

## Public Hearings 7.

### LAFCO

Meeting Date: 05/27/2021

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### Information

#### SUBJECT

Consider adoption of the Final LAFCo Budget for FY 2021/22

#### RECOMMENDED ACTION

1. Receive staff presentation on the Final Budget for FY 2021/22 and open the Public Hearing for public comments on the item.
2. Close the Public Hearing, consider and adopt the Final LAFCo Budget for FY 2021/22.

#### FISCAL IMPACT

The attached LAFCo budget includes proposed revenues and expenditures for LAFCo for FY 2021/22. This budget maintains resources for the Commission to meet its responsibilities under the Cortese-Knox-Hertzberg (CKH) Act and the Shared Services Program for FY 2021/22. Adopting a final budget will ensure LAFCo is adequately funded to meet its legal obligations and maintain the shared services program.

#### REASONS FOR RECOMMENDED ACTION

Each year Yolo LAFCo adopts an annual budget with notice to the four cities and Yolo County. In accordance with the CKH Act, a proposed budget must be adopted by May 1 and final budget by June 15 of each year. Following approval of the final budget and no later than July 1, the auditor requests payment from each agency.

In accordance with the CKH Act, the cities and County split the cost of LAFCo funding 50/50. A formula for the split of the cities' share is outlined in Government Code Section 56381 (b)(1); which would be in proportion to a city's tax revenue or an alternative method approved by a majority of the cities. Beginning in FY 2007/08, the cities of Yolo County developed an alternative formula to apportion their 50% of LAFCo funding by averaging a city's general tax revenue (less grant

monies) and population. In other words, the higher the revenue and population of a city relative to the others, the higher the share of the LAFCo budget.

In summary, each agency's portion of the overall LAFCo budget is listed below, with the previous/current FY noted in parenthesis:

- City of Davis - 16.73% (previous year 17.07%)
- City of West Sacramento - 17.48% (previous year 17.16%)
- City of Winters - 1.51% (previous year 1.54%)
- City of Woodland - 14.29% (previous year 14.23%)
- County of Yolo - 50.00%

## **BACKGROUND**

The draft budget was heard and discussed at the March 25, 2021 meeting. Following Commission approval, staff shared the draft budget with the city/county managers and received no comments. However, staff did receive a request from the County Chief Financial Officer (CFO) to "smooth out" agency costs instead of reducing it by the proposed 2% and then presumably bumping it back up the following year. The city CFOs concurred with this approach via email as well. Therefore, per agency request the final budget recommends holding an additional \$12,597 in fund balance to keep agency costs flat.

The overall budget as recommended goes up 5% this year (2% Salaries and Benefits and 9% Services and Supplies). New costs and any variations are explained in the notes column. The following itemizes the cost for each funding agency:

- City of Davis - \$65,280
- City of West Sacramento - \$68,210
- City of Winters - \$5,883
- City of Woodland - \$55,747
- County of Yolo - \$195,121

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### **Attachments**

[ATT A-FINAL LAFCo 2021-22 Budget](#)

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### **Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Christine Crawford (Originator)	Christine Crawford	05/19/2021 11:29 AM
Form Started By: Christine Crawford		Started On: 05/07/2021 11:01 AM
Final Approval Date: 05/19/2021		

**YOLO LAFCO FINAL BUDGET - ADOPTED:  
FINANCING SOURCES - SCHEDULE A**

**Item 7-ATT A  
FISCAL YEAR 2021/22  
ACCOUNTING UNIT: 6940522981**

Account #	Account Name	FY 20/21 Revenue Budgeted	FY 21/22 Revenue Budgeted	Net Change	Agency Apportionment / Comments / Variance Explanation from FY 20/21
<b>REVENUES</b>					
<b>AGENCIES SHARE:</b>					
402010	OTHER GOVT AGENCY-COUNTY	\$ 195,121	\$ 195,121	\$ 1	50.00%
402030	OTHER GOVT AGENCY-WEST SACRAMENTO	68,210	68,210	(0)	17.48%
402040	OTHER GOVT AGENCY-WOODLAND	55,747	55,747	(0)	14.29%
402050	OTHER GOVT AGENCY-WINTERS	5,883	5,883	(0)	1.51%
402060	OTHER GOVT AGENCY-DAVIS	65,280	65,280	0	16.73%
	<b>TOTAL AGENCIES SHARE</b>	<b>390,241</b>	<b>390,241</b>	<b>-</b>	
<b>OTHER REVENUE:</b>					
400700	INVESTMENT EARNINGS-POOL	3,000	2,500	(500)	Lower interest earnings
403460	CHARGES FOR SERVICES - LAFCO	4,000	4,000	-	CALAFCO stipend (does not assume application revenue)
	<b>TOTAL OTHER REVENUE</b>	<b>7,000</b>	<b>6,500</b>	<b>(500)</b>	
	<b>TOTAL REVENUE</b>	<b>397,241</b>	<b>396,741</b>	<b>(500)</b>	
<b>USE OF FUND BALANCE</b>					
300999-0	UNASSIGNED	102,041	116,079	14,038	"Surplus" FB used to balance budget/offset costs
300600-0	ASSIGNED - AUDIT RESERVE	-	10,000	10,000	Drawing from reserve to fund 3yr audit costs
300600-1	ASSIGNED - CAPITAL ASSET REPLACEMENT	-	-	-	
300600-3	ASSIGNED - CONTINGENCY	-	-	-	
	<b>TOTAL USE OF FUND BALANCE</b>	<b>102,041</b>	<b>126,079</b>	<b>24,038</b>	
<b>TOTAL FINANCING SOURCES</b>		<b>\$ 499,282</b>	<b>\$ 522,820</b>	<b>\$ 23,538</b>	

