



**THIS MEETING WILL BE CONDUCTED UTILIZING TELECONFERENCING AND ELECTRONIC MEANS  
PURSUANT TO THE PROVISIONS OF AB 361.**

This meeting will be held remotely, please use the following link and directions:

<https://us06web.zoom.us/j/87452306550?pwd=R1ZyOHpHOS9uc3VzRVc3NHpIVmhHQT09>

Webinar ID: **874 5230 6550**

Password: **511720**

Call in number: **1 669 900 6833**

1. Submit **written** comment on any matter within the Commission's subject matter jurisdiction, regardless of whether it is on the agenda for Commission consideration or action. Submit your comment via email or U.S. mail. You may submit comments via email to [imarquez@slolafco.com](mailto:imarquez@slolafco.com). All correspondence is distributed to each Commissioner and will become part of the official record of the Commission meeting.
2. Submit **verbal** comment by calling (805) 781-5795; state and spell your name, mention the agenda item number you are calling about and leave your comment. Your comments will be distributed to each Commissioner and will become part of the official record of the Commission meeting.
3. Submit **live** comment by joining the meeting and press the "raise a hand" button or if joining by phone only, press \*9 to indicate a desire to make comment. The chair or staff will call you by name or phone number when it is your turn to comment; limited to 3 minutes per item.

\* If you are joining by Zoom & phone, still use the Zoom raise hand button as \*9 will **not** work.



# SAN LUIS OBISPO LAFCO

## Local Agency Formation Commission

### Meeting Agenda

April 21, 2022, at 9:00 a.m.

#### MISSION STATEMENT

The Local Agency Formation Commission is committed to serving the residents of San Luis Obispo County and the State of California by discouraging urban sprawl and encouraging the orderly formation and development of local agencies based on local conditions and circumstances.

#### COMMISSIONERS

Ed Waage, Chair, City

Debbie Arnold, Vice-Chair, County

Marshall Ochylski, Special District

Robert Enns, Special District

Steve Gregory, City

Lynn Compton, County

Heather Jensen, Public

#### ALTERNATES

Ed Eby, Special District

Charles Bourbeau, City

David Watson, Public

Dawn Ortiz-Legg, County

#### MEETING LOCATION

Zoom meeting information is provided on the Agenda Cover, our website, and down below in Meeting Access and Comments.

#### CONTACT INFORMATION

Rob Fitzroy, Executive Officer

Phone: (805) 781-5795

Fax: (805) 788-2072

[www.slolafco.com](http://www.slolafco.com)

#### MEETING ACCESS AND COMMENTS

##### LAFCO Commission Meetings Can be Viewed at:

<https://us06web.zoom.us/j/87452306550?pwd=R1ZyOHpHOS9uc3VzRVc3NHplVmhHQT09>

Webinar ID: **874 5230 6550**

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Public Comments: On the agenda cover page

#### MEETING AGENDA

##### Call to Order/Roll Call

##### Approval of the Minutes:

March 17, 2022 (Page 4 - 8)



**Non-Agenda Public Comment Period**

This is the period in which the Commission Clerk will read out loud all non-agenda public comments that were submitted on or before 1 p.m. on the Wednesday before the Commission meeting. Following, there will be an opportunity to provide live comments; each speaker will be limited to a three-minute presentation. Go to the Agenda cover for more details on how to submit public comment.

**Consent Agenda**

**A-1:** Resolution Regarding Commission Meetings Held by Teleconference as Provided by AB 361 (Recommend Review and Approve) (Page 9 - 14)

**A-2:** Third Quarter Fiscal Year 2021-2022 LAFCO Budget Status Report (Receive and File) (Page 15 - 25)

**Regular Matters**

**B-1:** Proposed Fiscal Year 2022-23 Budget and Work Plan (Recommend Review and Approve) (Page 26 - 38)

**Closed Session**

**C-1:** Pursuant to Government Code Section 54957 – Public Employee Regular Annual Performance Evaluation | Title: Executive Officer

**Commissioner Comments**

**Legal Counsel Comments**

**Executive Officer Comments**

**Adjournment**

**Note:** 1.) In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate at this meeting, please contact the Clerk at 805-781-5795. Notification provided a minimum of 48 hours prior to the meeting will enable the Clerk to make reasonable arrangements to ensure accessibility to this meeting. Pursuant to the ADA, the meeting room is accessible to the physically disabled. 2.) It is required by Government Code Section 84308 that a participant in a LAFCO proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner within (12) months prior, must disclose the contribution. If you are affected, please notify Commission Staff before the hearing.



**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
MARCH 17, 2022, MEETING MINUTES**

**Call to Order**

The San Luis Obispo Local Agency Formation Commission (LAFCO) meeting was called to order at 9:06 a.m. on Thursday, March 17, 2022, by Chairperson Ed Waage pursuant to the COVID-19 provisions of the Governor's Executive Order AB 361.

**Roll Call**

**Present:** Chairperson Ed Waage, Vice-Chair Debbie Arnold, Commissioners Lynn Compton, Robert Enns, Steve Gregory, Heather Jensen, Marshall Ochylski and Alternate Commissioners Ed Eby, Dawn Ortiz-Legg, and David Watson

**Absent:** Alternate Commissioner Charles Bourbeau

**Staff:** Rob Fitzroy, LAFCO Executive Officer  
Brian Pierik, LAFCO Legal Counsel  
Imelda Marquez, LAFCO Analyst

**Approval of the Minutes:** January 20, 2022

**Chairperson Waage** announced the consideration of approval for the January 20, 2022, Regular Meeting Minutes.

**Chairperson Waage** asked if any written or live non-agenda public comment requests were received.

**Ms. Marquez** reported that no written or live public comments were received.

**Chairperson Waage** closed public comment and asked for Commissioner comments or a motion to approve the Minutes.

**Commissioner Ochylski** motioned to approve the minutes.

**Commissioner Compton** seconded the motion.

**AYES:** Commissioners Ochylski, Compton, Enns, Gregory, Jensen, Arnold, and Chairperson Waage

**NAYS:** None

ABSTAINING: None

The motion was passed with a unanimous roll call vote.

**Non-Agenda Public Comments**

**Chairperson Waage** asked if any written or live non-agenda public comment requests were received.

**Ms. Marquez** reported that no written or live public comments were received.

**Regular Matters**

**A-1:** Resolution Regarding Commission Meetings Held by Teleconference as Provided by AB 361 (Recommend Review and Approve)

**Chairperson Waage** asked if any written or live non-agenda public comment requests were received.

Seeing none, **Chairperson Waage** closed public comment and asked for a motion.

**Commissioner Gregory** motioned to approve the resolution.

**Commissioner Ochylski** seconded the motion.

AYES: Commissioners Gregory, Ochylski, Compton, Enns, Jensen, Arnold, and Chairperson Waage

NAYS: None

ABSTAINING: None

The motion was passed with a unanimous roll call vote.

