

Les Baugh  
County Member  
  
Larry Farr  
City Member  
  
Stan Neutze  
City Member  
  
Francie Sullivan  
City Member Alternate

Irwin Fust  
Special District Member  
  
Mary Rickert  
County Member Alternate  
  
Brenda Haynes  
Special District Member



Dick Fyten  
Public Member  
  
David Kehoe  
County Member  
  
Vacant  
Special District Alternate

Bob Richardson  
Public Member Alternate  
  
George Williamson  
Executive Officer  
  
James M. Underwood  
General Counsel  
  
Kathy Bull  
Office Manager

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## Agenda Item:7.a.

**Meeting Date:** June 1, 2017

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

**Subject:** Proposed Final Budget – Fiscal Year 2017/2018

### **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**

#### **Funding Sources:**

Shasta LAFCOs 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:**

Notable changes to the operating expenses were provided at the April 6<sup>th</sup> meeting, however, LAFCO has received notice from LAFCO's property/liability provider SDRMA noting an increase in service rates. The budget has been amended to show the new amount of \$1,833.02

#### **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 2017/2018 as outlined above. The Proposed FY 2017/2018 Budget can be adopted and implemented without increasing the contributions from funding agencies while able to fulfill its regulatory and planning responsibilities.

Exhibit A: Draft Budget Worksheet FY 2017/2018  
Exhibit B: Resolution No. 17-08  
Exhibit C: 5 Year Budget Estimate (informational only)

Shasta LAFCO FY 2017/2018 Final Budget

<b>Categories</b>	<b>Amended FY 2016/17 Budget</b>	<b>FY 2016/17 Actual as of 5/22/2017</b>	<b>Projected FY 2016/2017</b>	<b>Over/Under Budget</b>	<b>Proposed FY 2017/18 Budget</b>
<b>REVENUES</b>					
<b>Interest</b>	\$120	\$111	\$111	\$9	\$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	\$62,001	\$62,000	\$0	\$62,000
<b>Total Intergovernmental Revenue</b>	<b>\$186,000</b>	<b>\$186,001</b>	<b>\$186,000</b>	<b>\$0</b>	<b>\$186,000</b>
<b>Miscellaneous Revenue</b>	\$0	\$0	\$0	\$0	\$0
<b>Fees Received - Applications</b>	\$0	\$0	\$0	\$0	\$0
<b>Revenue Total</b>	<b>\$186,120</b>	<b>\$186,112</b>	<b>\$186,111</b>	<b>\$9</b>	<b>\$186,000</b>
<b>EXPENSES</b>					
<b>Salaries &amp; Benefits</b>					
<b>Employer Expense</b>					
Retirement - PERS - Previous EO	\$3,811	\$3,811	\$3,811	\$0	\$4,573
<b>Salaries &amp; Benefits - Total</b>	<b>\$3,811</b>	<b>\$3,811</b>	<b>\$3,811</b>	<b>\$0</b>	<b>\$4,573</b>
<b>Contract Services</b>					
Contract Executive Officer	\$58,000	\$37,796	\$58,000	\$0	\$60,000
LAFCO Personnel	\$40,100	\$29,282	\$40,082	\$18	\$43,535
<b>Contract Services - Sub Total</b>	<b>\$98,100</b>	<b>\$67,077</b>	<b>\$98,082</b>	<b>\$18</b>	<b>\$103,535</b>
<b>Office Services &amp; Supplies</b>					
Bank & Transfer Fees	\$133	\$98	\$128	\$5	\$120
Communications	\$1,700	\$1,356	\$1,666	\$34	\$1,440
Info Tech Tools & Equip	\$400	\$0	\$350	\$50	\$400
Memberships	\$3,779	\$3,779	\$3,779	\$0	\$3,816
Mileage Reimbursement	\$240	\$186	\$236	\$4	\$240
Office Cleaning	\$1,265	\$980	\$1,265	\$0	\$1,140
Office Expense	\$740	\$387	\$637	\$103	\$740
Office Furnishings	\$200	\$0	\$0	\$200	\$0
Office Supplies	\$1,500	\$1,128	\$1,258	\$242	\$1,500
Postage & Shipping	\$900	\$788	\$863	\$37	\$700
Printing	\$500	\$118	\$118	\$382	\$300
<b>Office Services Supplies - Sub Total</b>	<b>\$11,357</b>	<b>\$8,821</b>	<b>\$10,300</b>	<b>\$1,057</b>	<b>\$10,396</b>
<b>Professional Services</b>					
<b>Miscellaneous Professional Services</b>					
Fiscal/Audit Services	\$2,000	\$0	\$2,000	\$0	\$7,500
InfoTech Services	\$250	\$0	\$225	\$25	\$250
InfoTech - Website	\$1,400	\$1,318	\$1,318	\$82	\$320
<b>Miscellaneous Services - Sub Total</b>	<b>\$3,650</b>	<b>\$1,318</b>	<b>\$3,543</b>	<b>\$107</b>	<b>\$8,070</b>
<b>Legal Counsel</b>					
Misc. Legal Services	\$10,000	\$4,789	\$9,409	\$591	\$10,000
<b>Legal Counsel Sub Total</b>	<b>\$10,000</b>	<b>\$4,789</b>	<b>\$9,409</b>	<b>\$591</b>	<b>\$10,000</b>
<b>Professional Services - Sub Total</b>	<b>\$13,650</b>	<b>\$6,107</b>	<b>\$12,952</b>	<b>\$698</b>	<b>\$18,070</b>
<b>Rents, Leases &amp; Misc</b>					
Property & General Liability	\$1,683	\$1,630	\$1,630	\$53	\$1,833
Publications/Legal Notices - Regular	\$1,000	\$30	\$455	\$545	\$1,000
Rents/Leases Equipment - Post Meter	\$400	\$293	\$391	\$9	\$400
Rents/Leases Equipment - Copier	\$4,850	\$3,668	\$4,826	\$24	\$4,782
Rents/Leases of Structures	\$12,800	\$10,914	\$12,794	\$6	\$11,504
Small Tools & Equipment	\$100	\$66	\$66	\$34	\$100
Software	\$500	\$0	\$500	\$0	\$0
<b>Rents, Leases &amp; Misc - Sub Total</b>	<b>\$21,333</b>	<b>\$16,601</b>	<b>\$20,662</b>	<b>\$671</b>	<b>\$19,619</b>

