

Patrick Jones  
County Member

Irwin Fust  
Special District Member

Pamelyn Morgan  
City Member Alternate

Mary Rickert  
County Member Alternate

Stan Neutze  
City Member

Brenda Haynes  
Special District Member

Michael Dacquisto  
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.a.

**Meeting Date:** June 2, 2022

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

**Subject:** Proposed Final Budget for Fiscal Year 2022/2023

### **Background:**

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 May 23, 2022, discussed the FY 2022/2023 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 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 2022/2023, five MSR/SOI Updates are scheduled: The Budgeted amount is \$30,000.
- Retirement – CalPERS – Previous EO – Annual Payments are \$50,498 for five years.
- Fiscal/Audit Services – Budgeted amount of \$ 5,500.00 for FY 2021/2022 audit.
- Annual CALAFCO Dues have increased slightly.
- Expenses would slightly exceed member organization revenues, with \$2,618.00 in contingency funds proposed to cover the difference.

The member organization contributions are proposed to remain equal with last year in the amount of \$204,600 without an increase to local funding agencies. All essential Shasta LAFCO operational functions will be met in accordance with California law.

**MSR/SOI Updates Compliance Work Plan:**

The following MSR/SOI Updates are scheduled for FY 2022/2023: City of Shasta Lake; Clear Creek CSD; Anderson Cottonwood Irrigation District; CSA #14 – Belmont (storm drainage) & CSA #15 Lighting. The Clear Creek CSD MSR/SOI Update will be the priority.

**Recommendation:**

Staff recommends the Commission approve the Proposed Final Budget for Fiscal Year 2022/2023 as outlined above. The Proposed FY 2022/2023 Budget can be adopted and implemented without increasing the contributions from funding agencies while able to fulfill its regulatory and planning responsibilities.

Exhibit A: Proposed Final Budget Worksheet FY 2020/2023

Exhibit B: Resolution No. 2022-10

**FY 2022/2023 Final Proposed Budget**

Categories	DRAFTFY 2021/2022 Budget	DRAFTFY 2022/2023 Budget
<b>REVENUES</b>		
<b>Interest</b>	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>	204,600	204,600
<b>TOTAL REVENUES</b>	<b>204,600</b>	<b>204,600</b>
<b>EXPENSES</b>		
<b>Salaries &amp; Benefits</b>		
<b>Payroll Expense</b>		
Regular Hours	35,672	34,472
Sick Leave Hours	588	*
Retirement - PERS - Previous EO	50,498	50,498
Employer Taxes	1,784	2,300
<b>Total Employer Expense</b>	88,542	87,270
<b>Total Salaries &amp; Benefits</b>	<b>88,542</b>	<b>87,270</b>
<b>Services and Supplies</b>		
<b>Contract Employment Services</b>		
Contract Executive Officer	51,000	52,500
Contract LAFCO Personnel	0	0
<b>Total Contract Employment Services</b>	<b>51,000</b>	<b>52,500</b>
<b>Office Services &amp; Supplies</b>		
Bank & Transfer Fees	120	300
Communications	1,420	1,620
Info Tech Tools & Equip	378	0
Memberships	4,850	3,650
Mileage Reimbursement	250	250
Office Cleaning	420	0
Office Expense	350	200
Office Furnishings	0	0
Office Supplies	550	500
Postage & Shipping	550	500
Printing	0	0
<b>Total Office Services &amp; Supplies</b>	<b>8,888</b>	<b>7,020</b>
<b>Professional Services</b>		
<b>Misc Professional Services</b>		
Fiscal/Audit Services (next Fy22-23)	0	5,500
InfoTech Services	250	250
InfoTech- Website	720	720
<b>Total Misc Professional Services</b>	<b>970</b>	<b>6,470</b>
<b>Legal Counsel</b>		
Misc Legal Services	10,000	10,000
<b>Total Legal Counsel</b>	<b>10,000</b>	<b>10,000</b>

\* Includes required 3 day sick leave availability

**FY 2022/2023 Final Proposed Budget**

<b>Categories</b>	<b>DRAFTFY 2021/2022 Budget</b>	<b>DRAFTFY 2022/2023 Budget</b>
<b>Total Professional Services</b>	<b>10,970</b>	<b>16,470</b>
<b>Rents, Leases &amp; Misc</b>		
Property & General Liability	3,400	3,900
Publications/Legal Notices - Regular	800	800
Rents & Leases Equipment - Postage Me	0	0
Rents & Leases Equipment - Copier	0	0
Rents & Leases of Structures	6,000	7,200
Small Tools & Equipment	0	0
Software	0	0
<b>Total Rents, Leases &amp; Misc</b>	<b>10,200</b>	<b>11,900</b>
<b>MSR/SOI Expenses</b>		
GIS Services	5,500	4,000
Postage Printing	140	140
Public Hearing Notice	200	200
Misc. Other	29,160	25,660
<b>Total MSR/SOI Expenses</b>	<b>35,000</b>	<b>30,000</b>
Utilities		
<b>Total Services &amp; Supplies</b>	<b>116,058</b>	<b>117,890</b>
<b>TOTAL EXPENSES</b>	<b>204,600</b>	<b>205,160</b>
Appropriation for Contingency	0	0
<b>TOTAL BUDGET ALLOTMENT BALANCE</b>	<b>\$204,600</b>	<b>\$204,600</b>
<b>CONTINGENCY FUND BALANCE</b>		
Contingency Deposit		
Contingency Withdrawal		\$560
<b>Contingency Balance</b>	<b>\$8,804</b>	<b>\$8,244</b>

\* Includes required 3 day sick leave availability

**SHASTA LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION 2022-10**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2022/2023**

**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 Budget at a noticed public hearing on April 7, 2022; 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 2022/2023 was presented to the Commission in the manner provided by law at its public hearing on June 2, 2022; 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 2022/2023 as outlined in Exhibit A is approved;
2. The adopted Final Budget for Fiscal Year 2022/2023 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, 2022 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 2<sup>nd</sup> day of June, 2022, and adopted by the following votes:

AYES:  
NOES:  
ABSTAINS:  
ABSENT:

Dated: \_\_\_\_\_

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

ATTEST:

Dated: \_\_\_\_\_

\_\_\_\_\_  
*Kathy Bull, LAFCO Manager*  
Shasta Local Agency Formation Commission