FINAL LAFCO BUDGET - FINANCING USES - SCHEDULE B

FISCAL YEAR 2021/22

Account #	Account Name	FY 20/21 Expenditures	FY 21/22 Expenditures	Net Change	Comments/Variance Variance Explanation from FY 20/21
<b>EXPENDITURES</b>					
<b>SALARIES AND BENEFITS:</b>					
500100	REGULAR EMPLOYEES	\$ 221,466	\$ 225,884	\$ 4,418	2% COLA increase
500110	EXTRA HELP	20,000	22,500	2,500	Hourly increase for Mark K.
500310	RETIREMENT (CALPERS)	68,353	72,057	3,704	
500320	OASDI	14,573	15,400	827	
500330	FICA/MEDICARE TAX	3,837	3,602	(235)	
500340	HEALTH INSURANCE (EAP)	72	72	-	
500360	OPEB - RETIREE HEALTH INSURANCE	19,489	17,393	(2,096)	
500380	UNEMPLOYMENT INSURANCE	303	831	528	County charge (COVID unemployment skyrocketing)
500390	WORKERS' COMPENSATION INSURANCE	500	500	-	YCPARMIA
500400	OTHER EMPLOYEE BENEFITS	45,480	45,480	-	
	<b>TOTAL SALARY &amp; BENEFITS</b>	<b>\$ 394,073</b>	<b>\$ 403,719</b>	<b>\$ 9,646</b>	
<b>SERVICES AND SUPPLIES:</b>					
501020/501021	COMMUNICATIONS	1,859	2,217	358	County charge: courier and telecom
501030	FOOD	400	-	(400)	For YED Talks (assumes future sessions stay virtual)
501051	INSURANCE-PUBLIC LIABILITY	500	500	-	YCPARMIA
501070	MAINTENANCE-EQUIPMENT	600	600	-	
501071	MAINTENANCE-BLDG IMPROVEMENT	500	250	(250)	Placeholder - no work anticipated
501090	MEMBERSHIPS	5,000	6,500	1,500	Joined CA Special Districts Association
501100	MISCELLANEOUS EXPENSE	250	-	(250)	
501110	OFFICE EXPENSE	1,250	1,000	(250)	
501111	OFFICE EXP-POSTAGE	300	200	(100)	
501125	IT SERVICES-DPT SYS MAINT (Dept System Maint.)	2,000	2,000	-	County charge: network charges
501126	IT SERVICES-ERP (Enterprise/Resource/Planning)	3,359	3,985	626	County charge: network charges
501127	IT SERVICES-CONNECTIVITY	4,729	5,564	835	County charge: network charges
501151	PROF & SPEC SVC-AUDITG & ACCTG	5,000	15,000	10,000	3 yr audit this FY (\$10k funded from reserves)
501152	PROF & SPEC SVC-INFO TECH SVC	1,200	1,200	-	
501156	PROF & SPEC SVC-LEGAL SVC	7,000	7,000	-	LAFCo Counsel
501165	PROF & SPEC SVC-OTHER	15,000	15,000	-	
501165	PROF & SPEC SVC-OTHER (Shared Services) (6992)	10,000	5,000	(5,000)	
501180	PUBLICATIONS AND LEGAL NOTICES	1,000	1,000	-	
501190	RENTS AND LEASES - EQUIPMENT	2,800	2,800	-	
501192	RENTS & LEASES-RECRDS STRGE (Archives)	1,112	1,411	299	Records storage charges per County
501205	TRAINING	5,000	5,000	-	
501210	MINOR EQUIPMENT (COMPUTERS)	5,600	-	(5,600)	Purchased computers last FY (w/ reserves)
501250	TRANSPORTATION AND TRAVEL	7,000	7,000	-	Conference/Staff Workshop both in SoCal this FY
501264	INTERNAL CHARGES (water, sewer, HVAC debt)	-	5,724	5,724	New County building charge
	<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$ 81,459</b>	<b>\$ 88,951</b>	<b>\$ 7,492</b>	

