

LAFCO

Santa Barbara Local Agency Formation Commission
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April 5, 2012 (Agenda)

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

Proposed LAFCO Budget for FY 2012-2013

Dear Fellow Commissioners:

RECOMMENDATION

It is recommended that the Commission:

1. Review the Proposed Budget for Fiscal Year 2012-13, 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 7 to consider and adopt the Final Budget.
4. Direct the staff to advise the Commission of any changed conditions that could adversely affect LAFCO's ability to fulfill its responsibilities in the coming fiscal year.

DISCUSSION

On March 1 we were appointed as the ad hoc budget committee for Fiscal Year 2012-13. In formulating this budget we met with the Executive Officer and County Auditor-Controller staff. This Proposed Budget is our recommendation to the Commission.

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.

Commissioners: Jeff Moorhouse, Chair ♦ Lupe Alvarez ♦ Doreen Farr ♦ Craig Geyer ♦ Bob Orach ♦ Bob Short
Janet Wolf ♦ Roger Aceves ♦ John Fox ♦ Steve Lavagnino ♦ Roger Welt
Executive Officer: Bob Braitman

AGENDA ITEM NO. 16

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.”

Summary of Proposed Budget

The recommended Proposed Budget is \$596 379, a decrease of \$22 988 (or 3.7%) below the current year budget. Following is a budget summary.

<u>Proposed Budget Summary</u>	<u>Final Budget 2011-12</u>	<u>Proposed 2012-13</u>	<u>Change</u>
Salaries and Benefits	19 042	\$17 763	\$ - 1 279
Staff Support	171 355	174 953	3 598
Services & Supplies	113 909	109 727	- 4 182
Other Charges	<u>4 600</u>	<u>4 475</u>	<u>- 125</u>
Total Appropriations	619 367	596 379	- 22 988
Revenues	310 461	* 289 461	- 21 000

* This amount depends on the actual Available Fund Balance at the end of the fiscal year. The figures will be refined in the coming weeks.

Detailed Description of Individual Accounts

The Proposed Budget for Fiscal Year 2012-13 (Attachment A) and detailed description of individual accounts (Attachment B) show current year revenues/appropriations and revenues/appropriations proposed for the coming year. It is noted that appropriations that are unspent during the fiscal year become part of the available fund balance for the following fiscal year.

Commission Staffing

The Santa Barbara LAFCO obtains professional and clerical support via a contract with Braitman & Associates, an independent contractor. The “Agreement for Providing Executive Officer Services” approved on September 3, 2009 establishes levels of compensation with annual cost-of-living increases based on the Consumer Price Index but not to exceed 3% a year. The Proposed Budget reflects a 2.1% adjustment based on the CIP for the past twelve months.

Designation for Contingency

A \$40,000 designation for contingency, distinct from the annual budget, is available should the need arise during the year due to unforeseen expenses, i.e., having to secure offices outside of County facilities. This reserve, shown in the Balance Sheet, remains unchanged from year to year; however, interest earned is allocated as revenue to the Commission's annual budget.

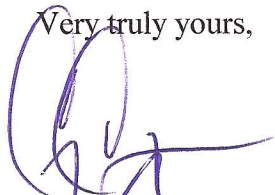
Conclusion

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 7 Commission meeting.

While a specific financial program is recommended, the Commission should retain flexibility to make adjustments in the Final Budget should this prove warranted.

Please contact either of us or the LAFCO office should you have any questions.

