



Solano Local Agency Formation Commission

675 Texas St. Ste. 6700 • Fairfield, California 94533
 (707) 439-3897 • FAX: (707) 438-1788

Staff Report

Public Hearing

DATE: June 14, 2021

TO: Local Agency Formation Commission

FROM: Michelle McIntyre

SUBJECT: FY 2020-2021 FINAL BUDGET and WORK PLAN

DISCUSSION

On April 12, 2021, the Commission adopted the Proposed Budget and Work Plan for fiscal year (FY) 2021-22. The Commission directed staff to distribute the Proposed Budget and solicit input from the cities and County on the fund balance.

Staff presented the Proposed Budget and Work Plan to the Community Development Directors' Group on May 20 and the City/County Managers Group on May 26. The City/County Managers Group are supportive of retaining the \$100,000 in LAFCO's fund balance account.

The Final Budget for FY 2021-22 is identical to the Proposed Budget adopted by the Commission on April 12, 2021. A detailed narrative was provided in the April Proposed Budget staff report and is included as Attachment B.

RECOMMENDATIONS:

1. Review, consider public testimony, and approve or approve with modifications the 2021-22 Final Budget and Work Plan via the adoption of Resolution No. 21-04.
2. Direct staff to distribute the Final Budget to the cities, County, special districts, and the Auditor per GC §56381.

Attachments:

A – Resolution 21-04 Adopting the Final Budget for the Fiscal Year 2021-22

Exhibit A – 2021-22 Final Budget and

Exhibit B - Work Plan

B – Proposed Budget and Work Plan staff report from April 12, 2021

Commissioners

Ron Rowlett, Chair • John Vasquez, Vice-Chair • Harry Price • Nancy Shopay • Jim Sperring

Alternate Commissioners

Ron Kott • Mitch Mashburn • Shawn Smith

Staff

Rich Seithel, Executive Officer • Michelle McIntyre, Sr. Analyst • Jeffrey Lum, Analyst II • P. Scott Browne, Legal Counsel

RESOLUTION NO. 21-04
RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF SOLANO COUNTY ADOPTING A FINAL BUDGET AND WORK PLAN
FISCAL YEAR 2021-2022

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000(CKH) section 56000 et seq. of the California Government Code (GC) requires the Local Agency Formation Commission (LAFCO or Commission) of Solano County to perform planning duties through encouraging the orderly development and coordination of local agencies; and,

WHEREAS, the Commission is required to adopt annually proposed and final budgets by May 1 and June 15, respectively; and,

WHEREAS, the Executive Officer prepared a written report and recommendations on a proposed work plan and budget for the fiscal year 2021-22 adopted by the Commission on April 12, 2021, and subsequently circulated for review and comment to all funding agencies; and,

WHEREAS, the Commission has heard and considered all oral and written testimony submitted, including, but not limited to, the work plan and priorities for 2021-22, and the Executive Officer’s report and recommendations presented at a public hearing held on June 14, 2021; and,

WHEREAS, the Commission’s operating budget for FY 2021-22 is \$775,355; and,

WHEREAS, the operating budget is approximately \$60,224 or 7% less than the previous fiscal year’s operating budget; and,

WHEREAS, the Commission determines that the reduced program cost will nevertheless allow the Commission to fulfill the purposes of LAFCO under CKH; and,

WHEREAS, expenses for FY 2021-22 are hereby allocated by budget category in the following manner:

Salaries and Employee Benefits	\$ 486,744
Services and Supplies	<u>\$ 288,611</u>
Total Expenses	\$ 775,355

WHEREAS, revenues for FY 2021-22 or the means of financing the LAFCO program will be by monies derived from the following sources of funding:

Anticipated Revenue	\$ 20,000
Anticipated Interest	\$ 3,000
Fund Balance	\$ 40,953
<u>City/County Apportionment</u>	<u>\$ 711,402</u>
Total Revenue	\$ 775,355

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the Local Agency Formation Commission of the County of Solano does approve and adopt the Final Budget as shown in Exhibit A and the Workplan as shown in Exhibit B for the fiscal year 2021-22, attached, and by this reference incorporated herein and does further order and direct the following:

Section 1: The Executive Officer shall transmit the Final Budget to the Auditor and all parties specified in Government Code §56381(a) as promptly as possible.

Section 2: The Auditor shall apportion the budget as specified in Government Code §56381(b) and request payment from each city and the County no later than July 1, 2021, as specified in §56381(c).

Section 3: If a city or the County does not remit its required payment within 60 days, the Auditor is requested to collect an equivalent amount from the property tax or any fee or eligible revenue owed to the city or County as described in §56381(c).

