



## STAFF REPORT

Agenda Item No. 5a	
<b>MEETING DATE</b>	May 4, 2026
<b>MEETING BODY</b>	Mendocino Local Agency Formation Commission
<b>FROM</b>	Uma Hinman, Executive Officer
<b>SUBJECT</b>	PUBLIC HEARING Final Budget and Work Program for Fiscal Year 2026-27

### RECOMMENDED ACTION

Staff recommends the Commission take the following actions:

- a) Adopt Resolution No. 2025-26-07 approving the Final Budget and Work Program for Fiscal Year 2026-2027, as presented or modified by the Commission; and
- b) Direct the Executive Officer to transmit the adopted Final Budget and Work Program to member agencies, the County Auditor-Controller, and other recipients in accordance with Government Code §56381.

### BACKGROUND

The Proposed Budget and Work Program for Fiscal Year (FY) 2026-27 was adopted by the Commission at its April 6, 2026 regular meeting. Pursuant to Government Code (GC) §56381, the Proposed Budget and Work Program were distributed to each member agency for review in advance of the public hearing on the Final Budget and Work Program.

The recommended Final Budget remains unchanged from the adopted Proposed Budget and Work Program as transmitted to member agencies (Table 1).

	FY 2025-26 Adopted (\$)	FY 2025-26 Amended (\$)	FY 2026-27 Final (\$)	Difference (%)
<b>REVENUES</b>				
<i>Anticipated Use of Cash Balance</i>	35,500	35,500	53,000	
Apportionments	275,000	275,000	275,000	0
Fees/Reimbursements/Interest	18,000	18,000	10,000	(57.1)
<b>Revenues Total</b>	<b>328,500</b>	<b>328,500</b>	<b>338,000</b>	2.9
<b>EXPENDITURES</b>				
Basic Services (Staffing)	155,000	155,000	155,000	0
Services and Supplies	73,000	83,500	83,000	(0.6)
Work Plan	100,000	100,000	100,000	0
<b>Expenditures Total</b>	<b>328,500</b>	<b>338,500</b>	<b>338,000</b>	(0.1)
<b>RESERVES</b>				
Legal Reserves	50,000	40,000	50,000	
Operating Reserves	86,500	86,500	83,000	

The Final Budget is balanced and represents a 0.1 percent decrease (\$500) from the current amended budget, with no change to total apportionments (\$275,000) (Attachment 1). Government Code §56381(c) provides that if the Commission has funds in excess of its needs at the end of the fiscal year, those funds may be retained and applied to the following fiscal year's budget.

Year-end cash balances are available for application to the subsequent fiscal year. Year-end projections for FY 2025-26 estimate a cash balance of approximately \$118,700. The budget applies \$53,000 of this balance toward FY 2026-27 revenues, with the remaining funds assigned to the Work Plan contingency.

The Cortese-Knox-Hertzberg Act requires that LAFCo operating costs be funded annually by the County, cities, and independent special districts through a one-third apportionment process (GOV §56381(b)). The city and independent special districts shares are further allocated proportionally based on each agency's total revenues relative to the combined revenues of all independent special districts within the county.

The final budget maintains total apportionments at \$275,000 for the fourth consecutive year. This funding level is sufficient to support anticipated expenditures, maintain reserves consistent with Commission policy and prior direction, and retain a limited level of Work Plan contingency funding.

A detailed description and discussion of the revenues, expenditures, reserves and Work Program is provided in the [April 6, 2026 Proposed Fiscal Year 2026-27 Budget and Work Program Staff Report](#).

#### **Public Notice and Distribution**

On April 7, 2026, the [Proposed Budget and Work Program for FY 2026-27](#) was transmitted to the County of Mendocino and each city and independent special district for review and comment. Notice of the public hearing on the Final Budget was published in the Ukiah Daily Journal, Fort Bragg Advocate-News, and The Willits News (Attachment 3).

#### **Agency/Public Comments**

No agency or public comments were received by staff as of April 28, 2026.

#### **ATTACHMENTS:**

- (1) Final Budget and Work Program for FY 2026-27
- (2) Resolution No. 2025-26-07
- (3) Proof of Publication

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

		FY 2025-26 Adopted	FY 2025-26 Amended	FY 2026-27 Final
<b>REVENUE &amp; APPLIED CASH BALANCE</b>				
	<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
<b>Net Revenue &amp; Use / (Addition) of Unreserved Cash</b>		<b>328,500</b>	<b>328,500</b>	<b>338,000</b>
<b>EXPENSES</b>				
<b>Staffing</b>				
5300	Basic Services (EO, Analyst, Clerk)	155,000	155,000	155,000
<b>Subtotal: Staffing</b>		<b>155,000</b>	<b>155,000</b>	<b>155,000</b>
<b>Services &amp; Supplies</b>				
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.)	-	-	-
<b>Subtotal: Services &amp; Supplies</b>		<b>73,500</b>	<b>83,500</b>	<b>83,000</b>
<b>Work Plan</b>				
7000	Work Plan (MSRs and SOIs)	100,000	100,000	100,000
<b>Subtotal: Work Plan</b>		<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Total Expenses</b>		<b>328,500</b>	<b>338,500</b>	<b>338,000</b>
<b>NET BUDGET</b>		<b>-</b>	<b>(10,000)</b>	<b>-</b>
<b>RESERVES</b>				
<b>Reserves</b>				
	Legal Reserves	50,000	40,000	50,000
	Operating Reserves (25% Expenses)	86,500	86,500	83,500
<b>Total Reserves</b>		<b>136,500</b>	<b>126,500</b>	<b>133,500</b>
<b>Unreserved Cash</b>				
	Cash Balance/Work Plan Contingency	52,800	52,800	55,700