Very truly yours,



CRAIG GEYER
Ad hoc Budget Committee



BOB SHORT

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

Proposed Budget for Fiscal Year 2012-13

<u>Account name and number.</u>	<u>2011-2012 Adjusted Budget</u>	<u>As of 3/31/12</u>	<u>2012-2013 Rec. Budget</u>	<u>Change</u>
Revenues				
Interest Income - 3380	2 000	1 039	1 500	- 500
Processing Fee Income - 5738	14,240	4 290	14 240	0
Misc. Revenue – 5909	1 000	106	500	- 500
Other Misc. Revenue – 5909	20 000	19 161	0	- 20 000
Other Gov't Agencies – 4840 *	<u>273 221</u>	<u>273 225</u>	<u>273 221</u>	<u>0</u>
Total Revenues *	310 461	297 821	289 461	- 21 000
Salaries and Benefits				
Commissioner Stipends – 6210	16 500	6 829	16 500	0
FICA Contribution – 6500	1 023	465	1 023	0
FICA/Medicare - 6550	240	109	240	0
Unemployment Insurance – 6700	<u>1 279</u>	<u>465</u>	<u>0</u>	<u>- 1 279</u>
Total Salaries and Benefits	19 042	7 868	17 763	- 1 279
Staff Support				
Contractual Staff Services – 7510	171 355	126 745	174 953	3 598
Services and Supplies				
Audit Fees – 7324	5 000	0	5 000	0
Memberships – 7430	3 035	0	3 102	67
Office Expense – 7450	1 500	102	1 500	0
Postage – 7451	2 000	1 278	2 000	0
Copier Expense - 7453	5 000	2 811	5 000	0
Prof & Spec Services - 7460	20 000	4 978	20 000	0
ADP Payroll Fees – 7507	1 125	851	1 125	0
Legal Services - 7508	40 000	6 068	35 000	- 5 000
Pubs & Legal Notices– 7530	1 000	315	1 000	0
Gen Fund Cost Allocation – 7669	14 249	7 125	11 000	-3 249
Training and Travel - 7732	<u>21 000</u>	<u>18 820</u>	<u>25 000</u>	<u>4 000</u>
Total Services and Supplies	113 909	42 348	109 727	- 4 182

<u>Account name and number.</u>	<u>2011-2012 Adjusted Budget</u>	<u>As of 3/31/12</u>	<u>2012-2013 Rec. Budget</u>	<u>Change</u>
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Other Charges				
Electricity - 7801	900	340	700	- 200
Natural Gas – 7802	150	69	150	0
Water - 7803	150	54	150	0
Refuse – 7804	50	50	75	25
Utility Services - 7806	50	18	50	0
Liability Insurance - 7895	3 000	2 008	3 000	0
Telephone Services - 7897	<u>300</u>	<u>225</u>	<u>350</u>	<u>50</u>
Total Other Charges	4 600	2 764	4 475	- 125
Total Appropriations	619 367	477 546	596 379	- 22 988

* These amounts depend on the actual Available Fund Balance at the end of the fiscal year. They will be refined in the coming weeks by the County Auditor-Controller.

	2011-2012 <u>Final Budget</u>	<u>As of 3/31/12</u>	2012-2013 <u>Rec Budget</u>	<u>Change</u>
REVENUES				
Interest Income - 3380	2 000	724	1 500	- 500
This is revenue from investing available LAFCO funds.				
Processing Fee Income - 5738	14 240	4 290	14 240	0
This revenue from processing proposals is predicated on the processing fee schedule. It is difficult to predict the proposal workload because to some degree new proposals are dependent upon economic activity. Based on recent history we are anticipating receiving seven or eight proposed boundary changes or other applications.				
Miscellaneous Revenue – 5860	1 000	106	500	- 500
These are revenues from the sale of documents, maps etc. .				
Other Miscellaneous Revenue – 5909	20 000	19,196	0	- 20 000
This revenue reimbursed LAFCO for its attorney expenses related to defending the Commission in litigation resulting from the Dos Pueblos Reorganization (LAFCO 98-11).				
Other Gov't Agencies – 4840	273 221	273 225	273 221	0
The Commission is funded in equal thirds by the County, cities and independent special districts. Amounts depend on (a) the adopted budget, (b) available fund balance at the end of the fiscal year and (c) projected operational revenues. This amount will not be known until the fiscal year ends.				
APPROPRIATIONS				
SALARIES AND BENEFITS				
Commissioner Stipends – 6210	16 500	6 829	16 500	0
This account funds Commissioner per diem stipends. The amount is based on 11 Commissioners attending 10 meetings at \$150 per meeting. Funds are expended only if meetings are held.				
FICA Contribution – 6500	1 023	465	1 023	0
Per the County Auditor this account is budgeted at .062% of taxable salaries and benefits.				
FICA/Medicare – 6550	240	109	240	0
Per the County Auditor this account is budgeted at .0145% of taxable salaries and benefits.				
Unemployment Insurance – 6700	1,279	465	0	- 1 279
Commissioners are not eligible for unemployment insurance.				

