

# Santa Barbara LAFCO

Recommended Final 2019-2020 LAFCO Budget

May 2, 2019

**SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION**  
**Operating Fund # 5320, Santa Barbara LAFCO, Department # 815**

RECOMMENDED FINAL 2019-20 BUDGET - May 2, 2019

| Account Name and Number            | 2018-19<br>Final<br>Budget | As of<br>4/16/2019 | Projected<br>Year-End | 2019-2020<br>Rec Final<br>Budget | Inc/Dec         | % Inc/Dec      |
|------------------------------------|----------------------------|--------------------|-----------------------|----------------------------------|-----------------|----------------|
| <b>Revenues</b>                    |                            |                    |                       |                                  |                 |                |
| Interest Income - 3380             | 1,750                      | 5,148              | 6,000                 | 4,000                            | 2,250           | 129%           |
| Unrealized Gain/Loss - 3381        | 310                        | 677                | 750                   | 310                              | 0               | 0%             |
| Other Gov't Agencies - 4840        | 475,403                    | 475,400            | 475,400               | 340,440                          | -134,963        | -28%           |
| Planning Studies Service - 5738    | 25,000                     | 45,283             | 50,000                | 40,000                           | 15,000          | 60%            |
| Misc. Revenue - 5909               | 3,000                      | 0                  | 0                     | 1,000                            | -2,000          | -67%           |
| <b>Total Revenues</b>              | <b>505,463</b>             | <b>475,400</b>     | <b>532,150</b>        | <b>385,750</b>                   | <b>-119,713</b> | <b>-23.7%</b>  |
| <b>Expenditures</b>                |                            |                    |                       |                                  |                 |                |
| <b>Salaries and Benefits</b>       |                            |                    |                       |                                  |                 |                |
| Commissioner Stipends - 6210       | 15,000                     | 10,277             | 12,500                | 15,000                           | 0               | 0%             |
| FICA Contribution - 6500           | 1,250                      | 651                | 770                   | 1,000                            | -250            | -20%           |
| FICA/Medicare - 6550               | 350                        | 153                | 180                   | 200                              | -150            | -43%           |
| Unemployment Insurance - 6700      | 625                        | 489                | 600                   | 600                              | -25             | -4%            |
| <b>Total Salaries and Benefits</b> | <b>17,225</b>              | <b>11,570</b>      | <b>14,050</b>         | <b>16,800</b>                    | <b>-425</b>     | <b>-2.5%</b>   |
| <b>Staff Support</b>               |                            |                    |                       |                                  |                 |                |
| Contractual Staff Services - 7510  | 235,000                    | 178,280            | 219,997               | 235,000                          | 0               | 0%             |
| <b>Total Staff Support</b>         | <b>235,000</b>             | <b>178,280</b>     | <b>219,997</b>        | <b>235,000</b>                   | <b>0</b>        | <b>0%</b>      |
| <b>Services and Supplies</b>       |                            |                    |                       |                                  |                 |                |
| Audit Fees - 7324                  | 6,000                      | 6,970              | 6,970                 | 7,200                            | 1,200           | 20%            |
| Memberships - 7430                 | 6,000                      | 5,344              | 5,344                 | 6,500                            | 500             | 8%             |
| Office Expense - 7450              | 1,500                      | 987                | 1,250                 | 1,500                            | 0               | 0%             |
| Prof & Special Services - 7460     | 45,000                     | 36,494             | 40,000                | 45,000                           | 0               | 0%             |
| ADP Payroll Fees - 7507            | 1,750                      | 1,017              | 1,181                 | 1,750                            | 0               | 0%             |
| Legal Services - 7508              | 35,000                     | 25,235             | 27,500                | 50,000                           | 15,000          | 43%            |
| Pubs & Legal Notices 7530          | 2,500                      | 103                | 500                   | 1,200                            | -1,300          | -52%           |
| Gen Fund Cost Allocation - 7669    | 47,847                     | 36,066             | 47,847                | -6,800                           | -54,647         | -114%          |
| Training and Travel- 7732          | 26,000                     | 15,978             | 20,000                | 26,000                           | 0               | 0%             |
| <b>Total Services and Supplies</b> | <b>171,597</b>             | <b>128,194</b>     | <b>150,592</b>        | <b>132,350</b>                   | <b>-39,247</b>  | <b>-22.9%</b>  |
| <b>Other Charges</b>               |                            |                    |                       |                                  |                 |                |
| Electricity - 7801                 | 700                        | 347                | 700                   | 600                              | -100            | -14%           |
| Natural Gas - 7802                 | 100                        | 197                | 220                   | 100                              | 0               | 0%             |
| Water - 7803                       | 200                        | 103                | 150                   | 100                              | -100            | -50%           |
| Refuse - 7804                      | 0                          | 89                 | 120                   | 100                              | 100             | 100%           |
| Utility Services - 7806            | 100                        | 34                 | 75                    | 100                              | 0               | 0%             |
| Liability Insurance - 7895         | 181                        | 0                  | 0                     | 200                              | 19              | 10%            |
| Telephone Services - 7897          | 360                        | 300                | 360                   | 400                              | 40              | 11%            |
| <b>Total Other Charges</b>         | <b>1,641</b>               | <b>1,070</b>       | <b>1,625</b>          | <b>1,600</b>                     | <b>-41</b>      | <b>-2.5%</b>   |
| <b>Contingency Reserve - 9600</b>  | <b>80,000</b>              | <b>0</b>           | <b>80,000</b>         | <b>0</b>                         | <b>-80,000</b>  | <b>-100%</b>   |
| <b>Total Contingency Reserve</b>   | <b>80,000</b>              | <b>0</b>           | <b>80,000</b>         | <b>0</b>                         | <b>-80,000</b>  | <b>-100.0%</b> |
| <b>Total Exp/Appropriations</b>    | <b>505,463</b>             | <b>319,114</b>     | <b>466,264</b>        | <b>385,750</b>                   | <b>-119,713</b> | <b>-23.7%</b>  |

