

LAFCO

Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/568-2249

www.sblafco.org ♦ lafco@sblafco.org

May 1, 2014 (Agenda)

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

Proposed LAFCO Budget for FY 2014-2015

Dear Members of the Commission:

RECOMMENDATION

It is recommended that the Commission:

1. Review the Proposed Budget for Fiscal Year 2014-15, accept all public testimony and approve the Proposed Budget as presented.
2. Direct the staff to distribute the Proposed Budget to cities, special districts and the County as required by Government Code Section 56381.
3. Schedule a public hearing for June 5 to consider and adopt the Final Budget.

DISCUSSION

Introduction

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. The law does not require approval of the Commission budget by the County or any other local agencies.

Government Code section 56381 states, "At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter."

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.

Commissioners: Bob Short, Chair ♦ Roger Aceves ♦ Doreen Farr ♦ Craig Geyer ♦ Jeff Moorhouse ♦ Bob Orach ♦
Janet Wolf ♦ John Fox ♦ Steve Lavagnino ♦ Jim Richardson ♦ Roger Welt ♦ **Executive Officer: Paul Hood**

BUSINESS ITEM NO. 1

- Adopt the final budget for the next fiscal year by June 15.

Summary of Proposed Budget

The recommended Proposed Budget is \$424,349, an increase of \$76,487 over the current year budget. Following is a budget summary.

<u>Proposed Budget Summary</u>	<u>Adjusted Budget 2013-14</u>	<u>Proposed 2014-15</u>	<u>Change</u>
Salaries and Benefits	\$ 17 946	18 546	\$ 600
Contracted Staff Support	174 588	206 757	32 169
Services & Supplies	130 853	147 332	16 479
Other Charges	<u>4 475</u>	<u>1 714</u>	<u>-2 761</u>
Total	331 401	374 349	46 487
Contingencies	20 000	50 000	30 000
Total Appropriations	347 862	424 349	76 487
Revenues	330 260	424 349	94 089

Detailed Description of Individual Accounts

The proposed budget and descriptions of specific accounts are attached. These illustrate current year revenues and appropriations and projected revenues and appropriations for the coming year. There is also a column for current year-to-date revenues and expenditures, projected year-end revenues and expenditures, the increase/decrease between the current and proposed budget and percentage increase/decrease. Appropriations not expended during one fiscal year become part of the available fund balance to finance the Commission in the following fiscal year.

Designation for Contingency

For the past few years, the Commission has maintained a \$40,000 designation for contingency, separate from the working budget. This fund has been available should the need arise due to unforeseen circumstances. However, during 2012-13, \$20,000 was transferred from the contingency account to the operating budget to compensate the new Executive Officer from March 2013 to the end of June 2013. The \$20,000 was restored to the designation for contingencies in

2013-14. However, as described below, the Contingency Reserve will be expended to pay for Clerk Services. Therefore, it is recommended that \$50,000 be added to the Contingency Reserve Account, Line Item 9600 for 2014-15. The additional reserves will be used for unanticipated expenses and to finance the transition from the Interim Executive Officer to a Permanent Executive Officer.

Commission Clerk Services

The current Executive Officer utilizes the County Clerk to the Board (COB) for Commission Clerk services. In March 2014, the Commission decided to pick up the cost of Clerk services for the remainder of 2013-14 and all of 2014-15. The cost of Clerk Services were previously paid by the Executive Officer from Contractual Staff Service – Line Item 7510. Up to \$30,000 in contingencies and reserves will be expended in the current year to finance Clerk Services. An additional \$30,000 is recommended to be budgeted in 2014-15 for a total of \$60,000. The Executive Officers Staff Support budget will be reduced by \$30,000 to pay 50% of the additional expense for contract Clerks services with the COB.

Services and Supplies

In the area of Services and Supplies, the Commission will note several changes. Audit fees are reduced slightly based on the actual cost of the 2013-14 audit. Copier expenses are recommended for reduction because some of these expenses are included in the contract with the COB for Clerk services. The Professional and Special Services line item is recommended for an \$8,000 increase to provide for continued use of the County Surveyor for LAFCO mapping and to utilize outside contractors, when necessary. The General Fund Cost Allocation has increased slightly based on 2104-15 projections from the County Auditor. The Travel and Training account is recommended for an increase based on the current year actual expenses. This account includes Commissioner mileage to and from LAFCO meetings and staff mileage within the County of Santa Barbara. It also includes travel for Commissioners and staff to the CALAFCO Annual Conference, the CALAFCO Staff Workshop, and other training sessions. Lastly, this account provides for travel to the CALAFCO Board of Directors meetings for Commissioner Welt and travel to the CALAFCO Legislative Committee meeting for the Executive Officer.