**A-2:** Outside User Agreement between City of Pismo Beach and Coastal Christian School (Emergency Water) LAFCO File No. 1-O-22 (Recommend Review and Approve)

**Mr. Fitzroy** presented the item.

**Chairperson Waage** opened the item for Commissioner comments or questions, hearing none.

**Chairperson Waage** asked if any written or live comments from the public were received.

**Ms. Marquez** reported that there were no submitted or live public comment requests.

**Chairperson Waage** asked for any Commissioner questions or a motion.

**Commissioner Arnold** made a motion to approve staff recommendation for action 1.

**Commissioner Gregory** seconded the motion.

AYES: Commissioners Arnold, Gregory, Compton, Enns, Jensen, Ochylski, and Chairperson Waage

NAYS: None

ABSTAINING: None

**Chairperson Waage** asked for a motion for action 2 to approve the resolution.

**Commissioner Gregory** made a motion to approve staff recommendation for action 2.

**Commissioner Enns** seconded the motion.

AYES: Commissioners Gregory, Enns, Compton, Jensen, Ochylski, Arnold, and Chairperson Waage

NAYS: None

ABSTAINING: None

The two motions were passed with a unanimous roll call vote.

**A-3:** California Association of Local Agency Formation Commissions (CALAFCO) Legislative Update and Letter of Support (Recommend Review and Approve)

**Mr. Fitzroy** presented the item.

**Chairperson Waage** opened the item for Commissioner comments or questions, hearing none.

**Chairperson Waage** asked if any written or live comments from the public were received.

**Ms. Marquez** reported that there were no submitted or live public comment requests.

**Chairperson Waage** asked for any Commissioner questions or a motion.

**Commissioner Arnold** made a motion to approve staff recommendation.

**Commissioner Compton** seconded the motion.

AYES: Commissioners Arnold, Compton, Enns, Gregory, Jensen, Ochylski, and Chairperson Waage

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

**Informational Matters**

**B-1:** Receive Notice of Submittal for Petition of Application for Annexation #12 to County Service Area 18 - LAFCO File No. 1-R-22 (Receive and File)

**Ms. Marquez** presented the item.

**Chairperson Waage** opened the item for Commissioner comments, hearing none.

**Chairperson Waage** asked if any written or live comments from the public were received.

**Ms. Marquez** reported that there were no submitted or live public comment requests.

**Chairperson Waage** asked for any Commissioner questions or a motion.

**Commissioner Compton** made a motion to receive and file the item.

**Commissioner Arnold** seconded the motion.

AYES: Commissioners Compton, Arnold, Enns, Gregory, Jensen, Ochylski, and Chairperson Waage

NAYS: None

ABSTAINING: None

The item was received and filed with a unanimous roll call vote.

**Commissioner Comments:** **Chairperson Waage** and **Commissioner Gregory** asked for clarification on procedures to take with in-person versus virtual meetings.

**Legal Counsel Comments:** None

**Executive Officer Comments:** **Mr. Fitzroy** welcomed new members onto the Commission, announced updates on meeting procedures,

the new soon-to-come website, Commissioner Elections, Dana Reserve Annexation study session, and the Clerk position. As well as thank Ms. Marquez for her contribution to the organization.

**Adjournment:** With no further business before the Commission, the meeting adjourned at 9:42 a.m. until the next meeting of the Commission pursuant to the COVID-19 provisions of the Governor's Executive Order AB 361.

**THESE MINUTES ARE NOT OFFICIAL NOR ARE THEY A PERMANENT PART OF THE RECORD UNTIL THEY ARE APPROVED BY LAFCO COMMISSIONERS AT THE NEXT REGULAR MEETING.**

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Respectfully submitted,  
Imelda Marquez, LAFCO Analyst

DRAFT





**LAFCO - San Luis Obispo - Local Agency Formation Commission**  
*SLO LAFCO - Serving the Area of San Luis Obispo County*

**TO: MEMBERS OF THE COMMISSION**

**FROM: BRIAN PIERIK, LEGAL COUNSEL**

**DATE: APRIL 21, 2022**

**SUBJECT: RESOLUTION REGARDING COMMISSION MEETINGS HELD BY TELECONFERENCE AS PROVIDED BY AB361**

**RECOMMENDATION**

It is respectfully recommended that the Commission consider taking the following actions:

**Action 1:** Adopt Resolution of the San Luis Obispo Local Agency Formation Commission Proclaiming the Continuing Need to Meet by Teleconference Pursuant to Government Code Section 54953 (e).

**DISCUSSION**

All meetings of the San Luis Obispo Local Agency Formation Commission (“Commission”) are open and public as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963).

Before COVID-19, Section 54953(b) of the Brown Act allowed for teleconferencing if the public agency complied with the following requirements:

1. At least a quorum of the members of the legislative body must participate from locations within the boundaries within the jurisdiction of the local agency.
2. An agenda shall be posted at all teleconference locations.
3. Each teleconference location shall be identified in the notice and agenda of the meeting.
4. Each teleconference location shall be accessible to the public.

Due to COVID-19, Governor Newsom temporarily suspended compliance with these requirements and as a result, city officials were allowed to teleconference from locations such as their homes without needing to open up those homes or other

**COMMISSIONERS**

Chairperson  
ED WAAGE  
City Member

Vice-Chair  
DEBBIE ARNOLD  
County Member

LYNN COMPTON  
County Member

MARSHALL OCHYLSKI  
Special District Member

ROBERT ENNS  
Special District Member

STEVE GREGORY  
City Member

HEATHER JENSEN  
Public Member

**ALTERNATES**

DAWN ORTIZ-LEGG  
County Member

ED EBY  
Special District Member

CHARLES BOURBEAU  
City Member

David Watson  
Public Member

**STAFF**

ROB FITZROY  
Executive Officer

BRIAN A. PIERIK  
Legal Counsel

IMELDA MARQUEZ  
Analyst

locations for entry by members of the public. However, Governor Newsom’s temporary suspension of such rules expired on September 30, 2021. AB 361 allows the modified teleconferencing rules to continue, subject to the existence of certain requirements of Government Code Section 54953 (e).

Government Code section 54953(e)(1), which was adopted by AB 361, lists the circumstances under which a local agency may use such modified teleconferencing procedures, as follows:

(1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

March 4, 2020, Governor Newsom declared a State of Emergency as a result of the COVID-19 pandemic. The State of Emergency remains in effect and COVID-19 continues to threaten the health and lives of the public and the Delta and Omicron variants are highly transmissible in indoor settings.

For these reasons, the recommended action is for the Commission to adopt the Resolution of the San Luis Obispo Local Agency Formation Commission Proclaiming The Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953 (e), Attachment A to this Staff Report.

The attached Resolution will authorize the Commission to hold teleconference meetings within the requirements of AB 361 but does not prohibit the Commission from holding in person meetings in the future.

If the state of emergency ends or if the Commission decides to rescind the Resolution, then meetings of the Commission must comply with the pre-COVID teleconferencing rules of 54953(b) described earlier in this Staff Report.