The foregoing resolution was duly passed and adopted by the Local Agency Formation Commission of the County of Solano at a duly noticed public hearing held on June 14, 2021, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ronald Rowlett II, Chair
Local Agency Formation Commission
County of Solano, State of California

ATTEST:

Jeffrey Lum, Clerk to the Commission

Exhibit A: 2021-22 Final Budget
Exhibit B: 2021-22 Workplan

		Description	FY 19/20 Actuals	20/21 Adjusted Budget (AB)	20/21 YE Estimate	FY 21/22 Proposed Final Budget (PB)	Diff Between PB and 20/21 AB: PB-AB	Pct of PB and AB: (PB-AB)/AB	
EXPENSES	1000	SALARIES AND EMPLOYEE BENEFITS							
	0001110	SALARY/WAGES REGULAR	\$243,645	\$351,758	\$341,117	\$ 357,842	\$ 6,084	2%	
	0001121	SALARY/WAGES-EXTRA HELP	\$24,435	\$0	\$4,668	\$ -	\$ -	#DIV/0!	
	0001210	RETIREMENT-EMPLOYER	\$22,967	\$38,408	\$38,408	\$ 43,662	\$ 5,254	14%	
	0001212	DEFERRED COMP-COUNTY MATCH	\$262	\$390	\$390	\$ 390	\$ -	0%	
	0001220	FICA-EMPLOYER	\$5,760	\$5,090	\$5,781	\$ 5,189	\$ 99	2%	
	0001230	HEALTH INS-EMPLOYER	\$17,803	\$49,884	\$28,667	\$ 47,181	\$ (2,703)	-5%	
	0001231	VISION CARE INSURANCE	\$321	\$720	\$720	\$ 475	\$ (245)	-34%	
	0001240	COMPENSATION INSURANCE	\$3,057	\$1,556	\$1,556	\$ 1,909	\$ 353	23%	
	0001241	LT DISABILITY INSURANCE ER	\$1,385	\$1,702	\$1,702	\$ 1,603	\$ (99)	-6%	
	0001250	UNEMPLOYMENT INSURANCE	\$1,484	\$1,302	\$1,302	\$ 1,302	\$ -	0%	
	0001260	DENTAL INS-EMPLOYER	\$1,380	\$2,869	\$2,869	\$ 2,796	\$ (73)	-3%	
	0001270	ACCRUED LEAVE CTO PAYOFF	\$5,970	\$19,828	\$19,828	\$ 21,894	\$ 2,066	10%	
	0001290	LIFE INSURANCE-EMPLOYER	\$1,830	\$2,526	\$2,526	\$ 2,501	\$ (25)	-1%	
		TOTAL	\$330,299	\$476,033	\$449,534	\$ 486,744	\$ 10,711	2%	
		2000	SERVICES AND SUPPLIES						
		0002021	COMMUNICATION-TELEPHONE SYSTEM	\$557	\$748	\$748	\$ 748	\$ -	0%
		0002025	CELLULAR COMMUNICATION SERVICE	\$0	\$0	\$616	\$ 616	\$ 616	#DIV/0!
		0002026	CELL PHONE ALLOWANCE	\$1,551	\$1,680	\$1,680	\$ 2,280	\$ 600	36%
		0002028	TELEPHONE SERVICES	\$3,128	\$3,336	\$3,336	\$ 3,336	\$ -	0%
		0002051	LIABILITY INSURANCE	\$11,980	\$6,902	\$6,902	\$ 7,250	\$ 348	5%
		0002140	MAINTENANCE-BLDGS & IMPROVE	\$0	\$400	\$400	\$ 400	\$ -	0%
		0002170	MEMBERSHIPS	\$5,822	\$9,306	\$9,306	\$ 10,267	\$ 961	10%
		0002180	BOOKS & SUBSCRIPTIONS	\$0	\$400	\$400	\$ 400	\$ -	0%
		0002200	OFFICE EXPENSE	\$3,494	\$3,000	\$3,000	\$ 3,000	\$ -	0%
		0002202	CONT ASSETS COMPUTER RELATED	\$2,849	\$0	\$5,865	\$ -	\$ -	#DIV/0!
		0002204	COMPUTER RELATED ITEMS-<\$500	\$0	\$0	\$168	\$ 500	\$ 500	#DIV/0!
		0002205	POSTAGE	\$301	\$500	\$911	\$ 911	\$ 411	82%
		0002207	ERGONOMIC UNDER \$1500	\$1,625	\$0	\$0	\$ -	\$ -	#DIV/0!
		0002235	ACCOUNTING & FINANCIAL SERVICE	\$10,528	\$24,918	\$24,918	\$ 11,629	\$ (13,289)	-53%
		0002239	LEGAL SERVICE	\$12	\$0	\$0	\$ 27,050	\$ 27,050	#DIV/0!
		0002245	CONTRACTED SERVICES	\$149,296	\$148,347	\$148,347	\$ 100,000	\$ (48,347)	-33%
		0002250	OTHER PROFESSIONAL SERVICES	\$30,017	\$58,296	\$39,680	\$ 28,992	\$ (29,304)	-50%
		0002266	CENTRAL DATA PROCESSING SVCE	\$38,252	\$31,548	\$31,548	\$ 39,703	\$ 8,155	26%
		0002270	SOFTWARE	\$532	\$900	\$900	\$ 900	\$ -	0%
		0002271	SOFTWARE RENTAL / SUBSCRIPTION	\$0	\$0	\$947	\$ 947	\$ 947	#DIV/0!
		0002280	PUBLICATIONS AND LEGAL NOTICES	\$592	\$2,260	\$591	\$ 2,000	\$ (260)	-12%
		0002285	RENTS & LEASES - EQUIPMENT	\$5,910	\$6,944	\$7,127	\$ 7,483	\$ 539	8%
		0002295	RENTS & LEASES-BUILDINGS/IMPR	\$16,792	\$18,128	\$17,128	\$ 19,034	\$ 906	5%
		0002310	EDUCATION & TRAINING	\$173	\$2,000	\$2,000	\$ 2,000	\$ -	0%
		0002335	TRAVEL EXPENSE	\$4,525	\$10,000	\$0	\$ 10,000	\$ -	0%
		0002339	MANAGEMENT BUSINESS EXPENSE	\$1,054	\$500	\$963	\$ 963	\$ 463	93%
		0002354	CAR ALLOWANCE	\$7,860	\$7,200	\$7,680	\$ 7,200	\$ -	0%
		0002355	PERSONAL MILEAGE	\$59	\$1,000	\$0	\$ 1,000	\$ -	0%
		TOTAL	\$296,908	\$338,313	\$315,162	\$ 288,611	\$ (49,702)	-15%	
		3000	OTHER CHARGES						
		0003696	OTHER CHARGES	\$0	\$0	\$232	\$ -	\$ -	#DIV/0!
			OTHER EXPENSES						
		0000730	20% RESERVE POLICY ADJ	\$135,967	\$21,233	\$21,233	\$ -	\$ (21,233)	-100%
		TOTAL	TOTAL EXPENSES	\$763,175	\$835,579	\$786,161	\$ 775,355	\$ (60,224)	-7%
	REVENUES	9200	LICENSES, PERMITS & FRANCHISE						
		0009229	LICENSES, PERMITS & FRANCHISE	\$57,492	\$10,000	\$49,000	\$ 20,000	\$ 10,000	100%
		9400	REVENUE FROM USE OF MONEY/PROP						
		0009401	REVENUE FROM USE OF MONEY/PROP	\$12,959	\$3,000	\$3,000	\$ 3,000	\$ -	0%
		9500	INTERGOVERNMENTAL REVENUES						
0009511		INTERGOVERNMENTAL REVENUES	\$629,725	\$711,738	\$711,739	\$ 711,402	\$ (336)	0%	
740		FUND BALANCE FROM PY	\$64,845	\$82,494	\$82,494	\$ 40,953	\$ (41,541)	-50%	
TOTAL	TOTAL REVENUES	\$765,021	\$835,579	\$874,580	\$ 775,355	\$ (60,224)	-7%		
SUMMARY	Expenses	1000		\$476,033	\$449,534	\$ 486,744	\$ 10,711	2%	
		2000		\$338,313	\$315,162	\$ 288,611	\$ (49,702)	-15%	
		3000		\$0	\$232	\$ -	\$ -	#DIV/0!	
		Reserve Adjustment		\$21,233	\$21,233	\$ -	\$ (21,233)	-100%	
		TOTAL EXPENDITURES		\$835,579	\$786,161	\$ 775,355	\$ (60,224)	-7%	
	Revenues	9200		\$10,000	\$49,000	\$ 20,000	\$ 10,000	100%	
		9400		\$3,000	\$3,000	\$ 3,000	\$ -	0%	
		9500		\$711,738	\$711,739	\$ 711,402	\$ (336)	0%	
		Fund Balance Appropriation		\$82,494	\$82,494	\$ 40,953	\$ (41,541)	-50%	
		TOTAL REVENUES		\$835,579	\$874,580	\$ 775,355	\$ (60,224)	-7%	