**FINAL LAFCO BUDGET - FINANCING USES - SCHEDULE B (continued)**

Account #	Account Name	FY 20/21 Expenditures Budgeted	FY 21/22 Expenditures Budgeted	Net Change	Comments / Variance Explanation from FY 20/21
<b>EXPENDITURES</b>					
<b>APPROPRIATION FOR CONTINGENCY:</b>					
503300	APPROP FOR CONTINGENCY	23,750	25,000	1,250	20% total = 5% appropriated (+15% in Fund Balance)
	<b>TOTAL APPROPRIATION FOR CONTINGENCY</b>	<b>\$ 23,750</b>	<b>\$ 25,000</b>	<b>\$ 1,250</b>	
	<b>TOTAL APPROPRIATIONS</b>	<b>\$ 499,282</b>	<b>\$ 517,670</b>	<b>\$ 18,388</b>	
<b>PROVISIONS FOR RESERVES</b>					
300600-0000	FD BAL-ASSIGNED-AUDIT	-	-	-	
300600-0001	FD BAL-ASSIGNED-CAP ASSET REPL	-	1,400	-	
300600-0003	FD BAL-ASSIGNED-CONTINGENCY	-	3,750	-	
	<b>TOTAL PROVISIONS FOR RESERVES</b>	<b>\$ -</b>	<b>\$ 5,150</b>	<b>\$ 5,150</b>	Transfer into Fund Balance reserves
	<b>TOTAL USES</b>	<b>\$ 499,282</b>	<b>\$ 522,820</b>	<b>\$ 23,538</b>	

<b>BUDGETED ENDING FUND BALANCES AS OF</b>	<b>6/30/21</b>	<b>6/30/22</b>	<b>Net Change</b>	
ASSIGNED - AUDIT RESERVE	\$ 10,000	\$ -	(10,000)	Drawing reseve to fund audit (every 3 yrs)
ASSIGNED - COMPUTER REPLACEMENT	0	1,400	1,400	Replace every 4 yrs per County IT
ASSIGNED - CONTINGENCY RESERVE	71,250	75,000	3,750	20% total (15% in fund balance + 5% appropriated)
UNASSIGNED		-		
<b>TOTAL BUDGETED ENDING FUND BALANCES 6/30/22</b>		<u>\$ 76,400</u>		

**YOLO LAFCO FUND BALANCE WORKSHEET**

	<b>FY 20/21 Budgeted</b>	<b>FY 20/21 Projected</b>	<b>FY 21/22 Budgeted</b>
<b>Unassigned Fund Balance</b>			
Beginning Balance	\$ 263,886	263,886	\$ 116,079
Estimated revenue	397,241	408,607	396,741
Appropriations	(499,282)	(465,372)	(517,670)
Adjustment Per Agencies Request		(12,597)	
Transfers (to)fr audit reserve	(10,000)	(10,000)	10,000
Transfers (to)fr capital asset replacement reserve	-	2,805	(1,400)
Transfers (to)fr contingency reserve	(71,250)	(71,250)	(3,750)
<b>Ending Balance</b>	<b>\$ 80,595</b>	<b>116,079</b>	<b>-</b>
<b>Assigned Fund Balance-Audit Reserve</b>			
Beginning balance	\$ -		10,000
Transfers in(out), net	10,000	10,000	(10,000)
<b>Ending Balance</b>	<b>\$ 10,000</b>	<b>10,000</b>	<b>\$ -</b>
<b>Assigned Fund Balance-Computer Replacement</b>			
Beginning Balance	\$ 2,805	2,805	-
Transfers in(out), net	-	(2,805)	1,400
<b>Ending Balance</b>	<b>\$ 2,805</b>	<b>-</b>	<b>\$ 1,400</b>
<b>Assigned Fund Balance-Contingency Reserve</b>			
Beginning Balance	\$ -	-	71,250
Transfers in(out), net	71,250	71,250	3,750
<b>Ending Balance</b>	<b>\$ 71,250</b>	<b>71,250</b>	<b>\$ 75,000</b>
<b>TOTAL FUND BALANCE</b>			
Beginning Balance	\$ 266,691	266,691	197,329
Estimated revenue	397,241	408,607	396,741
Appropriations	(499,282)	(465,372)	(517,670)
Transfers in(out), net	-	-	-
<b>Estimated Ending Balance</b>	<b>\$ 164,650</b>	<b>209,926</b>	<b>\$ 76,400</b>