Revenue Accounts

In the area of Revenues, LAFCO Billings to the County of Santa Barbara, Cities, and Special Districts will increase by \$88,829. Much of this increase is because of the Commission's decision to fund Clerk Services (+\$30,000) with the COB and the recommendation to increase reserves (\$+30,000). LAFCO Processing Fees are also projected to increase by \$5,760 based on current year projections.

Local Agency Formation Commission
Proposed Budget for FY 2014-15
May 1, 2014 (Agenda)
Page 4

Conclusion

In consideration of this information, it is recommended the Proposed Budget be approved for distribution to local agencies as required by Government Code Section 56381 and that a public hearing on the Final Budget be scheduled for the June 5 Commission meeting.

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD
Executive Officer

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

PROPOSED 2014-15 BUDGET

Account Name and Number	2013-14 Final Budget	As of 4/17/2014	Projected Year-End	2014-15 Proposed Budget	Inc/Dec	% Inc/Dec
--------------------------------	-------------------------------------	----------------------------	-------------------------------	--	----------------	------------------

Revenues

Interest Income - 3380	1,000.00	431	650	750	-250	-25.0%
Unrealized Gain/Loss - 3381	-	-136	0	0	0	0.0%
Other Gov't Agencies - 4840	314,520	314,888	314,888	403,349	88,829	28.2%
Planning Studies Service - 5738	14,240	16,226	19,500	20,000	5,760	40.4%
Misc. Revenue - 5909	500	0		250	-250	-50.0%
Total Revenues	330,260	331,409	335,038	424,349	94,089	28.5%

Expenditures

Salaries and Benefits

Commissioner Stipends - 6210	16,500	8,740	11,324	16,500	0	0.0%
FICA Contribution - 6500	1,172	530	716	1,172	0	0.0%
FICA/Medicare - 6550	274	124	149	274	0	0.0%
Unemployment Insurance - 6700	0	443	532	600	600	0.0%
Total Salaries and Benefits	17,946	9,837	12,720	18,546	600	3.3%

Staff Support

Contractual Staff Services - 7510	174,588	150,519	165,068	206,757	32,169	18.4%
Total Staff Support	174,588	150,519	165,068	206,757	32,169	18.4%

Services and Supplies

Audit Fees - 7324	7,000	5,400	5,400	6,000	-1,000	-14.3%
Memberships - 7424	3,102	3,069	3,069	3,115	13	0.4%
Office Expense - 7450	1,500	765	744	1,500	0	0.0%
Postage - 7451	2,000	710	1,200	2,000	0	0.0%
Copier Expense - 7453	5,000	119	579	2,500	-2,500	-50.0%
Prof & Special Services - 7460	31,900	2,635	32,635	39,900	8,000	25.1%
ADP Payroll Fees - 7507	1,500	1,028	1,106	1,500	0	0.0%
Legal Services - 7508	35,000	18,238	21,886	35,000	0	0.0%
Pubs & Legal Notices 7530	1,000	150	500	1,000	0	0.0%
Gen Fund Cost Allocation - 7669	21,851	16,426	21,851	25,317	3,466	15.9%
Training and Travel- 7732	21,000	21,778	25,000	29,500	8,500	40.5%
Total Services and Supplies	130,853	70,318	113,970	147,332	16,479	12.6%

Other Charges

Electricity - 78701	700	483	700	700	0	0.0%
Natural Gas - 7802	150	83	150	150	0	0.0%
Water - 7803	150	101	150	150	0	0.0%
Refuse - 7804	75	82	75	110	35	46.7%
Utility Services - 7806	50	43	50	60	10	20.0%
Liability Insurance - 7895	3,000	2,188	2,188	194	-2,806	-93.5%
Telephone Services - 7897	350	267	350	350	0	0.0%
Total Other Charges	4,475	3,247	3,663	1,714	-2,761	-61.7%

Contingency Reserve - 9600	20,000	0	0	50,000	30,000	150.0%
Total Contingency Reserve	20,000	0	0	50,000	30,000	150.0%
Total Exp/Appropriations	347,862	233,921	295,421	424,349	76,487	22.0%