730 Reserve current- No change proposed \$ 157,200
 740 Fund Balance current \$ 140,953
 740 Fund Balance (New Year) \$ 100,000
 Proposed Appropriate for Operating Budget from Fund Balance \$ 40,953

2021-22 Proposed Final Workplan

#	Task/Project	Priority	Category	Comments
1	Fire Services	High	C	Con't. work with Fire Committee: develop cost centers; analyze staffing models; review station locations; develop service and funding options; SOI update; con't explore reorg options; gap analysis.
2	Reorganizations	High	P	<i>Fairfield</i> – Sunset Road (island) and Pittman Road <i>Suisun City</i> – Walters Rd and Pennsylvania/Hwy 12 <i>Benicia</i> – Benicia Road (Island Annexation) <i>Vacaville</i> – Nut Tree Airport vicinity (Island Annexation) <i>SID</i> - Roberts' Ranch, Cement Hill, Green Valley Apartments, and Harbison Apartments
3	Sphere of Influence (SOI) Mapping/Reconciliation	High	L	Update, inventory, and identify parcels. Identify possible Disadvantaged unincorporated community (DUC) and lands under Williamson Act contracts. Identify long-term and short-term designations.
4	Municipal Service Review (MSR)/Sphere of Influence (SOI) Updates	High	P	Cemetery Districts: Rio Vista (completed in 2005), Silveyville (c 2012), Solano (c 2012), and Vacaville (c 2012) - (New funds) Solano Irrigation District (completed in 2014) Rural North Vacaville (completed in 2016) (PY funds)
5	SOI Updates-Reclamation Districts	High	P	Adopt remaining SOI for RDs with boundary issues.
6	Mapping and Boundary Corrections	High	L	Verify, correct, and map city and special district boundaries and SOIs. Con't work with County GIS to update and correct boundary layers.
7	Policies and Standards	Medium	A	Review and update policies to improve clarity/compliance with CKH.
8	Website Improvement	Medium	L	Address ADA compliance, improve usability, and usefulness.
9	Outreach	Medium	C	Ongoing outreach to local agencies, cities, county, developers, and public.
10	Island Profiles	Medium	C	Analysis of current/planned zoning, existing services, conditions, development potential, and map. Develop island annexation campaign with Resource Management and Cities.
11	Fees Update	Medium	A	Update application charge out rates to reflect the Commission's current costs for processing projects.
12	H.R.	Medium	A	Classification/Salary Range reviews.



