

**Colusa Local Agency Formation Commission**

**Regular Meeting Agenda**

**Thursday –May 4, 2017**

**3:00 PM**

**Board of Supervisors Chambers  
546 Jay Street  
Colusa, CA.**

**1. Call to Order/Roll Call**

**Commissioners**

Chuck Bergson, (City Member)  
Brandon Ash, (Vice Chair, Public)  
Denise Carter (County)  
John Loudon (County)  
Tom Reische, Colusa, (Chair, City  
Member)

**Alternates**

Kent Boes, (County Alternate)  
David Womble (City Alternate)  
Mary Winters, (Public Member Alternate)

**Staff**

John Benoit, Executive Officer  
P. Scott Browne, Legal Counsel  
Lora Ceccon, Clerk to the Commission

**2. Consider appointment of the Public Member and Public Member Alternate**

- a. *Appoint Public Member – Received one letter on March 2, 2017 from Brandon Ash for the Public Member Position.*
- b. *Appoint Public Member Alternate – Received one letter on March 14, 2017 from Mary Winters for the Public Member Alternate Position.*
- c. *Consider the appointment of Brandon Ash as the Public Member and Mary Winters for the Public Member Alternate for terms ending May 2021.*

**3. Consider Minutes for March 2, 2017**

- a. *Approve minutes from the March 2, 2017 LAFCo Meeting*

**4. Public Comment**

This is the time for the public to address the Commission on any matter not on the agenda. Testimony related to an item on the agenda should be presented at the time that item is considered

**5. Consent Agenda**

- a. *Ratify claims for the month of March 2017 and Payment of claims for the month of April 2017*

**6. Correspondence:**

**PUBLIC HEARING:**

**7. Public Hearing regarding the Proposed Budget for fiscal year 2017-2018**

- a. *Review proposed 2017-2018 LAFCo budget, Conduct Public Hearing and Consider Resolution 2017-0002.*

**8. Calafco Annual Staff Workshop - Browne**

**9. Executive Officer's Report:**

- a. *Maxwell Service Review and Sphere Update*  
b. *File Scanning Project*  
c. *Certificate of Completion for the Abel Tract – Westside Water District*  
d. *GCID Detachment - Willows*

**10. Commissioner Reports - Discussion**

*This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters*

**11. Adjourn to the next regular meeting 3:00 pm on June 1<sup>st</sup> , 2017**

**Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority Government Code Section 56325.1**

Pursuant to Government Code Section 54954.2, Commission members may make a brief announcement or report on activities. Commission members may also provide a reference to staff or other resources for factual information, request staff to report back to the Commission at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

*Public Comment*

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

- Items not appearing on the agenda must be of interest to the public and within the Commission's subject matter jurisdiction.
- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).
- The total amount of time allotted for receiving public comment may be limited to 15 minutes.
- Any individual's testimony may be limited to 5 minutes. Time to address the Commission will be allocated on the basis of the number of requests received.

*Public Hearings*

Members of the public may address the Commission on any item appearing on the agenda as a Public Hearing. The Commission may limit any person's input to 5 minutes. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

*Agenda Materials*

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda are available for review for public inspection in the Colusa County Clerk's office located at the Colusa County Courthouse 546 Jay Street, Colusa CA. [such documents are also available on the Colusa LAFCO website as noted below to the extent practicable and subject to staff's ability to post the documents prior to the meeting].

*Accessibility*

An interpreter for the hearing-impaired may be made available upon request to the Executive Officer 72 hours before a meeting. The location of this meeting is wheelchair-accessible.

*Disclosure & Disqualification Requirements*

Pursuant to Government Code Sections 56100.1, 56300(b), 56700.1, and 81000 et seq., and Colusa LAFCO's Policies and Procedures for the Disclosure of Contributions and Expenditures in Support of and Opposition to Proposals, any person or combination of persons who directly or indirectly contribute \$1000 or more or expend \$1000 or more in support of or opposition to a change of organization or reorganization that has been submitted to Colusa LAFCO must comply with the disclosure requirements approved by Colusa LAFCO. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. Additional information may be obtained at the Colusa County Elections Department 546 Jay Street, Colusa, CA 95932. (530) 458-0500

A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agency (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding.