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**Attachment A:** Resolution of the San Luis Obispo Local Agency Formation Commission Proclaiming The Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953 (e)

# **Attachment A**

Resolution of the San Luis Obispo Local Agency Formation  
Commission Proclaiming The Continuing Need To Meet By  
Teleconference Pursuant To Government Code Section  
54953 (e)

**IN THE LOCAL AGENCY FORMATION COMMISSION**  
**COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

Thursday, April 21, 2022

**RESOLUTION NO. 2022-XX**

**RESOLUTION OF THE SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION  
PROCLAIMING THE CONTINUING NEED TO MEET BY TELECONFERENCE PURSUANT  
TO GOVERNMENT CODE SECTION 54953 (e)**

**WHEREAS**, all meetings of the San Luis Obispo Local Agency Formation Commission are open and public as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963); and

**WHEREAS**, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, on March 4, 2020, Governor Newsom declared a State of Emergency as a result of the COVID-19 pandemic; and

**WHEREAS**, such State of Emergency remains in effect; and

**WHEREAS**, COVID-19 continues to threaten the health and lives of the public; and

**WHEREAS**, the Delta and Omicron variants are highly transmissible in indoor settings; and

**WHEREAS**, breakthrough cases are becoming more common

**WHEREAS**, on March 17, 2022, the Commission adopted a Resolution Proclaiming The Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Local Agency Formation Commission of the County of San Luis Obispo, State of California (“Commission”), as follows:

1. Recitals. The Recitals set forth hereinabove are true and correct and are hereby incorporated by this reference.
2. Imminent Risk to Health and Safety. Due to COVID-19, holding meetings of the Commission in person will present imminent risk to the health and safety to attendees.



**APPROVED AS TO FORM AND LEGAL EFFECT:**

\_\_\_\_\_  
Brian Pierik  
LAFCO Legal Counsel

\_\_\_\_\_  
Date

CAM #4863-9908-1729 v1

DRAFT



LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

**TO: MEMBERS OF THE COMMISSION**  
**FROM: ROB FITZROY, EXECUTIVE OFFICER**  
**DATE: APRIL 21, 2022**  
**SUBJECT: THIRD QUARTER FISCAL YEAR 2021-2022 LAFCO BUDGET STATUS REPORT**

COMMISSIONERS

Chairperson  
ED WAAGE  
City Member

Vice-Chair  
DEBBIE ARNOLD  
County Member

LYNN COMPTON  
County Member

MARSHALL OCHYLSKI  
Special District Member

ROBERT ENNS  
Special District Member

STEVE GREGORY  
City Member

HEATHER JENSEN  
Public Member

ALTERNATES

DAWN ORTIZ-LEGG  
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CHARLES BOURBEAU  
City Member

David Watson  
Public Member

STAFF

ROB FITZROY  
Executive Officer

BRIAN A. PIERIK  
Legal Counsel

IMELDA MARQUEZ  
Analyst

**RECOMMENDATION**

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It is respectfully recommended that the Commission consider taking the following actions:

**Action 1:** Receive and file this third quarter financial report for fiscal year (FY) 21-22 and direct the Executive Officer to file it with the County Auditor.

**SUMMARY**

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This is the third FY 21-22 quarterly report for the San Luis Obispo Local Agency Formation Commission (SLO LAFCO). The SLO LAFCO operating budget is comprised of four components: 1) salaries, payroll taxes, and benefits, 2) services and supplies, 3) revenues, and 4) fund balance and reserves. Day-to-day management of the budget is based on “bottom-line” principles that allow for variation within individual line-item accounts as long as the overall expenditures remain within the approved budgeted.

LAFCO’s budget is funded primarily by the County, Cities and Independent Special Districts. Each agency group pays one-third of the LAFCO budget. City and District shares are pro-rated based on general revenues reported to the State Controller’s Office on an annual basis. LAFCO also receives revenue from application fees and interest earnings.

LAFCO is contracted with the County Auditor for various financial services. Every LAFCO financial transaction is processed through the County Auditor’s financial system. This approach ensures accuracy, transparency and accountability. The County Auditor’s Office also provides LAFCO with claims processing, invoicing and financial review services. The Auditor’s financial tracking system assists LAFCO in monitoring the budget and compiling budget report data, as well as provide independent review of the budget.

**Expenditures.** Overall, third quarter expenditures are at 70% with 75% of the fiscal year complete, as such we are currently 5% under budget. The detailed budget report is contained in Attachment A. Below is a brief summary of line-item expenditures:

- Salaries are 74% expended, while benefits are 63% expended.
- Services and Supplies are 71% expended.
- LAFCO uses a credit card from Umpqua Bank through a program implemented by the Special District Risk Management Association (SDRMA) for public agencies. LAFCO has a credit card policy with regard to use and pays the bill in full each month. The statements for January, February and March 2022 are found in Attachment B.
  - **January:** Included charges of \$34.77 for Staples and FedEx purchases, \$98.50 for Zoom subscription charges, and \$50 for Clerk Recorder filings.
  - **February:** Included charges \$98.50 for Zoom subscription charges, and \$19.17 for GoDaddy (website/email host services).
  - **March:** Included charges \$98.50 for Zoom subscription charges, \$400 for ESRI GIS Subscription, \$25.01 to Trophy Hunters for new Commissioner name plates, and \$50 for Clerk Recorder filings.

**Revenues.** Overall, revenues are 100% realized through the third quarter. The jurisdictions (Cities, Special Districts and County) have paid 100% of the LAFCO charges billed in the first quarter by the County Auditor. Application fees have been submitted in the amount of \$19,510.

**Fund Balance and Designated Fund Balance (Reserves).** Fund Balance is the difference between the total expenses and revenues in the fiscal year. Fund Balance expenditure requires Commission approval. The current fund balance available is \$262,579.

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**Attachment A:** Quarterly Budget Status Report

**Attachment B:** Credit Card Statements



# Attachment A

## Quarterly Budget Status Report

**Fiscal Year 2021-22 LAFCO Budget  
Third Quarter Status Report**

Period Ending: March 31, 2022

<b>EXPENDITURES SUMMARY</b>	<b>Adopted 21-22</b>	<b>Expenditure YTD</b>	<b>Projected Yr End</b>	<b>Balance YTD</b>	<b>% Expended</b>
Salaries	289,892	215,360	272,703	74,532	74%
Benefits & Payroll Taxes	186,239	117,011	176,126	69,228	63%
Services and Supplies	136,547	97,360	128,804	39,187	71%
<b>Total Expenses Summary</b>	<b>612,678</b>	<b>429,731</b>	<b>577,633</b>	<b>182,947</b>	<b>70%</b>

<b>EXPENDITURES DETAIL</b>	<b>Adopted 21-22</b>	<b>Expenditure YTD</b>	<b>Projected Yr End</b>	<b>Balance YTD</b>	<b>% Expended</b>
<b>Salaries and Benefits</b>					
Salaries	289,892	215,360	272,703	74,532	74%
Benefits & Payroll Taxes	186,239	117,011	176,126	69,228	63%
<b>Subtotal Salaries &amp; Benefits</b>	<b>476,131</b>	<b>332,371</b>	<b>448,829</b>	<b>143,760</b>	<b>70%</b>

