

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

November 2, 2017 (Agenda)

Local Agency Formation Commission

105 East Anapamu Street

Santa Barbara CA 93101

Report on the 2016-2017 Fiscal Year Billings from the County Assessor and County Elections

Dear Members of the Commission

RECOMMENDATION

It is recommended that the Commission Review the Report and Provide Direction to Staff.

DISCUSSION

This matter was presented to the Commission at the October 5, 2017 meeting, as an Information Item. At that meeting, staff was requested to bring the item back to the next meeting as a Business Item. For the most part, the County Assessor and County Elections was able to separate the 2016-17 Fiscal Year Billings to LAFCO by proposal (**Exhibit A**). However, the Commission had some questions about the billing rates, the indirect cost rates and “cannot determine time spent on each project” portion of the billings (**Exhibit B**). Staff was asked to invite the County Auditor and County Clerk to respond to these questions. The questions were sent to the County Auditor and County Clerk with an invitation to attend the next Commission meeting. The questions are as follows:

1. How is the Indirect Cost Rate determined and why is it applied to LAFCO billings?
2. Why are there 64.5 hours that cannot be determined?
3. Except for the 2015-16 billing of \$11,515.96, has LAFCO been billed in the past for these services provided by the Assessor and Elections?
4. Under what authority were these claims filed with LAFCO?

By way of background, as mentioned in the 2016-17 Year End Report at the Commission’s August 3, 2017 meeting, for the first time the Commission was billed by the County Assessor and Elections for 2015-16 land owner and registered voter verifications. The verifications are necessary for

Commissioners: Roger Aceves, Chair ♦ Craig Geyer ♦ Steve Lavagnino ♦ Jeff Moorhouse ♦ Jim Richardson ♦ Roger Welt
♦ Janet Wolf ♦ Joan Hartmann ♦ Judith Ishkanian ♦ Shane Stark ♦ Etta Waterfield ♦ **Executive Officer:** Paul Hood

LAFCO Application mailing lists, landowner and registered voter petitions, and protest hearings. The amount of the 2015-16 billing was \$11,515.96 and was paid by from Commission's budget Line Item 7460, Professional and Special Services on August 8, 2016. It should be noted that the costs include labor and indirect costs, both of which were included in the total billing.

On September 8, 2017, the Commission was billed by the County Assessor and Elections for 2016-17 land owner and registered voter verifications for LAFCO Application petition verification, mailings list, and protest hearings. The amount of the 2016-17 billing is \$62,910.96. The Commission had a number of large applications in 2016-17 that required significant work by the County Assessor and Elections. These included the West Santa Ynez Annexation to the Santa Ynez Community Services District, Formation of Cuyama Basin Water District, and the Formation of the Los Olivos Community Services District. All of these proposals required a significant amount of signature verification by the County Assessor and Elections.

This was brought to the Commission's attention because these billings are not included in the 2017-18 Final LAFCO Budget. LAFCO Staff was able to determine the 2016-17 billings associated with each proposal based on the number of hours and the hourly rate charged by the County Assessor and Elections for each proposal. This is included as **Exhibit C**.

In conclusion, the Commissions Schedule of Processing Fees allows these charges to be billed to the applicant for each proposal. This is because the initial processing fee is a deposit towards the actual cost of processing a proposal. However, it is important for the Commission to verify that the 2016-17 billings are accurate and justifiable.

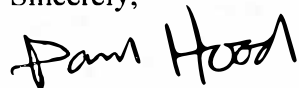
Please contact the LAFCO office if you have any questions.

EXHIBITS

- Exhibit A 2016-17 Assessor/Elections Billings
- Exhibit B 2016-17 Assessor/Elections Spreadsheet
- Exhibit C 2016-17 LAFCO Assessor/Elections Spreadsheet by Proposal

Please contact the LAFCO office if you have any
questions.

