PLACER LOCAL AGENCY FORMATION COMMISSION

Roberty Weygandt, (County), Chair; Joshua Alpine (District), Vice Chair; Bonnie Gore (County); Paul Joiner (City); William Kahrl, (District); Joe Patterson, (City); Susan Rohan, (Public), Alternate Commissioners: Scott Alvord (City); Jeffrey Stark (Public); Jim Holmes, (County); Mike Lynch (District)

REGULAR HEARING AGENDA
June 10, 2020 - 4:00 P.M.

PUBLIC PARTICIPATION PROCEDURES:

Public Participation Procedures

In order to protect public health and the safety of our Placer County citizens, attendance for the Placer LAFCO meeting will be offered as a completely virtual Zoom meeting webinar. Placer LAFCO will be closed to public attendance.

To join the webinar, click on https://zoom.us/j/99802428006 or telephone (877) 853-5247 or (888) 788-0099. Webinar ID: 998 0242 8006.

In compliance with Governor Newsom's Executive Order N-29-20-EO on telephone meetings, the public's participation will be supported through web or phone participation for attendees. When Public Comment is opened, participants may "raise hand" to be called upon to give their public comment.

1. ***Those joining online through the web meeting should "Raise Hand" in the Zoom meeting window. They will be called by the name they entered in the Zoom session, and they will be prompted to unmute their microphone so they can state their name for the record and give their comment.***

2. ***Those who are calling in via phone may dial *9 to raise their hand once Public Comment is opened. The Executive Officer will read out the caller's phone number and they will be notified that they are unmuted. The Executive officer will then direct them to state their name for the record and give their comment.***

Alternatively, citizens may submit their comments in written form to the Commision. If you wish to submit written comments, please submit to Placer LAFCO at kberry@placer.ca.gov prior to 2:00 on June 10, 2020.

Emails received though the email address after 2:00 p.m. the afternoon of the meeting will still become part of the official record and will be retained.

1. **Flag Salute**

2. **Call to Order and Roll Call**

3. **Approval of Agenda** (Action item)

4. **Public Comment:** This is the time when persons may address the Commission on items not on the agenda. Please limit comments to three (3) minutes as the Commission is not permitted to take any action on items presented as public comment.

5. **Approval of Fiscal Year 2020-2021 Final Budget:** The Commission will be presented with the proposed budget for FY 2020-2021, asked to approve the proposed budget and work plan. (Action Item)

6. **Executive Officer Reports:**
   - Legislative Committee update
   - Proposal Status and proposals expected
   - Special District Selection
   - Staffing

7. **Commissioner Reports:**

8. **Adjournment:** Next Commission meeting is scheduled for July 8, 2020 (no items for agenda at this time.)

For further information or to provide written comments on any item on the agenda, please contact the Placer LAFCO. Materials related to an item on this Agenda submitted to the Commission after distribution of the agenda packet are available for public inspection in the Placer LAFCO office at 110 Maple Street, Auburn, CA 95603 during normal business hours. Phone: (530) 889-4097 or kberry@placer.ca.gov. Placer LAFCO is committed to ensuring that persons with disabilities are provided the resources to participate in its meetings. If you require a disability-related accommodation, please contact the Clerk to the Commission at least two business days prior to the meeting date.

June 10, 2020
Item No. 5

PLACER COUNTY

LOCAL AGENCY FORMATION COMMISSION

110 Maple Street, Suite 110, Auburn California 95603 530-889-4097 FAX: 530-886-4671
Email: lafco@placer.ca.gov

STAFF REPORT

DATE: June 4, 2020

TO: Chair Weygandt, Commissioners Alpine, Gore, Joiner, Kahrl, Patterson, Rohan. Alternate Commissioners Alvord, Holmes, Lynch, Starsky

FROM: Kris Berry, AICP, Executive Officer

SUBJECT: Final LAFCO Budget for fiscal year 2020-2021.

RECOMMENDATION:

It is recommended that the Commission adopt the proposed budget (Exhibit 1) and work plan for the fiscal year 2020-2021 (attached as Exhibit 2).

BACKGROUND

Pursuant to §56381 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Commission is required to adopt a proposed budget by May 1 of each year, and a final budget by June 15th. Under AB 2838, the cost of LAFCO is a shared responsibility of the county, the cities, and the special districts. After adoption of the budget, the net operating expense of the Commission is divided as follows: one-third to the County, one-third to the Cities and one-third to the Special Districts. The City share is apportioned in proportion to each City's total revenues. The Special District share is apportioned according to each district's revenues.