<b>Services and Supplies</b>	<b>Adopted 21-22</b>	<b>Expenditure YTD</b>	<b>Projected Yr End</b>	<b>Balance YTD</b>	<b>% Expended</b>
Food	600	159	250	442	26%
Maintenance - Equipment	30	0	30	30	0%
Maintenance - Software	50	20	50	30	40%
CALAFCO/Other Memberships	8,000	6,406	6,406	1,594	80%
Office Supplies	2,500	1,125	2,500	1,375	45%
Commissioner/Professional Serv.	10,000	6,551	8,000	3,449	66%
Publication/Legal Notices	1,000	269	1,000	731	27%
Rent	37,000	27,508	37,000	9,492	74%
Small Equipment	400	118	400	282	30%
Large Equipment	1,000	406	1,000	594	41%
Computer Software	500	0	500	500	0%
Employee Mileage	200	0	200	200	0%
Commissioner Mileage	1,200	138	1,200	1,062	12%
Airfare/Public Transportation	0	0	0	0	0%
Accommodations/Travel	2,500	321	1,000	2,179	13%
Auto Allowance	5,400	4,154	5,400	1,246	77%
Training/Conf Registration	3,500	688	3,500	2,812	20%
Utilities	4,200	3,102	4,400	1,098	74%
Car/Vehicle Rentals	500	325	346	175	65%
Postage	1,000	441	1,000	559	44%
Custodian	1,100	860	1,100	240	78%
Copying	300	0	300	300	0%
ITD-SAP/Board Chambers	850	0	850	850	0%
Phones/Internet	3,000	2,367	3,000	633	79%
County Auditor	8,817	8,596	8,596	221	97%
Insurance	16,500	14,376	14,376	2,124	87%
Legal Counsel	26,400	19,700	26,400	6,700	75%
<b>Subtotal Services &amp; Supplies</b>	<b>136,547</b>	<b>97,630</b>	<b>128,804</b>	<b>38,918</b>	<b>71%</b>

<b>Total Expenses</b>	<b>612,678</b>	<b>430,000</b>	<b>577,633</b>	<b>182,678</b>	<b>70%</b>
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<b>REVENUE DETAIL</b>	<b>Adopted 21-22</b>	<b>Realized YTD</b>	<b>Projected Yr End</b>	<b>Balance YTD</b>	<b>% Realized</b>
Interest	4,000	1,591	4,000	1,591	40%
Environmental Fees	1,000	3,000	3,000	3,000	300%
Sphere of Influence Fee	2,000	4,500	4,500	4,500	225%
LAFCO Processing Fees	14,000	12,010	14,000	12,010	86%
Other Revenue/Fund Balance if needed	35,000	35,000	35,000	35,000	100%
<b>Sub-Total w/o Agency Charges</b>	<b>56,000</b>	<b>56,101</b>	<b>60,500</b>	<b>56,101</b>	<b>100%</b>
LAFCO Charges to Agencies	556,679	556,679	556,679	556,679	100%
<b>Total Revenue</b>	<b>612,679</b>	<b>612,780</b>	<b>617,179</b>	<b>612,780</b>	<b>100%</b>

<b>Fund Balance-Reserves</b>	<b>Beginning FY 21-22</b>	<b>Projected End of Year Reserves</b>	<b>Projected % of Budget</b>
<b>Fund Balance and Reserves</b>	<b>262,579</b>	<b>262,579</b>	<b>43%</b>
Transfer in 4th Qtr if needed	0	0	0%
<b>Reserves/Fund Balance</b>	<b>262,579</b>	<b>262,579</b>	<b>43%</b>

# **Attachment B**

## Credit Card Statements



**UMPQUA BANK**

BL ACCT 00002542-10000000

LAFCO

Account Number: ####-####-####

Page 1 of 3



**Account Summary**

Billing Cycle		01/31/2022
Days In Billing Cycle		31
Previous Balance		\$680.03
Purchases	+	\$183.27
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$102.23-
Payments	-	\$680.03-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

**NEW BALANCE \$81.04**

**Credit Summary**

Total Credit Line	\$10,000.00
Available Credit Line	\$9,918.96
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

**Account Inquiries**



Call us at: (866) 777-9013  
Lost or Stolen Card: (866) 839-3485



Go to [www.umpquabank.com](http://www.umpquabank.com)



Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

**Payment Summary**

NEW BALANCE	<b>\$81.04</b>
MINIMUM PAYMENT	<b>\$81.04</b>
PAYMENT DUE DATE	<b>02/25/2022</b>

*NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.*

**Corporate Activity**

			TOTAL CORPORATE ACTIVITY	\$782.26-
Trans Date	Post Date	Reference Number	Transaction Description	Amount
01/10	01/10	00000000000000000119653	PAYMENT - THANK YOU	\$680.03-
01/27	01/27	70005602027777027660029	2021 REBATE CR	\$102.23-

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

- \*

Cardholder Account Summary						
IMELDA MARQUEZ #####			Payments & Other Credits \$0.00	Purchases & Other Charges \$34.77	Cash Advances \$0.00	Total Activity \$34.77
Cardholder Account Detail						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
01/27	01/30	PPLN01	24164072028105002245252	STAPLES 00103614 SAN LUIS OBIS CA	\$23.91	
01/28	01/30	PPLN01	24164072028069442103044	FEDEX OFFIC51500051508 SAN LUIS OBIS CA	\$10.86	

Cardholder Account Summary						
CELINE VUONG #####			Payments & Other Credits \$0.00	Purchases & Other Charges \$148.50	Cash Advances \$0.00	Total Activity \$148.50
Cardholder Account Detail						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
01/01	01/02	PPLN01	24011342001000035303330	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$98.50	
01/25	01/26	PPLN01	24343112025900010131044	SLO CLERK RECORDER 805-7815080 CA	\$50.00	

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM <sup>1</sup>	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
<b>Purchases</b>									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$81.04
<b>Cash</b>									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 31		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
<sup>1</sup> FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



**UMPQUA BANK**

BL ACCT 00002542-10000000

LAFCO

Account Number: ####-####-####

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**Account Summary**

Billing Cycle		02/28/2022
Days In Billing Cycle		28
Previous Balance		\$81.04
Purchases	+	\$117.67
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$81.04-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

**NEW BALANCE \$117.67**

**Credit Summary**

Total Credit Line	\$10,000.00
Available Credit Line	\$9,882.33
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

**Account Inquiries**

Call us at: (866) 777-9013  
Lost or Stolen Card: (866) 839-3485

Go to [www.umpquabank.com](http://www.umpquabank.com)

Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

**Payment Summary**

NEW BALANCE	<input type="text" value="\$117.67"/>
MINIMUM PAYMENT	<input type="text" value="\$117.67"/>
PAYMENT DUE DATE	<input type="text" value="03/25/2022"/>

*NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.*

**Corporate Activity**

				<b>TOTAL CORPORATE ACTIVITY</b>	<b>\$81.04-</b>
<b>Trans Date</b>	<b>Post Date</b>	<b>Reference Number</b>	<b>Transaction Description</b>	<b>Amount</b>	
02/14	02/15	70005602046555046320016	PAYMENT - THANK YOU SPOKANE WA	\$81.04-	