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Public Hearing

DATE: April 12, 2021
TO: Local Agency Formation Commission
FROM: Finance Committee (Alt. Commissioners Kott and Smith) and Staff
SUBJECT: **PROPOSED BUDGET & WORKPLAN FISCAL YEAR 2021-2022**

RECOMMENDED COMMISSION ACTIONS

The Finance Committee and staff recommend the Commission:

REVIEW the Proposed Budget and Workplan for Fiscal Year (FY) 2021/22.
ADOPT or adopt with modifications the Proposed Budget and Workplan.
DIRECT staff to distribute the Proposed Budget to the County and cities.
SCHEDULE a public hearing for June 14 to consider and adopt the Final Budget.

BACKGROUND

The Commission is required to adopt a Proposed Budget by May 1 and a Final Budget by June 15 per California Government Code (GC) Section 56381(a). The Commission's past practice has been to direct its Finance Committee to work with staff to develop the Commission's annual Proposed Budget for its consideration and adoption. Additionally, after the adoption of a proposed budget, the Commission circulates the Proposed Budget to the County and cities (Solano LAFCO's funding agencies) to solicit their comments before adopting the Final Budget at its June meeting.

The discussion section of this report includes: Summary of the Draft Proposed Budget, Cortese-Knox-Hertzberg Act (CKH) requirements and the Commission's Policies, Notable Changes from Prior Year (Table 1), Summary of Expenses (Table 2), Sources of Funding (Table 3), and estimated Cities and County Apportionment/Billing (Table 3), project applications, interest income, and fund balance. Table 4 includes the Statutory Deadlines followed by an explanation of the Proposed Workplan. The report concludes with the Finance Committee and staff's recommendation. Finally, Attachment A is the Proposed Budget, while Attachment B is the Proposed Workplan for FY 2021-22.

DISCUSSION

Summary of the Proposed Budget:

On March 25, 2021, the LAFCO Finance Committee and staff met to develop the Proposed Budget for fiscal year (FY) 2021-22, Attachment A. Overall, the Proposed Budget as presented, includes appropriations totaling \$775,355, reflecting a decrease of \$60,224 or 7% from the prior year's adjusted budget of \$835,579. The Proposed Budget recommends an increase in salaries and benefits (1000s budget category) by \$10,711 or 2% and a decrease to services and supplies (2000s category) by \$49,702 or 15%. The Proposed Budget proposes to increase revenue (sub-object 9229) from project application fees from \$10,000 to \$20,000. The Proposed Budget recommends no change to the Commission's reserve account (sub-object 730) currently at \$157,200 and no change to the anticipated interest income of \$3,000.

Most importantly, the Proposed Budget recommends no increase to the billing charges to the County and cities: Prior year's billing totaled \$711,739, and the proposed 2021-22 billing to the County and cities is \$711,402, a decrease of \$336.

CKH and Solano LAFCO Policies:

The Proposed Budget was developed with considerations of CKH requirements as well as the Commission's Policies.

1. Per GC Section 56381(a), the Commission is required to adopt a budget that at a minimum shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced program costs will nevertheless allow the Commission to fulfill its purposes and programs. Since the Proposed Budget recommends a decrease of 7% of the prior year's budget, the Commission must determine that it is able to fulfill its purposes and programs with a reduced operating budget.
2. The Commission's Reserves Policy, Section A, requires maintaining a contingency reserve fund of not less than 20 percent of the annual budgeted expenditures. Maintaining the current Reserve, budget line item 730, at \$157,200 meets the Commission's Policy.
3. The Proposed Budget recognizes LAFCO's municipal service review (MSR) and sphere of influence (SOI) responsibilities. The Proposed Workplan recommends conducting an MSR and SOI update for Solano's four cemetery districts. The Rio Vista Cemetery District study was completed in 2005, while the Silveyville, Solano Cemetery, and Vacaville-Elmira Cemetery Districts were last completed in 2012.

Notable Changes from Prior Year:

Table 1 below summarizes notable changes between the prior year and the Proposed Budget. (Note that a total is not provided in the table because the budget line items identified span multiple budget categories.)

