

Les Baugh  
County Member

Larry Farr  
City Member

Stan Neutze  
City Member Alternate

Francie Sullivan  
City Member

Irwin Fust  
Special District Member

Mary Rickert  
County Member Alternate

Brenda Haynes  
Special District Member



Larry Russell  
Public Member

David Kehoe  
County Member

Patricia A. Clarke  
Special District Alternate

Vacant  
Public Member Alternate

George Williamson  
Executive Officer

James M. Underwood  
General Counsel

Kathy Bull  
Manager

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## Agenda Item: 7.a.

**Meeting Date:** June 7, 2018

**From:** Kathy Bull, Office Manager

**Subject:** Proposed Final Budget – Fiscal Year 2018/2019

### **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.

A Public Hearing on the Proposed Draft Budget for Fiscal Year 2018/2019 was held on April 5, 2018 and was adopted and distributed to local funding agencies. No written comments have been received regarding the Proposed Draft Budget.

### **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 14<sup>th</sup> regarding the Proposed Final Budget – Fiscal Year 2018/2019 and was approved to bring forward to the full Commission.

#### **Operating Expenses:**

The operating expenses are proposed to be \$181,784 overall which is a \$2 decrease from the previous year. The most notable changes within the budget would be expenses toward CalPERS (Previous Executive Officer), slight increase for Contract Employees services, and a decrease for Fiscal Audit, providing an Unqualified Opinion audit report for Fiscal Year 2017/2018.

**Operating Revenues:**

The operating revenues are proposed to remain equal with last year in the amount of \$186,000.00 without an increase to local funding agencies. All essential LAFCO operational functions will be met in accordance with California law.

**RECOMMENDATION**

Staff recommends the Commission approve the Proposed Final Budget for Fiscal Year 2018/2019 as outlined above. The Proposed FY 2018/2019 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 2018/2019

Exhibit B: Resolution No. 2018-05

Exhibit C: 5 Year Budget Estimate

## Shasta LAFCO Proposed Final Budget Worksheet FY 2018/2019

Categories	FY 2017/2018 Amended Budget	FY 2017/2018 Actual as of 5/25/18	FY 2017/2018 Projected End of Year	Over/Under Budget	FY 2018/2019 Proposed Budget
<b>REVENUES</b>					
<b>Interest</b>	0	2.06	2.21	-2	0
<b>Intergovernmental Revenue</b>					
Contribution from Cities	62,000	62,000	62,000	0	62,000
Contribution from Shasta County	62,000	62,000	62,000	0	62,000
Contribution from Special Districts	62,000	62,000	62,000	0	62,000
<b>Total Intergovernmental Revenue</b>	<b>186,000</b>	<b>186,000</b>	<b>186,000</b>	<b>0</b>	<b>186,000</b>
<b>TOTAL REVENUES</b>	<b>186,000</b>	<b>186,002</b>	<b>186,002</b>	<b>-2</b>	<b>186,000</b>
<b>EXPENSES</b>					
<b>Salaries &amp; Benefits</b>					
<b>Employer Expense</b>					
Retirement - PERS - Previous EO	4,133	4,133	4,133	0	4,652
<b>Total Employer Expense</b>	<b>4,133</b>	<b>4,133</b>	<b>4,133</b>	<b>0</b>	<b>4,652</b>
<b>Total Salaries &amp; Benefits</b>	<b>4,133</b>	<b>4,133</b>	<b>4,133</b>	<b>0</b>	<b>4,652</b>
<b>Services and Supplies</b>					
<b>Contract Employment Services</b>					
Contract Executive Officer	60,000	49,733	60,000	0	61,500
Contract LAFCO Personnel	43,535	40,326	43,911	-376	44,650
<b>Total Contract Employment Services</b>	<b>103,535</b>	<b>90,059</b>	<b>103,911</b>	<b>-376</b>	<b>106,150</b>
<b>Office Services &amp; Supplies</b>					
Bank & Transfer Fees	120	100	120	0	120
Communications	1,440	1,171	1,375	65	1,440
Info Tech Tools & Equip	400	200	200	200	400
Memberships	3,816	4,025	4,025	-209	4,200
Mileage Reimbursement	240	222	222	18	300
Office Cleaning	1,140	950	1,140	0	1,140
Office Expense	740	263	413	327	740
Office Furnishings	442	442	442	0	0
Office Supplies	1,058	487	883	175	1,500
Postage & Shipping	700	268	390	310	700
Printing	300	45	45	255	100
<b>Total Office Services &amp; Supplies</b>	<b>10,396</b>	<b>8,172</b>	<b>9,255</b>	<b>1,141</b>	<b>10,640</b>
<b>Professional Services</b>					
<b>Misc Professional Services</b>					
Fiscal/Audit Services	7,500	5,000	7,500	0	3,000
InfoTech Services	250	338	338	-88	250
InfoTech- Website	603	603	603	0	720
<b>Total Misc Professional Services</b>	<b>8,353</b>	<b>5,940</b>	<b>8,441</b>	<b>-88</b>	<b>3,970</b>
<b>Legal Counsel</b>					
Misc Legal Services	10,000	3,030	5,025	4,975	10,000
<b>Total Legal Counsel</b>	<b>10,000</b>	<b>3,030</b>	<b>5,025</b>	<b>4,975</b>	<b>10,000</b>
<b>Total Professional Services</b>	<b>18,353</b>	<b>8,970</b>	<b>13,466</b>	<b>4,887</b>	<b>13,970</b>
<b>Rents, Leases &amp; Misc</b>					
Property & General Liability	1,833	1,833	1,833	0	1,943
Publications/Legal Notices - Regular	1,000	1,190	977	23	1,000
Rents & Leases Equipment - Postage Me	400	316	393	7	400
Rents & Leases Equipment - Copier	4,782	4,327	4,700	82	4,765