DISCUSSION

At the Commissions May 13, 2020 meeting, there were several questions asked by the Commission about the preparation of the budget. The Commission appointed a committee consisting of Chair Weygandt and Commissioner Patterson. The committee and the Executive Officer met on Thursday, May 28, 2020 via Zoom and discussed how the budget is prepared and the questions that were raised during the May Commission meeting. Below, I have summarized the issues that were raised by the Commission and/the committee regarding the budget;

One concern was the increase in Commissioner Stipends, and if the fees for this year had been charged to a wrong account. The individual stipends have not increase in dollar amount, but in August of last year the Commission approved Resolution 2019-07 approving the payment of stipends to the County members (previously the County Charter restricted payment of Board of Supervisors from receiving stipends). This results in an additional payment of the stipend to 3 members (alternates are paid stipends for attendance) for each meeting, which increase the potential payment (if twelve commission meeting are held) over the year of $3,600. As I stated in the previous discussion, we schedule twelve meetings a year, so total payments of the stipend, if all Commissioners attended all twelve meetings, would be $13,200.

This year's budget recommends a fund balance (carryover) of $94,294.00. This figure is calculated by subtracting the estimated the current year end expenses from the current year budget total. This savings was primarily from not preparing any MSR's this year and salary savings due to the retirement of the LAFCO Clerk.

The AB2838 amount (the cost which is paid by our agencies) is calculated by subtracting the fund balance and the other revenue shown (interest, pass through fees, application fees, etc) from the overall budget amount.

Proposed budget	$543,555.00
Fund Balance	-94,294.00
Other Income	-20,100.00
AB2838 Amount	$429,464.00

The amount that will need to be paid by the funding agencies for the 2020-2021 budget will be $429,464.

Another issue that was discussed by the Commission is the A87 fees. As I previously indicated, at one point we were charged for service by the County that LAFCO should not have been paying. Both this budget, and next years includes a negative A87 charge of $-3,859.00. This amount reduces the budget total for that amount and is included in the budget calculations. Staff is in the process of preparing a historical chart of these charges, and is in contact with the County Administrative Office to verify how long this is proposed to continue.

Certain costs are calculated by LAFCO staff based on upcoming needs and previous budgets. The costs highlighted in this year, with the new budgeting system used by the County, the required costs of personnel, medical insurance, and other costs were provided, as opposed to LAFCO having to calculate them. I have highlighted the budget numbers for these items in blue, and since they are predetermined by the County, they cannot be adjusted. This will likely result in a more accurate forecast of costs.

SUMMARY

The matrix showing the proposed budget for fiscal year 2020-2021, along with the final budget for the current fiscal year, known expenditures through May 1st, and estimated

expenses thru year end is attached. This proposed budget is based upon the following assumptions:

1) Increased personnel costs are primarily a result primarily of higher Cal Pers contributions.

2) The proposed budget amount of $51,063.00 for Municipal Service Reviews is a reduction from previous years budgets. While this will allow us to prepare a few smaller MSRs, continued reductions would result in potentially falling behind in preparations of needed reports.

3) The expected costs of all health care and benefit programs were calculated by the County.

4) Previously, the budget included health insurance costs for 1 retired employee. Since these costs have been fully funded by previous charges, that line has been eliminated from the budget.

5) In previous years, funding of reserves has built the reserve amount to $37,200.00 for personnel costs, and $120,000.00 for a general operating contingency. This year, no additional amount was budgeted for contingency funds. At a total of $147,200.00 for contingencies, it exceeds three months of operating expenses and includes adequate payment for retirement payouts of accrued time.

6) The fund balance from this year's budget is expected to be approximately $$94,645.00. The amount that the contributing agencies pay for the budget is reduced by this amount.

A copy of the approved proposed budget will be forwarded to the County and each of the Cities and the Special Districts for their information and comment. The final budget must be adopted by June 15, 2020.

The budget was based on conservative estimates of revenues and expenditures, with adequate funding to ensure that the Commission be able to fulfill its statutory responsibilities in accordance with Government Code §56381 during the fiscal year.