Table 1: Notable Changes from FY 20/21 Adjusted Budget to FY 21/22 Proposed Budget

Line Item	Description	Explanation	Increase (Decrease) vs. FY 20/21 Adjusted Budget
1110	Salaries	2% salary adjustment for performance evaluations.	\$6,084
1210	Retirement	Increase cost for unfunded liability, slight increase to PEPRA rate.	\$5,254
2235	Accounting Services	No audit for FY 21/22; audits are biennial.	(\$13,289)
2239	Legal Services	Moved from Prof Services (2250) to Legal Services (2239) more accurate description.	\$27,050
2245	Contracted Services	Decrease MSR/SOI costs. Recommend MSR/SOI update for cemetery districts.	(\$48,347)
2250	Professional Services	Moved \$27,050 to legal services costs (2239) and decreased website estimated costs.	(\$29,304)
730	Reserve	No change to Reserve Account from prior year.	(\$21,233)
740	Fund Balance	Recommend decrease of fund balance appropriation from the prior year.	(\$41,541)
9229	Licenses and Permit	Increase of projected revenue from application fees due to an increase in anticipated projects.	\$10,000

*No total is provided for this table because the budget line items span multiple budget categories.

Summary of Expenses by Budget Category:

Table 2: Summary of Expenses

Budget Categories	2020-21 Adjusted Budget	2021-22 Proposed Budget	+/-	% Change
Salaries and Benefits (1000)	\$476,033	\$486,744	\$10,711	2%
Services and Supplies (2000)	\$338,313	\$288,611	(\$49,702)	(15%)
Reserve Adjustment (730)	\$21,233	\$0	(\$21,233)	(100%)
Total Expenses	\$835,579	\$775,355	(\$60,224)	(7%)

Sources of Funding (Revenue):

LAFCO’s budget is typically funded by the County and city apportionments, fees collected from project applications, interest income, and fund balance appropriation. Table 3 below summarizes the sources of funding for the Proposed Budget compared to the prior year.

Table 3: Summary of LAFCO’s Sources of Funding (Revenue)

Budget Categories	2020-21 Adjusted Budget	2021-22 Proposed Budget	+/-	Percent Change
<i>Licenses, Permits, and Franchise (9200)</i>	\$10,000	\$20,000	\$10,000	100%
<i>Revenue from Use of Money (9400)</i>	\$3,000	\$3000	\$0	0%
<i>Intergovernmental Revenues (9500)</i>	\$711,738	\$711,402	(\$336)	(0%)
<i>Fund Balance Appropriation</i>	\$82,494	\$40,953	(\$41,541)	(50%)
<i>Encumbrance Roll-Over</i>	\$28,347	\$0	(\$28,347)	(100%)
<i>Total Revenue</i>	\$835,579	\$775,355	(\$60,224)	(7%)

Cities and County Apportionment

As reflected in Table 3 above, the most substantial source of funding for LAFCO’s operational cost comes from the County and the seven cities. For fiscal year 2021-22, the proposed invoice to the County and cities total \$711,402, a slight decrease of \$336 from the prior year.

Staff calculated the estimated cost to the County and cities using the most recent financial report from the State Controller’s Office (SCO) and based on the “Governmental Funds Revenues” per the Solano County Auditor-Controller. Table 4 on the following page provides the *estimated* billing to the County and the seven cities.

The report continues to the next page

Table 4: Estimated Billing to the County and Cities

ESTIMATED BILLING TO COUNTY AND CITIES FOR FY 2021-22*					
Agency	Governmental Funds Revenues (FY 18/19)*	Cost %	FY 20/21 Actual Invoice per Auditor	FY 21/22 Estimate	+/-
<i>Benicia</i>	\$ 49,599,695.00	8.31%	\$ 30,269.00	\$ 29,543.53	\$ (725.47)
<i>Dixon</i>	\$ 33,241,107.00	5.57%	\$ 16,991.00	\$ 19,799.71	\$ 2,808.71
<i>Fairfield</i>	\$ 152,008,108.00	25.45%	\$ 95,596.00	\$ 90,542.01	\$ (5,053.99)
<i>Rio Vista</i>	\$ 12,990,935.00	2.18%	\$ 6,476.00	\$ 7,737.91	\$ 1,260.91
<i>Suisun City</i>	\$ 25,396,955.00	4.25%	\$ 14,899.00	\$ 15,127.43	\$ 228.43
<i>Vacaville</i>	\$ 154,828,104.00	25.93%	\$ 95,578.00	\$ 92,221.71	\$ (3,356.29)
<i>Vallejo</i>	\$ 169,110,236.00	28.32%	\$ 96,061.00	\$ 100,728.71	\$ 4,667.71
<i>Subtotal: Cities</i>	\$ 597,175,140.00	100.00%	\$ 355,870.00	\$ 355,701.00	\$ (170.00)
<i>County</i>			\$ 355,869.00	\$ 355,701.00	\$ (168.00)
TOTAL			\$ 711,739.00	\$ 711,402.00	\$ (337.00)

*Most recent report available as of 4/1/21,

Per Solano County Auditor, ACO uses Gov't Funds Revenue to invoice cities

Please note- SCO usually releases a more current report post-adoption of LAFCO's final budget.

Revenues from Project Fees

Anticipated revenues from fees for proceedings undertaken by LAFCO are expected to increase from the prior year, from \$10,000 to \$20,000. Staff anticipates the following projects will require LAFCO action:

- Roberts' Ranch detachment from the Solano Irrigation District (SID). Detachment of Villages A and B have been approved by LAFCO, but other Villages are forthcoming.
- Green Valley Apartments Detachment from SID
- Cement Hill Detachment from SID
- Harbison Apartments Detachment from SID
- Blessed Baptist Church Annexation to the City of Fairfield (Sunset Road island)

Interest Income

No change is proposed to interest income. For the prior year, staff estimated earning \$3,000 from interest income, and at mid-year, interest realized totaled \$1,578.

