

Les Baugh
County Member
Larry Farr
City Member
Stan Neutze
City Member
Michael Dacquisto
City Member Alternate

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



Larry Russell
Public Member
Joe Chimenti
County Member
Patricia A. Clarke
Special District Alternate

Katharine Ann Campbell
Public Member Alternate
George Williamson
Executive Officer
James M. Underwood
General Counsel
Kathy Bull
Manager

Agenda Item: 7. a.

Meeting Date: April 2, 2019

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

Subject: Proposed Draft Budget for Fiscal Year 2020/2021

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

The Executive Committee met on March 19, 2020 and discussed the FY 2019/2020 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 five years are going to be severely 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 operating expenses are as follows:

- Retirement – PERS – Previous EO – Cost has not been provided by CalPERS at this time, but is expected to be approximately \$43,000 for five years.
- Fiscal/Audit Services – An Unqualified Opinion audit report is proposed for FY 2020/2021.
- Membership costs with CALAFCO and CSDA have been slightly increased.

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 the proposed budget for Fiscal Year 2020/2021 referenced in Resolution 2020-03 as outlined above with any requested changes;
- Direct staff to forward the proposed budget to local funding agencies; and
- Direct staff to prepare the final budget at a public hearing scheduled for June 4, 2020.

Exhibit A: Shasta LAFCO Proposed Budget Worksheet FY 2020/2021

Exhibit B: Shasta LAFCO Proposed Budget FY 2020/2021- 5 Year Estimate

Exhibit C: Resolution Number 2020-03

Shasta LAFCO Proposed Budget Worksheet FY 2020/2021

Categories	FY 2019/2020 Adopted Budget	FY 2019/2020 Actual as of 3/20/20	FY 2019/2020 Projected End of Year	Over/Under Budget	FY 2020/2021 Proposed Budget
REVENUES					
Interest	\$0			\$0	\$0
Intergovernmental Revenue					
Contribution from Cities	\$68,200	\$68,199	\$68,199	\$1	\$68,200
Contribution from Shasta County	\$68,200	\$68,200	\$68,200	\$0	\$68,200
Contribution from Special Districts	\$68,200	\$68,200	\$68,200	\$0	\$68,200
Total Intergovernmental Revenue	\$204,600	\$204,599	\$204,599	\$1	\$204,600
TOTAL REVENUES	\$204,600	\$204,599	\$204,599	\$1	\$204,600
EXPENSES					
Salaries & Benefits					
Employer Expense					
Retirement - PERS - Previous EO	\$5,117	\$4,788	\$4,489	\$628	\$0
Retirement Contract Termination				\$0	\$43,000
Total Employer Expense	\$5,117	\$4,788	\$4,489	\$628	\$43,000
Total Salaries & Benefits	\$5,117	\$4,788	\$4,489	\$628	\$43,000
Services and Supplies					
Contract Employment Services					
Contract Executive Officer	\$51,500	\$26,520	\$51,500	\$0	\$51,500
Contract LAFCO Personnel	\$44,650	\$39,416	\$44,650	\$0	\$44,650
Total Contract Employment Services	\$96,150	\$65,936	\$96,150	\$0	\$96,150
Office Services & Supplies					
Bank & Transfer Fees	\$120	\$80	\$120	\$0	\$120
Communications	\$1,140	\$635	\$1,440	-\$300	\$1,140
Info Tech Tools & Equip	\$400	\$0	\$400	\$0	\$400
Memberships	\$4,776	\$4,707	\$4,707	\$69	\$4,823
Mileage Reimbursement	\$300	\$232	\$300	\$0	\$300
Office Cleaning	\$420	\$245	\$420	\$0	\$420
Office Expense	\$500	\$364	\$500	\$0	\$500
Office Furnishings	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$700	\$590	\$700	\$0	\$1,000
Postage & Shipping	\$500	\$250	\$500	\$0	\$500
Printing	\$100	\$0	\$100	\$0	\$100
Total Office Services & Supplies	\$8,956	\$7,103	\$9,187	-\$231	\$9,303
Professional Services					
Misc Professional Services					
Fiscal/Audit Services	\$7,500	\$0	\$7,500	\$0	\$3,000
InfoTech Services	\$250	\$130	\$250	\$0	\$250
InfoTech- Website	\$720	\$639	\$720	\$0	\$720
Total Misc Professional Services	\$8,470	\$769	\$8,470	\$0	\$3,970
Legal Counsel					
Misc Legal Services	\$10,000	\$812	\$10,000	\$0	\$10,000
PERL Legal Services	\$10,000	\$1,241	\$10,000	\$0	\$0
Total Legal Counsel	\$20,000	\$2,052	\$20,000	\$0	\$10,000
Total Professional Services	\$28,470	\$2,821	\$28,470	\$0	\$13,970
Rents, Leases & Misc					
Property & General Liability	\$1,905	\$2,064	\$1,905	\$0	\$1,933
Publications/Legal Notices - Regular	\$800	\$336	\$800	\$0	\$800