**Cardholder Account Summary**

<b>IMELDA MARQUEZ</b> ####-####-####	<b>Payments &amp; Other Credits</b> \$0.00	<b>Purchases &amp; Other Charges</b> \$117.67	<b>Cash Advances</b> \$0.00	<b>Total Activity</b> \$117.67
---	---	--	--------------------------------	-----------------------------------

**Cardholder Account Detail**

<b>Trans Date</b>	<b>Post Date</b>	<b>Plan Name</b>	<b>Reference Number</b>	<b>Description</b>	<b>Amount</b>
02/02	02/03	PPLN01	24011342033000049002599	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$98.50
02/02	02/03	PPLN01	24906412033139850427229	DNH*GODADDY.COM 480-5058855 AZ	\$19.17

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

- \*

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM <sup>1</sup>	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
<b>Purchases</b>									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$117.67
<b>Cash</b>									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 28		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
<sup>1</sup> FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



UMPQUA BANK

BL ACCT 00002542-10000000  
LAFCO  
Account Number: ####-####-####  
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**Account Summary**




Billing Cycle		03/31/2022
Days In Billing Cycle		31
Previous Balance		\$117.67
Purchases	+	\$679.99
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$117.67-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

**NEW BALANCE \$679.99**

**Credit Summary**

Total Credit Line	\$10,000.00
Available Credit Line	\$9,320.01
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

**Account Inquiries**

-  Call us at: (866) 777-9013  
Lost or Stolen Card: (866) 839-3485
-  Go to [www.umpquabank.com](http://www.umpquabank.com)
-  Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

**Payment Summary**

NEW BALANCE	\$679.99
MINIMUM PAYMENT	\$679.99
PAYMENT DUE DATE	04/25/2022

*NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.*

**Corporate Activity**

				TOTAL CORPORATE ACTIVITY	\$117.67-
Trans Date	Post Date	Reference Number	Transaction Description	Amount	
03/14	03/15	70005602074555074510020	PAYMENT - THANK YOU SPOKANE WA	\$117.67-	

**Cardholder Account Summary**

IMELDA MARQUEZ ####-####-####	Payments & Other Credits	Purchases & Other Charges	Cash Advances	Total Activity
	\$0.00	\$679.99	\$0.00	\$679.99

**Cardholder Account Detail**

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
03/02	03/02	PPLN01	24011342061000013584940	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$98.50
03/04	03/06	PPLN01	24071052064330199556993	ESRI 888-3774675 CA	\$400.00
03/16	03/17	PPLN01	24453882076000012800043	TROPHY HUNTERS SN LUIS OBISP CA	\$25.01
03/17	03/18	PPLN01	24343112076900016632241	SLO CLERK RECORDER 805-7815080 CA	\$50.00

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT



Cardholder Account Detail Continued						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
03/17	03/18	PPLN01	24343112076900010132255	AMS*SERVICE FEE 101653 888-9147768 FL	\$1.49	
03/19	03/20	PPLN01	24692162078100165795226	NORTON *AP1388768153 877-294-5265 AZ	\$104.99	

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM <sup>1</sup>	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
<b>Purchases</b>									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$679.99
<b>Cash</b>									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 31		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
<sup>1</sup> FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



**LAFCO - San Luis Obispo - Local Agency Formation Commission**  
*SLO LAFCO - Serving the Area of San Luis Obispo County*

**COMMISSIONERS**

Chairperson  
ED WAAGE  
City Member

Vice-Chair  
DEBBIE ARNOLD  
County Member

LYNN COMPTON  
County Member

MARSHALL OCHYLSKI  
Special District Member

ROBERT ENNS  
Special District Member

STEVE GREGORY  
City Member

HEATHER JENSEN  
Public Member

**ALTERNATES**

DAWN ORTIZ-LEGG  
County Member

ED EBY  
Special District Member

CHARLES BOURBEAU  
City Member

David Watson  
Public Member

**STAFF**

ROB FITZROY  
Executive Officer

BRIAN A. PIERIK  
Legal Counsel

IMELDA MARQUEZ  
Analyst

**TO: MEMBERS OF THE COMMISSION**

**FROM: ROB FITZROY, EXECUTIVE OFFICER**

**DATE: APRIL 21, 2022**

**SUBJECT: PROPOSED FISCAL YEAR 2022-23 BUDGET AND WORK PLAN**

**RECOMMENDATION**

---

It is respectfully recommended that the Commission consider taking the following actions:

**Action 1:** Approve, by roll call vote, the Proposed Fiscal Year 22-23 Budget and Work Plan (Attachment A).

**Action 2:** Direct the Executive Officer, by roll call vote, to distribute the Proposed Budget and Work Plan to contributing agencies per the Cortese, Knox Hertzberg Act, and set the Final Budget and Work Plan hearing for May 19, 2022.

**INTRODUCTION**

---

The Cortese, Knox, Hertzberg Act (CKH) requires that Local Agency Formation Commissions (LAFCO) consider a proposed annual budget by May 1<sup>st</sup> and adopt a final annual budget by June 15<sup>th</sup> and transmit the budget to each contributing agency. After adoption of the final budget by LAFCO, the County Auditor is required to apportion the share of the budget to each contributing agency represented on the Commission based on the formulas specified in CKH. Upon collection of the apportioned share from each contributing agency, the County Auditor retains the funds within its accounting system for use by LAFCO. Every single financial transaction conducted by LAFCO is processed through the County Auditor. This ensures financial transparency, accuracy and accountability.

## WHAT WE DO

---

The primary purpose of LAFCO is to ensure that government agencies provide efficient services, foster orderly growth and development, preserve agricultural lands and open space, and discourage urban sprawl. SLO LAFCO currently serves 53 local government agencies, including 7 cities and 35 special districts and 11 dependent special districts within the county. LAFCOs are responsible for, in part, establishing spheres of influence, evaluating annexations, approving the formation of districts, activating or divesting district powers, and the incorporation of cities.

## 2022/2023 BUDGET AND WORK PLAN MESSAGE

---

LAFCO is in a healthy budgetary and operational state. New staff and leadership will continue to bring positive, effective and efficient changes to the organization. Since onboarding of the new Executive Officer in May 2021, numerous improvements to processes, operations, technology, communication, and budgeting have led the organization in a positive direction, with more to come in Fiscal Year (FY) 22-23.

The FY 22-23 budget will remain balanced and represents an overall increase of 6%, with expenditures totaling \$649,615, an increase of \$36,936 from FY 21-22. Budgetary expenditure increases relate to inflation, as well as other factors discussed further below. The proposed budget does not exceed the range of the annual budgets of the last five years, with a budgetary high of \$671,625 in FY 19-20 and a budgetary low of \$588,658 in FY 20-21. FY 19-20 represented a year of normal staffing and operations, while FY 20-21 represented a year of vacancies and significant staffing changes, as well as uncertainties associated with Covid-19.

FY 17/18 \$628,086	FY 18/19 \$668,090	FY 19/20 \$671,625	FY 20/21 \$588,658	FY 21/22 \$612,679	FY 22/23 \$649,615
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

We anticipate that FY 22-23 will bring further stability to the organization as we fill a key vacancy, train staff and implement ongoing improvements to the organization. We expect to continue to provide a high level of service to contributing agencies and the public.

