

# LAFCO

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## **Santa Barbara Local Agency Formation Commission**

105 East Anapamu Street ♦ Santa Barbara CA 93101

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May 2, 2019 (Agenda)

Local Agency Formation Commission

105 East Anapamu Street

Santa Barbara CA 93101

### **Final LAFCO Budget for FY 2019-2020**

Dear Members of the Commission

#### RECOMMENDATION

It is recommended that the Commission:

- 1) Consider recommendations regarding the Recommended Final Budget for Fiscal Year (FY) 2019-2020, and consider adoption of a Resolution that takes the following actions:
  - 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.

#### DISCUSSION

The proposed budget was approved by the Commission on April 4, 2019. Prior to consideration of the proposed budget, it was distributed to all cities, independent special districts, and the County.

Following the April 4, 2019 Commission meeting, the approved Proposed Budget was transmitted to the County Executive, City Managers, and Special District Managers.

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**Commissioners:** Steve Lavagnino, Chair ♦ Roger Aceves ♦ Craig Geyer, Vice-Chair ♦ Joan Hartmann ♦ Holly Sierra  
Shane Stark ♦ Etta Waterfield ♦ Roger Welt ♦ Das Williams ♦ **Executive Officer:** Paul Hood

**BUSINESS ITEM NO. 1**

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

Exhibits:

Exhibit A      Recommended Final 2019-20 Budget  
Exhibit B      Approved Proposed 2019-20 Budget  
Exhibit C      LAFCO Resolution Approving the Final 2019-20 Budget

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD  
Executive Officer

	2018-2019 <u>Adjusted Budget</u>	<u>As of 4/16/19</u>	2019-2020 <u>Rec Final</u> <u>Budget</u>	<u>Change</u>
<b>REVENUES</b>				
<b>Interest Income - 3380</b>	1 750	5 148	4 000	2 250
This is revenue from investing available LAFCO funds.				
<b>Unrealized Gain/Loss - 3381</b>	310	677	310	0
<b>Processing Fee Income - 5738</b>	25 000	45 283	40 000	15 000
This revenue from processing proposals is predicated on the processing fee schedule. It is difficult to predict proposal workload because to some degree new proposals are dependent upon economic activity. Based on recent history we are anticipating receiving ten or twelve proposed boundary changes or other applications.				
<b>Miscellaneous Revenue – 5860</b>	3 000	0	1 000	-2 000
These are revenues from sale of documents, maps etc.				
<b>Other Gov't Agencies – 4840</b>	475 403	475 400	340 440	-134 963
Essentially the Commission is funded in equal thirds by the County, cities and independent special districts. Amounts depend on (a) adopted budget, (b) available fund balance at end of fiscal year and (c) projected operational revenues. This amount to be determined at the end of the fiscal year.				
<b>APPROPRIATIONS</b>				
<b>SALARIES AND BENEFITS</b>				
<b>Commissioner Stipends – 6210</b>	15 000	10 277	15 000	0
This account funds Commissioner per diem stipends. Commissioner stipends are processed through ADP. The amount is based on 11 Commissioners attending 10 meetings at \$150 per meeting (\$16,500). Funds are expended only if meetings are held.				
<b>FICA Contribution – 6500</b>	1 250	651	1 000	-250
Per the County Auditor this account is budgeted at .062% of taxable salaries and benefits.				
<b>FICA/Medicare – 6550</b>	350	153	200	-150
Per the County Auditor this account is budgeted at .0145% of taxable salaries and benefits.				
<b>Unemployment Insurance– 6700</b>	625	489	600	-25
This contribution is also withheld by ADP.				

	2018-2019		2019-2020	
	<u>Adjusted Budget</u>	<u>As of 4/16/19</u>	<u>Rec Final</u>	<u>Change</u>
			<u>Budget</u>	

**LAFCO STAFFING** (this account is actually included within Services & Supplies)

<b>Contractual Staff Services –7510</b>	235 000	178 280	235 000	0
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Effective July 1, 2017, the Executive Officer compensation is \$13,282.34 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**

<b>Audit Fees – 7324</b>	6 000	6 970	7 200	0
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The Commission finances are subject to annual audit. The amount budgeted for 2019-20 is based on the actual 2018-19 cost.

<b>Memberships – 7430</b>	6 000	5 344	6 500	500
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Membership in the California Association of LAFCOs (CALAFCO) and the California Special Districts Association (CSDA).

<b>Office Expense – 7450</b>	1 500	987	1 500	0
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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.

<b>Copier Expense - 7453</b>	0	0	0	0
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This account funds printing of notices, reports, resolutions, correspondence and other materials. The Clerk to the Board includes copying expenses with its LAFCO Clerk services.

<b>Professional &amp; Specialized Services – 7460</b>	45 000	36 494	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.

<b>ADP Payroll Services - 7507</b>	1 750	1 017	1 750	0
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	2018-2019		2019-2020	
	<u>Adjusted Budget</u>	<u>As of 4/16/19</u>	<u>Rec Final</u>	<u>Change</u>
			<u>Budget</u>	

This account funds ADP Small Business Services charges to process per diem stipends. It costs approximately \$150 per meeting for payroll processing.

<b>Legal Services - 7508</b>	35 000	25 235	50 000	15 000
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This account funds legal counsel services pursuant to a contract that was approved on February 7, 2019.

<b>Publications/Legal Notices- 7530</b>	2 500	103	1 200	-1 30 0
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Costs to publish legal notices for LAFCO hearings.