Shasta LAFCO Proposed Budget Worksheet FY 2020/2021

Categories	FY 2019/2020 Adopted Budget	FY 2019/2020 Actual as of 3/20/20	FY 2019/2020 Projected End of Year	Over/Under Budget	FY 2020/2021 Proposed Budget
Rents & Leases Equipment - Postage Me	\$400	\$297	\$400	\$0	\$400
Rents & Leases Equipment - Copier	\$4,479	\$2,731	\$4,479	\$0	\$4,765
Rents & Leases of Structures	\$7,914	\$5,000	\$7,900	\$14	\$6,000
Small Tools & Equipment	\$0	\$0	\$0	\$0	\$0
Software	\$0	\$0	\$0	\$0	\$0
Total Rents, Leases & Misc	\$15,498	\$10,428	\$15,484	\$14	\$13,898
MSR/SOI Expenses					
GIS Services	\$2,520	\$3,204	\$2,520	\$0	\$2,520
Postage Printing	\$140	\$0	\$140	\$0	\$140
Public Hearing Notice	\$840	\$104	\$840	\$0	\$840
Misc. Other	\$14,000	\$10,124	\$14,000	\$0	\$14,000
Total MSR/SOI Expenses	\$17,500	\$13,432	\$17,500	\$0	\$17,500
Utilities	\$480	-\$68	-\$68	\$548	\$0
Total Services & Supplies	\$167,054	\$99,651	\$166,723	\$331	\$150,821
TOTAL EXPENSES	\$172,171	\$104,439	\$171,212	\$959	\$193,821
Appropriation for Contingency	\$32,429	\$0	\$4,216	\$28,213	\$10,779
TOTAL BUDGET ALLOTMENT BALANCE	\$204,600	\$104,439	\$175,428	\$29,172	\$204,600
CONTINGENCY FUND BALANCE					
Contingency Deposit	\$32,429	\$32,429	\$32,429	\$0	\$10,779
Contingency Withdrawal	\$0	\$0	\$0	\$0	\$0
Contingency Balance	\$46,695	\$79,124	\$79,124	\$79,124	\$89,903

Shasta LAFCO Proposed Budget FY 2020/2021- 5 Year Estimate

Categories	Proposed FY 2020/21 Budget	Proposed FY 2021/22 Budget	Estimated FY 2022/23 Budget	Estimated FY 2023/24 Budget	Estimated FY 2024/25 Budget	Estimated FY 2024/25 Budget
REVENUES						
Interest	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenue	0%	0%	0%	0%	0%	0%
Contribution from Cities	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200
Contribution from Shasta County	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200
Contribution from Special Districts	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200
Total Intergovernmental Revenue	\$204,600	\$204,600	\$204,600	\$204,600	\$204,600	\$204,600
TOTAL REVENUES	\$204,600	\$204,600	\$204,600	\$204,600	\$204,600	\$204,600
EXPENSES						
Salaries & Benefits						
Employer Expense						
Retirement - PERS - Previous EO	\$0	\$0	\$0	\$0	\$0	\$0
Retirement Contract Termination	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	
Total Employer Expense	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$0
Total Salaries & Benefits	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$0
Services and Supplies						
Contract Employment Services						
Contract Executive Officer	\$51,500	\$51,500	\$51,500	\$51,500	\$51,500	\$61,500
Contract LAFCO Personnel	\$44,650	\$44,650	\$44,650	\$44,650	\$44,650	\$45,000
Contract Employment Services Subtotal	\$96,150	\$96,150	\$96,150	\$96,150	\$96,150	\$106,500
Office Services & Supplies						
Bank & Transfer Fees	\$120	\$120	\$120	\$120	\$120	\$120
Communications	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140
Info Tech Tools & Equip	\$400	\$400	\$400	\$400	\$400	\$400
Memberships	\$4,823	\$4,871	\$4,920	\$4,969	\$5,019	\$5,069
Mileage Reimbursement	\$300	\$300	\$300	\$300	\$300	\$300
Office Cleaning	\$420	\$420	\$420	\$420	\$420	\$420
Office Expense	\$500	\$500	\$500	\$500	\$500	\$500
Office Furnishings	\$0	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$1,000	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Postage & Shipping	\$500	\$500	\$500	\$500	\$500	\$500
Printing	\$100	\$100	\$100	\$100	\$100	\$100
Office Services & Supplies Subtotal	\$9,303	\$9,551	\$9,600	\$9,649	\$9,699	\$9,749
Professional Services						
Miscellaneous Professional Services						
Fiscal/Audit Services	\$3,000	\$7,500	\$3,000	\$7,500	\$3,000	\$7,500
InfoTech Services	\$250	\$250	\$250	\$250	\$250	\$250
InfoTech - Website	\$720	\$720	\$720	\$720	\$720	\$720
Miscellaneous Services Subtotal	\$3,970	\$8,470	\$3,970	\$8,470	\$3,970	\$8,470
Legal Counsel						
Misc. Legal Services	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
PERL Legal Services	\$0	\$0	\$0	\$0	\$0	\$0
Legal Counsel Subtotal	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000