LAFCO staff workload is currently and projected to be larger than any other point in time. With 25 Municipal Service Reviews (MSR) in need of updating, multiple large-scale annexations on the horizon, and an overall increase in application activity, we anticipate the next several years to be very busy for staff. With that said, we have crafted a budget and work plan that is commensurate with budgetary realities of local agencies and districts, and one that was designed to minimize fiscal impacts. Because the budget is within the range of budgets proposed within the last five years, contributing agencies can expect rates to be similar to previous years with some variance.

When budgeting and work planning, not only is it important to analyze the organization but to also conduct a comparison to other similar organizations. When comparing our LAFCO to that of LAFCOs with a similar number of cities, districts and staff, we have the lowest or a lower-

percentile budget per staff when compared to other similar coastal or inland LAFCOs, respectively. This information tells us that we are able to accomplish a lot relative to our available budget and staff. Moving forward, we will continue to evaluate our organizational needs. Regardless of our staffing levels or budget, it is your Executive Officer's priority to set clear expectations for our contributing agencies and the public so that we can provide the highest level of service relative to the resources available.

## **2022/2023 WORK PLAN AND STAFFING**

---

*Work Plan.* On January 20, 2022, at a regular meeting, the Executive Officer proposed various changes in the way in which we prioritize, communicate and execute our workload planning and budget. The Commission supported the recommended changes. To improve and clearly communicate our Work Plan, you will find our revised FY 22-23 Budget & Work Plan in Attachment A. The work plan has been revised with the intent to simplify the prioritization of our work efforts, meet statutory obligations, as well as meet other Commission priorities. Our work prioritization is as follows:

1. Process proposal applications as mandated by statute, and conduct critical operations necessary for organizations to function.
2. Prepare MSRs every five years, as mandated by statute, based on the date an MSR was last updated.
3. Execute special work efforts as directed by the Commission.

These priorities are established in the manner listed above for a few key reasons. Processing proposal applications is by default our top priority because of mandated timeframes in which an application must be processed. MSRs are also mandated by law; however, the timeframe associated with updating an MSR is longer. MSRs must be updated every 5 years or as deemed necessary. The attached Work Plan is consistent with this mandate because it lists MSRs that need updating based on that which is oldest. While prioritizing the oldest MSR is a logical approach, there may be instances where it is necessary to delay an update for a particular reason. For example, a City may have an update that is needed because their MSR is older than 5 years; however, they may also be embarking on a comprehensive General Plan update. If this is the case, it would not make sense to update a MSR when the City is in the process of determining how it will grow over the next 20 years, since the MSR evaluates future growth and Spheres of Influence. Generally speaking, nonetheless, MSRs will be updated based on that which is oldest.

For FY 22-23, we have included proposal applications as our top priority, MSRs as secondary priorities, with some variance based on need and timing, and other organizational efforts that are critical to our operations as approved by the Commission. Newly added organizational work efforts include the following:

- New website launch
- Application update and procedure improvements
- Policy and Procedures manual updates

We recommend adding these items for several reasons. The website is in need of updating to meet ADA requirements, meet modern day expectations for usability, and increase efficiency. We have identified a website provider that specializes in preparing websites for LAFCOs and special districts, all at a significantly reduced cost when compared to our current service. This effort will ensure we meet all legal mandates pertaining to websites, as well as significantly improve communication to users and increase efficiencies for noticing and agenda packet releases. With regard to our application, we currently have one application for the many services we offer. We are in need of updates to our application so that each application is better tailored to each proposal. Lastly, the Policies and Procedures manual, we are in need of both major and minor updates. One such policy in need of updating are policies related to indemnification.

*Staffing.* LAFCO staffing is currently comprised of three permanent staff; one Executive Officer, one Analyst, and one Commission Clerk (currently vacant), as well as one contract legal counsel. Based on your Executive Officer's evaluation of the organization over the last 9 months with regard to staffing and workload, no changes to the number of permanent staff are proposed at this time though a need for workload capacity for proposal application processing and MSR preparation has been identified. To address this need, a conservative approach is proposed by slightly augmenting the existing Commission Clerk position. Due to the nature of our ongoing workload and efficiencies gained over the last 9 months regarding some of the clerking responsibilities due to process improvement changes, thereby increasing the workload capacity of the position, the Executive Officer has proposed to amend the "Commission Clerk" position to a "Clerk Analyst" position. This change will allow the Clerk to complete all necessary clerk functions and responsibilities, as well as fulfill the need by providing workload support to the Analyst and Executive Officer so that we can continue to complete proposal applications and MSRs in a timely manner in light of observed increased demand. While the workload of Clerk Analyst would still predominately be comprised of clerking responsibilities, the efficiencies gained would allow the Clerk analyst to take on a few new responsibilities including research, data collection, special assignments, and assisting with application processing. Clerk Analyst positions are commonly found in other LAFCOs and the Executive Officer believes this will be a beneficial yet moderate change to staffing. Should the Commission wish to approve the change, we will report back to Commission after one year as to how the change has impacted the organization.

## **FISCAL YEAR 2022/2023 BUDGET**

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**Expenditures.** Overall, expenditures when compared to the previous FY are proposed to increase by **6%**, from \$612,679 to \$649,615. The budget will remain balanced based on anticipated revenue, as discussed further below. Expenditure details are as follows.

*Service and Supplies.* Overall, FY 22-23 Service and Supplies expenditures are proposed to increase by **9%**, from \$136,547 to \$148,761, a net increase of \$12,214. The majority of expenditures remain constant from the previous FY; however, increases do occur in certain line items, mostly those which relate to inflation. Increases can be seen in the following line items.

- LAFCO Insurance Liability Policies
- Legal Counsel Services
- Custodial Services
- County Auditor Services
- Professional Memberships
- General Professional Services
- Utilities
- Trainings
- General Office Equipment / Supplies

Any contract amendments required for the above services will be brought back to the Commission for approval once the budget is approved.

*Salaries, Taxes and Benefits.* Overall, FY 22-23 Salaries, Benefits and Taxes are proposed to increase by **5%**, from \$476,132 to \$500,854. Increases in this category relate to the following factors.

- Augmented annual salary for the currently vacant Commission Clerk position that is proposed to be changed to a “Clerk Analyst” position from \$50,000 to \$65,000
- Consumer Price Index salary adjustments
- Increased pension contribution rate
- Merit based salary increase for the Analyst position

**Revenues.** Commensurate with the increase in expenditures discussed above, revenues will be **6%** higher than the previous FY, which will result in a balanced budget for FY 22-23. Further details are below.

*Application Revenue.* It is always difficult to predict how many applications will be received, so we have estimated a 25% increase in application revenue based on known information at this time. We anticipate with certainty that the “Dana Reserve” project will be coming forward soon. This project is currently in process at the County and is the largest residential and commercial project the County has seen in decades. There are other projects, including significant annexations, on the horizon that are anticipated to come in during FY 22-23.