Sincerely,



PAUL HOOD
Executive Officer

Journal Entry

Document Number: JE - 0159138 Batch ID: 2098556 Created On: 9/13/2017 8:47:54 AM
 Document Description: LAFCO FY 16-17 Processed On: 10/2/2017 11:59:00 AM Created By: Wesley Welch
 Post On: 9/13/2017 Processed By: Pamela Avila

References

Audit Trail: Cash Type: I - Interfund

Accounting

Fund	Dept	GL Acct	LI Acct	Debit Amount	Credit Amount	Prog	OUnit	Proj	Act	Area	Equip	Depositor	Description
0001		0110		62,910.96	0.00								LAFCO FEES FOR SERVICES
5320		0110		0.00	62,910.96								LAFCO FEES FOR SERVICES
0001	062	2710	5860	0.00	31,856.52	4002			LAF				LAFCO ASSESSOR MAPPING SERVICES BILLINGS FY 16-17
0001	062	2710	5860	0.00	31,054.44	2000			LAF				LAFCO ELECTIONS SERVICES BILLINGS FY 16-17
5320	815	2810	7460	62,910.96	0.00	4165							LAFCO SERVICES BILLINGS - FY 16-17
			Total	125,821.92	125,821.92								

Signatures

Signed By	Signed On	Department/Agency	Approval Level	Valid
Wesley Welch	9/13/2017 8:51:07 AM	062 - Clerk-Recorder-Assessor		Y
Paul Hood	9/30/2017 8:48:20 AM	24 - Local Agency Formation Comm		Y

District Name Local Agency Formation Commission (LAFCO)
Contact: Paul Hood
FISCAL YEAR COSTS: 2016-17

Labor Summary Cost : 07/01/2016- 06/30/2017	Amount
ASSESSOR LABOR COST:	18,180.87
ASSESSOR INDIRECT COST RATE	
FUI 16-17:	75.22% <u>13,675.65</u>
Subtotal - Assessor	31,856.52
ELECTIONS LABOR COST:	10,197.50
ELECTIONS INDIRECT COST RATE	
FUI 16-17:	204.53% <u>20,856.95</u>
Subtotal - Elections	31,054.44
Total Cost:	<u><u>62,910.96</u></u>

Labor Summary

From 7/1/2016 to 6/30/2017

Selection Criteria: Department = 062; Activity = laf; BudgetProgram = 04

Layout Options: Summarized By = Department; Page Break At = Department

Department 062 -- Clerk-Recorder-Assessor

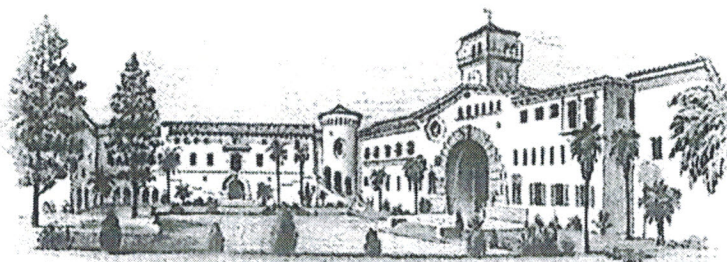
Employee ID	Employee Name	Amount	Prod Hours	Prod Rate
	*** NOT ON FILE ***	553.98	0.00	--
10409	SNELLING, GREGORY J	17,626.89	236.10	74.66
	Total Clerk-Recorder-Assessor	18,180.87	236.10	77.00



COUNTY OF SANTA BARBARA

THEODORE FALLATI, CPA
Auditor-Controller

BETSY SCHAFFER, CPA
Assistant Auditor-Controller



County Administration Building
105 E. Anapamu Street, Rm. 303
Santa Barbara, CA 93101
(805) 568-2100

Auditor@co.santa-barbara.ca.us

Mailing Address:
P.O. Box 39
Santa Barbara, CA 93102-0039
Fax: (805) 568-2016

OFFICE OF THE AUDITOR-CONTROLLER

CERTIFICATE OF INDIRECT COSTS

Clerk Recorder Assessor IS & Assessor Budget Program

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

- (1) All costs included in this proposal of November 8, 2016 to establish billing or final indirect cost rates for fiscal year 2016-2017 are allowable in accordance with the requirements of the Federal award(s) to which they apply and 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

