



## AGENDA ITEM 5.A.

**MEETING:** April 21, 2020  
**TO:** Trinity LAFCo Commissioners  
**FROM:** Colette Metz Santsche, Executive Officer & Kathy Bull, Administrator/Clerk  
**SUBJECT:** Proposed Budget and Work Plan for Fiscal Year 2020/2021

### **BACKGROUND**

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:**

Trinity LAFCos annual operating expenses are principally funded through appropriations from the County and Special Districts, in addition to application fees. Each fiscal year, after the Commission adopts the final budget, the County Auditor apportions operating expenses between the County and the independent special districts. Statutory authority allows the County Auditor to collect the amounts apportioned.

#### **Operating Expenses:**

The proposed operating expenses reflect the anticipated staffing services, daily operational needs, and preparation of municipal service reviews and sphere of influence updates. Notable changes to the operating expenses are proposed as follows:

- An increase of \$5,000 to Professional & Specialized expenditures due to expected application costs.

#### **Operating Revenues:**

The operating revenues received from the local funding agencies are proposed to remain equal with last year in the amount of \$28,000 without an increase to local funding agencies. The remaining expenses not covered by member contributions would be drawn from the available fund balance. In addition, there is an increase overall in the amount of \$5,000 of expected application fees. All essential LAFCo operational functions will be met in accordance with California law.

#### **Work Plan:**

In fiscal year 2020-21 it is anticipated that the county and special districts will begin recovery from the COVID-19 pandemic. During this time LAFCo can help support agencies with recovery efforts by ensuring timely processing of boundary change applications (as proposed) and development of MSRs. MSRs can provide varying governance options for more efficient oversight of services during recovery and can also identify infrastructure needs that could potentially be funded by emergency and recovery act sources.

The Proposed Budget for fiscal year 2020/2021 includes the following work plan:

<b>Trinity LAFCo Work Plan for FY 2020-21</b>	
<b>Planning and Regulatory Activities</b>	
Hyampom CSD MSR/SOI Update	Priority Activity
Lewiston CSD MSR/SOI Update	Priority Activity
Trinity PUD MSR/SOI Update	Priority Activity
Hayfork FPD MSR/SOI Update	Priority Activity
Change of Organization/Reorganizations	As proposed
Out of Agency Service Requests	As proposed
Agency Pre-application Meetings	As needed
<b>Administrative Activities</b>	
2020-21 budget, claim forms, tracking	Ongoing
Expiring Commissioner Terms in 2021	Ongoing
Independent Special District Selection Committee Coordination	Ongoing
Website Maintenance and Updates	Ongoing
Commission Policy Review and Revisions	Ongoing
Commission Fee Structure for applications	As needed
GIS Boundary Mapping Updates	As needed
Respond to agency inquiries and provide technical assistance	As needed
Public information /communications	As needed

The budget and work plan provide for continuing MSR/SOI updates for four districts. Staff will continue to maintain and update the LAFCo website, as needed, with emphasis on providing additional educational and resource documents for commissioners and local agencies. There is also an opportunity to work with and provide information to districts on incorporating video conferencing and teleconferencing options for public meetings during the shelter in place order.

**RECOMMENDATION**

This item has been agendized for consideration as part of a noticed public hearing. Staff recommends the Commission approve the proposed budget for fiscal year 2020/2021 referenced in Resolution 2020-03 and 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 16, 2020.

***Attachments:***

- Attachment A: Trinity LAFCo FY 2020/2021 Proposed Budget
- Attachment B: Resolution No. 2020-03

# Trinity LAFCo Budget

Fund No. 270-0100  
Department No. 8270

Categories	Acct #	FY 2018/19 Adopted Budget	FY 2018/19 Year End Actual	FY 2019/20 Adopted Budget	FY 2019/20 YTD Adjustments	FY 2019/20 YTD (Q1-Q3) Actual	FY 2019/20 Budget Variance	FY 2020/21 Proposed Budget
<b>REVENUES:</b>								
Interest	6601	-	1,963	-	-	1,048	(1,048)	-
LAFCo Fees (Applications)	8404	-		-	-	-	-	5,000
Cont From Other Agencies:								
County	9282	7,060	7,060	14,000	14,000	14,000	-	14,000
Indep Spec Districts	9285	7,060	7,157	14,000	14,000	13,077	923	14,000
<b>TOTAL Revenues</b>		<b>\$ 14,120</b>	<b>\$ 16,180</b>	<b>\$ 28,000</b>	<b>\$ 28,000</b>	<b>\$ 28,125</b>	<b>(125)</b>	<b>\$ 33,000</b>

<b>EXPENDITURES:</b>								
Memberships	2240	925	925	1,500	1,500	1,075	425	1,500
Office	2260	220	53	600	600	548	52	600
Professional & Specialized:	2300	12,675	-	40,800	40,800	27,429	13,371	45,800
- Staffing services				15,000	25,000	19,040	5,960	25,000
- MSR/SOI				25,000	15,000	7,507	7,493	15,000
- Applications				-	-	600	(600)	5,000
- Legal Counsel				500	500	-	500	500
- Web Service				300	300	282	18	300
Publications & Legal Notices	2500	300	522	500	500	737	(237)	500
Transportation & Travel	2750	-	-	1,500	1,500	406	1,094	1,500
Training	2756	-	-	-	-	-	-	-
Contrib to Non LAF Agency	3200	-	-	-	-	-	-	-
Transfer Out		-	-	-	-	-	-	-
<b>TOTAL Expenditures</b>		<b>\$ 14,120</b>	<b>\$ 1,500</b>	<b>\$ 44,900</b>	<b>\$ 44,900</b>	<b>\$ 30,195</b>	<b>14,705</b>	<b>\$ 49,900</b>

Operating Difference		\$ -	\$ 14,680	\$ (16,900)	\$ (16,900)	\$ (2,071)	(14,829)	\$ (16,900)
<i>(Negative Balance Indicates Use of Unrestricted Fund Balance)</i>								

**FUND BALANCE/RESERVES**

Beginning Year Fund Balance		\$ 94,481		\$ 109,160				
Assigned/Designated Reserve Funds:	\$90,000							
Litigation Defense:	\$ 60,000							
Special Legal Counsel:	\$ 10,000							
Unanticipated Sp. Studies:	\$ 20,000							



**RESOLUTION NUMBER 2020-03  
APPROVAL OF THE TRINITY LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A PROPOSED BUDGET FOR FISCAL YEAR 2020/2021**

**WHEREAS**, the Trinity 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 21, 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 and by this reference incorporated herein;
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 Trinity LAFCo Commission on the 21<sup>st</sup> day of April, 2020, and adopted by the following roll call vote:

AYES:  
NOES:  
ABSTAINS:  
ABSENT:

ATTEST:

APPROVED:

\_\_\_\_\_  
Kathy Bull  
Administrator/Clerk

\_\_\_\_\_  
Judy Morris  
Chair