

Les Baugh  
County Member

Irwin Fust  
Special District Member

Larry Farr  
City Member

Mary Rickert  
County Member Alternate

Stan Neutze  
City Member

Brenda Haynes  
Special District Member

Michael Dacquisto  
City Member Alternate



Larry Russell  
Public Member

Katharine Ann Campbell  
Public Member Alternate

Joe Chimenti  
County Member

George Williamson  
Executive Officer

Patricia A. Clarke  
Special District Alternate

James M. Underwood  
General Counsel

Kathy Bull  
Manager

---

## Agenda Item: 7.a.

**Meeting Date:** June 4, 2020

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

**Subject:** Proposed Final Budget – 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 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. 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 20, 2020 regarding the Proposed Final Budget – Fiscal Year 2020/2021 and was approved to bring forward to the full Commission for final approval.

#### **Operating Expenses:**

The operating expenses are proposed to be \$214,386 overall which is an increase from the previous year. The most notable changes within the budget would be expenses toward the termination of contract with CalPERS. It is currently estimated the termination cost is \$313,100 with a five-year annual payment of \$62,620.

The proposed operating expenses are \$9,756 over the proposed operating revenue, however, this amount can be withdrawn from the contingency fund, leaving \$69,338 within the fund. A five-year budget estimate was prepared, including the estimated CalPERS payment. Funds will need to be withdrawn from the contingency fund balance each year, with a remainder of \$27,609. No other notable changes to the budget are predicted at this time.

**Operating Revenues:**

The operating revenues are proposed to remain equal with last year in the amount of \$204,600 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 2020/2021 as outlined above with an increase in the contributions from local funding agencies in order to fulfill its regulatory and planning responsibilities.

Exhibit A: Proposed Final Budget Worksheet FY 2020/2021

Exhibit B: Resolution No. 2020-05

Exhibit C: 5 Year Budget Estimate

## Shasta LAFCO Final Budget Worksheet FY 2020/2021

Categories	FY 2019/2020 Adopted Budget	FY 2019/2020 Actual as of 3/31/20	FY 2019/2020 Projected End of Year	Over/Under Budget	FY 2020/2021 Final Budget
<b>REVENUES</b>					
<b>Interest</b>	\$0			\$0	\$0
<b>Intergovernmental Revenue</b>					
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
<b>Total Intergovernmental Revenue</b>	<b>\$204,600</b>	<b>\$204,599</b>	<b>\$204,599</b>	<b>\$1</b>	<b>\$204,600</b>
<b>TOTAL REVENUES</b>	<b>\$204,600</b>	<b>\$204,599</b>	<b>\$204,599</b>	<b>\$1</b>	<b>\$204,600</b>
<b>EXPENSES</b>					
<b>Salaries &amp; Benefits</b>					
<b>Employer Expense</b>					
Retirement - PERS - Previous EO	\$5,117	\$4,961	\$4,489	\$628	\$0
Retirement Contract Termination				\$0	\$62,620
<b>Total Employer Expense</b>	<b>\$5,117</b>	<b>\$4,961</b>	<b>\$4,489</b>	<b>\$628</b>	<b>\$62,620</b>
<b>Total Salaries &amp; Benefits</b>	<b>\$5,117</b>	<b>\$4,961</b>	<b>\$4,489</b>	<b>\$628</b>	<b>\$62,620</b>
<b>Services and Supplies</b>					
<b>Contract Employment Services</b>					
Contract Executive Officer	\$51,500	\$26,520	\$51,500	\$0	\$51,500
Contract LAFCO Personnel	\$44,650	\$39,416	\$44,650	\$0	\$44,650
<b>Total Contract Employment Services</b>	<b>\$96,150</b>	<b>\$65,936</b>	<b>\$96,150</b>	<b>\$0</b>	<b>\$96,150</b>
<b>Office Services &amp; Supplies</b>					
Bank & Transfer Fees	\$120	\$80	\$120	\$0	\$120
Communications	\$1,140	\$635	\$1,440	-\$300	\$1,420
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
<b>Total Office Services &amp; Supplies</b>	<b>\$8,956</b>	<b>\$7,103</b>	<b>\$9,187</b>	<b>-\$231</b>	<b>\$9,583</b>
<b>Professional Services</b>					
<b>Misc Professional Services</b>					
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
<b>Total Misc Professional Services</b>	<b>\$8,470</b>	<b>\$769</b>	<b>\$8,470</b>	<b>\$0</b>	<b>\$3,970</b>
<b>Legal Counsel</b>					
Misc Legal Services	\$10,000	\$812	\$10,000	\$0	\$10,000
PERL Legal Services	\$10,000	\$1,241	\$10,000	\$0	\$0
<b>Total Legal Counsel</b>	<b>\$20,000</b>	<b>\$2,052</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$10,000</b>
<b>Total Professional Services</b>	<b>\$28,470</b>	<b>\$2,821</b>	<b>\$28,470</b>	<b>\$0</b>	<b>\$13,970</b>
<b>Rents, Leases &amp; Misc</b>					
Property & General Liability	\$1,905	\$2,064	\$1,905	\$0	\$2,598
Publications/Legal Notices - Regular	\$800	\$336	\$800	\$0	\$800

