



AGENDA ITEM 7A

MEETING: March 17, 2021
TO: Humboldt LAFCo Commissioners
FROM: Colette Santsche, Executive Officer
SUBJECT: **Budget Report and Amendment for Fiscal Year 2020-21**
The Commission will receive a budget report for fiscal year 2020-2021 and consider a budget amendment in the amount of \$5,900, which would be moved from Transportation & Travel (Account 2125) to MSR/SOIs (Account 2118).

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 mandates LAFCo operating costs shall be annually funded by affected counties, cities, and independent special districts on a one-third apportionment process. Apportionments for cities and special districts are further divided and proportional to each agency's total revenues as a percentage of the overall revenue amount collected in the county. LAFCOs are also authorized to establish and collect fees to offset agency contributions.

DISCUSSION

Humboldt LAFCo's adopted FY 2020-21 budget for staffing and services/supplies totaled \$182,530. Budgeted revenues from intergovernmental contributions, service charges, and investments totaled \$182,530 creating a balanced budget for the fiscal year.

Mid-year actuals are provided in Attachment A. With regard to revenues, the county, cities and independent special districts allocations (\$126,300) are collected by the Auditor. Application fees at mid-year totaled \$16,685 which is 30% of budgeted costs. Additional application fees are expected before the end of the fiscal year.

With regard to actual expenses, costs associated with MSR/SOI preparations will exceed what was budgeted while there have been no conference registration and travel expenses due to the pandemic. A budget amendment is proposed that will transfer a total of \$5,900 in funds from the Transportation and Travel account (2125) to the MSR/SOIs account (2118) in order to support continued efforts to update MSRs. The total budgeted amount will remain the same and staff is on track to complete the fiscal year under budget overall.

RECOMMENDATION

Staff recommends the Commission approve a fund to fund transfer to cover additional expenses of MSR preparation.

ATTACHMENTS

Attachment A – LAFCo FY 2020-21 Budget Report
Attachment B – LAFCo Resolution No. 21-03

Humboldt LAFCo Operating Budget

Revenues:

		FY 2019-20			FY 2020-2021			
Account	Revenue Category	Adopted	Year End Actual	Difference Under/ (Over)	Adopted	Amended (Proposed)	Mid Year Actual	Difference Under/ (Over)
671181	Cities	\$42,100	\$42,100	\$0	\$42,100	\$42,100	\$42,100	\$0
671182	Special Districts	\$42,100	\$42,100	\$0	\$42,100	\$42,100	\$41,856	\$244
671183	County	\$42,100	\$42,100	\$0	\$42,100	\$42,100	\$42,100	\$0
Intergovernmental Total		\$126,300	\$126,300		\$126,300	\$126,300	\$126,056	
800870	Charges for Services	\$55,000	\$90,106	-\$35,106	\$55,000	\$55,000	\$16,685	\$38,316
	Application Fees	\$55,000	\$90,106		\$55,000	\$55,000	\$16,685	
401000	Interest	\$1,310	\$0	\$1,310	\$1,230	\$1,230	\$0	\$1,230
REVENUE SUBTOTAL		\$182,610	\$216,406		\$182,530	\$182,530	\$142,740	

Operating Expenses:

		FY 2019-20			FY 2020-2021			
Account	Expense Category	Adopted	Year End Actual	Difference Under/ (Over)	Adopted	Amended (Proposed)	Mid Year Actual	Difference Under/ (Over)
2106	Communications	\$160	\$155	\$5	\$160	\$160	\$78	\$82
2110	Insurance	\$2,500	\$2,552	-\$52	\$3,320	\$3,320	\$2,782	\$538
2115	Memberships	\$4,750	\$4,707	\$43	\$4,750	\$4,750	\$4,383	\$367
2117	Office Supplies	\$600	\$628	-\$28	\$600	\$600	\$58	\$542
2118	Professional & Special Services	\$160,900	\$154,885		\$160,900	\$166,800	\$96,300	
	Legal Services	\$5,000	\$2,394.00	\$2,606	\$5,000	\$5,000	\$1,440.00	\$3,560
	Application Processing	\$55,000	\$67,965.58	-\$12,966	\$55,000	\$55,000	\$32,995.05	\$22,005
	Basic Services-EO/Clerk	\$55,000	\$42,743.50	\$12,257	\$55,000	\$55,000	\$21,624.00	\$33,376
	MSRs/SOs	\$45,000	\$40,385.00	\$4,615	<u>\$45,000</u>	<u>\$50,900</u>	\$39,739.50	\$11,161
	Website Services	\$200	\$637.20	-\$437	\$200	\$200	\$121.20	\$79
	Meeting Exp/Stipends	\$700	\$760.00	-\$60	\$700	\$700	\$380.00	\$320
2119	Publications & Legal Notices	\$1,500	\$1,238	\$262	\$1,500	\$1,500	\$1,247	\$253
2121	Rents & Leases - Structures	\$5,400	\$5,400	\$0	\$5,400	\$5,400	\$2,700	\$2,700
2125	Transportation & Travel	\$6,800	\$6,680		<u>\$5,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Mileage/Travel (In-County)	\$800	\$538	\$262	<u>\$800</u>	<u>\$0</u>	\$0	\$0
	Mileage/Travel (Out-of-County)	\$3,500	\$2,725	\$775	<u>\$2,600</u>	<u>\$0</u>	\$0	\$0
	Conference Registration	\$2,500	\$3,417	-\$917	<u>\$2,500</u>	<u>\$0</u>	\$0	\$0
Contingency/ Carryover								
2020	Contingency	-	-		-	-	-	
Contingency Total		-	-		-	-	-	
EXPENSE SUBTOTAL		\$ 182,610	\$ 176,246		\$ 182,530	\$ 182,530	\$ 107,548	

Operating Difference

(Negative Balance Indicates Use of Reserves)

\$ - \$ 40,160.36

\$ - \$ - \$ 35,192.45

Unreserved/Unrestricted Fund Balance

Beginning	\$46,670.17
Ending	\$86,830.53



RESOLUTION NO. 21-03

**BUDGET AMENDMENT
FOR FISCAL YEAR 2020-21**

WHEREAS, the Humboldt Local Agency Formation Commission, hereinafter referred to as the "Commission", annually adopts a final budget to fulfill its purposes and functions that are set by State law; and

WHEREAS, the Commission adopted a fiscal year 2020-21 budget of \$182,530 at its May 20, 2020 meeting; and

WHEREAS, the Commission considered a proposed fiscal year 2020-21 budget adjustment that consisted of transferring a total of \$5,900 in funds from the Transportation and Travel account (2125) to the MSRs/SOIs account (2118) in order to support continued efforts to update Municipal Service Reviews and Spheres of Influence for cities and special districts; and

WHEREAS, there have been no transportation and travel expenses in fiscal year 2020-21 due to the pandemic; and

WHEREAS the Commission heard and fully considered all the evidence presented at a public meeting held on the proposed fiscal year 2020-21 budget amendment on March 17, 2021.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. A budget amendment for fiscal year 2020-21, as outlined in Exhibit A, is hereby approved.
- 2.

PASSED AND ADOPTED at a meeting of the Humboldt Local Agency Formation Commission on the 17th day of March, 2021, by the following roll call vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ABSTAIN: Commissioners:

Attest:

Virginia Bass, Chair
Humboldt LAFCo

Colette Santsche, Executive Officer
Humboldt LAFCo