Indirect Cost Rate Proposal 75.22%
Apply to Direct Salaries & Benefits

- (2) All costs included in the proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Theo Fallati 11.8.16
Theodore Fallati, CPA Date
Auditor-Controller

Labor Summary

From 7/1/2016 to 6/30/2017

Selection Criteria: Department = 062; Activity = laf; BudgetProgram = 02

Layout Options: Summarized By = Department; Page Break At = Department

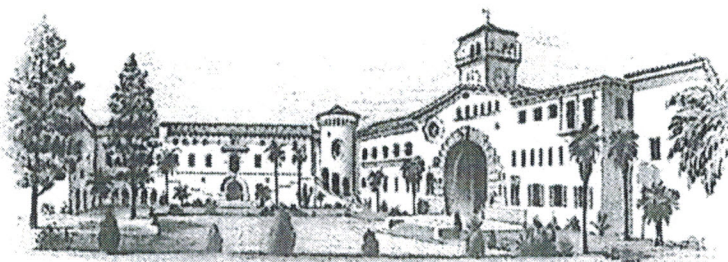
Department 062 -- Clerk-Recorder-Assessor

Employee ID	Employee Name	Amount	Prod Hours	Prod Rate
	*** NOT ON FILE ***	393.60	0.00	--
3493	BISCHOF, CHRISTINE R	180.17	2.00	90.09
8861	HESS, SHEILA MARIE	1,635.58	22.00	74.34
17298	MARKUM, BLAKE JOSEPH	78.38	5.00	15.68
3341	NORTON, MARGRET L	7,909.77	106.50	74.27
	Total Clerk-Recorder-Assessor	10,197.50	135.50	75.26

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Indirect Cost Rate Proposal 204.53%
Apply to Direct Salaries & Benefits

- (2) All costs included in the proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Theo Fallati 11-8-16
Theodore Fallati, CPA Date
Auditor-Controller

Clerk, Recorder, Assessor and Registrar of Voters
 Allocated hours to LAFCO Projects
 Time Sheet Hours

