



SISKIYOU LOCAL AGENCY FORMATION COMMISSION

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DATE: June 13, 2017
TO: Chair and Siskiyou LAFCo Members
FROM: Randy Chafin, AICP, Interim Deputy Executive Officer
SUBJECT: LAFCO June 13, 2017 Meeting
Agenda Item: FY 2017/2018 FINAL BUDGET

I. BACKGROUND:

State law requires that each member entity of Siskiyou LAFCo (the cities within Siskiyou County and the County of Siskiyou) fund its yearly functions. The actual distribution is set annually by the Auditor's office based on a set distribution arrangement authorized under Government Code Section 56381(b)(1)(B). This distribution splits the cities' and County's share at 50 percent each.

In determining the appropriate funding level, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or program costs will allow the Commission to fulfill the purposes and programs of its responsibilities. Historically the collective annual member contribution was \$40,000; however, the Commission waived member contributions in FY 2008/09 and FY 2009/10 and in FY 2010/11 the contribution level was reduced to \$25,000. For fiscal years 2011/12 through 2015/16 the contribution was raised to \$30,000. In June 2016, the Commission voted to reduce the member contribution to \$20,000.

In determining the budget level, it is important to project future costs. The largest regular cost that must be funded is the requirement that the municipal services reviews and sphere of influence updates (MSR/SOI updates) be conducted every five years. An update of the MSR/SOI for the nine cities is currently underway through a consultant contract with a fee of \$68,928, of which only \$4,500 is expected to be expended by the end of the fiscal year, with the balance carried over to FY 2017/18. At the Commission's April 2017 meeting Commissioners indicated that the \$20,000 city and County contribution level would be acceptable for FY 2017/18.

The budget table below shows the adjusted FY 2016/17 budget, the projected ending 2016/17 budget, and proposed budget for FY 2017/18. Under the revenue section, the table below indicates that LAFCo expects to receive contributions from the County and member cities for 2015/16 and 2016/17 that according to the County Auditor-Controller were invoiced in April 2017. We understand that all payments have been received as of the date of this report.

CITY MEMBERS

DEBRA BAIRD, COMMISSIONER
TIM STEARNS, VICE CHAIR
VACANT, ALTERNATE

COUNTY MEMBERS

ED VALENZUELA, COMMISSIONER
GRACE BENNETT, COMMISSIONER
MICHAEL KOBSEFF, ALTERNATE

MEMBERS-AT-LARGE

APRIL GRAY, CHAIR
GARY PEERY, ALTERNATE

As shown in the table, LAFCo's revenue is projected to be approximately \$197,485 at the end of FY 2016/17. This includes funding of partial payment for consultant costs associated with the City MSR/SOI project. The funding balance is expected to fall to \$134,820 in FY 2017/18.

There was a sizable increase in the CAP cost for 2016/17 (\$7,938). This covers the cost of processing payments through the Auditor's Office and other accounting support. However, the FY 2017/18 budget currently includes \$-53.00 in projected costs associated with the County's Cost Allocation Plan (CAP) due to the neither invoiced nor collected member contributions. Expect the FY18/19 CAP cost to increase again due to the completion of the invoicing.

The budget table below was included in the staff report for the Commission's April 2017 meeting at which the Preliminary Budget was considered. No modifications were requested by the Commission and, as noted above, the \$20,000 city and County contribution level is maintained for FY 2017/18.

The Preliminary Budget was sent to the Clerk of the County Board of Supervisors Staff and each of the cities on May 25th. Staff has not received any comments from representatives of the nine cities in the County with respect to the preliminary draft budget.

	Year End FY 2016/17 Adjusted Budget	Year End FY 2016/17 Estimated Budget	FY 2017/18 Requested Budget
Revenue			
Interest	\$2,000	\$1,700	\$2,000
545100 Other Governmental Agencies	\$15,000	\$10,000	\$10,000
560300 Contributions from Others	\$20,000	\$10,000	\$10,000
550800 Application Fees	\$1,100	\$2,400	\$1,100
FY 2015/16 Contributions		\$30,000	
Total Revenue	\$38,100	\$54,100	\$23,100
Expenditures			
Office Costs	-\$9,893	-\$9,093	-\$1,337
717000 Maintenance of Equip	\$50	\$10	\$50
720000 Memberships	\$840	\$840	\$875
722000 Office Supplies	\$10	\$0	\$10
724000 Publications/Legal	\$400	\$150	\$200
725000 Rents and Lease	\$5	\$5	\$5
729000 Transportation/Travel	\$650	\$150	\$250
751000 Cost Allocation Plan	\$7,938	\$7,938	\$-53.00
Consultant/Staff Services	-\$113,000	-\$24,500	-\$84,428
723100 Administration	\$20,000	\$20,000	\$20,000
723000 Professional Services/Staff	\$93,000	\$4,500	\$64,428
Total Expenditures	-\$122,893	\$33,593	-\$85,818
Ending Fund Balance Need	\$176,978	\$197,485	\$134,820

II. CEQA:

Pursuant to CEQA Guidelines Section 15061(b)(3), adoption of the preliminary budget is exempt from the California Environmental Quality Act (CEQA) under the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

III. RECOMMENDATION:

1. Determine the appropriate funding level for FY 17/18.
2. Make a motion and a second to adopt a “general rule” exemption from CEQA and approve the FY 17/18 Final Budget by adopting the attached resolution.