\*No contingency will be added to reserves in FY 19/20. The estimated contingency reserve balance will be \$200,000

# Background

- LAFCO is an independent commission established by the legislature to carry out specific duties and objectives. It is responsible for adopting its budget to fulfill the purposes described in the Cortese-Knox-Hertzberg Act.
- Government Code Section 56381 requires LAFCO, after conducting public hearings, to:
- Adopt a proposed budget for the next fiscal year not later than May 1. This is transmitted to the County, each city and each independent special district for their review and comment. The proposed budget was approved by the Commission on April 5, 2018
- Adopt the final budget for the next fiscal year by June 15.

# Summary of Recommended Final Budget

- The recommended Final Budget is \$385,750, a decrease of \$119,713 under the current year budget. This represents a 23.68 percent decrease.
- The main reasons for the reduction are 1) Revenues from LAFCO processing fees increased by \$15,000 over budget, 2) the General Fund Cost Allocation (CAP) decreased by \$54, 647 compared to the current year's budget, and 3) there is no recommended contribution to contingency reserve because the reserve is now adequate to fund unanticipated expenses such as litigation and other legal services, professional services, and other unexpected and other unbudgeted expenses. Any year-end fund balance will also be added to reserves.

# Recommended Final 2019-20 LAFCO Budget

| <b>Proposed Budget Summary</b> | <b>Adjusted Budget<br/>2018-2019</b> | <b>Recommended Final<br/>2019-2020</b> | <b>Change</b>  |
|--------------------------------|--------------------------------------|--|----------------|
| Salaries and Benefits          | \$ 17 225                            | \$ 16 800                              | \$ -425        |
| Contracted Staff Support       | 235 000                              | 235 000                                | 0              |
| Services & Supplies            | 171 597                              | 132 350                                | -39 247        |
| Other Charges                  | <u>1 641</u>                         | <u>1 600</u>                           | <u>-41</u>     |
| <b>Total</b>                   | <b>425 463</b>                       | <b>385 750</b>                         | <b>119 713</b> |
| Contingencies                  | 80 000                               | 0                                      | -80 000        |
| <b>Total Appropriations</b>    | <b>505 463</b>                       | <b>385 750</b>                         | <b>119 713</b> |
| <b>Revenues</b>                | <b>505 463</b>                       | <b>385 750</b>                         | <b>119 713</b> |

# Recommendation

It is recommended that the Commission:

- a) Review, accept all public testimony and approve the Final Budget for Fiscal Year 2019-2020;
- b) Pursuant to Section 56381(a), find that the Final Budget is adequate for the Commission to fulfill the purposes and programs of Chapter 3 (“Powers”) of Part 2 of the Cortese Knox Hertzberg Act;
- c) Direct the staff to distribute the Final Budget to the County, Cities, and Special Districts as required by Government Code Section 56381; and
- d) Notify the County Auditor to proceed pursuant to Government Code section 56381(b) with apportionment of LAFCO costs among the County, Cities, and Special Districts.