

LAFCO

Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/647-7647

www.sblafco.org ♦ lafco@sblafco.org

July 7, 2011 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street, Room 403
Santa Barbara CA 93101

Consideration of Possible Amendments to LAFCO Budget for Fiscal Year 2011-2012

Dear Members of the Commission:

RECOMMENDATION

It is recommended that the Commission receive this report, adopt any amendments as appropriate to the attached Fiscal Year 2010-11 adjusted budget and authorize the Santa Barbara County Auditor-Controller to adjust amounts collected from local agencies based on estimated actual year-end available retained earnings.

DISCUSSION

The Commission on June 2 adopted a budget for the fiscal year beginning July 1, 2011. Approval was needed that day to meet the statutory deadline that requires LAFCOs to “adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15.”

There have been significantly increased communications in the past several weeks between the LAFCO staff and County Auditor- Controller with respect to Commission finances. This was brought about to a large extent by the *Gaviota Coast Conservancy v. LAFCO* litigation, for which Makar Properties agreed to indemnify and hold LAFCO harmless.

The Commission will recall Auditor-Controller Bob Geis spoke at the June 2 meeting regarding participation in the General Fund Cost Allocation Plan with specific reference to the cost of legal counsel services for the Commission.

In the attached budget each appropriation account is identical to those adopted on June 2, with a total budget of \$308,906. The financing sources however are different based on the Auditor-Controller examination of the projected retained earnings and reimbursement of legal services related to the *GCC v. LAFCO* lawsuit.

Commissioners: Janet Wolf, Chair ♦ Lupe Alvarez ♦ Doreen Farr ♦ Jeff Moorhouse ♦ Bob Orach ♦ Cathy Schlottmann
Bob Short ♦ Joe Armendariz ♦ John Fox ♦ Steve Lavagnino ♦ Roger Welt **Executive Officer:** Bob Braitman

AGENDA ITEM NO. 7

This is consistent with the action on June 2 that authorized the Auditor-Controller to adjust the amounts collected from local agencies based on the year-end available retained earnings.

For the Fiscal Year 2011-12 budget, the specific changes are as follows:

- Miscellaneous Revenue (Accounts 5860 and 5909) - the total recommended amount is now \$21,000 as compared to \$1,000 on June 2, due to additional reimbursement for litigation costs anticipated;
- Revenue from Other Governmental Agencies (Account 4840) is now \$273,221 in contrast to \$221,052 on June 2, due to corrections to cost allocation charges.

The enclosed budget illustrates the projected retained earnings for fiscal year ending June 30, 2011 and that portion available to fund the operating budget for fiscal year 2011-12. The budget is balanced in that sources equal uses.

The Auditor-Controller recommends we use the attached format for presenting budgets and has provided a template the staff can use for the development of future LAFCO budgets. We are agreeable to using this budget template in preparing future year budgets. It is the standard format used in the county's financial system (FIN).

We have also agreed with the Commission request and Auditor-Controller recommendation that we present quarterly FIN Financial Status reports beginning in FY 2011-12 which will inform the Commission of the status of LAFCO finances throughout the fiscal year.

As a result of the foregoing, it is recommended the Commission adopt the attached budget as the Commission budget for Fiscal Year 2011-12.

Please contact the LAFCO office if you have any questions.

Very truly yours,



BOB BRAITMAN
Executive Officer

cc: County Auditor-Controller

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
Recommended Final Budget for Fiscal Year 2011-12
Operating Fund #5320, Santa Barbara County LAFCO, Department #815

Line Item Account	2010/2011 Fiscal Year Adopted Budget	2010/2011 Fiscal Year Adjusted Budget	2010/2011 Fiscal Year Projected Budget	2011/2012 Fiscal Year Proposed Budget	Compare Adjusted to Proposed Budget
Revenues					
3380 -- Interest Income	2,000	2,000	1,837	2,000	-
4840 -- Other Governmental Agencies	296,020	296,020	296,020	273,221	(22,799)
5738 -- Planning Studies Services	12,000	12,000	14,404	14,240	2,240
5860 -- Other Sales	1,000	1,000	61	1,000	-
5909 -- Other Miscellaneous Revenue	0	36,960	36,960	20,000	(16,960)
	<u>311,020</u>	<u>347,980</u>	<u>349,282</u>	<u>310,461</u>	<u>(37,519)</u>
Expenditures					
Salaries and Employee Benefits					
6210 -- Commissioner/Director/Trustee	23,100	23,100	11,250	16,500	(6,600)
6500 -- FICA Contribution	1,500	1,500	960	1,023	(477)
6550 -- FICA/Medicare	335	335	163	240	(95)
6700 -- Unemployment Ins Contribution	900	900	872	1,279	379
	<u>25,835</u>	<u>25,835</u>	<u>13,245</u>	<u>19,042</u>	<u>(6,793)</u>
Services and Supplies					
7324 -- Audit and Accounting Fees	5,000	5,000	5,000	5,000	-
7430 -- Memberships	3,035	3,035	3,035	3,035	-
7450 -- Office Expense	2,000	2,000	390	1,500	(500)
7451 -- Postage	3,000	3,000	966	2,000	(1,000)
7453 -- Copier Expense	5,000	5,000	5,284	5,000	-
7460 -- Professional & Special Service	20,000	20,000	20,000	20,000	-
7507 -- ADP Payroll Fees	1,125	1,125	915	1,125	-
7508 -- Legal Fees	40,000	40,000	34,035	40,000	-
7510 -- Contractual Services	171,355	171,355	157,273	171,355	-
7530 -- Publications & Legal Notices	1,000	1,000	615	1,000	-
7669 -- Cost Allocations	-41,866	12,527	12,527	14,249	1,722
7730 -- Transportation and Travel	21,000	21,000	22,000	21,000	-

	230,649	285,042	262,040	285,264	222
Services and Supplies					
Other Charges					
7801 -- Electricity	900	900	667	900	-
7802 -- Natural Gas	150	150	79	150	-
7803 -- Water	150	150	75	150	-
7804 -- Refuse	50	50	59	50	-
7806 -- Utilities Services	50	50	27	50	-
7895 -- Liability Insurance	3,500	3,500	2,672	3,000	(500)
7897 -- Telephone Services	300	300	315	300	-
Other Charges	<u>5,100</u>	<u>5,100</u>	<u>3,894</u>	<u>4,600</u>	<u>(500)</u>
Expenditures	<u>261,584</u>	<u>315,977</u>	<u>279,179</u>	<u>308,906</u>	<u>(7,071)</u>

Net Financial Impact (Revenues - Expenditures)	49,436	32,003	70,103	1,555	(30,448)
Beginning Unreserved Retained Earnings					70,103
Reserved Retained Earnings	(71,658)	(71,658)	(71,658)	(1,555)	-
Total Retained Earnings	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
	<u>17,778</u>	<u>345</u>	<u>38,445</u>	<u>40,000</u>	<u>39,655</u>