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# SISKIYOU LOCAL AGENCY FORMATION COMMISSION

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VACANT  
EXECUTIVE OFFICER

CHRISTY CUMMINGS DAWSON  
DEPUTY EXECUTIVE OFFICER

**DATE:** April 10, 2018  
**TO:** Chair and Siskiyou LAFCo Members  
**FROM:** Christy Cummings Dawson, Deputy Executive Officer  
**SUBJECT:** FY 2018/19 PRELIMINARY BUDGET

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## I. BACKGROUND:

State law requires that each member entity of Siskiyou LAFCo (the nine 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 approximately \$28,814 is expected to be expended by the end of the fiscal year, with the balance carried over to FY 2018/19.

The budget table below shows the adjusted FY 2017/18 budget, the projected ending 2017/18 budget, and proposed budget for FY 2018/19.

As shown in the table, LAFCo's revenue is projected to be approximately \$22,000 at the end of FY 2017/18. The funding balance is expected to be \$134,820 in FY 2018/19.

There was a sizable decrease in the CAP cost for 2018/19 which resulted in a credit of \$5,940. The CAP covers the cost of processing payments through the Auditor's Office and other accounting support. The FY 2017/18 budget currently includes \$-53.00 in projected costs associated with the County's Cost Allocation Plan (CAP) due to neither invoiced nor collected member contributions in that fiscal year.

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### CITY MEMBERS

DEBRA BAIRD, COMMISSIONER  
TIM STEARNS, COMMISSIONER  
HANK EBINGER, ALTERNATE

### COUNTY MEMBERS

ED VALENZUELA, VICE CHAIR  
LISA NIXON, COMMISSIONER  
MICHAEL KOBSEFF, ALTERNATE

### PUBLIC MEMBERS

APRIL GRAY, COMMISSIONER  
GARY PEERY, ALTERNATE

Upon adoption of the preliminary budget, staff will transmit this budget to the Board of Supervisors and each city in the County pursuant to Government Code Section 56381. Staff would then return to LAFCo with any potential changes as a result of this outreach with a final budget prior to June 15, 2018, for adoption.

	<b>Year End FY 2017/18 Adjusted Budget</b>	<b>Year End FY 2017/18 Estimated Budget</b>	<b>FY 2018/19 Requested Budget</b>
<b>Revenue</b>			
Interest	\$2,000	\$2,000	\$2,200
545100 Other Governmental Agencies	\$10,000	\$10,000	\$15,000
560300 Contributions from Others	\$10,000	\$10,000	\$15,000
550800 Application Fees	\$1,100	\$0	\$1,500
<b>Total Revenue</b>	<b>\$23,100</b>	<b>\$22,000</b>	<b>\$33,700</b>
<b>Expenditures</b>			
<b>Office Costs</b>	<b>-\$1,337</b>	<b>-\$854</b>	<b>\$3,840</b>
717000 Maintenance of Equip	\$50	\$2	\$50
720000 Memberships	\$899	\$899	\$950
722000 Office Supplies	\$10	\$5	\$50
724000 Publications/Legal	\$176	\$0	\$750
725000 Rents and Lease	\$5	\$1	\$50
729000 Transportation/Travel	\$250	\$0	\$250
751000 Cost Allocation Plan	-\$53	-\$53	-\$5,940
<b>Consultant/Staff Services</b>	<b>-\$146,941</b>	<b>-\$31,314</b>	<b>-\$58,699</b>
723100 Administration	\$20,000	\$2,500	\$25,000
723000 Professional Services/Staff	\$126,941	\$28,814	\$33,699
<b>Total Expenditures</b>	<b>-\$148,278</b>	<b>-\$32,168</b>	<b>-\$54,859</b>
<b>Ending Fund Balance Need</b>	<b>\$71,467</b>	<b>\$186,477</b>	<b>\$165,318</b>

## 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. Consider the preliminary budget for FY 2018/19 proposed by staff.
2. Make a motion and a second to adopt a "general rule" exemption from CEQA and approve the proposed FY 18-19 preliminary budget.
3. Make a motion to raise fees for FY 2018/2019 from \$20,000 to \$30,000 to cover the costs of increased LAFCO activities.

4. By voice vote:
  - A.) Adopt a “general rule” exemption from CEQA.
  - B.) Approve the FY 2018/19 preliminary budget provided in the staff report.
  - C.) Direct staff to transmit this budget to the Board of Supervisors, each city, and each independent special district in the County pursuant to Government Code Section 56381.
  - D.) Return to the Commission by June 12, 2018, for adoption of the final budget with any necessary changes.