Shasta LAFCO FY 2017/2018 Final Budget

<b>Categories</b>	<b>Amended FY 2016/17 Budget</b>	<b>FY 2016/17 Actual as of 5/22/2017</b>	<b>Projected FY 2016/2017</b>	<b>Over/Under Budget</b>	<b>Proposed FY 2017/18 Budget</b>
<b>MSR/SOI Expenses</b>					
GIS Services	\$2,600	\$2,098	\$2,598	\$2	\$3,592
Postage Printing	\$200	\$0	\$200	\$0	\$400
Public Hearing Notice	\$150	\$0	\$100	\$50	\$1,008
Misc. Other	\$11,117	\$8,117	\$11,117	\$0	\$20,000
<b>MSR/SOI Expenses - Sub Total</b>	<b>\$14,067</b>	<b>\$10,215</b>	<b>\$14,015</b>	<b>\$52</b>	<b>\$25,000</b>
<b>Moving Expenses</b>					
Communication	\$0	\$0	\$0	\$0	\$0
Contract - LAFCO Staff	\$3,502	\$3,502	\$3,502	\$0	\$0
Info Tech Services	\$225	\$225	\$225	\$0	\$0
Office Expense - Movers, sign removal	\$560	\$560	\$560	\$0	\$0
Office Supplies - moving boxes/mailbox	\$0	\$0	\$0	\$0	\$0
Property & Gen Liability Ins change	\$50	\$50	\$50	\$0	\$0
<b>Moving Expenses - Sub Total</b>	<b>\$4,337</b>	<b>\$4,337</b>	<b>\$4,337</b>	<b>\$0</b>	<b>\$0</b>
Utilities	\$1,000	\$838	\$988	\$12	\$750
<b>TOTAL EXPENSES</b>	<b>\$167,655</b>	<b>\$117,806</b>	<b>\$165,147</b>	<b>\$2,508</b>	<b>\$181,943</b>
<b>Appropriation for Contingency</b>	<b>\$18,345</b>	<b>\$15,914</b>	<b>\$18,345</b>	<b>\$0</b>	<b>\$4,057</b>
<b>TOTAL BUDGET ALLOTMENT</b>	<b>\$186,000</b>	<b>\$133,720</b>	<b>\$183,492</b>	<b>\$2,508</b>	<b>\$186,000</b>
<b>CONTINGENCY FUND BALANCE</b>					
Contingency Deposit	\$18,345	\$15,914	\$18,345	\$0	\$4,057
Contingency Withdrawal	\$0	\$0	\$0	\$0	\$0
Contingency Balance	\$31,861	\$29,430	\$31,861	\$0	\$35,918
<b>FEE BASED SERVICES</b>					
Fees Received-Apps & Pre-Apps	\$10,000	\$14,150	\$0	\$9,150	\$10,000
Fees Charged-Apps & Pre-Apps	\$10,000	\$647	\$0	\$0	\$10,000
Amount held-Application Fee Fund	\$0	\$13,503	\$0	\$13,503	\$0

**SHASTA LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION 2017- 08**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2017/2018**

**WHEREAS**, the Shasta Local Agency Formation Commission is required by Section 56381(a) of 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 June 15; and

**WHEREAS**, the Commission adopted a Proposed Draft Budget at a noticed public hearing on April 6, 2017; and

**WHEREAS**, the Commission 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 2017/2018 was presented to the Commission in the manner provided by law at its public hearing on June 1, 2017; 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 2017/2018 as outlined in Exhibit A is approved;
2. The adopted Final Budget for Fiscal Year 2017/2018 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 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, 2017 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 1<sup>st</sup> day of June, 2017, and adopted by the following vote:

AYES:

NOES:

