



AGENDA ITEM 6.A.

MEETING: June 20, 2023
TO: Trinity LAFCo Commissioners
FROM: Colette Santsche, Executive Officer
SUBJECT: Final Budget for Fiscal Year 2023-24

BACKGROUND

Local Agency Formation Commissions (LAFCos) are responsible for annually adopting a proposed budget by May 1st and a final budget by June 15th in accordance with Government Code Section 56381. 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 2023-24 Budget that was approved by the Commission at the April 18, 2023 regular Commission meeting was sent to all participating member agencies including Trinity County for review and potential comment. To date, one comment was received on the proposed budget (see attached email correspondence).

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. No changes in operating expenses are proposed from the prior fiscal year.

Operating Revenues:

An approximate 3% increase to contributions from local funding agencies in Fiscal Year 2023-24 is proposed to reduce reliance on reserves needed to balance the operational budget. At the April 18 LAFCo meeting, the Commission discussed the need to address the budget shortfall to avoid exhausting reserves in coming years.

Proposed Work Plan:

As stated above, the proposed budget is intended to cover basic operating and administration expenses of the commission. This includes the development of municipal service reviews and

sphere of influence updates for special districts throughout the county. As part of the Fiscal Year 2023-24 budgeting process, staff is proposing the following work plan:

Activity	Tentative Time Frame
Planning and Regulatory Activities	
Post Mountain PUD MSR/SOI Update	June/Aug 2023 Hearing
Weaverville Regional Fire Services MSR/SOI Update	Dec/Feb 2024 Hearing
Change of Organization/Reorganization Proposals (0-1/yr)	Ongoing
Out of Agency Service Requests (0-1/yr)	Ongoing
Agency Pre-application Meetings	Ongoing
Planning for Sustainable Fire Services in Trinity County	Ongoing
Administrative Activities (Priority 1)	
2023-24 budget, claim forms, tracking	Ongoing
2023 CALAFCO Annual Conference in Monterey, CA	Oct 18-20, 2023
2024 CALAFCO Staff Workshop	April 2024
Public information/communications	Ongoing
Website Maintenance and Updates	Ongoing
GIS Boundary Mapping Updates	Ongoing
Administrative Activities (Priority 2)	
Public Records Requests	As needed
Respond to Grand Jury Reports	As needed
LAFCo Policy Review and Revisions	As needed
State Legislation Monitoring and Position Letters	As needed
Comment on LAFCo-related local government proceedings	As needed

RECOMMENDATION

Staff recommends the Commission approve the Final Budget and Workplan for Fiscal Year 2023-24 referenced in Resolution 2023-04 and as outlined in Attachment B, with any requested changes.

Attachments:

- A. Trinity LAFCo FY 2023-24 Final Budget
- B. Resolution No. 2023-04
- C. Email Correspondence re: Proposed Budget

Trinity LAFCo Budget

Categories	Acct #	FY 2021/22 Adopted Budget	FY 2021/22 Year End Actual	FY 2022/23 Adopted Budget	FY 2022/23 Q3 Actual	FY 2023/24 Final Budget
REVENUES:						
Interest	6601	-	388	-	154	-
LAFCo Fees (Applications)	8404	5,000	750	5,000	1,150	5,000
Cont From Other Agencies:						
County	9282	14,000	14,000	14,500	14,500	15,000
Indep Spec Districts	9285	14,000	16,965	14,500	14,697	15,000
TOTAL Revenues		\$ 33,000	\$ 32,104	\$ 34,000	\$ 30,501	\$ 35,000

EXPENDITURES:						
Memberships	2240	1,500	1,185	1,500	1,243	1,500
Office	2260	600	471	600	247	600
Professional & Specialized:	2300	45,800	38,130	45,800	20,951	45,800
- Staffing services		25,000	22,657	25,000	14,822	25,000
- MSR/SOI		15,000	14,291	15,000	5,957	15,000
- Applications		5,000	1,150	5,000	173	5,000
- Legal Counsel		500	-	500	-	500
- Web Service		300	32	300	-	300
Publications & Legal Notices	2500	500	214	500	85	500
Transportation & Travel	2750	1,500	708	1,500	598	1,500
Training	2756	-	-	-	-	-
Contrib to Non LAF Agency	3200	-	-	-	-	-
Transfer Out		-	-	-	-	-
TOTAL Expenditures		\$ 49,900	\$ 40,708	\$ 49,900	\$ 23,124	\$ 49,900

