

Corkey Harmon  
County Member

Susie Baugh  
City Member

Chris Kelstrom  
County Member

Mike Littau  
City Member

Allen Long  
County Member Alternate

Pam Morgan  
City Member Alternate



Fred Ryness  
Special District Member

Larry Russell  
Public Member

Ronnean Lund  
Special District Member

Michael Spencer  
Public Member Alternate

Rosemary Smith  
Special District Alternate

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## AGENDA ITEM 8.B.

**Date:** April 3, 2025

**From:** Krystle Heaney, Executive Officer

**Subject: Proposed FY 2025-26 Budget**

The Commission will consider approving the proposed budget for FY 2025-26 for distribution to member agencies.

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### BACKGROUND

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 proposed FY 2025-26 budget will be provided to all member agencies upon approval. The budget proposes a small increase (2%) in member contributions similar to prior years' budgets.

#### 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.

#### Operating Expenses:

Proposed operating expenses reflect anticipated staffing services, and daily operational needs. Notable expenses are as follows:

- Retirement - CalPERS (one full annual payment; one half payment in 2027)
- Membership costs with CALAFCO and CSDA
- Liability costs with SDRMA
- MSR/SOI Updates
- Conference Fees and Sponsorships (hosting CALAFCO staff workshop in Spring 2026)

#### MSR/SOI Updates Compliance Work Plan

For FY 2025-26, the following MSR/SOI Updates are scheduled: Fall River Valley FPD, Anderson FPD, Buckeye FPD, CSA #2 - Sugarloaf, CSA #3 - Castella, CSA #6 - Jones Valley, and CSA #13 - Alpine Meadows.

### RECOMMENDATION

This item has been agendized for consideration as part of a noticed public hearing.

Procedures for Consideration:

The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Open the public hearing and invite testimony (mandatory); and
- 3) Discuss the item and - if appropriate - close the hearing and consider action on the recommendation:

*"I move to adopt Resolution 2025-02, thereby approving the proposed FY2025-26 budget."*

Alternative Actions

The Commission may choose to continue the public hearing and provide direction to staff as needed on suggested revisions.

**ATTACHMENTS**

Attachment A - FY2025-26 Proposed Budget

Attachment B - Draft Resolution 2025-02

Proposed FY 2025-2026 Shasta LAFCO Budget

BUDGET CATEGORIES	FY 2022/23	FY 2023/24	FY 2023/24 Amended	FY 2023/24 Actuals	FY 2024/25 Adopted	FY 2024/25 8-mo Actual	Proposed FY 2025/26	% difference
<b>REVENUES</b>								
CD Interest	\$0	\$0	\$0	\$0	\$0	\$381	\$0	
Savings Interest				\$7	\$0	\$1	\$0	
Funding Agencies' Apportionments								
<i>Cities</i>	\$68,200	\$69,500	\$69,500	\$69,500	\$70,500	\$70,500	\$71,900	2.0%
<i>Shasta County</i>	\$68,200	\$69,500	\$69,500	\$69,500	\$70,500	\$70,500	\$71,900	2.0%
<i>Special Districts</i>	\$68,200	\$69,500	\$69,500	\$69,500	\$70,500	\$70,500	\$71,900	2.0%
Total Apportionments	\$204,600	\$208,500	\$208,500	\$208,500	\$211,500	\$211,500	\$215,700	2.0%
<b>TOTAL REVENUES</b>	<b>\$204,600</b>	<b>\$208,500</b>	<b>\$208,500</b>	<b>\$208,500</b>	<b>\$211,500</b>	<b>\$211,882</b>	<b>\$215,700</b>	2.0%
<i>Increase from prior FY</i>	0%	2%	~	~	1.44%	~	1.99%	
<b>EXPENSES</b>								
Payroll, Benefits & Retirement Payout								
Employer Expenses								
<i>Clerk/Administrator</i>	\$32,800	\$35,000	\$1,000	\$1,550	\$0	\$0	\$0	
<i>CalPERS Annual Payout<sup>1</sup></i>	\$50,498	\$50,498	\$50,498	\$50,498	\$50,500	\$50,498	\$50,500	0.0%
<i>Employer Taxes</i>	\$6,030	\$6,300	\$300	\$84	\$0	-\$84	\$0	
Total Employer Expense	\$89,328	\$91,798	\$51,798	\$52,132	\$50,500	\$50,414	\$50,500	0.0%
<b>Total Payroll, Benefits &amp; Retirement</b>	<b>\$89,328</b>	<b>\$91,798</b>	<b>\$51,798</b>	<b>\$52,132</b>	<b>\$50,500</b>	<b>\$50,414</b>	<b>\$50,500</b>	0.0%
Professional Services								
Executive Officer & Staffing Services								
<i>Executive Officer and Clerk</i>	\$52,500	\$57,500	\$84,000	\$87,742	\$84,000	\$64,591	\$86,000	2.4%
<i>MSR/SOI Preparation</i>	\$25,660	\$20,260	\$19,000	\$21,815	\$25,000	\$14,991	\$28,000	12.0%
<i>GIS Services</i>	\$4,000	\$4,500	\$4,500	\$2,475	\$5,000	\$218	\$5,000	0.0%
Total EO and Staffing Services	\$82,160	\$82,260	\$107,500	\$112,032	\$114,000	\$79,799	\$119,000	4.4%
Legal Counsel Services	\$10,000	\$12,500	\$12,500	\$11,161	\$12,500	\$2,669	\$12,500	0.0%
Website Hosting and Maintenance	\$720	\$120	\$2,000	\$2,000	\$2,000	\$777	\$2,000	0.0%
Information/Technology (IT) Services	\$250	\$750	\$3,000	\$1,124	\$2,000	\$109	\$2,000	0.0%
Fiscal Audit Services (Biannual)	\$5,500	\$0	\$8,500	\$525	\$8,500	\$0	\$8,500	0.0%
<b>Total Professional Services</b>	<b>\$98,630</b>	<b>\$95,630</b>	<b>\$133,500</b>	<b>\$124,843</b>	<b>\$139,000</b>	<b>\$83,354</b>	<b>\$144,000</b>	3.6%
Office & Supplies								
Rent	\$7,200	\$7,200	\$7,200	\$7,800	\$7,200	\$4,800	\$600	-91.7%
PO Box Rental					\$140	\$0	\$150	7.1%
Communications (Phone/Internet)	\$1,620	\$1,620	\$2,500	\$1,537	\$1,620	\$1,397	\$150	-90.7%
Tools/ Equipment/ Software	\$0	\$1,012	\$1,500	\$1,209	\$1,230	-\$246	\$1,300	0.0%
Storage Space	\$0	\$0	\$0	\$0	\$0	\$0	\$1,800	
Office Supplies Expense	\$950	\$1,300	\$1,000	\$102	\$600	\$0	\$180	-70.0%
Postage, Shipping & Printing	\$640	\$600	\$600	\$600	\$610	\$0	\$700	14.8%
<b>Total Office Services &amp; Supplies</b>	<b>\$10,410</b>	<b>\$11,732</b>	<b>\$12,800</b>	<b>\$10,648</b>	<b>\$11,400</b>	<b>\$5,950</b>	<b>\$4,800</b>	-57.5%
Memberships and Fees								
Bank & Transfer Fees	\$300	\$300	\$300	\$277	\$300	\$157	\$500	66.7%
Conferences/ Sponsorships	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	New
CALAFCO Membership	\$3,650	\$4,000	\$4,000	\$7,993	\$4,000	\$0	\$4,200	5.0%
CSDA Membership	\$0	\$0	\$1,250	\$0	\$1,300	\$1,351	\$1,500	15.4%
SDRMA Liability Insurance	\$3,900	\$3,900	\$3,712	\$9,316	\$3,800	\$0	\$4,000	5.3%
Legal Notices	\$1,000	\$1,140	\$1,140	\$139	\$1,200	\$93	\$1,200	0.0%
Total Memberships & Fees	\$8,850	\$9,340	\$10,402	\$17,725	\$10,600	\$1,601	\$16,400	54.7%
<b>TOTAL EXPENSES</b>	<b>\$207,218</b>	<b>\$208,500</b>	<b>\$208,500</b>	<b>\$205,348</b>	<b>\$211,570</b>	<b>\$141,319</b>	<b>\$215,780</b>	2.0%
Total Gain/(Loss)	-\$2,618	\$0	\$0	\$3,152	\$0	\$70,564	-\$80	
Contingency Fund								
Contingency Deposit	\$0	\$0	\$0	\$3,152	\$0	\$0	\$0	
Contingency Withdrawal	\$2,618	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Contingency Balance</b>	<b>\$6,186</b>	<b>\$6,186</b>	<b>\$6,186</b>	<b>\$9,338</b>	<b>\$9,338</b>	<b>\$9,338</b>	<b>\$9,338</b>	

