

## **M E M O R A N D U M**

**TO:** Local Agency Formation Commission

**FROM:** Budget Committee

**SUBJECT:** **Agenda Item 3.1 – Review and Consideration of Final Budget for FY 2022/23**

**DATE:** April 26, 2022 for the Meeting of May 5, 2022

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On April 7, 2022, the Commission reviewed the Proposed Budget for FY 2022/23, as unanimously recommended by the Budget Committee. The Commission unanimously agreed to increase the LAFCO Legal Counsel line item by four percent, thereby increasing the Proposed Budget for FY 2022/23 by \$1,018.00; and continued the item to May 5, 2022 for final adoption. Pursuant to California Government Code Section 56381, the Proposed Budget has been circulated to all affected agencies. Aside from the initial meeting of the Budget Committee on March 21, 2022, no comments have been received throughout the budget proceedings for Fiscal Year 2022/23.

The Final Budget for FY 2022/23, as presented:

1. Continue to place language within the budget resolution that advises member agencies of the potential need to incrementally increase agency contribution rates in order to achieve the state mandated responsibilities consistent with GC56381; and
2. Approves a four percent cost of living adjustment (COLA) to the currently adopted Salary Plan, as amended May 6, 2021.

### **ACTION REQUESTED:**

Receive comments from the public and affected agencies and adopt Resolution No. 18 2021/22 approving the Final Budget for FY 2022/23.

Attachments:

1. Proposed Final Budget for FY 2022/23
2. Resolution No. 18 2021/22





**Butte Local Agency Formation Commission**  
**Proposed Final Budget for FY 2022/23**

	2021/22			2022/23		
	Adopted: May 6, 2021			Proposed Final		
	Base Budget	Special Projects	Total	Base Budget	Special Projects	Total
<b>FUNDING SOURCES</b>						
441000	Interest		15,000	15,000	-	15,000
441001	Unrealized Gain/Loss		-	-	-	-
453006	Other Government Agencies (County)		317,574	355,683	-	355,683
453008	Other Government Agencies (Cities)		317,574	355,683	-	355,683
453008	Other-In-Lieu Revenue (Special Districts)		70,574	79,043	-	79,043
454000	Other-In-Lieu Revenue		-	-	-	-
462005	Charges for Services		16,560	26,018	-	26,018
473000	Miscellaneous Revenue		6,000	6,000	-	6,000
473000	Miscellaneous Revenue (SOI Trust Fund)		20,000	20,000	-	20,000
<b>Total Funding Sources</b>			<b>763,282</b>	<b>857,427</b>	-	<b>857,427</b>
<b>EXPENDITURES</b>						
<b>Salaries and Wages</b>						
511000	Regular Wages		359,500	380,188	-	380,188
511000	Extra Help		-	-	-	-
<b>Total Salaries and Wages</b>			<b>359,500</b>	<b>380,188</b>	-	<b>380,188</b>
<b>Benefits</b>						
512000	PERS EMPC		13,578	17,736	-	17,736
512000	PERS Miscellaneous		38,793	32,899	-	32,899
512000	PERS Miscellaneous PEPRA		-	7,306	-	7,306
513000	EE Group Insurance - Basic Life Insurance		96	106	-	106
513000	EE Group Insurance - Health Insurance		77,600	128,000	-	128,000
513000	EE Group Insurance - LTD		983	1,348	-	1,348
515000	EE Group Insurance - UI & ETT		476	450	-	450
516000	FICA/Medicare/OASDI		27,495	29,282	-	29,282
516000	Other Benefits - EAP		397	432	-	432
516000	Other Benefits - Flexible Spending		54	60	-	60
516000	Other Benefits - SDI		4,131	3,988	-	3,988
516000	Other Benefits - EE PERS		25,156	26,794	-	26,794
516000	Other Benefits - Cash Back Payments		6,067	-	-	-
<b>Total Benefits</b>			<b>194,826</b>	<b>248,401</b>	-	<b>248,401</b>
<b>Total Salaries and Wages and Benefits</b>			<b>554,326</b>	<b>628,589</b>	-	<b>628,589</b>
<b>Services &amp; Supplies</b>						
523000	Communications - Cell Phone Allowance		840	840	-	840
523000	Communications - Telephone Charges		3,102	3,102	-	3,102
525000	Household Expense		1,000	1,000	-	1,000
526000	Insurance - Property & General Liability		8,457	6,696	-	6,696
531000	Memberships		7,015	8,025	-	8,025
533000	Office Expense		5,000	6,000	-	6,000
534000	Professional & Specialized Services					
	Annual Audit		7,700	8,350	-	8,350
	WC Claims Administration		2,540	3,000	-	3,000
	County Auditor-Controller		3,401	3,401	-	3,401
	County Treasurer-Tax Collector		35	250	-	250
	County Human Resources		13,500	27,000	-	27,000
	County Information Systems		6,680	6,680	-	6,680
	Legal Counsel		25,440	26,458	-	26,458
	GIS		18,000	18,000	-	18,000
<b>Total</b>			<b>77,296</b>	<b>93,139</b>	-	<b>93,139</b>
535000	Publications & Legal Notice		3,500	3,500	-	3,500
536000	Rent/Lease Equipment - Security		360	420	-	420
536000	Rent/Lease Equipment - Lease		15,346	15,576	-	15,576
539000	Special Departmental Expense		5,000	7,000	-	7,000
540000	Transportation/Travel - Transportation/Travel		11,000	11,000	-	11,000
540000	Transportation/Travel - Vehicle Exp. Reimbmt.		11,040	11,040	-	11,040
541000	Utilities		5,000	6,500	-	6,500
<b>Total Services &amp; Supplies</b>			<b>153,956</b>	<b>173,838</b>	-	<b>173,838</b>
<b>Appropriations</b>						
580010	Appropriation Contingency		30,000	30,000	-	30,000
101001	Appropriation Reserve		25,000	25,000	-	25,000
<b>Total Appropriations</b>			<b>55,000</b>	<b>55,000</b>	-	<b>55,000</b>
<b>Total Services &amp; Supplies and Appropriations</b>			<b>208,956</b>	<b>228,838</b>	-	<b>228,838</b>
<b>Total</b>			<b>763,282</b>	<b>857,427</b>	-	<b>857,427</b>