Contact LAFCO Staff LAFCO staff may be contacted at (530) 458-0593 or by mail at Colusa LAFCO P.O. Box 2694, Granite Bay Ca 95746 or by email at [lafco@countyofcolusa.org](mailto:lafco@countyofcolusa.org) or [johnbenoit@surewest.net](mailto:johnbenoit@surewest.net) or by Fax (916) 797-7631

Webpage Reports, agendas, minutes and general information about LAFCO are available on the LAFCO Webpage at [www.colusacountylafco.org](http://www.colusacountylafco.org)

LOCAL AGENCY FORMATION COMMISSION  
COLUSA COUNTY  
MINUTES OF MEETING  
March 2, 2017

PRESENT:

JOHN LOUDON, County Member  
BRANDON ASH, Vice Chair, Public  
TOM REISCHE, Chair, City Member  
DENISE CARTER, County Member  
CHUCK BERGSON, City Member

ALSO PRESENT:

KENT BOES, County Alt.  
MARSHA BURCH, Legal  
JOHN BENOIT, Ex. Officer  
LORA CECCON, Clerk  
MARY WINTERS, Public Alt.

**1. Call to Order/Roll Call**

The meeting was called to order at 3:00 p.m. There was a quorum present.

**2. Consider Minutes for February 2, 2017**

**On motion of J. Loudon, second by D. Carter, the commission approved the minutes of the February 2, 2017 meeting; motion carried. (5-0-0)**

**3. Public Comment – None**

**4. Consent Agenda**

**On motion of D. Carter, second by B. Ash, the commission approved payment of the February 2017 claims, motion carried by roll call vote. (5-0-0)**

**5. Correspondence: Letter received from the Westside Water district re: Annexation or Formation of Water District Without Water Supply.**

As was requested by the commission, a letter was received from Westside Water District responding to issues raised. Copies were included in today's agenda packet.

**6. Discussion regarding Work Program for Fiscal Year 2017-2018**

John presented the proposed work program for fiscal year 2017-2018 stating that sometime next year; the by-laws and policies should be reviewed. This will need to be done at a meeting with S. Browne present. The commission reviewed the list of service reviews and spheres of influence that have been completed to date and discussed possible reviews for next year. T. Reische suggested the Mosquito Abatement District because rates have changed. D. Carter suggested the Arbuckle Recreation District, and John stated that all three recreation districts should probably be done. The suggestion was made to hold off on the reclamation, irrigation, and levee districts. More discussion followed. John suggested that other projects may come up as we move forward.

**7. Executive Officer's Report**

John reported that he has received the needed information on the Vedo project. The Abel and State Parks annexations are pending. Form 700s are due April 1, 2017.

**8. Commissioner Reports - Discussion**

T. Reische reported that they have a new City Manager, Jesse Cain. J. Loudon announced that the Colusa Medical Center reception will be held on March 14, 2017 at the fairgrounds. John stated that the April 6, 2017 meeting could be canceled, and the next meeting would be in May. He suggested possibly going to six meetings per year, and as needed. Some discussion followed. The commission decided to leave the meeting schedule as is, and to cancel periodically, if not needed. John stated that applications are due by April 13, 2017 for the public sector members, and a decision will be made in May. The positions have been advertised.

**9. 3:44 p.m. - Closed Session**

**Subject: Employee Performance Evaluation March 2016-March 2017**  
**Title: LAFCO Executive Officer**

**3:53 p.m. – Report out of Closed Session**

**Marsha Burch reported that a performance evaluation was completed for the LAFCO Executive Officer.**

**10. Adjourn to the next regular meeting on May 3<sup>rd</sup> 2017**

**The meeting was adjourned at 3:59 p.m.**

# Colusa Local Agency Formation Commission

## CLAIMS

For March-April 2017

Authorize payment of the following claims:

### FY 2016-2017 EXPENSES:

#### March

Apr 1, 2017	Staff Svcs and Expenses – Mar 17	\$ 4,345.47
Mar 7, 2017	Frontier Phone Dec 7, 2016	\$ 33.16
2.16.17- 3.15.2017	Legal Services P. Scott Browne	\$ 1,750.00
<b>TOTAL:</b>		<b>\$ 6,128.63</b>