Fund Balance

Historically, the Commission applies fund balance from prior years to future years. For example, in FY 2020-21, the Commission applied \$82,494 from the prior year. Currently, the Commission's fund balance account totals \$140,953. The Finance Committee recommends the following:

1. The Commission appropriates \$40,953 to offset the cost of funding the Proposed Budget, thus keeping the billing to the County and the seven cities comparable to the prior year.

2. Consider options for the balance of \$100,000.

- a) Increase the Commission’s existing Reserve Account (0000730).
- b) Appropriate funds to further offset the cost of funding the Proposed Budget.
- c) Leave as is. (Commission may appropriate funds in future years, 2022-23.)
- d) Appropriate to fund a new designated reserve account. Section C of the Commission’s Reserves Policy states, “the Commission may appropriate revenue to establish and maintain a legal defense reserve fund to minimize the cost impact of litigation...The Commission may use fund balance, general reserves above the 20% minimum, or other sources of revenue to fund its legal defense reserve.”

Scenario 2C above, “leave as is,” is depicted in the Proposed Budget, Attachment A and is the Finance Committee’s recommended option.

STATUTORY DEADLINES

GC §56381 specifies certain statutory deadlines for adopting the LAFCO’s Proposed and Final Budget. Table 5 lists the Statutory deadlines and how the Commission plans to comply with the Statute.

Table 5: Statutory Deadlines

Deadlines	Statutory Requirement	Planned Action
May 1	LAFCO must adopt a Proposed Budget	April 12 Public Hearing
June 15	LAFCO must adopt a Final Budget	June 14 Public Hearing
July 1	The Auditor requests payment from cities and the County	
August 30	Payments must be received by the Auditor	

PROPOSED WORK PLAN: (see Attachment B)

In conjunction with a proposed budget, the Commission adopts an annual workplan. The Workplan typically includes tasks and projects, prioritization, categorization; and, task comments. The proposed Workplan includes eleven identified tasks and projects.

All identified items are important; however, given available resources, it is helpful to prioritize the items identified. A high priority classification indicates that the item is: time-sensitive, high-value, and critical. The Workplan includes six high-priority projects/tasks and six medium priority tasks. There are four categories: Projects (P); Commission Directives (C); Administrative (A); and; Legislative (L). These categories are described as follows:

Projects – In consultation with agencies, a list of near-term projects has been developed. These projects have been submitted, or it is anticipated that they will be submitted in FY 21/22.

Commission Directive – Solano LAFCO provides leadership and partnership roles in Solano County through proactive initiatives designed to support the efficient delivery of municipal services and to foster relationships among local and regional agencies and organizations.

Administrative – The proposed FY 21/22 Workplan includes administrative projects that support organizational effectiveness and internal efficiencies. In addition to the daily LAFCO office duties and Commission meeting prep and follow-up, the proposed Workplan includes administrative tasks that help keep local agencies and the public informed and improve organizational effectiveness. It is critical to maintain internal efficiencies that support Solano LAFCO's organizational effectiveness and to meet statutory requirements.

Legislative - Solano LAFCO is required by Statute to process organization and reorganization changes, conduct sphere of influence updates, conduct municipal service review studies, adopt local policies and procedures, and fulfill other legal mandates.

CONCLUSION AND RECOMMENDATION:

The Proposed Budget for FY 21-22 reflects the costs and resource needs for carrying out LAFCO's responsibilities including the FY 21-22 Workplan. In the coming weeks, staff will be presenting the Proposed Budget to the City/County Manager's Group and the Community Development/Planning Director's Group to solicit comments. Staff will inform the Commission of their remarks at the June 14 Public Hearing.

The Finance Committee and staff recommend the Commission adopt or adopt with modifications the Proposed Budget and Workplan for fiscal year 2021-2022.

Attachments:

A – Proposed Budget FY 21-22

B – Proposed Workplan FY 21-22

Proposed Budget for Fiscal Year 2021-2022

		Description	FY 19/20 Actuals	20/21 Adjusted Budget (AB)	20/21 YE Estimate	FY 21/22 Proposed Budget (PB)	Diff Between PB and 20/21 AB: PB-AB	Pct of PB and AB: (PB AB)/AB	
EXPENSES	1000	SALARIES AND EMPLOYEE BENEFITS							
	0001110	SALARY/WAGES REGULAR	\$243,645	\$351,758	\$341,117	\$ 357,842	\$ 6,084	2%	
	0001121	SALARY/WAGES-EXTRA HELP	\$24,435	\$0	\$4,668	\$ -	\$ -	#DIV/0!	
	0001210	RETIREMENT-EMPLOYER	\$22,967	\$38,408	\$38,408	\$ 43,662	\$ 5,254	14%	
	0001212	DEFERRED COMP-COUNTY MATCH	\$262	\$390	\$390	\$ 390	\$ -	0%	
	0001220	FICA-EMPLOYER	\$5,760	\$5,090	\$5,781	\$ 5,189	\$ 99	2%	
	0001230	HEALTH INS-EMPLOYER	\$17,803	\$49,884	\$28,667	\$ 47,181	\$ (2,703)	-5%	
	0001231	VISION CARE INSURANCE	\$321	\$720	\$720	\$ 475	\$ (245)	-34%	
	0001240	COMPENSATION INSURANCE	\$3,057	\$1,556	\$1,556	\$ 1,909	\$ 353	23%	
	0001241	LT DISABILITY INSURANCE ER	\$1,385	\$1,702	\$1,702	\$ 1,603	\$ (99)	-6%	
	0001250	UNEMPLOYMENT INSURANCE	\$1,484	\$1,302	\$1,302	\$ 1,302	\$ -	0%	
	0001260	DENTAL INS-EMPLOYER	\$1,380	\$2,869	\$2,869	\$ 2,796	\$ (73)	-3%	
	0001270	ACCRUED LEAVE CTO PAYOFF	\$5,970	\$19,828	\$19,828	\$ 21,894	\$ 2,066	10%	
	0001290	LIFE INSURANCE-EMPLOYER	\$1,830	\$2,526	\$2,526	\$ 2,501	\$ (25)	-1%	
		TOTAL	SALARIES AND EMPLOYEE BENEFITS	\$330,299	\$476,033	\$449,534	\$ 486,744	\$ 10,711	2%
		2000	SERVICES AND SUPPLIES						
		0002021	COMMUNICATION-TELEPHONE SYSTEM	\$557	\$748	\$748	\$ 748	\$ -	0%
		0002025	CELLULAR COMMUNICATION SERVICE	\$0	\$0	\$616	\$ 616	\$ 616	#DIV/0!
		0002026	CELL PHONE ALLOWANCE	\$1,551	\$1,680	\$1,680	\$ 2,280	\$ 600	36%
		0002028	TELEPHONE SERVICES	\$3,128	\$3,336	\$3,336	\$ 3,336	\$ -	0%
		0002051	LIABILITY INSURANCE	\$11,980	\$6,902	\$6,902	\$ 7,250	\$ 348	5%
		0002140	MAINTENANCE-BLDGS & IMPROVE	\$0	\$400	\$400	\$ 400	\$ -	0%
		0002170	MEMBERSHIPS	\$5,822	\$9,306	\$9,306	\$ 10,267	\$ 961	10%
		0002180	BOOKS & SUBSCRIPTIONS	\$0	\$400	\$400	\$ 400	\$ -	0%
		0002200	OFFICE EXPENSE	\$3,494	\$3,000	\$3,000	\$ 3,000	\$ -	0%
		0002202	CONT ASSETS COMPUTER RELATED	\$2,849	\$0	\$5,865	\$ -	\$ -	#DIV/0!
		0002204	COMPUTER RELATED ITEMS-<\$500	\$0	\$0	\$168	\$ 500	\$ 500	#DIV/0!
		0002205	POSTAGE	\$301	\$500	\$911	\$ 911	\$ 411	82%
		0002207	ERGONOMIC UNDER \$1500	\$1,625	\$0	\$0	\$ -	\$ -	#DIV/0!
		0002235	ACCOUNTING & FINANCIAL SERVICE	\$10,528	\$24,918	\$24,918	\$ 11,629	\$ (13,289)	-53%
		0002239	LEGAL SERVICE	\$12	\$0	\$0	\$ 27,050	\$ 27,050	#DIV/0!
		0002245	CONTRACTED SERVICES	\$149,296	\$148,347	\$148,347	\$ 100,000	\$ (48,347)	-33%
		0002250	OTHER PROFESSIONAL SERVICES	\$30,017	\$58,296	\$39,680	\$ 28,992	\$ (29,304)	-50%
	0002266	CENTRAL DATA PROCESSING SVCE	\$38,252	\$31,548	\$31,548	\$ 39,703	\$ 8,155	26%	
	0002270	SOFTWARE	\$532	\$900	\$900	\$ 900	\$ -	0%	
	0002271	SOFTWARE RENTAL / SUBSCRIPTION	\$0	\$0	\$947	\$ 947	\$ 947	#DIV/0!	
	0002280	PUBLICATIONS AND LEGAL NOTICES	\$592	\$2,260	\$591	\$ 2,000	\$ (260)	-12%	
	0002285	RENTS & LEASES - EQUIPMENT	\$5,910	\$6,944	\$7,127	\$ 7,483	\$ 539	8%	
	0002295	RENTS & LEASES-BUILDINGS/IMPR	\$16,792	\$18,128	\$17,128	\$ 19,034	\$ 906	5%	
	0002310	EDUCATION & TRAINING	\$173	\$2,000	\$2,000	\$ 2,000	\$ -	0%	
	0002335	TRAVEL EXPENSE	\$4,525	\$10,000	\$0	\$ 10,000	\$ -	0%	
	0002339	MANAGEMENT BUSINESS EXPENSE	\$1,054	\$500	\$963	\$ 963	\$ 463	93%	
	0002354	CAR ALLOWANCE	\$7,860	\$7,200	\$7,680	\$ 7,200	\$ -	0%	
	0002355	PERSONAL MILEAGE	\$59	\$1,000	\$0	\$ 1,000	\$ -	0%	
		TOTAL	SERVICES AND SUPPLIES	\$296,908	\$338,313	\$315,162	\$ 288,611	\$ (49,702)	-15%
	3000	OTHER CHARGES							
	0003696	OTHER CHARGES	\$0	\$0	\$232	\$ -	\$ -	#DIV/0!	
		OTHER EXPENSES							
	0000730	20% RESERVE POLICY ADJ	\$135,967	\$21,233	\$21,233	\$ -	\$ (21,233)	-100%	
		TOTAL	TOTAL EXPENSES	\$763,175	\$835,579	\$786,161	\$ 775,355	\$ (60,224)	-7%
REVENUES	9200	LICENSES, PERMITS & FRANCHISE							
	0009229	LICENSES, PERMITS & FRANCHISE	\$57,492	\$10,000	\$49,000	\$ 20,000	\$ 10,000	100%	
	9400	REVENUE FROM USE OF MONEY/PROP							
	0009401	REVENUE FROM USE OF MONEY/PROP	\$12,959	\$3,000	\$3,000	\$ 3,000	\$ -	0%	
	9500	INTERGOVERNMENTAL REVENUES							
	0009511	INTERGOVERNMENTAL REVENUES	\$629,725	\$711,738	\$711,739	\$ 711,402	\$ (336)	0%	
		OTHER REVENUE							
	740	FUND BALANCE FROM PY	\$64,845	\$82,494	\$82,494	\$ 40,953	\$ (41,541)	-50%	
	TOTAL	TOTAL REVENUES	\$765,021	\$835,579	\$874,580	\$ 775,355	\$ (60,224)	-7%	
SUMMARY	Expenses	1000		\$476,033	\$449,534	\$ 486,744	\$ 10,711	2%	
		2000		\$338,313	\$315,162	\$ 288,611	\$ (49,702)	-15%	
		3000		\$0	\$232	\$ -	\$ -	#DIV/0!	
		Reserve Adjustment		\$21,233	\$21,233	\$ -	\$ (21,233)	-100%	
		TOTAL EXPENDITURES		\$835,579	\$786,161	\$ 775,355	\$ (60,224)	-7%	
	Revenues	9200		\$10,000	\$49,000	\$ 20,000	\$ 10,000	100%	
		9400		\$3,000	\$3,000	\$ 3,000	\$ -	0%	
		9500		\$711,738	\$711,739	\$ 711,402	\$ (336)	0%	
		Fund Balance Appropriation		\$82,494	\$82,494	\$ 40,953	\$ (41,541)	-50%	
		Encumbrance Roll-over		\$28,347	\$28,347	\$ -	\$ (28,347)	-100%	
	TOTAL REVENUES		\$835,579	\$874,580	\$ 775,355	\$ (60,224)	-7%		

