

May 3, 2018 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street, Room 407
Santa Barbara CA 93101

Final LAFCO Budget for FY 2018-2019

Honorable Commissioners:

RECOMMENDATION

It is recommended that the Commission:

- a) Review, accept all public testimony and approve the Final Budget for Fiscal Year 2018-19;
- b) Direct the staff to distribute the Final Budget to the County, cities, and special districts as required by Government Code Section 56381; and
- c) Notify the County Auditor to proceed pursuant to Government Code section 56381.6 with apportionment of LAFCO costs among the County, cities, and special districts.

DISCUSSION

The Proposed Budget was approved by the Commission on April 5, 2018. Prior to consideration of the proposed budget, it was distributed to all cities, independent special districts and the County.

Following the April 5th Commission meeting, the approved Proposed Budget was transmitted to the County Executive, City Managers and Special District Managers. The notice of Final Budget hearing was also posted on the Commission website. The Final Budget staff report was also distributed to the County Executive, City Managers and Special District Managers

The notification and hearing process is consistent with the provisions of Government Code Section 56381. Pursuant to this section, "The Commission shall to adopt annually following noticed public hearings, a proposed budget by May 1 and a final budget by June 15."

	2017-2018 <u>Adjusted Budget</u>	<u>As of 4/19/18</u>	2018-2019 <u>Rec Final</u> <u>Budget</u>	<u>Change</u>
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LAFCO STAFFING (this account is actually included within Services & Supplies)

Contractual Staff Services –7510	235 000	166 292	235 000	0
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Effective July 1, 2018, the Executive Officer compensation is \$12,895.48 per month. Pursuant to the Executive Officer’s contract, this amount is adjusted on July 1 each year based on the CPI for the Los Angeles/Long Beach area for the previous 12 months. No benefits are included in the professional services contract. Also pursuant to a contract between the Commission and the County of Santa Barbara, the Clerk to the Board for Clerk services are funded at \$60,000 per year.

SERVICES AND SUPPLIES

Audit Fees – 7324	6 000	6 000	6 000	0
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The Commission finances are subject to annual audit. The amount budgeted for 2018-19 is based on the actual 2017-18 cost.

Memberships – 7430	6 000	5 161	6 000	0
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Membership in the California Association of LAFCOs (CALAFCO) and the California Special Districts Association (CSDA).

Office Expense – 7450	2 500	872	1 500	-1 000
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This funds supplies and equipment to support Commission activities. The Clerk to the Board separates out office expenses from its LAFCO Clerk services.

Professional & Specialized Services – 7460	45 000	94 911	45 000	0
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The account funds services not provided directly by LAFCO staff or legal counsel. These include televising and recording LAFCO meetings and updating and maintaining city and special district maps in the Commission’s Directory of Public Agencies. This account is also used for outside consultants and contractors to assist with complex projects and proposals.

ADP Payroll Services - 7507	1 750	627	1 750	0
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	2017-2018 <u>Adjusted Budget</u>	<u>As of 4/19/18</u>	2018-2019 <u>Rec Final</u> <u>Budget</u>	<u>Change</u>
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This account funds ADP Small Business Services charges to process per diem stipends. It costs approximately \$150 per meeting for payroll processing.

Legal Services - 7508	35 000	16 901	35 000	0
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This account funds estimated legal counsel services. The actual amount charged is adjusted in subsequent years based on General Fund Cost Allocation calculations.

Publications/Legal Notices – 7530	2 500	126	2 500	0
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Costs to publish legal notices for LAFCO hearings.

Gen Fund Cost Allocation – 7669	55 151	41 479	47 847	-7 304
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This account funds services provided by the County. These include support of the County Auditor to keep financial records, make payments and process deposits; the County Treasurer to retain and invest funds; use of office space; and adjustments in legal counsel billings due to actual hours rather than estimates. This account increased significantly for 2017-18, but is reduced for 2018-19.