#### April

May 1, 2017	Staff Svcs and Expenses April 2017	\$ 5,441.40
March 1, 2017	Appeal Dem. Public Mem Recruitment	\$ 101.68
April 5, 2017	Appeal Dem. Proposed 17-18 Budget	\$ 54.20
April 16, 2017	Browne legal 3.16.17 – 4.15.17	\$ 1,750.00
April 16, 2017	Browne – share of Calafco Wkshp Costs	\$ 150.66
April 7, 2017	Frontier Phone Apr 7, 2017	\$ 33.18
April 20, 2016	Long Distance Jan-April 2017	\$ 2.73
<b>TOTAL:</b>		<b>\$ 7,533.85</b>

**DATED:** May 4, 2017,

**APPROVED:** May 4, 2017

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Tom Reische, Chair or Brandon Ash, Vice Chair  
Colusa Local Agency Formation Commission

Attest:

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John Benoit  
Executive Officer

C/O John Benoit, Executive Officer - P.O. Box 2694, Granite Bay, CA. 95746 530.458.0593  
ph. 916.797-7631 fax. lafco@countyofcolusa.org

## Colusa LAFCO

Shadow Accounting  
2016-2017

EXPENSE	Executive Off. Cont 53180	Clerical Support 53180	Workers Comp 51035	Atty Contract 53180	Insurance 53100	Office Supplies 53170	Postage 53171	Copies 53170	Membership 53150
CALAFCO Dues 16-17	48000.00	2100.00	50.00	21000.00	1705.00	375.00	500.00	2000.00	840.00
SDRMA Insurance 16-17					-1624.60				-840.00
Staff Servissess June 2016	-4000.00	-175.00				-15.00	-17.86	-57.37	
Frontier Phone June 7, 2016									
Browne Legal Svcs 5.16.2016-6.15.2016				-1750.00					
Long Distance Mar, Apr, May, June 16									
Staff Svcs July 2016	-4000.00					-10.00		-89.80	
Browne Ending 7.15.15				-1750.00					
Frontier Phone July 7, 2016									
Carter and Reische Regi CALAFCO				-1750.00					
Browne Ending 8.15.16									
Staff Svcs August 2016	-4000.00	-175.00					-23.31	-23.39	
Frontier PH August 2016									
Staff Svcs September 2016	-4000.00					-19.50	0.00	-15.00	
Browne Ending 9.15.16				-1750.00					
Frontier Ph Sept 2016									
App Democrat WRFPD Annex				-1750.00					
Browne ending 10.15.16									
Staff Svcs Oct 2016	-4000.00	-175.00				-10.00	-13.34	-52.07	
Frontier Ph Oct 7, 2016									
Staff Svcs November 2016	-4000.00							-10.00	
Browne Ending 11.15.16				-1750.00					
Carter Conf. Reimbursement SBA Oct 16									
Reiche Conf. Reimb SBA Oct 2016									
Front Ph Nov 7, 2016									
LONG DIST july-Dec 2016									
Frontier Ph Dec 7, 2016									
Staff Svcs Dec 2016	-4000.00	-175.00				-44.72	-17.04	-58.80	
Browne Ending 12.15.16				-1750.00					
Frontier Phone Jan 7, 2017									
Staff Svcs Jan 2017	-4000.00					-15.00	-0.47	-30.00	
Browne Ending 1.15.17				-1750.00					
Revenue Westsite WD Able Annex									
Revenue State Parks annex									
Appeal Democrat Colusa SRA Reorg									
Appeal Democrat Prince WWD MSR-SOI									
Staff Svcs February 2017	-4000.00	-175.00					-12.88	-40.00	
Browne Ending 2.15.17				-1750.00					
Frontier Phone Feb 7, 2017									
Workers Comp 1.1.17			-37.53						
A-87 overhead									
Browne ending 3.15.17				-1750.00					
Staff Svcs March 2017	-4000.00	-175.00					-7.00	-31.60	
Frontier Ph March 7, 2017									
Staff Svcs April 2017	-4000.00					-30.00	-0.96	-19.00	
Appeal Democrat Pub Memb Recruit									
Appeal Democrat 17-18 prop budget									
Browne Ending 4.15.17 & Calafco				-1750.00					
Frontier Phone April 7, 2017									
Frontier Long Dist Jan-Apr 2017									
<b>Total Expended in FY 16-17</b>	<b>-44000.00</b>	<b>-1050.00</b>	<b>-37.53</b>	<b>-19250.00</b>	<b>-1624.60</b>	<b>-144.22</b>	<b>-92.86</b>	<b>-427.03</b>	<b>-840.00</b>
<b>Total Remaining in FY 16-17</b>	<b>4000.00</b>	<b>1050.00</b>	<b>12.47</b>	<b>1750.00</b>	<b>80.40</b>	<b>230.78</b>	<b>407.14</b>	<b>1572.97</b>	<b>0.00</b>