Exhibit B

**Final Work Program (Basic Services + Work Plan)  
FY 2026-27**

May 1, 2026

Tasks	Description & Assumptions	Estimated Budget
<b>Basic Services</b>		
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
<b>Total</b>		<b>\$ 155,000</b>
<b>Work Plan</b>		
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. <b>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.</b></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>		
<b>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.</b>	County-wide Fire and EMS Service Providers (18 special districts)	\$ 75,000
	Mendocino Coast Health Care District (outsourced)	\$ 25,000
		\$ -
		\$ -
	<b>Total</b>	<b>\$ 100,000</b>

## MENDOCINO LOCAL AGENCY FORMATION COMMISSION

### RESOLUTION NO. 2025-26-07

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

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.) requires the Mendocino Local Agency Formation Commission (“Commission”) to adopt a proposed budget by May 1 and a final budget by June 15 of each year; and

**WHEREAS**, pursuant to Government Code §56381(a), the proposed and final budget must be at least equal to the budget adopted for the prior fiscal year unless the Commission determines that reduced staffing or program costs will allow the Commission to fulfill its statutory purposes and responsibilities; and

**WHEREAS**, on April 6, 2026, the Commission adopted a Proposed Budget and Work Program for Fiscal Year 2026-27, which is substantially unchanged from the amended Fiscal Year 2025-26 Final Budget; and

**WHEREAS**, the Proposed Budget and Work Program for Fiscal Year 2026-27 were transmitted to the County, cities and special districts in accordance with Government Code §56381(a); and

**WHEREAS**, notice of the public hearing on the Final Budget and Work Program for Fiscal Year 2026-27 was provided in the time and manner required by law; and

**WHEREAS**, the Commission considered the Executive Officer’s report and recommendations, and all oral and written testimony, at a duly noticed public hearing held on May 4, 2026; and

**WHEREAS**, adoption of the Final Budget and Work Program for Fiscal Year 2026-27 is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment and is therefore 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 as findings of the Commission.

#### **Section 2. Adoption of Final Budget**

The Commission hereby adopts the Final Budget and Work Program for Fiscal Year 2026-27, attached hereto as Exhibit A (Final Budget) and Exhibit B (Work Program) and incorporated herein by this reference.

#### **Section 3. Findings**

The Commission finds that the adopted Final Budget and Work Program for Fiscal Year 2026-27 provide sufficient resources to carry out the Commission’s statutory purposes and responsibilities and do not reflect reductions in staffing or program costs that would impair the Commission’s

ability to fulfill the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act.

**Section 4. Transmittal**

The Executive Officer is directed to transmit the adopted Final Budget and Work Program for Fiscal Year 2026-27 to the County Auditor-Controller, the County of Mendocino, all cities, and all special districts, in accordance with Government Code §56381.

**PASSED AND ADOPTED** by the Mendocino Local Agency Formation Commission this 4th day of May, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
MAUREEN MULHEREN, Commission Chair

ATTEST:

\_\_\_\_\_  
UMA HINMAN, Executive Officer

2117504

MENDOCINO COUNTY LAFCO  
200 SOUTH SCHOOL ST  
UKIAH, CA 95482

**PROOF OF PUBLICATION  
(2015.5 C.C.P.)**

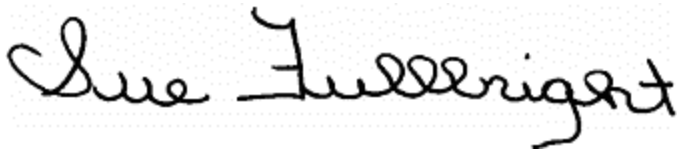
**STATE OF CALIFORNIA  
COUNTY OF MENDOCINO**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Ukiah Daily Journal, a newspaper of general circulation, printed and published daily in the City of Ukiah, County of Mendocino and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California, under the date of September 22, 1952, Case Number 9267; that the notice, of which the annexed is a printed copy (set in type not smaller than non-pareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

**04/10/2026**

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Ukiah, California,  
April 10th, 2026



