

Les Baugh
County Member

Irwin Fust
Special District Member

Pamelyn 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

Agenda Item: 7.c.

Meeting Date: June 3, 2021

From: Executive Officer George Williamson & Kathy Bull, LAFCO Manager

Subject: Proposed Final Budget - Fiscal Year 2021/2022

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

With no changes to the previously proposed draft budget, the Executive Committee met on May 26, 2021, discussed the FY 2021/2022 Budget and recommended staff provide the proposed final 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 MSR/SOI Updates are scheduled: City of Redding; Mountain Gate & Centerville CSDs; Mayer's Memorial Health Care District; & CSA # 23 Crags View Budget estimate is \$35,000.
- Retirement – PERS – Previous EO – Cost is \$50,498 for five years.
- Fiscal/Audit Services – No proposed audit for FY 2021/2022, a two-year audit will be budgeted for FY 2022/2023.
- Cost savings for end of equipment leases.
- 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 Shasta LAFCO operational functions will be met in accordance with California law.

RECOMMENDATION

Staff recommends the Commission implement the following:

- Open the public hearing;
- Direct staff to read any submitted written comments;
- Approve proposed Fiscal Year 2021/2022 budget referenced in Resolution 2021-11 as outlined above;
- Direct staff to forward the final budget to Shasta County Auditor; and
- Direct staff to forward the final budget to local funding agencies.

Exhibit A: Shasta LAFCO FY 2021/2022 Proposed Final Budget Worksheet
Exhibit B: Resolution No.2021-11

FY 2021/2022 Proposed Final Budget

Categories	Amended FY 2020/2021 Budget	DRAFTFY 2021/2022 Budget
REVENUES		
Interest	0	0
Intergovernmental Revenue		
Contribution from Cities	68,200	68,200
Contribution from Shasta County	68,200	68,200
Contribution from Special Districts	68,200	68,200
Total Intergovernmental Revenue	204,600	204,600
TOTAL REVENUES	204,600	204,600
EXPENSES		
Salaries & Benefits		
Payroll Salaries		
Regular Hours	0	35,672
Sick Leave Hours	0	588
Total Payroll Salaries	0	36,260
Employer Expense		
Retirement - PERS - Previous EO	123,604	50,498
Employer Taxes	0	1,784
Total Employer Expense	0	52,282
Total Salaries & Benefits	123,604	88,542
Services and Supplies		
Contract Employment Services		
Contract Executive Officer	51,500	51,000
Contract LAFCO Personnel	44,650	0
Total Contract Employment Services	96,150	51,000
Office Services & Supplies		
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
Total Office Services & Supplies	9,583	8,888
Professional Services		
Misc Professional Services		
Fiscal/Audit Services (next Fy22-23)	3,000	0
InfoTech Services	750	250
InfoTech- Website	720	720
Total Misc Professional Services	4,470	970
Legal Counsel		
Misc Legal Services	14,000	10,000
PERL Legal Services	11,520	
Total Legal Counsel	25,520	10,000

FY 2021/2022 Proposed Final Budget

Categories	Amended FY 2020/2021 Budget	DRAFTFY 2021/2022 Budget
Total Professional Services	29,990	10,970
Rents, Leases & Misc		
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
Total Rents, Leases & Misc	14,563	10,200
MSR/SOI Expenses		
GIS Services	2,520	5,500
Postage Printing	140	140
Public Hearing Notice	840	200
Misc. Other	14,000	29,160
Total MSR/SOI Expenses	17,500	35,000
Utilities		
Total Services & Supplies	167,786	116,058
TOTAL EXPENSES	291,390	204,600
Appropriation for Contingency	-60,424	0
TOTAL BUDGET ALLOTMENT BALANCE	\$230,966	\$204,600
CONTINGENCY FUND BALANCE		
Contingency Deposit		
Contingency Withdrawal	\$60,424	
Contingency Balance	\$8,804	\$8,804

SHASTA LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 2021-11

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION
ADOPTING A FINAL 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 final budget by Jun 15; and

WHEREAS, the Commission adopted a Proposed Draft Budget at a noticed public hearing on April 1, 2021; 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 2021/2022 was presented to the Commission in the manner provided by law at its public hearing on June 3, 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 Final Budget for Fiscal Year 2021/2022 as outlined in Exhibit A is approved;
2. The adopted Final Budget for Fiscal Year 2021/2022 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, 2021 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 3rd day of June, 2021, and adopted by the following votes:

AYES:
NOES:
ABSTAINS:
ABSENT:

Date

Irwin Fust, Chairman
Shasta Local Agency Formation Commission

Attest:

Dated: _____

Kathy Bull, LAFCO Manager
Shasta Local Agency Formation Commission