*Transfer of Reserves.* As with past practice, LAFCO uses transfers of reserves to offset agency contributions. The amount transferred typically coincides with unanticipated revenue or under budget expenditures. For FY 21-22, LAFCO planned to use \$35,000 of reserves. We anticipate projected year-end expenditures to be approximately \$577,633, roughly \$35,000 under expected expenditures due to salary savings from position vacancies. As such, we recommend, as with last FY, using a transfer of \$35,000 of reserves.

*Agency Contributions.* Agency contributions for cities, districts and the county are anticipated to increase by 5%, from \$185,560 to \$195,538. This is a typical average annual increase that has

been seen over the last 10 years. In addition, as noted above, because the budget is within the range of budgets proposed within the last five years, contributing agencies can expect charges to be similar to previous years. These shares are allocated to the cities and districts based on their total revenues as reported to the State Controller. The County Auditor uses the most recent Cities and Special Districts Annual Report prepared by the State Controller to allocate the charges to each of the agencies in the County on a prorated basis.

*Reserves.* In April 2008, the Commission adopted a reserve/fund balance guideline of maintaining at least a 15% contingency or reserve. These funds have been used in the budget to reduce the costs to agencies by transferring reserves into the revenues side of the budget, particularly if expenditures are less than anticipated revenue. Current year end projections for reserves are \$262,579. As noted above, we anticipate projected year-end expenditures to be approximately \$577,633, roughly \$35,000 under expected expenditures due to salary savings. As such, we recommend, as with last FY, using \$35,000 of reserves if needed at year end. If used at the year end, this would leave a reserve fund balance of approximately \$227,579, which exceeds the 15% contingency policy of LAFCO, and would result a reserve of approximately 35%.

**Distribution.** As required by Government Code Section 56381, the proposed budget has been transmitted to the Board of Supervisors, each City Manager, and each Independent Special District. The budget has also been sent to the County Administrative and Auditor's Offices. A legal notice was published in advance of the hearings and the agencies were notified via email 21 days in advance of the budget hearing.

## **STAFF RECOMMENDATION**

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The Commission may approve or modify the proposed budget. Staff recommends the following actions:

**Action 1:** Approve, by roll call vote, the Proposed Fiscal Year 22-23 Budget and Work Plan (Attachment A).

**Action 2:** Direct the Executive Officer, by roll call vote, to distribute the Proposed Budget and Work Plan to contributing agencies per the Cortese, Knox Hertzberg Act, and set the Final Budget and Work Plan hearing for May 19, 2022.

---

**Attachment A:** Proposed FY 22-23 Budget & Work Plan

# Attachment A

Proposed FY 22-23 Budget & Work Plan





# Proposed FY 22-23 Budget and Work Plan

*The San Luis Obispo Local Agency Formation Commission's public budget hearings are scheduled for April 21, 2022, and May 19, 2022, as required by government code section 56381.*

Approved \_\_\_\_\_, 2022

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# ABOUT US

## Commissioners

Chair: Ed Waage, City Member

Vice Chair: Debbie Arnold, County Member

Lynn Compton, County Member

Marshall Ochylski, Special District Member

Robert Enns, Special District Member

Steve Gregory, City Member

Heather Jensen, Public Member

## Alternates

Charles Bourbeau, City Member

Dawn Ortiz-Legg, County Member

Ed Eby, Special District Member

David Watson, Public Member

## Staff

Rob Fitzroy, Executive Officer

Brian Pierik, Legal Counsel

Imelda Marquez, Analyst

Vacant, Commission Clerk

## Introduction

This document represents the Fiscal Year 2022-2023 Budget and Work Plan for the San Luis Obispo Location Agency Formation Commission.

## Mission

Our mission is to serve the residents of San Luis Obispo County and the State of California by discouraging urban sprawl and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

## Goals

LAFCO's goals are to:

- Serve the Commission, Cities, Districts, the County, and the public by providing accurate, objective, clear, and well-organized information for decision making purposes
- Process proposal applications efficiently; consistent with the Cortese-Knox-Hertzberg Act, Local Policies and Procedures, CEQA and other applicable state laws
- Prepare Sphere of Influence/Municipal Service Review updates as necessary, while working on applications and other work efforts simultaneously
- Provide the Commission with regular status reports regarding upcoming proposals, Sphere of Influence Updates, Legislative Activities, and the Budget
- Participate in CALAFCO events to improve Commission and Staff expertise
- Inform the Commission and Public regarding various local governance issues and processes by providing regular status reports and study sessions
- Monitor the new legislation that may affect LAFCO

## Priorities

Our workload prioritization is as follows:

1. Process proposal applications as mandated by statute and conduct critical operations necessary for organization to function.
2. Prepare Municipal Service Reviews every five years, as mandated by statute, based on the date a Municipal Service Review was last updated.
3. Execute special work efforts as directed by the Commission.

# WORK PLAN

Project	Latest MSR Adopted	MSR Update Due Date	Status
Application Processing	N/A	N/A	Ongoing, Highest Priority
Commission Initiatives	N/A	NA	<i>Website Launch - ETA 2022</i> <i>Policies &amp; Procedures Update - ETA 2022</i> <i>Application Update - ETA 2023</i>
City of Paso Robles MSR	Feb-13	Feb-18	Initiate 2022, ETA 2023
Templeton Community Services District (CSD) MSR	Nov-13	Nov-18	Initiate 2022, ETA 2023
San Miguel CSD MSR	Nov-13	Nov-18	Initiate 2022, ETA 2023
Heritage Ranch CSD MSR	Nov-13	Nov-18	Initiate 2022, ETA 2023
Avila Beach CSD MSR	Nov-13	Aug-19	Initiate 2022, ETA 2023
Cambria CSD MSR	Aug-14	Aug-19	Initiate 2023, ETA 2024
Los Osos CSD MSR	Aug-14	Aug-19	Initiate 2023, ETA 2024
San Simeon CSD MSR	Aug-14	Aug-19	Initiate 2023, ETA 2024
Cambria Healthcare District MSR	Aug-14	Aug-19	Initiate 2023, ETA 2024
Coastal San Luis Resource Conservation District (RCD) MSR	Nov-14	Nov-19	Initiate 2024, ETA 2024
Upper Salinas/Las Tablas RCD MSR	Nov-14	Nov-19	Initiate 2024, ETA 2024
Santa Margarita Fire District	Nov-14	Nov-19	Initiate 2024, ETA 2024
Garden Farms Water District	Nov-14	Nov-19	Initiate 2024, ETA 2024
Port San Luis Harbor District	Nov-14	Nov-19	Initiate 2024, ETA 2024
Cayucos Sanitary District	Jan-15	Jan-20	Initiate 2024, ETA 2025
Cal Valley CSD MSR	Dec-15	Dec-20	Initiate 2024, ETA 2025
Independence Ranch CSD MSR	Dec-15	Dec-20	Initiate 2024, ETA 2025
Linne CSD MSR	Dec-15	Dec-20	Initiate 2024, ETA 2025
Squire Canyon CSD MSR	Dec-15	Dec-20	Initiate 2024, ETA 2025
Ground Squirrel Hollow CSD MSR	Dec-15	Dec-20	Initiate 2024, ETA 2025
City of San Luis Obispo MSR	Oct-16	Oct-21	Initiate 2025, ETA 2025
Shandon-San Juan Water District MSR	Oct-16	Oct-21	Initiate 2025, ETA 2025
City of Morro Bay MSR	Mar-17	Mar-22	Initiate 2025, ETA 2025
Estrella-El Pomar-Creston Water District MSR	Apr-17	Apr-22	Up to Date
County Service Area 1 - and Nipomo Lighting District MSR	Aug-17	Aug-22	Up to Date
County Service Area 7 - Oak Shore MSR	Aug-17	Aug-22	Up to Date
County Service Area 9 - Los Osos MSR	Aug-17	Aug-22	Up to Date
County Service Area 10 - Cayucos MSR	Aug-17	Aug-22	Up to Date
County Service Area 12 - Lopez Water MSR	Aug-17	Aug-22	Up to Date
County Service Area 16 - Shandon MSR	Aug-17	Aug-22	Up to Date
County Service Area 18 - SLO Country Club MSR	Aug-17	Aug-22	Up to Date
County Service Area 21 - Countywide Roads MSR	Aug-17	Aug-22	Up to Date
County Service Area 22 - Airport Area MSR	Aug-17	Aug-22	Up to Date
County Service Area 23 - Santa Margarita MSR	Aug-17	Aug-22	Up to Date
Adelaida Cemetery District MSR	Mar-18	Mar-23	Up to Date
Arroyo Grande Cemetery District MSR	Mar-18	Mar-23	Up to Date
Atascadero Cemetery District MSR	Mar-18	Mar-23	Up to Date
Cambria Cemetery District MSR	Mar-18	Mar-23	Up to Date
Cayucos-Morro Cemetery District MSR	Mar-18	Mar-23	Up to Date
Pleasant Valley Cemetery District MSR	Mar-18	Mar-23	Up to Date
Paso Robles Cemetery District MSR	Mar-18	Mar-23	Up to Date
San Miguel Cemetery District MSR	Mar-18	Mar-23	Up to Date
Santa Margarita Cemetery District MSR	Mar-18	Mar-23	Up to Date
Shandon Cemetery District MSR	Mar-18	Mar-23	Up to Date
Templeton Cemetery District MSR	Mar-18	Mar-23	Up to Date
Nipomo CSD MSR	May-18	May-23	Up to Date
City of Pismo Beach MSR	Sep-19	Sep-24	Up to Date
City of Atascadero MSR	Nov-19	Nov-24	Up to Date
City of Arroyo Grande MSR	Jul-20	Jul-25	Up to Date