Operating Difference		\$ (16,900)	\$ (8,604)	\$ (15,900)	\$ 7,378	\$ (14,900)
<i>(Negative Balance Indicates Use of Reserves)</i>						

FUND BALANCE/RESERVES

Beginning Year Fund Balance		\$ 89,587		\$ 80,983		
Ending Year Fund Balance			\$ 80,983			
Assigned/Designated Reserve Funds	\$90,000					
<i>Litigation Defense:</i>	<i>\$ 60,000</i>					
<i>Special Legal Counsel:</i>	<i>\$ 10,000</i>					
<i>Unanticipated Sp. Studies:</i>	<i>\$ 20,000</i>					

**RESOLUTION NO. 2023-04****ADOPTING A FINAL BUDGET
FOR FISCAL YEAR 2023-24**

WHEREAS, the Trinity Local Agency Formation Commission is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt a final budget for the next fiscal year no later than June 15; 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 June 20, 2023; and

WHEREAS, the Commission determined the final 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 2023-24 as outlined in Exhibit A is hereby 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 final budget for Fiscal Year 2023-24 shall be submitted to the County Controller in order to make appropriations to the County and Special Districts in accordance with Government Code Section §56381(b).

THE FOREGOING RESOLUTION was introduced at a regular meeting of the Trinity LAFCo Commission on the 20th day of June, 2023, and adopted by the following roll call vote:

AYES:

NOES:

ABSTAINS:

ABSENT:

ATTEST:

APPROVED:

Colette Santsche
Executive Officer

Heidi Carpenter-Harris
Chair

From: [Sally Aldinger](#)
To: colette@trinitylafco.org
Subject: Re: Trinity LAFCo Proposed Budget Notice for FY 2023-24
Date: Thursday, May 25, 2023 4:33:17 PM

Thanks Colette,
I will print this and take to our Board.
S

On Thu, May 25, 2023 at 3:39 PM <colette@trinitylafco.org> wrote:

Hi Sally,

Thanks for reaching out. Collectively, special districts in Trinity have representation on LAFCo which is important. Our budget is principally funded by the county (pays 1/2 of the net operating costs) and special districts (as a whole pays 1/2 of the net operating costs). The special district apportionments are collected by the County Auditor-Controller based on a formula that charges bigger districts more and smaller districts less. We try to keep member apportionments to a minimum while making slow but meaningful progress on preparing Municipal Service Reviews and Sphere of Influence Updates for each district in the county. With only \$15,000 per year allocated to MSRs, we are only able to complete a couple per year. I started providing Executive Officer services in 2019-20 and recognize that the Commission is behind on preparing MSRs but we are diligently trying to catch up. We are currently prioritizing fire districts since they are largely volunteer and may have opportunities to pursue annexation of existing out-of-district goodwill response areas and establish sustainable ongoing funding. We also want to prioritize districts that may need changes to their existing Sphere of Influence, which is an important precursor to annexation. Ultimately, we will be preparing a MSR/SOI Update for the Hayfork Valley Park and Recreation District, although we do not have a date certain.

I hope this helps. Please let me know if you have any question about LAFCo, the MSR/SOI process, or boundary changes. More information is also available at: <https://trinitylafco.org/>

Colette Santsche

Trinity LAFCo
trinitylafco.org

From: Sally Aldinger
Sent: Wednesday, May 24, 2023 1:55 PM

To: colette@trinitylafco.org

Subject: Re: Trinity LAFCo Proposed Budget Notice for FY 2023-24

Colette,

Just want to pose this question that our Board always asks when presented with a LAFCO bill:

What exactly does LAFCO do for us?

Thank you,

Sally

On Wed, May 24, 2023 at 11:50 AM <colette@trinitylafco.org> wrote:

Greetings,

Attached is the Proposed Trinity LAFCo Budget and Work Plan for FY 2023-24.

A Final Budget hearing is scheduled for Tuesday, June 20, 2023, at 4:00 p.m. at the Weaverville Library Conference Room. Trinity LAFCo requests written comments on the proposed budget by June 15 for inclusion in the Commission's upcoming agenda packet.

Please reach out if you have any questions. Thanks!

Colette Santsche

Trinity LAFCo

trinitylafco.org