FISCAL YEAR 2021/2022**

**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 1, 2021; 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 2021/2022 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 2021/2022 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 1<sup>st</sup> day of April, 2021, and adopted by the following vote:

AYES:

NOES:

ABSTAINS:

ABSENT:

ATTEST:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kathy Bull, Clerk to the Commission  
Shasta Local Agency Formation Commission

\_\_\_\_\_  
Date

\_\_\_\_\_  
Irwin Fust, Chairman  
Shasta Local Agency Formation Commission