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**FRESNO LOCAL AGENCY FORMATION COMMISSION  
EXECUTIVE OFFICER'S REPORT**

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AGENDA ITEM NO. 6

**DATE:** January 8, 2020

**TO:** Fresno Local Agency Formation Commission

**FROM:** David E. Fey, Executive Officer 

**SUBJECT:** Mid-Year Budget Review and Work Program Status for Fiscal Year 2019-2020.

**RECOMMENDATION:** Receive and file.

**Executive Summary**

This report presents mid-year status of the Commission's annual budget and the progress made on projects in the approved annual work program.

- Revenue and expenses are on track with the adopted budget.
  - Revenue \$445,736, or 76% of \$587,979 approved;
  - Office expenditures \$47,470 or 48% of \$98,481 approved;
  - Personnel expenditures \$169,613 or 41% of \$413,623 approved; and
  - Consultant services expenditures \$15,534 or 21% of \$73,374 approved.

Work program projects are on track and are discussed in greater detail in this report.

**Discussion**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires the Commission to adopt a draft budget each year by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. Staff presented the preliminary FY 18-19 budget March 13, 2019, to solicit Commission direction on the draft budget presented at the April 3, 2019, hearing. The Commission adopted its final budget and work program at its hearing on May 8, 2019.

The Commission uses the services of an independent consulting bookkeeper who monthly updates LAFCo's financial data and provides bookkeeping services. Commission business is guided by LAFCo's *Financial and Accounting Procedures* and by CKH.

**Overview of Mid-Year Budget**

As shown in Attachment "A," the Commission has an approved budget of \$587,979 which includes \$397,824 from the mandated contributions from the County (\$198,912) and the 15 cities (\$198,912 apportioned by their annual budgets), \$120,155 contributed from the fund balance, and \$70,000 in projected fee revenue. The Commission has an approved reserve of

\$100,000.

Mid-year revenue is \$445,736, composed of the County and cities' allocations and \$47,550 in application fee revenue.

Mid-year expenses total \$232,617, or approximately 40% of approved expenses.

### **Overview of Mid-Year Work Plan**

Mid-year status of the work program shows substantive progress has been made on most work items.

#### **1. BIENNIAL FINANCIAL AUDIT OF FY 2017-18**

In progress; expected completion with a report to the Commission April-May 2020.

#### **2. PROCESS APPLICATIONS: REORGANIZATIONS, SOI AMENDMENTS, ETC.**

Applications completed:

- OS-19-1/City of Sanger/Sangha: Approved August 6, 2019
- RO-19-5/City of Fresno/Shaw-Grantland No.4: Approved August 14, 2019
- RO-19-6/City of Fresno/Shields-Polk No.1: Approved August 14, 2019
- City of Huron MSR to the Commission: Approved September 11, 2019
- RO-19-4/City of Kingsburg/Anderson Village: Approved October 29, 2019
- AD-19-2/Caruthers CSD Annexation: Projected February 2020
- AD-19-1/Sierra RCD and AD-19-2/Tranquillity RCD: MSRs are under development
- RO-19-7/City of Reedley/Frankwood-South: MSR is under development
- OS-19-2/City of Coalinga: In progress.

#### **3. UPDATE APPLICATION FEES AND FINANCIAL POLICIES**

In progress, requesting subcommittee January 8, 2020.

#### **4. UPDATE LAFCO'S DISADVANTAGED UNINCORPORATED COMMUNITIES DATABASE**

In progress; expected hearing by Commission February 2020.

#### **5. CONTINUE FRESNO LAFCO'S MUNICIPAL SERVICE REVIEW PROGRAM**

Complete FY 18-19 MSR updates:

- CSA No. 50 to the Commission: 8/14/19
- CSA No. 7 to the Commission: 9/11/19

The balance of programmatic MSRs are in abeyance while staff resources are focused on application-driven MSRs:

- Tri-County Hospital District
- Coalinga-Huron Mosquito Abatement District
- Consolidated Mosquito Abatement District
- Fresno Mosquito and Vector Control District

- Central Valley Pest Control District
- West Fresno County Red Scale Protective District

**6. UPDATE LAFCo MSR POLICIES**

Completed with Commission's adoption of updated MSR policies on 9/11/19.

**7. CONTINUE TO SUPPORT LOCAL AGENCIES AND THE PUBLIC**

Staff has responded to over 75 questions and information requests from local agencies, consultants, County staff and the general public.

**8. LOCAL AGENCY ANNEXATION/SPHERE OF INFLUENCE WORKSHOP**

Completed December 10, 2019.

**9. LAFCo RECORD MANAGEMENT (A): CORPORATE MEMORY/DATA RETRIEVAL**

This project is largely completed and consisted of redistributing hundreds of scanned files of annexations and SOI amendments from a generic folder to local agency-specific folders. The balance of this project will be performed as needed when found in the Commission's electronic database.

Special note of thanks to the staff of the Clerk to the Board of Supervisors who have provided LAFCo with additional "ancient records" related to formation of special district prior to 1963.

**10. LAFCo RECORD MANAGEMENT (B): UPDATE/REFRESH LOCAL AGENCY MAPS**

- 15 City maps updated/July 5, 2019
- 3 Pest Control District maps
- 4 Mosquito Abatement District maps
- 3 Police Protection
- 4 Hospital Districts
- 1 Sanitation District
- 2 County Water Districts
- 3 Reclamation Districts
- 5 Waterworks Districts
- City of Huron with 2019 SOI