# Proposed Final Budget Narrative for Fiscal Year 2022-23

May 5, 2022

## FUNDING SOURCES:

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<b>441000 – Interest Earned</b>	<b>\$15,000</b>
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Interest income is accrued on treasury cash.

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<b>453006; 453008 – Member Agency Funding</b>	<b>\$790,409</b>
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*Allocation and Proportionate Share of Funding Requirement:*

453006: Other Governmental Agencies (County @ 45%)  
453008: Other Governmental Agencies (Cities @ 45%)  
453008: Other-In-Lieu Revenue (Special Districts @ (10%))

Calculations are prepared by the Butte County Auditor. Individual city shares are based on revenue as reported in the most recent edition of the Cities Annual Report published by the State Controller. Individual special district shares are based on revenues as reported in the most recent report of the "Financial Transactions Concerning Special Districts" published by the State Controller.

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<b>462005 – Charges for Services</b>	<b>\$25,000</b>
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Pursuant to the adopted Fee Schedule, application filing fees are charged to applicants for the processing of applications submitted for sphere of influence amendments, formations of special districts and changes of organization and reorganization. Application processing fees vary widely depending on the complexity of the action requested.

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<b>473000 – Miscellaneous Revenue</b>	<b>\$6,000</b>
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CALAFCO Stipend.

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<b>473000 – Miscellaneous Revenue (SOI Trust Fund)</b>	<b>\$20,000</b>
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Restricted monies held within the Sphere Trust Fund for the explicit purpose of funding Commission directed staff level review and maintenance of municipal service reviews and sphere of influence plans and related actions.

## EXPENDITURES:

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<b>511000 – Salaries and Wages</b>	<b>\$380,188</b>
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Salaries reflect base wages pursuant to the adopted Salary Plan.

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<b>512000 thru 516000 – Benefits</b>	<b>\$248,401</b>
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CalPERS Retirement; ICMA Deferred Compensation & Medicare; State Unemployment Insurance, Employment Training & State Disability Insurance; Health, Dental & Vision; Employee Assistance Program; Flexible Spending Fees, Cash Back; and Basic/Long Term Life Insurance.