## FY22-23 Budget & Work Plan

# BUDGET

	Adopted FY 21-22	Projected FY 21-22 Year End	Proposed FY 22-23	Increase / Decrease From FY 21-22
<b>Expenditures Summary</b> <i>(Services, Supplies, Salaries, Benefits, Taxes)</i>	<b>\$612,679</b>	<b>\$577,633</b>	<b>\$649,615</b>	<b>6%</b>
<b>Revenues Summary</b> <i>(Processing Fees, Reserves, Agency Contributions)</i>	<b>\$612,679</b>	<b>\$617,180</b>	<b>\$649,615</b>	<b>6%</b>
<b>Services and Supplies Expenditure Details</b>				
Computer Software	\$500	\$500	\$500	0%
Copying-Printing	\$300	\$300	\$300	0%
Meals	\$600	\$250	\$600	0%
LAFCO Insurance Policies	\$16,500	\$14,376	\$17,500	6%
Maintenance-Equipment	\$30	\$30	\$30	0%
Maintenance-Software	\$50	\$50	\$50	0%
CALAFCO/ Other Memberships	\$8,000	\$6,406	\$8,800	10%
Employee Mileage Reimbursement	\$200	\$200	\$200	0%
Commissioner Mileage Reimbursement	\$1,200	\$1,200	\$1,500	25%
Office Supplies	\$2,500	\$2,500	\$2,500	0%
Custodial Services	\$1,100	\$1,100	\$1,800	64%
County Auditor Services	\$8,817	\$8,817	\$8,931	1%
Legal Counsel	\$26,400	\$26,400	\$31,200	18%
Postage	\$1,000	\$1,000	\$1,000	0%
Prof. Services/General/Commissioner Stipends	\$10,000	\$8,000	\$12,000	20%
Publication & Legal Notices	\$1,000	\$1,000	\$1,000	0%
Training	\$3,500	\$3,500	\$5,000	43%
Office Lease	\$37,000	\$37,000	\$37,000	0%
Large Equipment	\$1,000	\$1,000	\$1,500	50%
Small Equipment	\$400	\$400	\$400	0%
Telephone	\$3,000	\$3,000	\$3,000	0%
Travel Expenses	\$2,500	\$1,000	\$2,500	0%
Utilities	\$4,200	\$4,400	\$4,700	12%
Board Chambers - IT Support	\$850	\$850	\$850	0%
Vehicle Allowance	\$5,400	\$5,400	\$5,400	0%
Vehicle Rental	\$500	\$125	\$500	0%
<b>Services and Supplies Subtotal</b>	<b>\$136,547</b>	<b>\$128,804</b>	<b>\$148,761</b>	<b>9%</b>
<b>Salary, Benefits and Taxes Expenditures</b>				
Salaries	\$289,892	\$272,703	\$315,000	9%
Taxes - FICA SS Employer Match	\$17,972	\$16,908	\$19,530	9%
Taxes - Medicare Employer Match	\$4,261	\$3,954	\$4,568	7%
Pension Employer Contribution	\$87,657	\$84,702	\$88,698	1%
Pension Obligation Bond	\$18,850	\$16,362	\$16,558	-12%
SDI/SUI Employer Contribution	\$1,500	\$1,500	\$1,500	0%
Health Insurance	\$45,000	\$41,700	\$45,000	0%
Deferred Compensation	\$10,000	\$10,000	\$10,000	0%
Life Insurance	\$1,000	\$1,000	\$0	-100%
<b>Salary, Benefits and Taxes Subtotal</b>	<b>\$476,132</b>	<b>\$448,829</b>	<b>\$500,854</b>	<b>5%</b>
<b>Total Expenditures</b>	<b>\$612,679</b>	<b>\$577,633</b>	<b>\$649,615</b>	<b>6%</b>
<b>Revenue Details</b>				
Interest Earned	\$4,000	\$2,000	\$4,000	0%
Environmental Review Fees	\$1,000	\$3,000	\$3,000	200%
Sphere of Influence Fees	\$2,000	\$4,500	\$2,000	0%
Application Processing Fees	\$14,000	\$16,000	\$19,000	36%
Other Revenue (Transfer of Reserves)	\$35,000	\$35,000	\$35,000	0%
<b>Agency Contributions</b>				
Cities	\$185,560	\$185,560	\$195,538	5%
County	\$185,560	\$185,560	\$195,538	5%
Special Districts	\$185,560	\$185,560	\$195,538	5%
<b>Total Revenue</b>	<b>\$612,680</b>	<b>\$617,180</b>	<b>\$649,615</b>	<b>6%</b>
<b>Reserves Fund Balance</b>	<b>\$262,579</b>	<b>\$262,579</b>	<b>\$227,579</b>	<b>-13%</b>