Exhibit 1 Proposed preliminary budget
Exhibit 2 Work plan

EXHIBIT 1

LAFCO FY 2020-2021 FINAL BUDGET	2019-2020 FINAL BUDGET	2019-2020 Expenditures 1-May	2019-2020 Est yr end	2020-2021 PROPOSED BUDGET	Accumulated Reserves
5C5132 Retiree Health	9,329.00	-	9,329.00		
1810 Salaries/Wages	218,935.00	177,023.75	204,840.27	222,740.00	37,200.00
1819 Overtime	1,000.00	416.88	416.88		
1834 Cafeteria Plans	8,097.00	5,270.42	7,500.00	8,172.00	
1867 P.E.R.S.	73,088.00	57,831.86	73,088.00	82,172.00	
1240 Post Employment benefits	11,300.00	8,152.49	10,500.00	13,650.00	
1855 F.I.C.A.	15,952.00	11,484.49	14,000.00	15,780.00	
2820 Employee Group Ins. + Personnel Costs	21,004.00	13,651.42	13,651.42	21,856.00	
1891 Workers Comp Insurance	924.00	1,278.25	1,500.00	907.00	
1873 401(k) Employer Match	750.00	600.00	750.00	750.00	
1861 Employee Benefits System	3,402.00	1,833.84	1,833.84	2,572.00	
SUBTOTAL: SALARIES & BENEFITS	**363,781.00**	**277,543.40**	**337,409.41**	**368,599.00**	**37,200.00**
2560 Outside Agency Pass Through Fees	1,000.00	510.00	510.00	1,000.00	
3360 Communications	3,072.00	1,795.69	2,400.00	3,500.00	
2100 Communications service expense	450.00	-			
3380 E.O. Cell Phone	300.00	512.00	600.00	600.00	
2141 Liability Ins./Comm. Workers Comp.	6,000.00	2,369.47	3,630.53	4,500.00	
2810 Auditor Fees	4,000.00	4,000.00	4,000.00	3,500.00	
2550 Membership Dues	3,861.00	3,861.00	3,861.00	7,212.00	
3560 PC Acquisition	2,000.00	309.46	2,000.00	2,000.00	
2630 Copier Charges	1,500.00		1,800.00	2,000.00	
2940 MSR/Sphere Updates	60,000.00	-	-	51,063.00	
2720 Printing/copy machine/interoffice mail	3,000.00	4,028.92	4,700.00	5,000.00	
2660 Office Supplies & Exp	2,000.00	350.00	500.00	2,000.00	
2790 Printing/copy machine/interoffice mail	3,500.00				
2620 Commissioner Fees	9,600.00	3,700.00	4,700.00	13,200.00	
3130 Legal/Consultants	25,000.00	15,436.60	17,500.00	25,000.00	
3930 Recording fees	300.00	-	-	300.00	
3370 Data and System access charges	10,000.00	10,034.68	13,372.00	16,087.00	
2570 Media/Video Services	500.00		1,000.00	500.00	
3895 Legal Notices/Publications	6,500.00	7,200.00	7,200.00	7,000.00	
3450 Software Charges (IPPS)	1,800.00	-	-		
3490 Office Rent + Utilities	20,000.00	18,603.00	18,603.00	18,603.00	
4000 Training (staff)	2,000.00		-	2,000.00	
2865 IT-MIS Services					
4280 Staff Travel & Transportation	7,000.00	100.00	250.00	5,000.00	
4810 Employee Claims					
4300 Lodging			300.00		
4050 Commissioner Travel	9,000.00		1,000.00	5,000.00	
4290 Mileage (Commissioner)		1,680.61	1,300.00	3,000.00	
4310 County Vehicles	250.00	-	-	250.00	
4330 Meals	1,000.00	-	500.00	500.00	
5110 A-87 Costs	-3,859.00	0.00	0.00	-3,859.00	
General Operating Contingency					120,000.00
SUBTOTAL: OPERATING COSTS	179,774.00	74,491.43	89,726.53	174,956.00	
TOTAL OPERATING COSTS:	**543,555.00**	**352,034.83**	**448,909.99**	**543,555.00**	**147,200.00**

REVENUE: TITLE	2019-2020 FINAL BUDGET	2019-2020 Actual YTD	2019-2020 Year end Projected	2020-2021 ESTIMATED REVENUE
561 Interest	8,000.00	7,107.24	8,000.00	8,000.00
1720 Outside Agency Pass Through Fees	1,000.00		510.00	1,000.00
2730 Forms and Photocopies	100.00	0.00	0.00	100.00
2460 General Reimbursement	1,000.00	0.00	0.00	1,000.00
2710 AB2838 Allocated Amount	433,912.97	446,139.93	446,140.00	429,161.00
2740 Application Fees	20,000.00	1,200.00	6,000.00	10,000.00
8782 Applicant Funded Consultant Fees	0.00			
Partial Treasury funding				
TOTAL REVENUE	**464,012.97**	**454,447.17**	**460,650.00**	**449,261.00**
General Fund balance from previous year	**94,294.00**	**94,294.00**	**94,294.00**	**94,294.00**
	558,306.97	**548,741.17**	**554,944.00**	**543,555.00**

| EXHIBIT 2

Proposed Work Plan

Selection, hiring and training of new clerk

Preparation RFPs, selection of consultants and preparation of contracts for Municipal Service Reviews. Based on limited budget, recommend City of Auburn, Rocklin, Colfax and Loomis as funding is available.

Processing of existing and potential applications, including Collins Road annexation to the City of Auburn, Village 7 annexation to the city of Lincoln, potential Fire District Consolidations, other potential applications

Investigate and review of potential purchase and training for GPS

Staff support to Commission

Selection process as needed for Commissioners (Special District)

Review of existing policies, Commission review and potential revisions of policies

Potential fee study

Procedures for delegating Out of Service agency agreements to the Executive Officer

Ongoing meetings with the public, applicants

Training as available regarding LAFCO processes

Review of MSR program5

Ongoing support of CALAFCO when available