Training and Travel – 7732	26 000	17 850	26 000	0
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This account funds expenses for Commissioners and staff to attend LAFCO meetings, CALAFCO conferences and workshops, CALAFCO Board meetings and educational programs. The account is recommended remain the same as the current year based on CALAFCO Conference Attendance, CALAFCO Staff Workshop, and the CALAFCO Legislative Committee.

OTHER CHARGES

The figures in these accounts are provided by the County. Some of these accounts have increased slightly for 2018-19. LAFCO is included in the County's liability insurance program so it is not necessary to fund this item separately.

Electricity – 7801	584	393	700	116
Natural Gas – 7802	100	74	200	100
Water – 7803	177	90	177	77
Refuse – 7804	0	81	100	100
Utility Services – 7806	65	40	100	35
Liability Insurance - 7895	158	0	181	23
Telephone Services – 7897	348	290	360	12

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

RECOMMENDED FINAL 2018-19 BUDGET - May 3, 2018

Account Name and Number	2017-18 Final Budget	As of 4/19/2018	Projected Year-End	2018-19 Rec Final Budget	Inc/Dec	% Inc/Dec
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Revenues

Interest Income - 3380	750	2,018	1,750	1,750	1,000	133%
Unrealized Gain/Loss - 3381	310	-908	-750	310	0	0%
Other Gov't Agencies - 4840	424,498	421,864	424,498	475,403	50,905	12%
Planning Studies Service - 5738	25,000	53,468	68,620	25,000	0	0%
Misc. Revenue - 5909	3,000	150	3,000	3,000	0	0%
Total Revenues	453,558	476,592	497,118	505,463	51,905	11.0%

Expenditures

Salaries and Benefits

Commissioner Stipends - 6210	15,000	6,452	12,000	15,000	0	0%
FICA Contribution - 6500	1,250	372	1,250	1,250	0	0%
FICA/Medicare - 6550	350	87	300	350	0	0%
Unemployment Insurance - 6700	625	150	500	625	0	0%
Total Salaries and Benefits	17,225	7,061	14,050	17,225	0	0.0%

Staff Support

Contractual Staff Services - 7510	235,000	166,292	235,000	235,000	0	0%
Total Staff Support	235,000	166,292	235,000	235,000	0	0%

Services and Supplies

Audit Fees - 7324	6,000	6,000	6,000	6,000	0	0%
Memberships - 7430	6,000	5,161	6,161	6,000	0	0%
Office Expense - 7450	2,500	872	1,200	1,500	-1,000	-40%
Prof & Special Services - 7460	45,000	94,911	94,911	45,000	0	0%
ADP Payroll Fees - 7507	1,750	627	1,750	1,750	0	0%
Legal Services -7508	35,000	16,901	35,000	35,000	0	0%
Pubs & Legal Notices 7530	2,500	126	1,250	2,500	0	0%
Gen Fund Cost Allocation -7669	55,151	41,479	55,151	47,847	-7,304	-13%
Training and Travel- 7732	26,000	17,850	22,000	26,000	0	0%
Total Services and Supplies	179,901	183,927	223,423	171,597	-8,304	-4.6%

Other Charges

Electricity - 7801	584	393	584	700	116	20%
Natural Gas - 7802	100	76	100	100	0	0%
Water - 7803	177	74	177	200	23	13%
Refuse - 7804	0	81	100	0	0	0%
Utility Services - 7806	65	40	65	100	35	54%
Liability Insurance - 7895	158	0	158	181	23	15%
Telephone Services - 7897	348	290	348	360	12	3%
Total Other Charges	1,432	954	1,532	1,641	209	14.6%

Contingency Reserve - 9600	20,000	0	20,000	80,000	60,000	300%
Total Contingency Reserve	20,000	0	20,000	80,000	60,000	300%
Total Exp/Appropriations	453,558	358,233	494,005	505,463	51,905	11%

*Adding \$80,000 to contingencies will increase reserves to \$130,000 at 6/30/19