Shasta LAFCO Proposed Budget FY 2020/2021- 5 Year Estimate

Categories	Proposed FY 2020/21 Budget	Proposed FY 2021/22 Budget	Estimated FY 2022/23 Budget	Estimated FY 2023/24 Budget	Estimated FY 2024/25 Budget	Estimated FY 2024/25 Budget
Professional Services - Subtotal	\$13,970	\$18,470	\$13,970	\$18,470	\$13,970	\$18,470
Rents, Leases & Misc						
Property & General Liability	\$1,933	\$1,962	\$1,991	\$2,021	\$2,052	\$2,082
Publications/Legal Notices - Regular	\$800	\$800	\$800	\$800	\$800	\$800
Rents/Leases Equipment - Post Meter	\$400	\$400	\$400	\$400	\$400	\$400
Rents/Leases Equipment - Copier	\$4,765	\$4,765	\$1,200	\$1,200	\$1,200	\$1,200
Rents/Leases of Structures	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956
Small Tools & Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Software	\$0	\$0	\$300	\$0	\$300	\$300
Rents, Leases & Misc - Subtotal	\$13,898	\$14,107	\$11,057	\$10,978	\$11,505	\$11,738
MSR/SOI Expenses						
GIS Services	\$2,520	\$2,520	\$2,520	\$2,520	\$2,520	\$3,592
Postage Printing	\$140	\$140	\$140	\$140	\$140	\$400
Public Hearing Notice	\$840	\$840	\$840	\$840	\$840	\$1,008
Misc. Other	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$20,000
MSR/SOI Expenses - Subtotal	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$25,000
Utilities	\$0	\$0	\$0	\$0	\$0	\$0
Total Services & Supplies	\$150,821	\$155,778	\$148,277	\$152,747	\$148,824	\$171,457
TOTAL EXPENSES	\$193,821	\$198,778	\$191,277	\$195,747	\$191,824	\$171,457
Appropriation for Contingency	\$10,779	\$5,822	\$13,323	\$8,853	\$12,776	\$33,143
TOTAL BUDGET ALLOTMENT	\$204,600	\$204,600	\$204,600	\$204,600	\$204,600	\$204,600
CONTINGENCY FUND BALANCE						
Contingency Deposit	\$10,779	\$5,822	\$13,323	\$8,853	\$12,776	\$33,143
Contingency Withdrawal	\$0	\$0	\$0	\$0	\$0	\$0
Contingency Balance	\$89,903	\$95,725	\$109,048	\$117,901	\$130,678	\$163,821

SHASTA LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 2020-03

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION
ADOPTING A PROPOSED BUDGET FOR FISCAL YEAR 2020/2021**

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 2, 2020; 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 2020/2021 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 2020/2021 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 2nd day of April, 2020, and adopted by the following vote:

AYES:

NOES:

ABSTAINS:

ABSENT:

Date

Irwin Fust, Chairman
Shasta Local Agency Formation Commission