	2011-2012 <u>Final Budget</u>	<u>As of 3/31/12</u>	2012-2013 <u>Rec Budget</u>	<u>Change</u>
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LAFCO STAFFING (this account is actually included within Services & Supplies)

Contractual Staff Services – 7510	171 355	126 745	174 953	3 598
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The current contract became effective July 1, 2010. Annual compensation adjustments are based on Consumer Price Index experience in the prior 12 months, not to exceed 3% in a year. The staff agreed to forego increases in compensation for Fiscal Years 2010-11 and 2011-12. The CPI for the Los Angeles for February 2012 is up 2.1 percent from a year ago.

SERVICES AND SUPPLIES

Audit Fees – 7324	5 000	0	5 000	0
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The Commission finances are subject to annual audit. Depending on the firm selected to audit the current fiscal year, this amount of this account may need to be adjusted in the future.

Memberships – 7430	3 035	0	3 102	67
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Membership in the California Association of LAFCOs. We are advised the membership dues will increase by 2.2 percent for the coming fiscal year.

Office Expense – 7450	1 500	102	1 500	0
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This funds supplies and equipment to support Commission activities. It is essential that sufficient funds are budgeted to undertake and complete LAFCO studies and projects.

Postage – 7451	2 000	1 278	2 000	0
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This account funds postage and related services. It is essential that sufficient funds are budgeted to distribute LAFCO notices, reports and other mailings to local agencies and interested parties.

Copier Expense - 7453	5 000	2 811	5 000	0
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This account funds printing of notices, reports, resolutions, correspondence and other materials.

Professional & Specialized Services – 7460	20 000	4 978	20 000	0
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The account funds services not provided directly by the LAFCO staff or legal counsel. It includes televising LAFCO meetings and County Surveyor updates and maintenance of city and special district maps included in the Commission's Directory of Public Agencies.

ADP Payroll Services - 7507	1 125	851	1 125	0
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This account funds ADP Small Business Services charges to process per diem stipends. It costs approximately \$100 per meeting for payroll processing.

	2011-2012 <u>Final Budget</u>	<u>As of 3/31/12</u>	2012-2013 <u>Rec Budget</u>	<u>Change</u>
Legal Services - 7508	40 000	6 068	35 000	- 5 000
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	1 000	315	1 000	0
Costs to publish legal notices for LAFCO hearings.				
Gen Fund Cost Allocation – 7669	14 249	7 125	14 051	198
This account funds various services provided by the County. These include LAFCO support of the County Auditor to keep its financial records, make payments and process deposits; the cost of the County Treasurer to retain and invest funds; rental of the LAFCO office space; and adjustments in legal counsel billings due to actual hours rather than estimates. The figures in the Proposed Budget are provided by the County Auditor.				
Training and Travel – 7732	21 000	18 820	25 000	2 500
This account funds expenses for Commissioners and staff to attend LAFCO meetings, CALAFCO conferences and workshops, CALAFCO Board meetings and educational programs. It has not been increased since FY 2003-04. An increase of \$4,000 (or 19%) is recommended based on experience in the past several years and anticipated Commissioner attendance at CALAFCO University courses.				
(Note: This is a new account for the LAFCO budget; in prior years these funds were appropriated in Transportation and Travel – Account 7730.)				
OTHER CHARGES				
The figures included in the budget are provided by the County except for the liability insurance figure which is based on the Commission’s policy with Alliant Insurance Services.				
Electricity – 7801	900	340	700	- 200
Natural Gas – 7802	150	69	150	0
Water – 7803	150	54	150	0
Refuse – 7804	50	50	75	25
Utility Services – 7806	50	18	50	0
Liability Insurance - 7895	3 000	2 008	3 000	0
Telephone Services – 7897	300	225	350	50