Colusa LAFCO

Shadow Accounting  
2016-2017

Trans 53250	Trave 53251	Training 53190	Legal Notices 53060	Comm 53180	Sp Proj. FileScan 53180	SOI 53180	MSR 53180	Mapping 53180	A-87/Admin 53229	EXPENDED
2000.00	2000.00	1500.00	1100.00	7500.00	15000.00	15000.00	10000.00	2045.00	\$132,715.00	
										\$132,715.00
										\$-840.00
										\$-1,624.60
-86.40			-40.57		-2100.00			-495.00		\$-6,987.20
			-32.24							\$-32.24
			-8.26							\$-1,750.00
-86.40			-40.97		-1237.50					\$-8.26
										\$-5,464.67
										\$-1,750.00
										\$-32.24
	-970.00		-32.24							\$-970.00
										\$-1,750.00
-86.40			-40.58		-1687.50					\$-6,036.18
			-32.24							\$-32.24
			-39.58		-1647.00			-372.00		\$-6,093.08
										\$-1,750.00
										\$-32.24
			-99.92							\$-99.92
										\$-1,750.00
-87.20			-40.55		-637.50					\$-5,015.66
			-32.22							\$-32.22
	-276.91		-41.38							\$-4,328.29
										\$-1,750.00
-1027.47										\$-1,027.47
-1061.16										\$-1,061.16
			-32.03							\$-32.03
			-5.00							\$-5.00
			-31.91							\$-31.91
-86.40			-38.17		-1387.50					\$-5,807.63
										\$-1,750.00
										\$-33.16
			-33.16							\$-4,086.79
			-41.32							\$-1,750.00
										\$-99.92
										\$-70.03
-85.60			-41.32					-45.00		\$-4,399.80
										\$-1,750.00
			-33.16							\$-33.16
										\$-37.53
										\$-1,522.25
										\$-1,522.25
-85.60			-46.27							\$-1,750.00
			-33.16							\$-4,345.47
			-41.44		-450.00					\$-900.00
										\$-33.16
										\$-5,441.40
		-101.68								\$-101.68
		-54.20								\$-54.20
-150.66			-33.18							\$-1,900.66
			-2.73							\$-33.18
										\$-2.73
										\$-85,289.36
-2843.29	-1246.91	-425.75	-825.92	-450.00	-8697.00	-900.00	-912.00	-1522.25		\$-85,289.36
-843.29	753.09	1074.25	274.08	7050.00	6303.00	14100.00	9088.00	522.75		\$47,425.64
										\$-85,289.36
										\$119,037.55
										\$7,200.00
										\$381.13
										\$92,555.00
										\$133,884.32
										\$10,000.00
										\$50,000.00



**COLUSA LOCAL AGENCY FORMATION COMMISSION**

**MEMORANDUM**

May 4, 2017

**To:** Local Agency Formation Commission Commissioners

**From:** John Benoit, Executive Officer

**RE:** Proposed Budget for FY 2017-2018

**Attachment:** Budget Resolution 2017-0003 (Exhibit A)

Since the passage of AB-2838 in 2000, LAFCO has become independent (as a result of legislative mandate) from the County. Before, operational costs of LAFCO were entirely paid by the County including costs staff time, legal services, miscellaneous office expenses, and insurance. The Legislature took the recommendation of the Commission on Local Governance for the 21<sup>st</sup> Century and concluded that LAFCO costs were to be paid by both the City and County and LAFCOs were to become entirely independent and by Special Districts if seated on LAFCO. In the latter case costs are to be split in equal thirds. Many costs have become more apparent since LAFCO is independent. Although in Colusa County LAFCO remains in the County's A-87 program, LAFCO's participation in this program is limited to accounting/auditing/financial services. LAFCO pays an administration fee for central services, which therefore excludes it from the County's A-87 plan for LAFCO. Interest to offset county costs is lower than in past years.