## Shasta LAFCO Proposed Final Budget Worksheet FY 2018/2019

Categories	FY 2017/2018 Amended Budget	FY 2017/2018 Actual as of 5/25/18	FY 2017/2018 Projected End of Year	Over/Under Budget	FY 2018/2019 Proposed Budget
Rents & Leases of Structures	11,504	10,648	11,616	-112	11,964
Small Tools & Equipment	100	21	50	50	100
Software	0	0	0	0	250
<b>Total Rents, Leases &amp; Misc</b>	<b>19,619</b>	<b>18,335</b>	<b>19,569</b>	<b>50</b>	<b>20,422</b>
<b>MSR/SOI Expenses</b>					
GIS Services	3,592	5,832	4,600	-1,008	3,600
Postage Printing	400	0	0	400	200
Public Hearing Notice	1,008	133	400	608	1,200
Misc. Other	20,000	14,600	20,000	0	20,000
<b>Total MSR/SOI Expenses</b>	<b>25,000</b>	<b>20,566</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>
Utilities	750	787	914	-164	950
<b>Total Services &amp; Supplies</b>	<b>177,653</b>	<b>146,888</b>	<b>172,114</b>	<b>5,538</b>	<b>177,132</b>
<b>TOTAL EXPENSES</b>	<b>181,786</b>	<b>151,021</b>	<b>176,247</b>	<b>5,538</b>	<b>181,784</b>
Appropriation for Contingency	4,057	4,057	4,214	-157	4,216
<b>TOTAL BUDGET ALLOTMENT BALANCE</b>	<b>\$185,843</b>	<b>\$155,078</b>	<b>\$180,461</b>	<b>\$5,381</b>	<b>\$186,000</b>
<b>CONTINGENCY FUND BALANCE</b>					
Contingency Deposit	\$4,057	\$4,057	\$4,214	\$0	\$4,216
Contingency Withdrawal	\$0	\$0	\$0	\$0	\$0
<b>Contingency Balance</b>	<b>\$31,862</b>	<b>\$35,919</b>	<b>\$36,076</b>	<b>\$0</b>	<b>\$40,292</b>

**SHASTA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION 2018-05**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2018/2019**

**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 5, 2018; 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 2018/2019 was presented to the Commission in the manner provided by law at its public hearing on June 7, 2018; 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 2018/2019 as outlined in Exhibit A is approved;
2. The adopted Final Budget for Fiscal Year 2018/2019 as outlined in Exhibit A be circulated to 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, 2018 as specified in Government Code 56381(c).
4. If the County, a City or Special District does not remit its required payment with 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 7<sup>th</sup> day of June, 2018, and adopted by the following vote:

AYES:

NOES:

ABSTAINS:

ABSENT:

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Date

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Irwin Fust, Chairman  
Shasta Local Agency Formation Commission