<b>Gen Fund Cost Allocation – 7669</b>	47 847	36 066	-6 800	-54 647
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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 has decreased significantly for 2019-20.

<b>Training and Travel – 7732</b>	26 000	15 978	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 2017-18. LAFCO is included in the County's liability insurance program so it is not necessary to fund this item separately.

<b>Electricity – 7801</b>	700	347	600	-100
<b>Natural Gas – 7802</b>	100	197	100	0
<b>Water – 7803</b>	200	103	100	-100
<b>Refuse – 7804</b>	0	89	100	100
<b>Utility Services – 7806</b>	100	34	100	0
<b>Liability Insurance - 7895</b>	181	0	200	19
<b>Telephone Services – 7897</b>	360	300	400	40

**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 Final Budget	As of 4/16/2019	Projected Year-End	2019-2020 Rec Final Budget	Inc/Dec	% Inc/Dec
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**Revenues**

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>

**Expenditures**

**Salaries and Benefits**

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>

**Staff Support**

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>

**Services and Supplies**

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>

**Other Charges**

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

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

**APPROVED PROPOSED 2019-20 BUDGET - April 4, 2019**

Account Name and Number	2018-19 Final Budget	As of 3/21/2019	Projected Year-End	2019-20 Proposed Budget	Inc/Dec	% Inc/Dec
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**Revenues**

Interest Income - 3380	1,750	3,332	4,000	4,000	2,250	129%
Unrealized Gain/Loss - 3381	310	-404	-404	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>523,611</b>	<b>528,996</b>	<b>385,750</b>	<b>-119,713</b>	<b>-23.7%</b>

**Expenditures**

**Salaries and Benefits**

Commissioner Salaries - 6210	15,000	9,073	12,500	15,000	0	0%
FICA Contribution - 6500	1,250	577	770	1,000	-250	-20%
FICA/Medicare - 6550	350	135	180	200	-150	-43%
Unemployment Insurance - 6700	625	464	600	600	-25	-4%
<b>Total Salaries and Benefits</b>	<b>17,225</b>	<b>10,249</b>	<b>14,050</b>	<b>16,800</b>	<b>-425</b>	<b>-2.5%</b>

**Staff Support**

Contractual Staff Services - 7510	235,000	164,998	219,997	235,000	0	0%
<b>Total Staff Support</b>	<b>235,000</b>	<b>164,998</b>	<b>219,997</b>	<b>235,000</b>	<b>0</b>	<b>0%</b>

**Services and Supplies**

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	962	1,250	1,500	0	0%
Prof & Special Services - 7460	45,000	4,494	40,000	45,000	0	0%
ADP Payroll Fees - 7507	1,750	886	1,181	1,750	0	0%
Legal Services -7508	35,000	22,790	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	24,104	47,847	-6,800	-54,647	-114%
Training and Travel- 7732	26,000	15,860	20,000	26,000	0	0%
<b>Total Services and Supplies</b>	<b>171,597</b>	<b>81,513</b>	<b>150,592</b>	<b>132,350</b>	<b>-39,247</b>	<b>-22.9%</b>

**Other Charges**

Electricity - 7801	700	318	700	600	-100	-14%
Natural Gas - 7802	100	107	120	100	0	0%
Water - 7803	200	99	150	100	-100	-50%
Refuse - 7804	0	89	120	100	100	100%
Utility Services - 7806	100	35	75	100	0	0%
Liability Insurance - 7895	181	0	181	200	19	10%
Telephone Services - 7897	360	270	360	400	40	11%
<b>Total Other Charges</b>	<b>1,641</b>	<b>918</b>	<b>1,706</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>257,677</b>	<b>466,345</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

LAFCO RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE SANTA BARBARA LOCAL AGENCY FORMATION  
COMMISSION ADOPTING THE FINAL BUDGET FOR 2019-2020

WHEREAS, the Executive Office has given the notices required by law and forwarded copies of his report to officer, persons, and public agencies proscribed by law; and

WHEREAS, matter was set for public hearing at 1:00 p.m. on May 2, 2019, and a public hearing was duly conducted in May 2, 2019; and

WHEREAS, at said hearing, the Commission heard and received all oral and written protests, objections and evidence which were made, presents or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to said recommended final budget, and

WHEREAS, the Commission considered the Final Budget at the May 2, 2019 meeting and approved it as recommended on May 2, 2019;

NOW, THEREFORE BI RESOLVED AND ORDERED by the Local Agency Formation Commission of Santa Barbara County, State of California, as follows:

1. The recitals set forth herein are true, correct and valid.
2. That pursuant to Government Code Section 56381(a), the Commission hereby adopted the Final Budget for Fiscal Year 2019-20 in the amount of \$385,750 as set forth in **Exhibit A**. The amount charged to the Cities, the Independent Special Districts and the County, after deducting fees from applications will be \$340,440. This amount will be charges to the funding agencies based on a formula and procedures contained in the Cortese-Knox-Hertzberg Act in as implemented by the County Auditor.
3. That the Executive Officer of this Commission is authorized to mail copies of the Final Budget in the manner prescribed by law.



This resolution was adopted on May 2, 2019 and is effective on the date signed by the  
Chair.

AYES:

NOES:

ABSTAINS:

Dated: \_\_\_\_\_  
Steve Lavagnino, Chair  
Santa Barbara Local Agency Formation Commission

ATTEST:

\_\_\_\_\_  
Jacquelyne Alexander, Clerk  
Santa Barbara Local Agency Formation Commission