Since 2001 the legislature has given the Commission discretion over it's own budget including Legal Services (Attorney), Executive Officer Services, Office Expenses, and the amount of funds allocated for MSR's and SOI's.

In the attached sheet, I have provided a "Proposed" budget based on the costs to provide LAFCO in light of various mandates. The Budget Committee has reviewed the proposed budget. This budget relies on carryover to be balanced. Last year, LAFCO raised its contribution from the Cities and County to maintain a \$50,000 reserve fund.

**The overall goal of this budget is to conduct LAFCO business in a proactive manner involving the Community and to meet the overall requirements of the Cortese-Knox-Hertzberg Act at a reasonable cost.**

Municipal Service Reviews and Sphere of Influence updates continue in the upcoming year. Colusa LAFCO as most other LAFCO's have not completed the reviews and SOI updates due to budget concerns. This situation has increased due to the economy. To perform these updates Colusa LAFCO has set forth a policy to incrementally complete the MSR/SOI reports without the need for substantial additional special funding.

Hopefully, the County will continue developing a comprehensive mapping and update system since this data has been received. There are several data layers required for LAFCO. Most importantly is the District Boundary Layer and the Sphere of Influence Layer, which should be prepared by LAFCO, who oversees boundaries in Colusa

County. Other layers of importance to LAFCo include, roads, parcels, land use, zoning, flooding, agricultural capability, for example. Staff has encountered numerous errors in district mapping upon comparing original boundary descriptions with maps being used by county departments.

This year LAFCo has began scanning all its files. The files need to be purged and scanned into electronic format. These files are not very accessible to the public and in the event of records requests it becomes very expensive to comply. Electronic copies will be much easier to work with and can be accessible to the public. There are about 15-20 boxes of files that need to be purged and scanned electronically. This effort will continue into the next fiscal year.

#### **SUMMARY OF PROPOSED EXPENSES:**

**Note: Most budgets remain essentially the same as the previous year with a few minor exceptions. The Calafco Dues have been increased from \$840.00 to \$899.00 and insurance is being increased 10%. A-87 costs will ultimately be determined by the Board of Supervisors, based upon its operational and overhead costs. The amount of A-87 to be paid in FY 17-18 is estimated to be \$2,045, this figure may change as the county prepares its calculations.**

**The Special Districts Risk Management Authority has indicated there will be a 10% increase in insurance this year so the amount budgeted is increased to \$1,741.50.**

**Additional funds have been placed into the Clerical Support category to assist the Executive Officer with special projects and packet distribution.**

**Transportation/Travel & Training** I am recommending \$7,500 combined for these two items, a substantial reduction from years past. This represents funding for 3 or 4 commissioners to attend the annual conference. Estimated costs for each Commissioner to attend the Calafco Annual Conference on October 25-27 in San Diego is approximately \$1,500 each including transportation, lodging, and conference registration. The justification for this expense is LAFCO Commissioners need to be informed decision makers. Commissioners need the tools to carry out their statutory responsibilities in a responsible manner. Training and interaction with Commissioners from other LAFCO's will assist those Commissioners in attendance to bring back ideas to be shared with the remainder of the Commission. Training is necessary to remain informed of changes in LAFCO law and procedures. This item also includes funds for a portion of Staff's expense to represent Colusa LAFCO at CALAFCO Activities.

**Note:** A decision as to the actual number of Commissioners anticipating attendance at the conference is needed before the final budget is approved.

**Worker's Comp:** Approximately \$50.00 is needed to cover the costs of Worker's comp for the Public Member and Public Member alternate.

**Executive Officer - Staff Services** The Committee is recommending \$48,000 for this item. This is the same as for the last fifteen previous years. This translates to an average of \$4,000 per month for LAFCO administrative activities. Since the LAFCO set-up work is completed, costs of administering the MSR's and SOL's and

environmental reviews for the SOI's will be included (unless an Environmental Impact Report is required necessitating an independent consultant). Notwithstanding a very complex reorganization (application), controversial service review, sphere of influence or incorporation project for Colusa LAFCO, this amount should cover LAFCO administration and potentially may allow time to work on the Municipal Services Reviews and Sphere Studies if project activity is lower than expected thereby possibly resulting in a larger rollover to the next fiscal year in those line-item budgets.