ABSTAINS:

ABSENT:

\_\_\_\_\_  
Date

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

Exhibit A – Final Budget FY 2017/2018

**Exhibit B**

**Shasta LAFCO 5 Year Budget Estimate**

<b>Categories</b>	<b>Proposed FY 2017/18 Budget</b>	<b>Estimated FY 2018/19 Budget</b>	<b>Estimated FY 2019/20 Budget</b>	<b>Estimated FY 2020/21 Budget</b>	<b>Estimated FY 2021/22 Budget</b>
<b>REVENUES</b>					
<b>Interest</b>	\$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>	\$0	\$0	\$0	\$0	\$0
<b>Fees Received - Applications</b>	\$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	\$4,573	\$4,802	\$5,042	\$5,294	\$5,559
<b>Salaries &amp; Benefits - Total</b>	<b>\$4,573</b>	<b>\$4,802</b>	<b>\$5,042</b>	<b>\$5,294</b>	<b>\$5,559</b>
<b>Contract Services</b>					
Contract Executive Officer	\$60,000	\$61,200	\$62,424	\$63,672	\$64,946
LAFCO Personnel	\$43,535	\$44,406	\$45,294	\$46,200	\$47,124
<b>Contract Services - Sub Total</b>	<b>\$103,535</b>	<b>\$105,606</b>	<b>\$107,718</b>	<b>\$109,872</b>	<b>\$112,070</b>
<b>Office Services &amp; Supplies</b>					
Bank & Transfer Fees	\$120	\$121	\$122	\$124	\$125
Communications	\$1,440	\$1,454	\$1,469	\$1,484	\$1,498
Info Tech Tools & Equip	\$400	\$404	\$408	\$412	\$416
Memberships	\$3,816	\$3,854	\$3,893	\$3,932	\$3,971
Mileage Reimbursement	\$240	\$242	\$245	\$247	\$250
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	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Postage & Shipping	\$700	\$711	\$721	\$732	\$743
Printing	\$300	\$300	\$300	\$300	\$300
<b>Office Services Supplies - Sub Total</b>	<b>\$10,396</b>	<b>\$10,478</b>	<b>\$10,561</b>	<b>\$10,645</b>	<b>\$10,729</b>
<b>Professional Services</b>					
<b>Miscellaneous Professional Services</b>					
Fiscal/Audit Services	\$7,500	\$2,000	\$7,500	\$2,000	\$7,500
InfoTech Services	\$250	\$254	\$258	\$261	\$265
InfoTech - Website	\$320	\$325	\$330	\$335	\$340
<b>Miscellaneous Services - Sub Total</b>	<b>\$8,070</b>	<b>\$2,579</b>	<b>\$8,087</b>	<b>\$2,596</b>	<b>\$8,105</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>\$18,070</b>	<b>\$12,579</b>	<b>\$18,087</b>	<b>\$12,596</b>	<b>\$18,105</b>
<b>Rents, Leases &amp; Misc</b>					
Property & General Liability	\$1,700	\$1,726	\$1,751	\$1,778	\$1,804
Publications/Legal Notices - Regular	\$1,000	\$1,010	\$1,020	\$1,030	\$1,041
Rents/Leases Equipment - Post Meter	\$400	\$400	\$400	\$400	\$400
Rents/Leases Equipment - Copier	\$4,782	\$4,782	\$4,782	\$2,500	\$2,500
Rents/Leases of Structures	\$11,504	\$11,848	\$12,204	\$12,572	\$12,952
Small Tools & Equipment	\$100	\$100	\$0	\$0	\$0
Software	\$0	\$0	\$0	\$0	\$0
<b>Rents, Leases &amp; Misc - Sub Total</b>	<b>\$19,486</b>	<b>\$19,866</b>	<b>\$20,157</b>	<b>\$18,280</b>	<b>\$18,697</b>

**Shasta LAFCO 5 Year Budget Estimate**

<b>Categories</b>	<b>Proposed FY 2017/18 Budget</b>	<b>Estimated FY 2018/19 Budget</b>	<b>Estimated FY 2019/20 Budget</b>	<b>Estimated FY 2020/21 Budget</b>	<b>Estimated FY 2021/22 Budget</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	\$1,206	\$1,212	\$1,218	\$1,224
<b>TOTAL EXPENSES</b>	<b>\$181,810</b>	<b>\$179,535</b>	<b>\$187,777</b>	<b>\$182,905</b>	<b>\$191,384</b>
Appropriation for Contingency	\$4,190	\$6,465	-\$1,777	\$3,095	-\$5,384
<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>					
Contingency Deposit	\$4,190	\$6,465	\$0	\$813	\$0
Contingency Withdrawal	\$0	\$0	\$1,777	\$0	\$5,384
Contingency Balance	\$36,051	\$42,516	\$40,739	\$41,552	\$36,168
<b>FEE BASED SERVICES</b>					
Fees Received-Apps & Pre-Apps	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Fees Charged-Apps & Pre-Apps	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Amount held-Application Fee Fund	\$0	\$0	\$0	\$0	\$0