Period	Employee	Prog	Actv	Earning Code	Total	Comments
201618	BISCHOF, CHRISTINE R	2000	LAF	REG	2.0	LAFCO 16-02
201615	HESS, SHEILA MARIE	2000	LAF	REG	3.0	LAFCO 16-02
201616	HESS, SHEILA MARIE	2000	LAF	REG	15.0	LAFCO 16-02
201617	HESS, SHEILA MARIE	2000	LAF	REG	2.0	LAFCO 16-02
201713	HESS, SHEILA MARIE	2000	LAF	REG	2.0	LAFCO 17-01
201616	MARKUM, BLAKE JOSEPH	2000	LAF	EXH	1.5	LAFCO 16-02
201617	MARKUM, BLAKE JOSEPH	2000	LAF	EXH	3.5	LAFCO 16-02
201615	NORTON, MARGRET L	2000	LAF	REG	7.0	LAFCO 16-04 Cuyama
201616	NORTON, MARGRET L	2000	LAF	REG	33.0	LAFCO 16-02 ProtestForms
201617	NORTON, MARGRET L	2000	LAF	REG	7.5	LAFCO 16-02 ReviewProtest
201625	NORTON, MARGRET L	2000	LAF	REG	6.0	LAFCO 17-01 LosOlivosCSDProp
201702	NORTON, MARGRET L	2000	LAF	REG	24.0	LAFCO 17-01 LSOL-CSD
201703	NORTON, MARGRET L	2000	LAF	REG	4.0	LAFCO 17-01 Petition
201706	NORTON, MARGRET L	2000	LAF	REG	16.5	LAFCO 17-01
201710	NORTON, MARGRET L	2000	LAF	REG	0.5	LAFCO 17-01 LSOL-CSD
201711	NORTON, MARGRET L	2000	LAF	REG	8.0	LAFCO 17-01 Lists/Labels
					135.5	
201614	SNELLING, GREGORY J	4002	LAF	REG	1.0	LAFCO 16-04
201615	SNELLING, GREGORY J	4002	LAF	REG	33.0	LAFCO 16-02, 16-05, 16-4
201616	SNELLING, GREGORY J	4002	LAF	REG	38.0	LAFCO 16-02
201617	SNELLING, GREGORY J	4002	LAF	OTA	1.5	LAFCO 16-02
201618	SNELLING, GREGORY J	4002	LAF	REG	37.5	LAFCO 16-02
201619	SNELLING, GREGORY J	4002	LAF	REG	20.5	LAFCO 16-02
201622	SNELLING, GREGORY J	4002	LAF	REG	0.5	LAFCO 16-02
201623	SNELLING, GREGORY J	4002	LAF	REG	7.8	LAFCO 16-04
201702	SNELLING, GREGORY J	4002	LAF	REG	7.5	LAFCO 16-04, 16-3
201703	SNELLING, GREGORY J	4002	LAF	REG	3.5	LAFCO 17-01
201704	SNELLING, GREGORY J	4002	LAF	REG	1.5	LAFCO 17-01
201705	SNELLING, GREGORY J	4002	LAF	REG	14.0	LAFCO 17-01
201706	SNELLING, GREGORY J	4002	LAF	REG	16.0	LAFCO 17-01
201707	SNELLING, GREGORY J	4002	LAF	REG	21.0	LAFCO 17-01
201708	SNELLING, GREGORY J	4002	LAF	REG	3.0	LAFCO 16-04
201709	SNELLING, GREGORY J	4002	LAF	REG	2.0	LAFCO 17-01
201710	SNELLING, GREGORY J	4002	LAF	REG	0.5	LAFCO 17-01
201711	SNELLING, GREGORY J	4002	LAF	REG	24.0	LAFCO 17-01, 16-3, Carp Sanitary District
201713	SNELLING, GREGORY J	4002	LAF	REG	0.5	LAFCO 17-01
201713	SNELLING, GREGORY J	4002	LAF	REG	2.8	LAFCO 17-01
					236.1	

Election totals	
67.50	16-02
7.0	16-04
61.0	17-01
135.50	

Assessor Totals	
98.0	16-02 SY Annexation
11.80	16-04 Cuyama Water District
61.80	17-01 Los Olivos CSD
64.50	Cannot determine time spent on each project
236.1	

Election and Assessor Totals	
165.50	16-02
18.80	16-04
122.80	17-01
64.50	Cannot determine time spent on each project
371.60	

Total hours 371.6

2016-17 LAFCO Billings

County Elections/Assessor

Elections Totals				
Hours	LAFCO File #	Proposal Name	Hourly Rate	Charge
67.50	16-02	SY Annexation	\$229.18	\$15,469.65
7.0	16-04	Cuyama Water District	\$229.18	\$1,604.26
61.0	17-01	Los Olivos CSD	\$229.18	\$13,979.98
Elections Total Time			Elections Total Charge	
135.50				\$31,876.93
Assessor Totals				
98.0	16-02	SY Annexation	\$134.93	\$13,223.14
11.80	16-04	Cuyama Water District	\$134.93	\$1,592.17
61.80	17-01	Los Olivos CSD	\$134.93	\$8,338.67
171.60			\$134.93	\$23,153.99
64.50	Cannot determine time spent on each project		\$134.93	\$8,702.99
Assessor Total Time			Assessor Total Charge	
236.1				\$31,856.97
Elections/Assessor Totals				
165.50	16-02	SY Annexation		\$28,692.79
18.80	16-04	Cuyama Water District		\$3,196.43
122.80	17-01	Los Olivos CSD		\$22,318.65
64.50	Cannot determine time spent on each project			\$8,703.0
Total Time			Total Charges	
371.60				\$62,910.87