Note: project related cost overruns relating to an application would normally be fee supported if an augmentation is needed in this category as well as office expenses. A project proponent will pay all project related costs including legal costs.

The hourly rate for Special Projects is \$75/hr. which has not been changed since 2002. Contacting for these services would exceed \$100.00 per hour. Today, the average costs of preparing MSR's and SOI's in Rural Counties is between \$90 and \$140.00/hr. The Commission may wish to consider an increase the hourly rate for MSR's and SOI preparation. Of concern in the current executive officer's contract is if there is a complex project requiring an unusually high amount of time to process a LAFCo application the executive officer may not compensated for any additional work. The language in the Executive Officer's contract is vague.

**Clerical Support:** The Committee is recommending \$3,657 for clerk or clerical services. A LAFCO Clerk is necessary to record meetings to produce an accurate record and provide other miscellaneous duties. Assistance is needed in production and distribution of packets and miscellaneous analyst duties.

**Webhosting:** Budgeting in this category has been eliminated since staff manages the LAFCo webpage. Website costs (URL Registration, for example) are paid from the office expense category.

**Legal Services** The Committee is recommending \$21,000 for this item. Since LAFCO has become independent, separate LAFCO Counsel is necessary to represent LAFCO's interest. This cost is fixed rate for normal legal services. LAFCO Counsel is needed to provide legal direction at meetings of the Commission and to protect LAFCO's interests where required. Project related legal costs would be billed to the project proponent through LAFCO's fee structure. Should the Commission wish to amend Counsel's contract, the contract information is as follows.

The current rate for Legal expenses is a stipend of \$1,750.00 per month effective in FY 2007-2008 (10 years ago). Litigation hourly rates are currently \$180.00 per hour also effective in FY 2007-2008. The average going rate for legal services in 2017 is \$225.00 per hour. There is no comparable data regarding the current monthly stipend amount of 1,750.00 per month. The Commission may wish to consider an increase stipend and hourly rate for Counsel.

**Liability Insurance:** LAFCO is required to have insurance as an independent agency. This category also includes \$500 for a membership to the California Special District's Association. Five years ago, the Board of Supervisors made a final determination that

LAFCO should have independent insurance. Therefore, LAFCO's bought insurance through the SDRMA. This year's cost is estimated to be \$1,741.50.

**Office Supplies** This item covers copy costs, postage, and misc. office supplies. Expenses for FY 2017-2018 are expected to remain the same for postage, copies and office expenses at \$2,875.00. The Committee is recommending a minimal budget remain to cover expenses related to MSR's and SOI studies and to process additional projects. Copy and Postage expenses for MSR's and SOI's are included in this line-item budget.

**Memberships** As a condition of having SDRMA Insurance, a \$500.00 membership fee is required in the CSDA. This amount is included under liability insurance costs above. In FY 2017-2018 the only membership cost in this category would be for CALAFCo at \$899.00.

Note: A decision as to the actual number of Commissioners anticipating attendance at the conference is needed as soon as possible. Last year two Commissioners attended the annual conference in Sacramento. This budget includes enough funds for up to 2 Commissioners to attend the Annual Conference and to pay for a portion of staff expenses to attend the Annual Conference and staff workshop as well as provide funds for incidental mileage expenses related to LAFCO operations and allow the Calafco representative to attend Calafco activities.

**Legal Notices/Publications** The Committee is recommending \$1,500 for this item. Legal notices are required by state law and must be prepared for Municipal Service Reviews and Sphere of Influence Updates, all public hearings before the Commission and protest hearings. Public hearing notices are required for many LAFCO actions. Cost overruns in this category will be fee supported.

**Communications** The Committee is recommending \$1,100 to cover communications costs slightly higher last year. This amount will provide phone access to LAFCO by agencies and the public.

**Special Projects:** This line item is reserved for one-time projects requested by the Commission or staff. The LAFCo files need to be categorized and scanned into electronic format. This is a special one time project with the goal to minimize the amount space for retained files per LAFCo's record retention policy and to scan all the files for easy accessibility. Staff will begin the process of categorizing and scanning the files immediately in accordance with LAFCo's adopted records retention policy. The estimated amount to perform this function next year is \$7,500.00.