## Expenditures: *Continued*

<b>523000 – Communications</b>	<b>\$3,942</b>
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County Communication Services (\$3,102); Cell Phone Allowance (\$840).	
<b>525000 – Household Expense</b>	<b>\$1,000</b>
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Toiletries, cleaning supplies, floor tile buffing and other household items.	
<b>526000 – Insurance - Property &amp; General Liability</b>	<b>\$6,696</b>
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Coverages, provided through Special District Risk Management Authority.	
<b>531000 – Memberships</b>	<b>\$8,025</b>
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Memberships to professional organizations, including various publications and subscriptions that support staff development on current issues affecting the agency's responsibilities.	
<b>533000 – Office Expense</b>	<b>\$6,000</b>
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General office supplies, including computer software upgrades.	
<b>534000 – Professional &amp; Specialized Services</b>	<b>\$93,139</b>
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Annual Audit (\$8,350); Worker's Compensation and Employer's Liability coverage, provided through Special District Risk Management Authority (\$3,000); County Auditor-Controller (\$3,401); County Treasurer-Tax Collector (\$250); County Human Resources Services (\$27,000); County Information Systems (\$6,680); Legal Counsel (\$26,458) and GIS (\$18,000).	
<b>535000 – Publication &amp; Legal Notices</b>	<b>\$3,500</b>
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Publishing of legal notices, as required by LAFCO Policies and State Law and subscriptions.	
<b>536000 – Rent/Lease Equipment</b>	<b>\$15,996</b>
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Lease agreement, pursuant to H.P. Downer Business Center, LLC (\$15,576); and office security system (\$420).	
<b>539000 – Special Departmental Expense</b>	<b>\$7,000</b>
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Website maintenance, including security updates; copier services, postage and professional development/training.	
<b>540000 – Transportation/Travel</b>	<b>\$22,040</b>
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Attendance at conferences, meetings, training and CALAFCO participation (\$11,000); and vehicle expense reimbursements (\$11,040).	

## **Expenditures: *Continued***

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**541000 – Utilities****\$6,500**

Electricity, natural gas, water, sewer, garbage disposal, and common area maintenance charges, i.e., janitorial and landscaping

## **Appropriations:**

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**580010 – Contingency****\$30,000**

Unanticipated costs, i.e., budget shortfall coverage, special studies or legal fees.

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**101001 – Reserve****\$25,000**

Isolated funding for accrued leave liabilities and other post-employment benefits.

RESOLUTION NO. 18 2021/22

**RESOLUTION ADOPTING THE  
BUTTE LOCAL AGENCY FORMATION COMMISSION  
FINAL BUDGET FOR FISCAL YEAR 2022/23**

**WHEREAS**, the Cortese-Knox-Hertzberg Act of 2000 requires that each LAFCO within the State of California adopt a budget pursuant to Government Code Section 56381(a); and

**WHEREAS**, at a minimum, 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 nevertheless allow the commission to fulfill the purposes and programs of this chapter pursuant to Government Code Section 56381(a); and

**WHEREAS**, the Butte Local Agency Formation Commission has heretofore approved a Proposed Budget for the Commission and held a duly noticed hearing thereon as required by law on April 7, 2022 for the purpose of developing a Final Budget for the Fiscal Year 2022/23; and

**WHEREAS**, the Proposed Fiscal Year 2022/23 Budget has been circulated to all affected agencies pursuant to Government Code Section 56381(a); and

**WHEREAS**, the Butte Local Agency Formation Commission hereby advises member agencies of the potential necessity to incrementally increase agency assessment rates in the fiscal years to follow in order for the Commission to achieve its expanding state mandated responsibilities, consistent with Government Code Section 56381; and

**NOW, THEREFORE, BE IT RESOLVED** by the Butte Local Agency Formation Commission, that the Proposed Budget is hereby adopted as the Final Budget for Fiscal Year 2022/23 for the Butte Local Agency Formation Commission; which approves a four percent cost of living adjustment (COLA) to the currently adopted Salary Plan, as amended May 6, 2021; and

**BE IT FURTHER RESOLVED** that aforementioned Final Budget for Fiscal Year 2022/23 is officially adopted and ordered to be circulated to all affected agencies pursuant to Government Code Section 56381(a); and

**PASSED AND ADOPTED** by the Butte Local Agency Formation Commission this 5th day of May 2022 by the following vote:

**RESOLUTION NO. 18 2021/22**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINS:**

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Carl Leverenz, Chair  
Butte Local Agency Formation Commission

**ATTEST:**

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Stephen Lucas, Executive Officer