5 - Year Budget Estimate

Categories	Proposed	Estimated	Estimated	Estimated	Estimated
	FY 2018/19 Budget	FY 2019/20 Budget	FY 2020/21 Budget	FY 2021/22 Budget	FY 2022/23 Budget
<b>REVENUES</b>					
Interest	\$0	\$0	\$0	\$0	\$0
<b>Intergovernmental Revenue</b>					
Contribution from Cities	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000
Contribution from Shasta County	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000
Contribution from Special Districts	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000
<b>Total Intergovernmental Revenue</b>	<b>\$186,000</b>	<b>\$186,000</b>	<b>\$186,000</b>	<b>\$186,000</b>	<b>\$186,000</b>
<b>Miscellaneous Revenue</b>					
Fees Received - Applications	\$0	\$0	\$0	\$0	\$0
<b>Revenue Total</b>	<b>\$186,000</b>	<b>\$186,000</b>	<b>\$186,000</b>	<b>\$186,000</b>	<b>\$186,000</b>
<b>EXPENSES</b>					
<b>Salaries &amp; Benefits</b>					
<b>Employer Expense</b>					
Retirement - PERS - Previous EO	\$4,652	\$4,885	\$5,129	\$5,385	\$5,655
<b>Salaries &amp; Benefits - Total</b>	<b>\$4,652</b>	<b>\$4,885</b>	<b>\$5,129</b>	<b>\$5,385</b>	<b>\$5,655</b>
<b>Contract Services</b>					
Contract Executive Officer	\$61,500	\$62,730	\$63,985	\$65,264	\$66,570
Contract LAFCO Personnel	\$44,650	\$45,543	\$46,454	\$47,383	\$48,331
<b>Contract Services - Sub Total</b>	<b>\$106,150</b>	<b>\$108,273</b>	<b>\$110,438</b>	<b>\$112,647</b>	<b>\$114,900</b>
<b>Office Services &amp; Supplies</b>					
Bank & Transfer Fees	\$120	\$120	\$120	\$120	\$120
Communications	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Info Tech Tools & Equip	\$400	\$400	\$400	\$400	\$400
Memberships	\$4,200	\$4,242	\$4,284	\$4,327	\$4,371
Mileage Reimbursement	\$300	\$300	\$300	\$300	\$300
Office Cleaning	\$1,140	\$1,151	\$1,163	\$1,175	\$1,186
Office Expense	\$740	\$740	\$740	\$740	\$740
Office Furnishings	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Postage & Shipping	\$500	\$500	\$500	\$500	\$500
Printing	\$100	\$100	\$100	\$100	\$100
<b>Office Services Supplies - Sub Total</b>	<b>\$10,140</b>	<b>\$10,193</b>	<b>\$10,247</b>	<b>\$10,302</b>	<b>\$10,357</b>
<b>Professional Services</b>					
<b>Miscellaneous Professional Services</b>					
Fiscal/Audit Services	\$3,000	\$7,500	\$3,000	\$7,500	\$3,000
InfoTech Services	\$250	\$250	\$250	\$250	\$250
InfoTech - Website	\$720	\$720	\$720	\$720	\$720
<b>Miscellaneous Services - Sub Total</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
<b>Legal Counsel Sub Total</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>
<b>Professional Services - Sub Total</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	\$1,943	\$1,972	\$2,002	\$2,032	\$2,062
Publications/Legal Notices - Regular	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Rents/Leases Equipment - Post Meter	\$400	\$400	\$400	\$400	\$400

5 - Year Budget Estimate

Rents/Leases Equipment - Copier	\$4,765	\$4,765	\$1,200	\$1,200	\$1,200
Rents/Leases of Structures	\$11,964	\$12,323	\$12,693	\$13,073	\$13,466
Small Tools & Equipment	\$100	\$100	\$100	\$100	\$100
Software	\$250	\$0	\$300	\$0	\$300
<b>Rents, Leases &amp; Misc - Sub Total</b>	<b>\$20,422</b>	<b>\$20,560</b>	<b>\$17,694</b>	<b>\$17,805</b>	<b>\$18,528</b>
<b>MSR/SOI Expenses</b>					
GIS Services	\$3,592	\$3,592	\$3,592	\$3,592	\$3,592
Postage Printing	\$400	\$400	\$400	\$400	\$400
Public Hearing Notice	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008
Misc. Other	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
<b>MSR/SOI Expenses - Sub Total</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>
Utilities	\$750	\$1,200	\$1,200	\$1,200	\$1,200
<b>TOTAL EXPENSES</b>	<b>\$181,084</b>	<b>\$188,581</b>	<b>\$183,679</b>	<b>\$190,809</b>	<b>\$189,609</b>
<b>Appropriation for Contingency</b>	<b>\$4,916</b>	<b>-\$2,581</b>	<b>\$2,321</b>	<b>-\$4,809</b>	<b>-\$3,609</b>
<b>TOTAL BUDGET ALLOTMENT</b>	<b>\$186,000</b>	<b>\$186,000</b>	<b>\$186,000</b>	<b>\$186,000</b>	<b>\$186,000</b>
<b>CONTINGENCY FUND BALANCE</b>					
<b>Contingency Deposit</b>	<b>\$4,916</b>	<b>\$0</b>	<b>\$2,321</b>	<b>\$0</b>	<b>\$0</b>
<b>Contingency Withdrawal</b>	<b>\$0</b>	<b>-\$2,581</b>	<b>\$0</b>	<b>-\$4,809</b>	<b>-\$3,609</b>
<b>Contingency Balance</b>	<b>\$36,777</b>	<b>\$34,196</b>	<b>\$36,517</b>	<b>\$31,708</b>	<b>\$28,098</b>