

MENDOCINO LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 2025-26-05

APPROVING THE PROPOSED BUDGET AND WORK PROGRAM FOR FISCAL YEAR 2026-27

WHEREAS, the Mendocino Local Agency Formation Commission (LAFCo), hereinafter referred to as the “Commission”, was established pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code §56000 et seq., as an independent agency with the authority to carry out the provisions of State law governing the orderly formation and development of local agencies; and

WHEREAS, Government Code §56381 establishes requirements for the preparation, adoption, and administration of LAFCo budgets and directs each Commission to adopt a proposed budget by May 1 and a final budget by June 15 of each fiscal year; and

WHEREAS, Government Code §56381(b) provides that the Commission shall apportion its net operating expenses among the County, cities, and independent special districts within the county, and requires that the proposed budget be transmitted to those funding agencies for review and comment prior to adoption of a final budget; and

WHEREAS, the Commission has adopted a Policies and Procedures Manual that establishes budget and financial procedures, including Policy 5.1 addressing budget procedures; and

WHEREAS, the Executive Officer prepares and presents a preliminary budget and work program to the Executive Committee in March of each year to initiate the Commission’s budget development process; and

WHEREAS, the Executive Committee held a public meeting on March 13, 2026 to review the preliminary budget and work program for Fiscal Year 2026-27 and provide direction to staff; and

WHEREAS, the Executive Committee recommends a proposed budget and work program that meets the criteria set forth in Government Code §56381, including a budget sufficient to allow the Commission to fulfill its purposes and programs; and

WHEREAS, the Executive Officer provided notice of a public hearing in the form and manner required by law to consider adoption of the proposed budget and work program; and

WHEREAS, the Commission considered the Executive Officer’s report and recommendations and all oral and written testimony regarding the proposed budget and work program at a duly noticed public hearing held on April 6, 2026; and

WHEREAS, the Commission finds that adoption of the proposed budget and work program is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment and therefore is not a “project” for purposes of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines §15378(b)(5).

NOW, THEREFORE, BE IT RESOLVED that the Mendocino Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Incorporation of Recitals

The foregoing recitals are true and correct and are hereby incorporated into the Resolution as findings of the Commission.

Section 2. Adoption of Proposed Budget

The Commission hereby approves the Proposed Budget and Work Program for Fiscal Year 2026-27 totaling \$338,000 in operating expenditures, as set forth in Exhibit A, attached hereto and incorporated herein by reference.

Section 3. Findings

The Commission finds that the Proposed Budget and Work Program will allow the Commission to fulfill its legislative purpose and regulatory and planning responsibilities as required under Government Code §56381(a).

Section 4. Transmittal to Funding Agencies

The Executive Officer is directed to transmit the Proposed Budget and Work Program and recommended apportionment of \$275,000 for Fiscal Year 2026-27 to the affected funding agencies for review and comment in the manner required by Government Code §56381.

Section 5. Final Budget Hearing

A public hearing to consider the Final Budget and Work Program for Fiscal Year 2026-27 shall be held May 4, 2026.

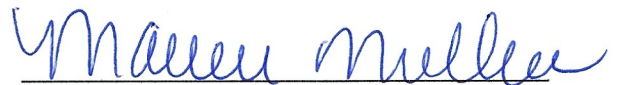
PASSED AND ADOPTED by the Mendocino Local Agency Formation Commission this 6th day of April, 2026, by the following vote:

AYES: *Mahoney, Rodin, Horsley, Gonzalez, Ward, Mulheren, Cline*

NOES:

ABSTAIN:

ABSENT:



MAUREEN MULHEREN, Commission Chair

ATTEST:



UMA HINMAN, Executive Officer

**Mendocino Local Agency Formation Commission
Proposed Budget for Fiscal Year 2026-27**

		FY 2025-26 Adopted	FY 2025-26 Amended	FY 2026-27 Proposed
REVENUE & APPLIED CASH BALANCE				
	<i>Cash Balance</i>	35,500	35,500	53,000
4000	LAFCo Apportionment	275,000	275,000	275,000
4100	Fees and Reimbursements	15,000	15,000	8,000
4800	Miscellaneous Revenue	-	-	-
4910	Interest Income	3,000	3,000	2,000
Net Revenue & Use / (Addition) of Unreserved Cash		328,500	328,500	338,000
EXPENSES				
Staffing				
5300	Basic Services (EO, Analyst, Clerk)	155,000	155,000	155,000
Subtotal: Staffing		155,000	155,000	155,000
Services & Supplies				
5500	Rent	8,500	8,500	8,500
5600	Office Expenses	4,000	4,000	3,500
5700	Internet & Website Costs	3,000	3,000	4,500
5900	Publication and Legal Notices	2,000	2,000	2,000
6000	Televising Meetings	2,000	2,000	2,000
6100	Audit Services	4,500	4,500	8,000
6200	Bookkeeping	5,500	5,500	5,500
6300	Legal Counsel	15,000	25,000	20,000
6400	A-87 Costs County Services	6,000	6,000	6,000
6500	Insurance-General Liability	3,200	3,200	3,800
6600	Memberships (CALAFCO/CSDA)	4,000	4,000	4,200
6670	GIS Contract with County	2,500	2,500	2,500
6740	In-County Travel & Stipends	2,300	2,300	1,500
6750	Travel & Lodging Expense	6,000	6,000	6,000
6800	Conferences (Registrations)	5,000	5,000	5,000
9000	Misc Expenses (bank charges, etc.)	-	-	-
Subtotal: Services & Supplies		73,500	83,500	83,000
Work Plan				
7000	Work Plan (MSRs and SOIs)	100,000	100,000	100,000
Subtotal: Work Plan		100,000	100,000	100,000
Total Expenses		328,500	338,500	338,000
NET BUDGET		-	(10,000)	-
RESERVES				
Reserves				
	Legal Reserves	50,000	40,000	50,000
	Operating Reserves (25% Expenses)	86,500	86,500	83,500
Total Reserves		136,500	126,500	133,500
Unreserved Cash				
	Cash Balance/Work Plan Contingency	52,800	52,800	55,700

Proposed Work Program (Basic Services + Work Plan)

FY 2026-27

April 1, 2026

Tasks	Description & Assumptions	Estimated Budget
Basic Services		
Office Hours & Administrative Duties	Clerk duties not related to projects; office hours; public assistance; PRA requests; budget development, tracking, amendments; accounts payable, QuickBooks; annual audit; EO correspondence; response to requests for Agency Comments for projects and/or environmental documents routed to LAFCo for review, etc.; carrying out Commission direction.	\$ 85,000
Commission & Committee Meetings	Commission & Committee meeting attendance (12 Regular and 8 Committee); agenda packet development, staff reports, presentations, minutes.	\$ 40,000
Work Plan Support	Prepare and distribute Public Notices, development of staff reports specifically related to MSR/SOI studies, presentation at Commission meetings for Public Workshops and Public Hearings.	\$ 6,000
Consult Legal Counsel	Contract is on an hourly basis.	Per Contract
Application Forms	Update application forms; map research and process clarification	\$ 2,000
Application Processing	Process change of organization or reorganization applications initiated by landowner petition or resolution of application from Cities and Special Districts to modify existing powers, annex and/or detach territory from agency boundaries, and create, dissolve, or consolidate/merge local agencies.	Paid by applicant
Work Plan Follow	Refine annual reporting and conduct follow-up on Commission direction, items identified in MSR/SOI studies and application approvals.	\$ 10,000
Policy Development	Policy development and amendments as needed	\$ 10,000
Transparency Improvements to Website	Assess/implement website improvements (JPAs, maps, etc.)	\$ 2,000
Total		\$ 155,000
Work Plan		
MSR/SOI Updates	Prepare and adopt combined Municipal Service Review and Sphere of Influence (MSR/SOI) Update studies pursuant to GOV §56425 and §56430, either in-house or by contract.	
<p>The agencies listed below have priority for preparation of a LAFCo-initiated MSR/SOI Update in Fiscal Year 2026-27. The actual completion of a specific study may span multiple fiscal years. The budget allocation for each agency is based on estimated costs. Actual costs for study completion may be higher or lower than estimated below.</p> <p>Work Plan implementation is subject to change due to various factors, such as: (a) agency responsiveness and timely provision of requested information, (b) complexity of issues involved, (c) level of public and affected agency controversy, (d) changing needs and priorities, (e) overall staff workload, and (f) higher than anticipated costs.</p> <p>The Work Plan budget assumes minimal costs for CEQA compliance related to filing a Notice of Exemption (NOE). Agencies requesting a non-coterminous SOI may expedite a potential multi-fiscal year process by contributing to the cost of preparing an Initial Study and associated environmental document (ND/MND, EIR, etc.).</p>		
The total Work Plan Budget is not limited to the following designations. These budget allocations may shift to other agencies as needed during the year.	County-wide Fire and EMS Service Providers (18 special districts)	\$ 75,000
	Mendocino Coast Health Care District	\$ 25,000
		\$ -
		\$ -
Total		\$ 100,000