**Shasta LAFCO Final Budget Worksheet FY 2020/2021**

<b>Categories</b>	<b>FY 2019/2020 Adopted Budget</b>	<b>FY 2019/2020 Actual as of 3/31/20</b>	<b>FY 2019/2020 Projected End of Year</b>	<b>Over/Under Budget</b>	<b>FY 2020/2021 Final Budget</b>
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	\$5,500	\$7,900	\$14	\$6,000
Small Tools & Equipment	\$0	\$0	\$0	\$0	\$0
Software	\$0	\$0	\$0	\$0	\$0
<b>Total Rents, Leases &amp; Misc</b>	<b>\$15,498</b>	<b>\$10,928</b>	<b>\$15,484</b>	<b>\$14</b>	<b>\$14,563</b>
<b>MSR/SOI Expenses</b>					
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	\$1,400	\$12,600	\$14,000
<b>Total MSR/SOI Expenses</b>	<b>\$17,500</b>	<b>\$13,432</b>	<b>\$4,900</b>	<b>\$12,600</b>	<b>\$17,500</b>
Utilities	\$480	-\$68	-\$68	\$548	\$0
<b>Total Services &amp; Supplies</b>	<b>\$167,054</b>	<b>\$100,151</b>	<b>\$154,123</b>	<b>\$12,931</b>	<b>\$151,766</b>
<b>TOTAL EXPENSES</b>	<b>\$172,171</b>	<b>\$105,113</b>	<b>\$158,612</b>	<b>\$13,559</b>	<b>\$214,386</b>
<b>Appropriation for Contingency</b>	<b>\$32,429</b>	<b>\$0</b>	<b>\$4,216</b>	<b>\$28,213</b>	<b>-\$9,786</b>
<b>TOTAL BUDGET ALLOTMENT BALANCE</b>	<b>\$204,600</b>	<b>\$105,113</b>	<b>\$162,828</b>	<b>\$41,772</b>	<b>\$204,600</b>
<b>CONTINGENCY FUND BALANCE</b>					
<b>Contingency Deposit</b>	<b>\$32,429</b>	<b>\$32,429</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$9,786</b>
<b>Contingency Withdrawal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Contingency Balance</b>	<b>\$46,695</b>	<b>\$79,124</b>	<b>\$79,124</b>	<b>\$79,124</b>	<b>\$69,338</b>

**SHASTA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION 2020-05**

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

**WHEREAS**, the Commission adopted a Proposed Draft Budget at a noticed public hearing on April 2, 2020; 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 2020/2021 was presented to the Commission in the manner provided by law at its public hearing on June 4, 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 Final Budget for Fiscal Year 2020/2021 as outlined in Exhibit A is approved;
2. The adopted Final Budget for Fiscal Year 2020/2021 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, 2020 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 4<sup>th</sup> day of June, 2020, and adopted by the following votes:

AYES:

NOES:

ABSTAINS:

ABSENT:

\_\_\_\_\_  
Date

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

**Shasta LAFCO Final Budget Worksheet FY 2020/2021 - 5 Year Estimate**

<b>Categories</b>	<b>Final FY 2020/21 Budget</b>	<b>Estimated FY 2021/22 Budget</b>	<b>Estimated FY 2022/23 Budget</b>	<b>Estimated FY 2023/24 Budget</b>	<b>Estimated FY 2024/25 Budget</b>	<b>Estimated FY 2024/25 Budget</b>
<b>REVENUES</b>						
<b>Interest</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Intergovernmental Revenue</b>	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
<b>Total Intergovernmental Revenue</b>	\$204,600	\$204,600	\$204,600	\$204,600	\$204,600	\$204,600
<b>TOTAL REVENUES</b>	\$204,600	\$204,600	\$204,600	\$204,600	\$204,600	\$204,600
<b>EXPENSES</b>						
<b>Salaries &amp; Benefits</b>						
<b>Employer Expense</b>						
Retirement - PERS - Previous EO	\$0	\$0	\$0	\$0	\$0	\$0
Retirement Contract Termination	\$62,620	\$62,620	\$62,620	\$62,620	\$62,620	
<b>Total Employer Expense</b>	\$62,620	\$62,620	\$62,620	\$62,620	\$62,620	\$0
<b>Total Salaries &amp; Benefits</b>	\$62,620	\$62,620	\$62,620	\$62,620	\$62,620	\$0
<b>Services and Supplies</b>						
<b>Contract Employment Services</b>						
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
<b>Contract Employment Services Subtotal</b>	\$96,150	\$96,150	\$96,150	\$96,150	\$96,150	\$106,500
<b>Office Services &amp; Supplies</b>						
Bank & Transfer Fees	\$120	\$120	\$120	\$120	\$120	\$120
Communications	\$1,420	\$1,434	\$1,449	\$1,463	\$1,478	\$1,492
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
<b>Office Services &amp; Supplies Subtotal</b>	\$9,583	\$9,845	\$9,908	\$9,972	\$10,036	\$10,101
<b>Professional Services</b>						
<b>Miscellaneous Professional Services</b>						
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
<b>Miscellaneous Services Subtotal</b>	\$3,970	\$8,470	\$3,970	\$8,470	\$3,970	\$8,470
<b>Legal Counsel</b>						
Misc. Legal Services	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
PERL Legal Services	\$0	\$0	\$0	\$0	\$0	\$0
<b>Legal Counsel Subtotal</b>	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000

**Shasta LAFCO Final Budget Worksheet FY 2020/2021 - 5 Year Estimate**

<b>Categories</b>	<b>Final FY 2020/21 Budget</b>	<b>Estimated FY 2021/22 Budget</b>	<b>Estimated FY 2022/23 Budget</b>	<b>Estimated FY 2023/24 Budget</b>	<b>Estimated FY 2024/25 Budget</b>	<b>Estimated FY 2024/25 Budget</b>
<b>Professional Services - Subtotal</b>	<b>\$13,970</b>	<b>\$18,470</b>	<b>\$13,970</b>	<b>\$18,470</b>	<b>\$13,970</b>	<b>\$18,470</b>
<b>Rents, Leases &amp; Misc</b>						
Property & General Liability	\$2,598	\$2,637	\$2,676	\$2,717	\$2,757	\$2,799
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
<b>Rents, Leases &amp; Misc - Subtotal</b>	<b>\$14,563</b>	<b>\$14,782</b>	<b>\$11,742</b>	<b>\$11,673</b>	<b>\$12,210</b>	<b>\$12,454</b>
<b>MSR/SOI Expenses</b>						
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
<b>MSR/SOI Expenses - Subtotal</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$25,000</b>
Utilities	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Services &amp; Supplies</b>	<b>\$151,766</b>	<b>\$156,747</b>	<b>\$149,270</b>	<b>\$153,765</b>	<b>\$149,867</b>	<b>\$172,526</b>
<b>TOTAL EXPENSES</b>	<b>\$214,386</b>	<b>\$219,367</b>	<b>\$211,890</b>	<b>\$216,385</b>	<b>\$212,487</b>	<b>\$172,526</b>
<b>Appropriation for Contingency</b>	<b>\$9,786</b>	<b>\$14,767</b>	<b>\$7,290</b>	<b>\$11,785</b>	<b>\$7,887</b>	<b>\$32,074</b>
<b>TOTAL BUDGET ALLOTMENT</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>	<b>\$204,600</b>
<b>CONTINGENCY FUND BALANCE</b>						
Contingency Deposit	\$0	\$0	\$0	\$0	\$0	\$32,074
Contingency Withdrawal	\$9,786	\$14,767	\$7,290	\$11,785	\$7,887	\$0
Contingency Balance	\$69,338	\$54,571	\$47,281	\$35,496	\$27,609	\$59,683