**Sphere of Influence Updates and Municipal Service Reviews** The Committee is recommending a budget of \$30,000, to cover the costs of working on Municipal Service Reviews and Spheres of Influence in accordance with the adopted work program as well as \$10,000.00 to cover the costs of G.I.S. Mapping and finalize a district map book.

Note: Given budgetary and time constraints, this work most likely will have to be completed by staff over several years. The use of consultants will require budget estimates significantly higher than stated. In addition, staff will have to review the consultant's work to ensure accuracy. It has been the experience of many LAFCO's that

the Executive Officer has to re-write work prepared by consultants adding even more cost.

**Contingency** The Contingency fund for FY 2017-2018 is proposed to be \$10,000 and the reserve fund to be \$50,000. The justification of the General Reserve is to provide LAFCO with the funds necessary to initiate projects in accordance with its Bylaws and Policies for which funding does not exist. If, for some reason, LAFCO were to have a cost overrun or unanticipated expenses such as litigation during the fiscal year, LAFCO would have to formally request a loan from the Board of Supervisors. The Board of Supervisors has no obligation to fund such a loan. It takes a 4/5 vote of the Commission to use funds from the contingency and general reserve.

**Colusa County A-87** Estimated A-87 costs include costs for the County Treasurer/Technology/Auditor's functions. The County's cost requirement next year is not known at this time and varies significantly. The County's A-87 program allocates costs among county departments from two years ago. For this year, I am estimating costs to be the same as this year since this has been the trend in recent years. The proposed budget is \$2,045.00 and may be changed.

## **SUMMARY OF ANTICIPATED FEE DEPOSITS AND INTEREST**

LAFCO may need to increase appropriations in various budgets if unanticipated revenue is realized through project applications. In the past, LAFCO has estimated the revenue for fee deposits and interest. The fee deposits do not become revenue until actual work is completed. Based on the amount of revenue received in a prior fiscal year, there may be reductions in City- County contributions the following year. This has been the case for the past two years.

## **CARRYOVER**

This year LAFCO will not expend its entire budget. LAFCO has relied upon carryover to fund the next year's budget. An estimated unexpended general reserve and unexpended funds of approximately \$100,000.00. Most of this amount will be dedicated to maintaining the General Reserve and Contingency Funds.

**The amount to be apportioned between the Cities and the County had remained the same as since FY 2012-2013 to meet the \$50,000 funding goal for the reserve. The reserve balance has been met and the amount of City and County funding should remain lower this year at \$92,517.50**

## **RECOMMENDATION**

1. Consider the above budget justification report, discuss and amend report and (or) the proposed budget as necessary.
2. Adopt LAFCO Resolution 2017-0002 approving a proposed budget for FY 2017-2018.

**Resolution 2017-0002**  
**of the**  
**Colusa Local Agency Formation Commission**  
**Colusa County, California**

*A Resolution of Colusa LAFCO Adopting a Proposed Budget for 2017-2018*

WHEREAS, Colusa LAFCO is required by Government Code Section 56381(a) to adopt annually, following a noticed public hearing, a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>; and,

WHEREAS, the Commission has prepared a proposed budget for public review; and,

WHEREAS, the Executive Officer has given notice of hearing in the form and manner specified by law for adoption of the proposed budget and upon the date, time and place specified in said notice of hearing, the Commission heard, discussed and considered all oral and written testimony submitted including, but not limited to, the approved budget priorities for Fiscal Year 2017-2018 and the Executive Officer's report and recommendations; and

WHEREAS, the Commission has considered the attached Budget in light of the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

NOW THEREFORE, the Colusa Local Agency Formation Commission does hereby determine, resolve, and order the following:

1. That Colusa LAFCO hereby adopts the attached proposed 2017-2018 proposed budget (see Exhibit A).
2. Directs the Executive Officer to transmit the proposed budget to the Auditor and all parties specified in Government Code Section 56381 (a) as promptly as possible.

PASSED AND ADOPTED by the Colusa Local Agency Formation Commission at a special meeting of said Commission held on May 4, 2017 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 4th day of May, 2017.

