

AGENDA ITEM 5.A.

MEETING: April 21, 2026
TO: Trinity LAFCo Commissioners
FROM: Colette Santsche, Executive Officer
SUBJECT: Proposed Budget for Fiscal Year 2026-27

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

Funding Sources:

Trinity LAFCo's 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-Controller apportions operating expenses between the County and the independent special districts. Statutory authority allows the County Auditor-Controller 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:

LAFCo has been operating at a deficit and relying on reserve funding to balance revenues and expenses. In years past, staff has proposed a 2-3% increase in member contributions every year while maintaining operating expenses in order to slowly close the gap between revenues and expenses. However, last fiscal year, it was determined that this course of action was expected to deplete reserves over the next five to seven years. On April 14, 2025, staff proposed that the Commission increase revenues by either five percent or seven percent over the next five fiscal years. The Commission chose to proceed with the budget option that increased revenues by five percent. As such, the proposed budget for FY 2026-27 (Attachment A) also proposes an increase of approximately five percent in member contributions. Beginning and ending fund balances are estimated based on the FY2025-26 adopted budget and mid-year actuals.

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 2026-27 budgeting process, staff is proposing the following work plan:

Activity	Tentative Time Frame
Planning and Regulatory Activities	
Post Mountain PUD MSR/SOI Follow-up	Ongoing
Downriver Region Fire Services MSR/SOI Update	June 2026 Hearing
Countywide Park and Recreation Services MSR/SOI Update	Oct/Dec 2026 Hearing
Trinity County Resource Conservation District MSR/SOI Update	Feb/Apr 2026 Hearing
Change of Organization/Reorganization Proposals (0-2/yr)	Ongoing
Out of Agency Service Requests (0-1/yr)	Ongoing
Agency pre-application meetings, inquiries and technical support	Ongoing
Administrative Activities (Priority 1)	
2026-27 Budget, claim forms, tracking	Ongoing
2026 CALAFCO Annual Conference in Sacramento	Oct 21-23
2027 CALAFCO Staff Workshop	TBD
Public information/communications	Ongoing
Website Maintenance and Updates	Ongoing
GIS Boundary Mapping Updates	Ongoing
Administrative Activities (Priority 2)	
Public Records Act 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 adopt Resolution No. 2026-01, approving the Proposed Budget and workplan for Fiscal Year 2026-27, 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, 2026.

ATTACHMENTS

Attachment A: Trinity LAFCo FY 2026-27 Proposed Budget

Attachment B: Resolution No. 2026-01

Trinity LAFCo Budget

Categories	Acct #	FY 2024/25 Amended Budget	FY 2024/25 Year End Actual	FY 2025/26 Adopted Budget	FY 2025/26 Mid Year Actuals	FY 2026/27 Proposed Budget
REVENUES:						
Interest	6601	-	3,294.83	-	-	-
LAFCo Fees (Applications)	8404	12,000	11,557.50	5,000	-	5,250.00
Cont From Other Agencies:						
County	9282	15,500	15,500.00	16,400	16,400.00	17,200
Indep Spec Districts	9285	15,500	16,226.42	16,400	16,326.05	17,200
TOTAL Revenues		\$ 43,000	46,578.75	\$ 37,800	\$ 32,726.05	\$ 39,650

4.89%

EXPENDITURES:						
Memberships	2240	1,400	1,378.00	1,500	1,423.00	1,500
Office	2260	500	395.70	600	22.80	600
Professional & Specialized:	2300	52,800	51,557.50	45,800	16,182.49	45,800
- Staffing services		25,000	24,650.00	25,000	10,915.00	25,000
- MSR/SOI		15,000	15,350.00	15,000	5,247.50	15,000
- Applications		12,000	11,557.50	5,000	-	5,000
- Legal Counsel		500	-	500	-	500
- Web Service		300	-	300	19.99	300
Publications & Legal Notices	2500	550.00	514.91	500	-	500
Transportation & Travel	2750	1,650.00	1,608.02	1,500	344.40	1,500
Training	2756	-	-	-	-	-
Contrib to Non LAF Agency	3200	-	-	-	-	-
Transfer Out		-	-	-	-	-
TOTAL Expenditures		\$ 56,900	\$ 55,454.13	\$ 49,900	\$ 17,972.69	\$ 49,900

Operating Difference		\$ (13,900)	\$ (8,875.38)	\$ (12,100)	\$ 14,753	\$ (10,250)
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(Negative Balance Indicates Use of Reserves)

FUND BALANCE/RESERVES		<i>Estimate</i>				
Beginning Year Fund Balance		\$ 71,172		\$ 62,297		\$ 52,448
Ending Year Fund Balance			\$ 62,297		\$ 52,448	

RESOLUTION NO. 2026-01
ADOPTING A PROPOSED BUDGET FOR
FISCAL YEAR 2026-27

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 therein; 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, 2026; and

WHEREAS, the Commission determined that 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 2026-27 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 adopted proposed budget for Fiscal Year 2026-27 shall 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 21st day of April, 2026, and adopted by the following roll call vote:

AYES:

NOES:

ABSTAINS:

ABSENT:

ATTEST:

APPROVED:

Colette Santsche
Executive Officer

Jill Cox
Chair