Sue Fullbright, LEGAL CLERK

Legal No. **0006960639**

**Mendocino Local Agency Formation Commission NOTICE OF PUBLIC HEARING.** NOTICE IS HEREBY GIVEN that on **Monday, May 4, 2026, at 9:30 AM** (or as soon thereafter as the matter may be heard) in a hybrid meeting format with in-person participation in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, and remote (video or telephone) participation pursuant to GOV Section 54953 as described in the agenda to be posted at least 72 hours in advance of the meeting, and livestreamed at **www.youtube.com/MendocinoCountyVideo**, the Mendocino Local Agency Formation Commission (LAFCo) will hold a Public Hearing to consider the **Final Budget and Work Program for Fiscal Year 2026-2027**. This item is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15306 and Section 15061(b)(3). Copies of all related documents may be reviewed once available (72 hours in advance of the meeting) at the LAFCo website (**www.mendolafco.org**) or at the LAFCo office. If you cannot attend the Public Hearing described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: **eo@mendolafco.org**; phone: (707) 463-4470. All interested persons are invited to attend, be heard, and participate in the hearings. **BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION. UMA HINMAN, Executive Officer.**  
4-10/26

# Fort Bragg Advocate-News

415 Talmage Road Suite A  
Ukiah, CA. 95482  
legals@advocate-news.com

2117504

MENDOCINO COUNTY LAFCO  
200 SOUTH SCHOOL ST  
UKIAH, CA 95482

## PROOF OF PUBLICATION (2015.5 C.C.P.)

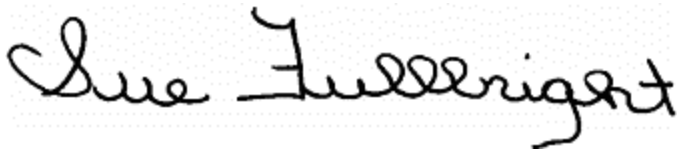
### STATE OF CALIFORNIA COUNTY OF MENDOCINO

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the Office Clerk of the Fort Bragg Advocate-News, a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California under the date of May 9, 1952 - Case Number 9151, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been printed in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates:

04/09/2026

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Fort Bragg, California,  
April 9th, 2026



Sue Fullbright, LEGAL CLERK

Legal No. **0006960351**

**Mendocino Local Agency Formation Commission NOTICE OF PUBLIC HEARING.** NOTICE IS HEREBY GIVEN that on **Monday, May 4, 2026, at 9:30 AM** (or as soon thereafter as the matter may be heard) in a hybrid meeting format with in-person participation in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, and remote (video or telephone) participation pursuant to GOV Section 54953 as described in the agenda to be posted at least 72 hours in advance of the meeting, and livestreamed at **www.youtube.com/MendocinoCountyVideo**, the Mendocino Local Agency Formation Commission (LAFCo) will hold a Public Hearing to consider the **Final Budget and Work Program for Fiscal Year 2026-2027**. This item is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15306 and Section 15061(b)(3). Copies of all related documents may be reviewed once available (72 hours in advance of the meeting) at the LAFCo website (**www.mendolafco.org**) or at the LAFCo office. If you cannot attend the Public Hearing described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: **eo@mendolafco.org**; phone: (707) 463-4470. All interested persons are invited to attend, be heard, and participate in the hearings. BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION. UMA HINMAN, Executive Officer.  
4-9/26

**The Willits News**

415 Talmage Road Suite A  
Ukiah, CA. 95482  
legals@willitsnews.com

2117504

MENDOCINO COUNTY LAFCO  
200 SOUTH SCHOOL ST  
UKIAH, CA 95482

**PROOF OF PUBLICATION**

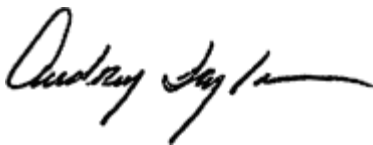
**STATE OF CALIFORNIA  
COUNTY OF MENDOCINO**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of The Willits News, a newspaper of general circulation, printed and published Every Wednesday and Saturday in the City of Willits, California, County of Mendocino, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California, in the year 1903, Case Number 9150; that the notice of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

**04/11/2026**

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Willits, California this 15th day of April, 2026.



Signature

Legal No. **0006960399**

**Mendocino Local Agency Formation Commission NOTICE OF PUBLIC HEARING.** NOTICE IS HEREBY GIVEN that on **Monday, May 4, 2026, at 9:30 AM** (or as soon thereafter as the matter may be heard) in a hybrid meeting format with in-person participation in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, and remote (video or telephone) participation pursuant to GOV Section 54953 as described in the agenda to be posted at least 72 hours in advance of the meeting, and livestreamed at [www.youtube.com/MendocinoCountyVideo](http://www.youtube.com/MendocinoCountyVideo), the Mendocino Local Agency Formation Commission (LAFCo) will hold a Public Hearing to consider the Final Budget and Work Program for Fiscal Year 2026-2027. This item is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15306 and Section 15061(b)(3). Copies of all related documents may be reviewed once available (72 hours in advance of the meeting) at the LAFCo website ([www.mendolafco.org](http://www.mendolafco.org)) or at the LAFCo office. If you cannot attend the Public Hearing described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: [eo@mendolafco.org](mailto:eo@mendolafco.org); phone: (707) 463-4470. All interested persons are invited to attend, be heard, and participate in the hearings. BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION. UMA HINMAN, Executive Officer.  
4/11/2026