730 Reserve current- No change proposed \$ 157,200
740 Fund Balance current \$ 140,953
740 Fund Balance (No change) \$ 100,000
Proposed Appropriate for Operating Budget from Fund Balance \$ 40,953

2021-22 Proposed Workplan

#	Task/Project	Priority	Category	Comments
1	Fire Services	High	C	Con't. work with Fire Committee: develop cost centers; analyze staffing models; review station locations; develop service and funding options; SOI update; con't explore reorg options; gap analysis.
2	Reorganizations	High	P	<i>Fairfield</i> – Sunset Road (island) and Pittman Road <i>Suisun City</i> – Walters Rd and Pennsylvania/Hwy 12 <i>Benicia</i> – Benicia Road (Island Annexation) <i>Vacaville</i> – Nut Tree Airport vicinity (Island Annexation) <i>SID</i> - Roberts' Ranch, Cement Hill, Green Valley Apartments, and Harbison Apartments
3	Sphere of Influence (SOI) Mapping/Reconciliation	High	L	Update, inventory, and identify parcels. Identify possible Disadvantaged unincorporated community (DUC) and lands under Williamson Act contracts. Identify long-term and short-term designations.
4	Municipal Service Review (MSR)/Sphere of Influence (SOI) Updates	High	P	Cemetery Districts: Rio Vista (completed in 2005), Silveyville (c 2012), Solano (c 2012), and Vacaville (c 2012) - (New funds) Solano Irrigation District (completed in 2014) Rural North Vacaville (completed in 2016) (PY funds)
5	SOI Updates-Reclamation Districts	High	P	Adopt remaining SOI for RDs with boundary issues.
6	Mapping and Boundary Corrections	High	L	Verify, correct, and map city and special district boundaries and SOIs. Con't work with County GIS to update and correct boundary layers.
7	Policies and Standards	Medium	A	Review and update policies to improve clarity/compliance with CKH.
8	Website Improvement	Medium	L	Address ADA compliance, improve usability, and usefulness.
9	Outreach	Medium	C	Ongoing outreach to local agencies, cities, county, developers, and public.
10	Island Profiles	Medium	C	Analysis of current/planned zoning, existing services, conditions, development potential, and map. Develop island annexation campaign with Resource Management and Cities.
11	Fees Update	Medium	A	Update application charge out rates to reflect the Commission's current costs for processing projects.
12	H.R.	Medium	A	Classification/Salary Range reviews.