\_\_\_\_\_  
Tom Reische, Chair  
Colusa LAFCO

Attest:

\_\_\_\_\_  
John Benoit, Executive Officer  
Colusa LAFCO

EXHIBIT "A"  
Proposed 2017-2018 Budget 04060

REV, CATEGORICAL and CARRYOVER ESTIMATES

	2014-2015 Budget	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget	Proposed 2017-2018 Budget
466920 City and County Contributions	\$ (100,000.00)	\$ (100,000.00)	\$ (100,000.00)	\$ (100,000.00)	\$ (92,555.00)
10100 Carryover Prior-Year	\$ (65,289.00)	\$ (87,851.00)	\$ (80,000.00)	\$ (107,045.09)	\$ (94,091.00)
Contingency (Restriction to Fund Balance)					
<b>Categoricals</b>					
466920 Processing Fees	\$ (5,000.00)	\$ (20,600.00)	\$ (5,000.00)	\$ (9,902.25)	\$ (5,000.00)
Municipal Service Review Fees					
City of Colusa SOI/MSR					
441900 Interest	\$ (1,069.00)	\$ (216.35)	\$ (1,069.00)	\$ (515.20)	\$ (1,069.00)
A-87 Adjustment					
<b>TOTAL REVENUE AND CARRYOVER EST.</b>	\$ (171,358.00)	\$ (208,667.35)	\$ (186,069.00)	\$ (217,462.54)	\$ (192,715.00)

EXPENDITURES

51035 Workers Comp	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
53180 Executive Officer Contract	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00
53180 Clerical Support	\$ 2,100.00	\$ 1,575.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00
53180 Webhosting					
53180 Legal Services (attorney contract)	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00
53100 Liability Insurance	\$ 1,664.04	\$ 1,705.04	\$ 1,705.00	\$ 1,628.60	\$ 1,705.00
53170 Office Supplies	\$ 375.00	\$ 120.68	\$ 375.00	\$ 162.29	\$ 375.00
53171 Postage	\$ 500.00	\$ 337.42	\$ 500.00	\$ 215.31	\$ 500.00
53170 Copies	\$ 2,000.00	\$ 1,055.24	\$ 2,000.00	\$ 609.74	\$ 2,000.00
53150 Memberships	\$ 769.00	\$ 769.00	\$ 785.00	\$ 785.00	\$ 840.00
1002 5 Training	\$ 2,000.00	\$ 1,181.70	\$ 2,000.00	\$ 1,632.13	\$ 2,000.00
53250 Transportation and Travel	\$ 1,500.00	\$ 476.76	\$ 1,500.00	\$ 899.22	\$ 1,500.00
53190 Legal Notices and Publications	\$ 1,000.00	\$ 1,008.07	\$ 1,100.00	\$ 874.76	\$ 1,100.00
53060 Communications					
53180 Special Projects -File Scanning	\$ 12,000.00	\$ 5,137.50	\$ 15,000.00	\$ 8,062.50	\$ 7,500.00
8062 5 Sphere of Influence Updates	\$ 12,000.00	\$ 9,637.50	\$ 15,000.00	\$ 10,800.00	\$ 15,000.00
53180 Municipal Service Reviews	\$ 8,408.40	\$ 855.00	\$ 10,000.00	\$ 1,539.60	\$ 10,000.00
53229 A-87/Administration Fees	\$ 2,135.00	\$ 2,208.22	\$ 2,954.00	\$ 1,206.75	\$ 2,045.00
<b>TOTAL EXPENDITURE BUDGET</b>	\$ 117,501.44	\$ 95,262.14	\$ 126,069.00	\$ 99,956.45	\$ 132,715.00
59400 CONTINGENCY	\$ 10,523.00	\$	\$ 10,000.00	\$	\$ 10,000.00
RESERVE FUND	\$ 43,333.56	\$	\$ 50,000.00	\$	\$ 50,000.00
<b>TOTAL Funds needed for expenditures-Cont and Reserv</b>	\$ 171,358.00	\$	\$ 186,069.00	\$ 99,956.45	\$ 192,715.00
FY 16-17 Estimated Carryover					\$ (100,000.00)
<b>Amount to be apportioned to the Cities and the County</b>	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 92,555.00	\$ 92,517.50