1 - Annual payment for prior executive officer retirement plan. As of FY2025-26 there are two more annual payments.

APPLICATION COSTS	FY2021-22 Actuals	FY2022-23 Actuals	FY2023-24 Actuals	FY2024-25 8-mo Actuals
<b>REVENUES</b>				
Application Fees	22,563.38	\$54,986.97	\$3,280.00	\$3,226.00
Other		\$0.00	\$0.00	\$0.00
<b>TOTAL REVENUES</b>	<b>\$22,563.38</b>	<b>\$54,986.97</b>	<b>\$3,280.00</b>	<b>\$3,226.00</b>
<b>EXPENSES</b>				
Staff Time	\$16,317.32	\$26,220.00	\$22,197.50	\$2,320.00
Legal Services	\$1,320.00	\$3,077.00	\$0.00	\$0.00
CDFW Fees	\$1,150.00	\$81.00	\$0.00	\$0.00
BOE Filing Fees	\$0.00	\$0.00	\$0.00	\$4,885.00
Public Hearing Notice	\$479.75	\$341.00	\$0.00	\$0.00
Other	\$874.68	\$92.00	\$0.00	\$0.00
<b>TOTAL EXPENSES</b>	<b>\$20,141.75</b>	<b>\$29,811.00</b>	<b>\$22,197.50</b>	<b>\$7,205.00</b>
Total Gain/ (Loss)	\$2,421.63	\$25,175.97	(\$18,917.50)	(\$3,979.00)

**SHASTA LOCAL AGENCY FORMATION COMMISSION**

**RESOLUTION 2025-01**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A PROPOSED BUDGET FOR FISCAL YEAR 2025/2026**

**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 and work plan, 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 3, 2025; 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 2025/2026 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 2025/2026 as outlined in Exhibit A shall be circulated to local funding agencies for review and comment.

**THE FOREGOING RESOLUTION** was introduced at a regular meeting of Shasta LAFCO on the 3<sup>rd</sup> day of April 2025, and adopted by the following vote:

AYES:

NOES:

ABSTAINS:

ABSENT:

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

\_\_\_\_\_  
*Chair*  
Shasta Local Agency Formation Commission

**Attest:**

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

\_\_\_\_\_  
*Krystle Heaney, Executive Officer*  
Shasta Local Agency Formation Commission